



430 Hartsell Ave
Lakeland, FL 33815

(863) 267-6911

<http://LakelandHousing.org>



Board Of Commissioners

Michael Pimentel, Chairman

Richard Richardson, Vice-Chairman

Joseph DiCesare

Edward Hall

Lorenzo Robinson

Dorothy Sanders

Gary Smith

REGULAR BOARD MEETING

December 15, 2014

Benjamin Stevenson, Executive Director

Ricardo Gilmore, Esquire

AGENDA

Board of Commissioners Meeting
The Housing Authority of the City of Lakeland, Florida
Monday, December 15, 2014 at 6:00 P.M.
LHA Board Room
430 Hartsell Avenue
Lakeland, Florida

Pledge of Allegiance
Moment of Silence
Establish a Quorum

- 1. Approval of the Meeting Agenda**
- 2. Approval of the Minutes of the Regular Board Meeting held Monday, November 17, 2014.**
- 3. Public Forum**
- 4. Old Business**
 - LHA Recovery Plan Update
- 5. New Business**
- 6. Monthly Reports**
 - Financial Reports and Grant Updates
 - Housing Report
 - Development Report
 - Resident Services Report
 - Resolutions
 - #14-1397** - The Board of Commissioners is requested to approve this Resolution authorizing the Annual Development Budget.
- 7. Secretary's Report**
- 8. Legal Report**
- 9. Other Business**
 - Corrective Action Plan
- 10. Adjournment**

MINUTES
Regular Board Meeting of
The Housing Authority of the City of Lakeland
Monday, November 17, 2014

The Commissioners of the Housing Authority of the City of Lakeland met at the Lakeland Housing Authority, 430 Hartsell Avenue, Lakeland, Florida.

LHA Board Members Present: Michael Pimentel, Chairman
Richard Richardson, Vice Chairman
Edward Hall, Commissioner
Joseph DiCesare, Commissioner
Lorenzo Robinson, Commissioner
Dorothy Sanders, Commissioner
Gary Smith, Commissioners

Secretary: Benjamin Stevenson
Legal Counsel: Ricardo Gilmore, Esquire

The meeting was called to order at 6:00 p.m. by Chairman Pimentel.
The Pledge of Allegiance and a Moment of Silence were observed.
A quorum was established.

APPROVAL OF THE AGENDA

Commissioner Pimentel asked the board to review the agenda and if there were any requests for items to be added to the agenda. There were no items added to the agenda.

- **Motion to approve and accept the meeting agenda for November 17, 2014.**
Motion Robinson, second by Richardson.

Vote: Commissioners

Michael Pimentel – Aye	Joseph DiCesare – Aye	Gary Smith– Aye
Richard Richardson - Aye	Lorenzo Robinson – Aye	Dorothy Sanders – Aye

APPROVAL/ACCEPTANCE OF MINUTES

- **Motion to approve and accept the minutes of the Regular Board Meeting held October 20, 2014.**
Motion by Smith, second by Richardson.

Vote: Commissioners

Michael Pimentel – Aye

Richard Richardson – Aye

Dorothy Sanders – Aye

Joseph DiCesare – Present

Lorenzo Robinson – Aye

Gary Smith – Aye

PUBLIC FORUM

Joseph Murphy came before the board regarding his opinion of the Financial Report. He recommended several suggestions. He offered his professional services to the Board.

Judith Haggins came before the board and gave her gratitude to Commissioner Pimentel, Mr. Stevenson and the LHA staff for coming to Carrington Apartments to review her concerns. The concerns and matters voiced by Ms. Haggins in the October 20, 2014 board meeting have been addressed.

Mr. Stevenson advised the board that Ms. Haggins concerns are basically the same as last month and the are response to her concerns are outlined in a memo in the Board Report under in the “Other Business.”

Commissioner Richardson recommended when a matter comes before the board in a public forum that the matter be handled immediately or within at least 48 hours. Commissioner Pimentel advised that most of the public forum concerns are handled, if possible, by staff at the end of the board meeting or by appointment and an update memo is included with the Board packet.

OLD BUSINESS

• **Recovery Plan Review Committee Meeting Updates**

Commissioner Richardson and Commissioner Smith have been diligently meeting with Mr. Stevenson and staff regarding the Recovery Plan. The committee met on Thursday, November 13, 2014 and an updates on the Recovery Plan were discussed. Commissioner Richardson advised that all updates are indicated in the Recovery Plan Updates in the board report for your review. Mr. Stevenson submitted the plan to HUD. Commissioners Richardson and Smith both report that the staff has met all the requirements put before them by the LHA Board of Commissioners. It is their recommendation that Recovery Plan Update be accepted by the board.

• **Recovery Plan Update**

Mr. Stevenson mentioned that LHA were waiting on the appraisal of the 10th Street property which will be submitted to HUD. He now needs to submit an amendment to HUD stating LHA had previously rescinded SAC approval to sell the property. Mr. Stevenson also advised that additional environmental work may be necessary before the Arbor Manor Property can be approved. Mr.

Stevenson is recommending that Mr. Gilmore assist in providing additional collaboration with the SAC Field Office regarding this matter.

The Reduction in Force has been implemented by staff as of November 3, 2014. There were (7) employees that accepted the package.

NEW BUSINESS

None

MONTHLY REPORTS

• Financial Report and Grant Updates

Ms. Valerie Brown gave a through overview of the Financial Report. Submitted and accepted as written.

• Housing Report

Mr. Carlos Pizarro reported that Villas of Bonnet had a major inspection. The person that conducted the inspection was to inspect 15 apartments. After inspecting 5 apartments and observing the good conditions of the property, the inspector concluded with a remarkable report.

Mr. Pizarro also reported that Carrington Place concerns has been addressed and completed. In addition to their concerns regarding the playground and lighting on the property, the management staff has also painted the exterior walls of the apartment, planted trees, put sand on playground, pressure washed all sidewalks and is having additional security lights installed. Carrington Apartments also had an inspection done and everything was found to be in very good condition. Mr. Pizarro stated he valve the residents and support their concerns and needs. Report submitted and accepted as written.

• Development Report

Valerie Brown gave through highlights of the Development Report. Report submitted and accepted as written.

• Resident Services Report

Report submitted as accepted as written.

RESOLUTIONS

Resolution #14-1395 – The Board of Commissioners is requested to approve and authorize the Executive Director to increase the total dollar value of the task order contract with Innovative Financial Housing Solutions, Inc. (IFH Solutions) up to \$187,000.

- **Motion to accept and approve resolution #14-1395**
Motion by Richardson, second by Smith.

Vote: Commissioners

Michael Pimentel – Aye	Joseph DiCesare – Aye	Dorothy Sanders – Aye
Richard Richardson - Aye	Lorenzo Robinson – Aye	Gary Smith – Aye
Edward Hall – Aye		

Resolution 14-1396 – The Board of Commissioners is requested to amend the Procurement Policy for the Lakeland Housing Authority by removing the language of item 1.4 for the policy.

- **Motion to accept and approve the resolution # 14-1396**
Motion by Hall, second by Smith

Vote: Commissioners

Michael Pimentel – Aye	Joseph DiCesare	Dorothy Sanders – Aye
Richard Richardson - Aye	Lorenzo Robinson – Aye	Gary Smith – Aye
Edward Hall – Aye		

Resolution # 14-1394 – The Board of Commissioners is requested to approve and authorize its Executive Director to enter into lawn service contracts with West Lake Management, LLC.

- **Motion to accept and approve the resolution #14-1394**
Motion by Smith, second by Richardson.

Vote: Commissioners

Michael Pimentel – Aye	Edward Hall – Aye	Dorothy Sanders – Aye
Richard Richardson - Aye	Lorenzo Robinson – Aye	Gary Smith – Aye

SECRETARY’S REPORT

Mr. Stevenson distributed a hand out with revisions to page 2 of the Secretary’s Report, replacing the page that had been previous placed in the board report.
Report submitted and accepted as written.

LEGAL REPORT

None

OTHER BUSINESS

Corrective Action Plan

Submitted and accepted as written.

Response to the Public Forum

Mr. Stevenson presented the memo that is included in the Board Report regarding the response to Ms. Haggins concerns which has already been completed.

Mr. Gilmore advised the board that the concerns regarding Ms. Haggins as an FSS program participant and her goals are personal. If the board wishes to address those concerns with the Ms. Haggins perhaps it should be done one on one.

Commissioner Robinson advised the board that Ms. Haggins has shared her concerns about her FSS status with more than one commissioner and he would like to know how soon can the matter be finalized. Mr. Stevenson advised that Ms. Haggins file is being reviewed by staff. He hoped the process would be completed in the next two weeks.

The meeting adjourned at 7:35 p.m.

Benjamin J. Stevenson, Secretary

OLD BUSINESS



**BOARD OF
COMMISSIONERS**

Michael A. Pimentel
Chairman

Rev. Richard Richardson
Vice-Chairman

Eddie Hall
Commissioner

Joseph DiCesare
Commissioner

Lorenzo Robinson.
Commissioner

Dorothy Sanders
Commissioner

Gary Smith
Commissioner

Benjamin J. Stevenson
Executive Director

430 Hartsell Ave
Lakeland, FL 33815

MAIN OFFICE

Phone: (863) 687-2911

Fax: (863) 413-2976

www.LakelandHousing.org

DATE: December 8, 2014
TO: LHA Commissioners
FROM: Benjamin Stevenson, Executive Director
RE: Recovery Plan Update

Below is a summary update of progress made with the LHA Recovery Plan.

1) Purchase Agreement for Sale of LHA Property

Status: A new buyer has provided an offer to purchase the commercial lot at the corner of 10th Street and Florida Avenue. Staff is in the process of submitting a request to HUD to sell the property. Previously, LHA received permission from the HUD Special Applications Center to dispose of the property. The potential buyer has requested an extension for time for the due diligence period. This extension will be discussed during the Board meeting. A copy of the First Amendment to the Purchase Agreement is attached. This amendment extends the due diligence period by six days to 126 days. A second amendment providing a longer extension period will be presented to the Board.

The disposition application for the Arbor Manor property was submitted to the HUD Special Applications Center (SAC) office in October 2014. The application process also required that an environmental assessment of the property be submitted to the HUD-Miami Field Office. The environmental documents were also submitted in October. Staff has learned that a Phase II environmental is required for the property before the application can be approved. The Phase II should be completed by the end of the month.

2) Reduce COCC Budget/Overall Agency Debt

Status: The COCC budget is a part of the Recovery Plan.

Staff finalized the Recovery Plan and presented it to the LHA Board of Commissioners for approval at the October 2014 Board meeting. The document was approved and submitted to HUD-Miami with the revisions recommended by the LHA Board.

3) Reduction In Force



Status: The Reduction In Force was implemented on November 3, 2014.

Prior to implementation, LHA staff had conversations with labor/legal counsel regarding Reduction In Force process. LHA executive staff provided recommendations regarding staffing in their respective departments. They developed a list of staff and their characteristics such as race, age, sex, etc. for review by the labor/legal counsel. This information assisted the labor/legal counsel with advising LHA on how to proceed within legal standards. Offers of separation were made to certain staff. They had 45 days to consider the offers.

Staff implemented the Reduction in Force and reorganization as part of the Recovery Plan process. This action will most likely result in a temporary reduction in services at the property level. But, LHA is forced to take this action as part of the Recovery Plan and its efforts to reduce staff expenses. The reduction in services is of great concern to staff and residents. As previously, noted this topic was discussed with the resident leaders at a meeting with the Resident Advisory Board on August 7, 2014. Several resident leaders expressed concern about the reduction in services to residents.

4) Implement Yardi Upgrade

Status: The upgrade was setup to run in test mode in November 2013. It has been running in the background with no issues. Staff started the transition to Go Live with new upgrades in February 2014. Staff has also segregated the financial accounts as described in the Corrective Action Plan. Basically, the process was setup to ensure the proper classification of accounts in the LHA financial reports. Staff continues to monitor this situation.

During the previous procurement for these services, no contractor was selected. Instead, the contract with Yardi was extended for one year. This contract is expiring in August 2015. Since Yardi did not respond to the RFP, LHA will be proceeding with a contract award to a new contractor. There will be a minimum six month transition period in 2015. LHA staff is currently negotiating terms with the selected contractor.

5) Other Updates

Staff also released the Request for Qualifications for a third party Developer Partner. Four responses were received. Information on the selected Developer Partner is included in the October Development Report. The Developer will assist LHA in submitting a low income housing tax credit application for the West Lake Apartments property. Staff is conducting final interviews with the two finalists.

BJS

Site: Lakeland, FL

**FIRST AMENDMENT TO CONTRACT
FOR THE PURCHASE AND SALE OF REAL PROPERTY**

This First Amendment to Contract for the Purchase and Sale of Real Property (this "First Amendment") is made and entered into this 4th day of December, 2014, by and between The Housing Authority of the City of Lakeland, Florida, a public body corporate and politic organized under the laws of the State of Florida ("Seller"), and GH&G FLORIDA, LLC, a Florida limited liability company ("Purchaser");

WITNESSETH THAT:

WHEREAS, Seller and Purchaser entered into that certain Contract for the Purchase and Sale of Real Property dated August 15, 2014, for the purchase and sale of the Property with Parcel ID# 23-28-12-000000-012010 located at the northwest corner of US Highway 98/N Florida Avenue and W 10th Street in Lakeland, Florida (the "Contract"); and

WHEREAS, Seller and Purchaser desire to amend the Contract in accordance with the terms herein stated;

NOW, THEREFORE, for and in consideration of the sum of Ten Dollars (\$10.00) paid in hand, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows (Capitalized terms not defined herein shall have the meanings ascribed to them in the Contract):

1. Upon signing of this First Amendment, Section 5 (a) of the Contract shall be amended and shall read:

"(a) The obligation of Purchaser to consummate this Contract, and the purchase and sale contemplated hereby in accordance with the terms and provision of this Contract, is subject to the fulfillment and satisfaction: (i) on or prior to Closing as to the conditions described in Subparagraphs 5 (a) (1), (2), and (3); (ii) on or before **One Hundred Twenty-Six (126)** days from the Contract Date (the "Due Diligence Period") as to the conditions described in Subparagraph 5 (a) (4); and (iii) on or before One Hundred Twenty (120) days from the expiration of the Due Diligence Period (the "Permits Period") as to the conditions described in Subparagraph 5 (a) (5), or the waiver thereof by Purchaser:"

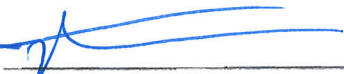
**FIRST AMENDMENT TO CONTRACT
FOR THE PURCHASE AND SALE OF REAL PROPERTY**

2. Except as expressly amended hereby, all terms and provisions of the Contract shall remain in full force and effect and are hereby ratified and reaffirmed.

IN WITNESS WHEREOF, each of the parties have hereunto set their hands and affixed their seals as of the date and year next to each such signature.

SELLER:

THE HOUSING AUTHORITY OF THE CITY OF
LAKELAND, FLORIDA, a public body corporate and
Politie organized under the laws of the State of Florida

By: 

Benjamin J. Stevenson

Its: _____ Executive Director

12-4 _____, 2014

PURCHASER:

GH&G Florida, LLC



By: Daniel S. Howe

Its: Manager

12-4 _____, 2014

**SECOND AMENDMENT TO CONTRACT
FOR THE PURCHASE AND SALE OF REAL PROPERTY**

This Second Amendment to Contract for the Purchase and Sale of Real Property (this "Second Amendment") is made and entered into this _____ day of December, 2014, by and between The Housing Authority of the City of Lakeland, Florida, a public body corporate and politic organized under the laws of the State of Florida ("Seller"), and GH&G FLORIDA, LLC, a Florida limited liability company ("Purchaser");

WITNESSETH THAT:

WHEREAS, Seller and Purchaser entered into that certain Contract for the Purchase and Sale of Real Property dated August 15, 2014, and as amended by that certain First Amendment dated December 4, 2014, for the purchase and sale of the Property with Parcel ID# 23-28-12-000000-012010 located at the northwest corner of US Highway 98/N Florida Avenue and W 10th Street in Lakeland, Florida (the "Contract"); and

WHEREAS, Seller and Purchaser desire to amend the Contract in accordance with the terms herein stated;

NOW, THEREFORE, for and in consideration of the sum of Ten Dollars (\$10.00) paid in hand, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows (Capitalized terms not defined herein shall have the meanings ascribed to them in the Contract):

1. Upon signing of this Second Amendment, Section 5 (d) of the Contract shall be amended and shall read:

“(d) Purchaser may extend the Due Diligence Period for **four (4)** periods of thirty (30) days each by delivering an additional Five Thousand 00/100 Dollar (\$5,000.00) deposit of Earnest Money to the Escrow Agent on or prior to the then-current date for the expiration of the Due Diligence Period. Said additional deposits of Earnest Money shall be deemed a part of the Earnest Money for all purposes of this Contract from and after the date that it is delivered to the Escrow Agent, provided that such additional deposits shall be non-refundable to Purchaser and shall be paid to Seller in the event that this Contract is terminated, unless such termination is on account of the default of Seller hereunder. In the event Seller has not obtained full approval from HUD to sell the Property (“HUD Approval”) by the end of the **initial one hundred twenty-six (126) day Due Diligence Period, the initial Due Diligence Period shall automatically extend, for a maximum of one hundred eighty (180) days, forty-five (45) days after said HUD Approval is obtained. In the event HUD Approval is obtained prior to the expiration of the initial one hundred twenty-six (126) day Due Diligence Period, then the Due Diligence Period shall automatically extend forty-five (45) days.** Notwithstanding anything to the contrary herein, all Earnest Money deposits shall be

**SECOND AMENDMENT TO CONTRACT
FOR THE PURCHASE AND SALE OF REAL PROPERTY**

refunded to Purchaser in the event Seller does NOT obtain HUD Approval. Seller's obligation to close is contingent upon obtaining HUD Approval."

2. Upon signing of this Second Amendment, Section 10 (w) of the Contract shall be amended and shall read:

"(w) Zoning: During the Due Diligence Period **and Due Diligence Period extensions**, Seller shall cooperate with Purchaser in Purchaser's efforts to **obtain a Small Scale Land Use Amendment and Rezone (the "LUA and Rezone") for Purchaser's intended use of the Property** by signing any applications and reasonable documents requested for such **LUA and Rezone**. Any costs associated with the **LUA and Rezone** shall be the sole responsibility of Purchaser. Notwithstanding anything to the contrary herein, as long as Purchaser has diligently pursued the **LUA and Rezone** during the Due Diligence Period and **Due Diligence Period extensions**, all Earnest Money shall be **refunded** to Purchaser in the event Purchaser does not obtain **the LUA and Rezone** for Purchaser's intended use of the Property."

3. Except as expressly amended hereby, all terms and provisions of the Contract shall remain in full force and effect and are hereby ratified and reaffirmed.

[SIGNATURES ON FOLLOWING PAGE]

**SECOND AMENDMENT TO CONTRACT
FOR THE PURCHASE AND SALE OF REAL PROPERTY**

IN WITNESS WHEREOF, each of the parties have hereunto set their hands and affixed their seals as of the date and year next to each such signature.

SELLER:

THE HOUSING AUTHORITY OF THE CITY OF
LAKELAND, FLORIDA, a public body corporate and
Politic organized under the laws of the State of Florida

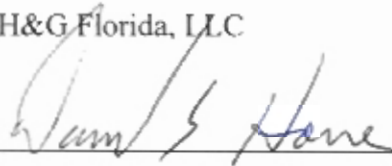
By: _____
Benjamin J. Stevenson

Its: Executive Director

_____, 2014

PURCHASER:

GH&G Florida, LLC



By: Daniel S. Howe

Its: Manager

12-5, 2014

**FINANCIAL REPORT
AND
GRANT UPDATES**



TO: Lakeland Housing Authority Board of Commissioners

FROM: Raymond M. Coury, CPA LHA Financial Advisor

DATE: December 9, 2014

RE: October 2014 Financial Statements

I have attached the Statements of Operations, Balance Sheets and Cash Flows for October 2014 for the following entities:

1. Central Office Cost Center (COCC)
2. Housing Choice Voucher Program (Section 8)
3. Public Housing Program (AMP 1)
4. Dakota Park Limited Partnership, LLLP
5. Renaissance at Washington Ridge, Ltd., LLLP
6. Colton Meadow, LLLP
7. Bonnet Shores, LLLP
8. West Bartow Partnership, Ltd., LLLP

These statements are unaudited and compiled from LHA Finance.

A handwritten signature in black ink that reads "Raymond M. Coury". The signature is written in a cursive style with a long, sweeping underline.

Raymond M. Coury, CPA
Financial Advisor
Lakeland Housing Authority

**Lakeland Housing Authority
Central Office Cost Center
Statement of Operations
For the Current Month and Ten Months Ended October 31, 2014**

	Current Month				Year to Date				Annual Budget
	Actual	Budget	\$ Variance	% Variance	Actual	Budget	\$ Variance	% Variance	
Public Housing & Sec 8 Management Income	20,291	20,292	(1)	0.00%	202,838	202,917	(79)	-0.04%	243,500
Non-Federal Overhead Allocation	-	5,667	(5,667)	-100.00%	28,000	56,667	(28,667)	-50.59%	68,000
Non-Federal Cash on Hand	-	46,165	(46,165)	-100.00%	200,000	461,653	(261,653)	-56.68%	553,984
Miscellaneous Income	3,494	-	3,494	0.00% ¹	4,016	-	4,016	100.00%	-
Total Revenue	23,785	72,124	(48,338)	-67.02%	434,854	721,237	(286,383)	-39.71%	865,484
Administrative Expenses	43,893	67,115	(23,222)	-34.60%	497,446	671,153	(173,707)	-25.88%	805,384
Utility Expense	1,915	1,429	485	33.97%	18,062	14,292	3,770	26.38%	17,150
Maintenance Expense	2,856	1,800	1,056	58.68%	17,937	18,000	(63)	-0.35%	21,600
General Expenses	-	1,646	(1,646)	-100.00%	10,063	16,458	(6,395)	-38.86%	19,750
Total Expense before depreciation	48,664	71,990	(23,326)	-32.40%	543,508	719,903	(176,395)	-24.50%	863,884
Operating Income (Loss) before Depreciation	(24,878)	133	(25,012)	-18758.85%	(108,654)	1,333	(109,987)	-8249.05%	1,600
Depreciation	736	133	-	0.00%	2,537	1,333	-	0.00%	1,600
Total Expense	49,400	72,124	(23,326)	-32.34%	546,045	721,237	(176,395)	-24.46%	865,484
Net Operating Income (Loss)	(25,615)	-	(25,012)	-	(111,191)	-	(109,987)	(0) -	-

Comments

¹ Forfeitures income, from Mass Mutual, 401K pension plan.

Lakeland Housing Authority
Central Office Cost Center
Balance Sheet
October 31, 2014

ASSETS

Unrestricted Cash	
Cash Operating 1	58,192.13
Total Unrestricted Cash	<u>58,192.13</u>
TOTAL CASH	58,192.13
ACCOUNTS AND NOTES RECEIVABLE	
Due from Public Housing General	-39,129.63
A/R - ROSS/HUD	4,328.11
Due from West Lake Management, LLC	39,395.99
Due from Polk County Housing Developers,	-42,800.00
A/R - 21st Century/DOE	67,648.96
Due from Youthbuild-DOL2011	113,565.99
A/R - Youthbuild DOL 2014	26,852.21
Due from Villas at Lake Bonnet	405.03
Due from Development-General	6,843.17
Due from Section 8 HCV	-1,622.00
TOTAL DUE FROM	175,487.83
TOTAL ACCOUNTS AND NOTES RECEIVABLE	175,487.83
OTHER CURRENT ASSETS	
Prepaid Expenses and Other Assets	425.90
Prepaid Insurance	3,175.71
Prepaid Software Licenses	3,355.26
TOTAL OTHER CURRENT ASSETS	6,956.87
TOTAL CURRENT ASSETS	240,636.83
NONCURRENT ASSETS	
FIXED ASSETS	
Furniture & Fixtures	11,185.60
Furn, Fixt, & Equip	22,582.84
Accum Depreciation- Misc FF&E	-8,543.50
Intangible Assets	
TOTAL FIXED ASSETS (NET)	25,224.94
TOTAL NONCURRENT ASSETS	25,224.94
TOTAL ASSETS	265,861.77

LIABILITIES & EQUITY

CURRENT LIABILITIES	
A/P Vendors and Contractors	704.55
FUTA Tax	1,696.34
State Unemployment Tax	4,987.18
Workers Compensation	18,078.89
401 Plan Payable	23,361.64
457 Plan Payable	3,254.34
Aflac Payable	3,614.57
Health Insurance Payable	-31,084.17
Accrued Payable	539.63
Accrued Payroll & Payroll Taxes	24,061.11
Accrued Audit Fees	6,170.00
Accrued Compensated Absences-Current	20,502.35
TOTAL CURRENT LIABILITIES	75,886.43
NONCURRENT LIABILITIES	
Due to Federal Master	2,802,695.30
Due to Polk County Developers, Inc.	200,000.00
Due to Central Office Cost Center	92,731.77
Accrued Compensated Absences-LT	24,900.77
TOTAL NONCURRENT LIABILITIES	3,120,327.84
TOTAL LIABILITIES	3,196,214.27
EQUITY	
RETAINED EARNINGS	
Retained Earnings-Unrestricted Net Assets	-2,930,352.50
TOTAL RETAINED EARNINGS:	-2,930,352.50
TOTAL EQUITY	-2,930,352.50
TOTAL LIABILITIES AND EQUITY	265,861.77

**Lakeland Housing Authority
Central Office Cost Center
Changes in Cash
For the Month and Year to Date October 31, 2014**

Period to Date	Beginning Balance	Ending Balance	Difference
Cash Operating 1	52,130.51	58,192.13	6,061.62
Negative Cash LHA Master	0.00	0.00	0.00
Negative Cash COCC Master	0.00	0.00	0.00
Total Cash	52,130.51	58,192.13	6,061.62

Year to Date	Beginning Balance	Ending Balance	Difference
Cash Operating 1	200,965.85	58,192.13	-142,773.72
Negative Cash LHA Master	0.00	0.00	0.00
Negative Cash COCC Master	0.00	0.00	0.00
Total Cash	200,965.85	58,192.13	-142,773.72

Lakeland Housing Authority
Section 8 Housing Choice Voucher Program
Statement of Operations - Program Administration
For the Current and Ten Months Ended October 31, 2014

	Current Month			Year to Date		Annual Budget
	Actual	Budget	\$ Variance	% Variance	% Variance	
Section 8 Admin Grant Revenue	55,905	54,340	1,565	(21,246)	-3.91%	652,080
Other Income	0	9	(9)	493	538.18%	110
Total Revenue	55,905	54,349	1,556	(20,753)	-3.82%	652,190
Administrative Expenses	54,460	52,576	1,884	(36,415)	-6.93%	630,908
Utility Expense	-	587	(587)	(3,334)	-56.76%	7,047
Maintenance Expense	5,837	571	5,266	18,736	328.22%	6,850
General Expenses (Insurance, etc.)	-	133	(133)	(846)	-63.48%	1,600
Total Expense before Depreciation	60,297	53,867	6,430	(21,859)	-4.06%	646,405
Operating Income (Loss) before Depreciation	(4,391)	482	(4,873)	1,106	22.95%	5,785
Depreciation	331	350	(19)	(38)	-1.09%	4,200
Total Expense	60,628	54,217	6,411	(21,897)	-4.04%	650,605
Net Operating Income (Loss)	(4,722)	132	(4,854)	1,144	86.62%	1,585

Lakeland Housing Authority
Section 8 Housing Choice Voucher Program
Statement of Operations - Housing Assistance Payments (HAP)

	Current Month			Year to Date		Annual Budget
	Actual	Budget	\$ Variance	% Variance	% Variance	
Section 8 HAP Grant Revenue	627,117	716,000	(88,883)	(2,102,500)	-29.36%	8,592,000
Port In HAP Reimbursements Received	-	52,627	(52,627)	(180,295)	-34.26%	631,524
Other income	4	-	0	22,020	0.00%	-
Total Revenue	627,121	768,627	(141,506)	(2,260,775)	-29.41%	9,223,524
Housing Assistance Payments	669,916	715,907	(45,991)	(1,918,253)	-26.79%	8,590,884
Tenant Utility Reimbursement	23,583	30,000	(6,417)	(122,591)	-40.86%	360,000
Port Out HAP Payments	(2,638)	18,220	(20,858)	(66,201)	-36.33%	218,640
FSS Escrow Payments	4,234	4,500	(266)	57,165	127.03%	54,000
Total Expense	695,095	768,627	(73,532)	(2,049,880)	-26.67%	9,223,524
Net Operating Income (Loss)	(67,974)	-	(67,974)	(210,895)	0.00%	-

Comments

Lakeland Housing Authority
Section 8 Housing Choice Voucher Program
Balance Sheet
as of October 31, 2014

ASSETS		LIABILITIES & EQUITY	
Unrestricted Cash		CURRENT LIABILITIES	
Cash Operating 1	-6,954.95	A/P Vendors and Contractors	-39,419.28
Cash Operating 2B	120,983.54	Tenant Security Deposits	600.00
Cash Operating 3	367,547.14	Accrued Audit Fees	14,900.00
Total Unrestricted Cash	<u>481,575.73</u>	Due to Federal Master	345,744.29
Restricted Cash		Due to Section 8	1,602,724.55
Cash Restricted - FSS Escrow	143,862.05	Due to Central Office Cost Center	-1,622.00
Total Restricted Cash	<u>143,862.05</u>	Tenant Prepaid Rents	97,388.00
		State of FL Unclaimed Funds	33,224.76
TOTAL CASH	<u>625,437.78</u>	Accrued Compensated Absences-Current	5,445.50
		Accrued FSS Escrow Short Term	14,379.73
ACCOUNTS AND NOTES RECEIVABLE		TOTAL CURRENT LIABILITIES	<u>2,073,365.55</u>
A/R-Tenants	-27,878.68		
Allowance for Doubtful Accounts-Tenants	-27,903.09	NONCURRENT LIABILITIES	
AR-Formal Agreements	27,592.82	Accrued Compensated Absences-LT	10,113.07
Allowance for Doubtful Accounts-Aff. Hsg. Subsidies	-32,080.00	FSS Due to Tenant Long Term	133,193.12
Due from Section 8 Mainstream	33,256.85	TOTAL NONCURRENT LIABILITIES	<u>143,306.19</u>
Due from Section 8 VASH	224,513.00		
Due from The Manor at West Bartow	682,753.00	TOTAL LIABILITIES	<u>2,216,671.74</u>
Due from Section 8 Tenant Protection Vouchers	224,003.00		
Due from PortProp	<u>438,198.70</u>		
A/R-Other Government	-2,085.86		
A/R - S8 overpayments	<u>32,080.00</u>		
TOTAL ACCOUNTS AND NOTES RECEIVABLE	1,572,449.74		
OTHER CURRENT ASSETS			
Prepaid Software Licenses	15,662.12		
Rental Deposit	<u>2,782.00</u>		
TOTAL OTHER CURRENT ASSETS	<u>18,444.12</u>		
TOTAL CURRENT ASSETS	<u>2,216,331.64</u>		
NONCURRENT ASSETS		EQUITY	
FIXED ASSETS		RETAINED EARNINGS	
Furniture & Fixtures	26,461.08	Retained Earnings-Unrestricted Net Asset	-20,348.31
Accum Depreciation- Misc FF&E	-15,347.29	Retained Earnings - Restricted Net Assets	33,528.00
Intangible Assets		TOTAL RETAINED EARNINGS:	<u>13,179.69</u>
TOTAL FIXED ASSETS (NET)	<u>11,113.79</u>		
Non-Dwelling Equipment	<u>2,406.00</u>	TOTAL EQUITY	<u>13,179.69</u>
TOTAL NONCURRENT ASSETS	<u>13,519.79</u>		
TOTAL ASSETS	<u>2,229,851.43</u>	TOTAL LIABILITIES AND EQUITY	<u>2,229,851.43</u>

Lakeland Housing Authority
Section 8 Housing Choice Voucher Program
Changes in Cash
For the Current and Ten Months Ended October 31, 2014

Period to Date	Beginning Balance	Ending Balance	Difference
Cash Operating 1	29,560.79	-6,954.95	-36,515.74
Cash Operating 2	0.00	0.00	0.00
Cash Operating 2B	192,568.64	120,983.54	-71,585.10
Cash Operating 3	355,499.84	367,547.14	12,047.30
Negative Cash LHA Master	0.00	0.00	0.00
Negative Cash S8 Voucher	0.00	0.00	0.00
Cash Restricted-Security Deposits	0.00	0.00	0.00
Cash Restricted - FSS Escrow	135,384.93	143,862.05	8,477.12
Accrued FSS Escrow	0.00	0.00	0.00
Total Cash	713,014.20	625,437.78	-87,576.42

Year to Date	Beginning Balance	Ending Balance	Difference
Cash Operating 1	59,138.07	-6,954.95	-66,093.02
Cash Operating 2	0.00	0.00	0.00
Cash Operating 2B	402,250.09	120,983.54	-281,266.55
Cash Operating 3	138,155.97	367,547.14	229,391.17
Negative Cash LHA Master	0.00	0.00	0.00
Negative Cash S8 Voucher	0.00	0.00	0.00
Cash Restricted-Security Deposits	0.00	0.00	0.00
Cash Restricted - FSS Escrow	91,362.59	143,862.05	52,499.46
Accrued FSS Escrow	0.00	0.00	0.00
Total Cash	690,906.72	625,437.78	-65,468.94

**Lakeland Housing Authority
Public Housing (AMP 1)
Statement of Operations
For the Current and Ten Months Ended October 31, 2014**

	Current Month					Year to Date				Annual Budget
	Actual	Budget	\$ Variance	% Variance		Actual	Budget	\$ Variance	% Variance	
Rental Income	23,958	24,500	(542)	-2.21%		234,635	245,000	(10,365)	-4.23%	294,000
Other Tenant Income	206	643	(437)	-67.93%		2,980	6,433	(3,453)	-53.68%	7,720
Government Subsidy Income	58,122	62,120	(3,998)	-6.44%	3	586,101	621,199	(35,099)	-5.65%	745,439
Interest Income Restricted	-	2,824	(2,824)	-100.00%		25,374	28,237	(2,863)	-10.14%	33,884
Other Income	2,894	370	2,524	682.55%		13,273	3,698	9,575	258.90%	4,438
Total Revenue	85,180	90,457	(5,277)	-5.83%		862,363	904,568	(42,205)	-4.67%	1,085,481
Administrative Expenses	43,203	37,781	5,422	14.35%	1	320,459	377,806	(57,347)	-15.18%	453,367
Tenant Services Expenses	1,821	583	1,237	212.11%		5,785	5,833	(48)	-0.82%	7,000
Utility Expense	6,260	7,500	(1,240)	-16.54%		81,700	75,000	6,700	8.93%	90,000
Maintenance and Development Expense	34,024	24,125	9,899	41.03%	2	275,679	241,246	34,433	14.27%	289,495
General Expenses	1,715	8,637	(6,922)	-80.15%	2	73,141	86,371	(13,230)	-15.32%	103,645
Housing Assistance Payments	3,851	1,458	2,393	164.07%		49,116	14,583	34,533	236.80%	17,500
Operating expense before Depreciation	90,873	80,084	10,789	13.47%		805,880	800,839	5,041	0.63%	961,007
Net Operating Income (Loss)	(5,693)	10,373	(16,065)	-154.88%		56,483	103,728	(47,246)	-45.55%	124,474
Depreciation	66,917	66,917	-	0.00%		669,169	669,167	2	0.00%	803,000
Total Expenses	157,790	147,001	10,789	7.34%		1,475,049	1,470,006	5,044	0.34%	1,764,007
Net Income (Loss)	(72,610)	(56,544)	(16,065)	28.41%		(612,686)	(565,438)	(47,248)	8.36%	(678,526)

Comments

- 1** Increase due to legal fees.
- 2** Semi-variable expense.
- 3** Prorated by HUD, slight adjustment expected in Q4.

**Lakeland Housing Authority
Public Housing (AMP 1)
Balance Sheet
October 31, 2014**

ASSETS

Unrestricted Cash	
Cash Operating 1	686,736.42
Petty Cash	500.00
Petty Cash Public Housing	300.00
Total Unrestricted Cash	<u>687,536.42</u>
Restricted Cash	
Cash Restricted - FSS Escrow	38,749.36
Total Restricted Cash	<u>38,749.36</u>
Clearing	1,349.00
TOTAL CASH	<u>727,634.78</u>
ACCOUNTS AND NOTES RECEIVABLE	
A/R-Tenants	27,641.60
Allowance for Doubtful Accounts-Tenants	-21,651.97
AR-Formal Agreements	2,818.07
Due from Commercial Lot	1,705.50
Due from West Lake	-13,709.24
Due from West Lake Addition	-49,378.87
Due from John Wright Homes	-8,688.86
Due from Cecil Gober	-38,339.81
Due from Arbor Manor	5,084.94
A/R - ROSS/HUD	-2,948.66
Due from Hampton Hills	1,823.50
Due from West Lake Management, LLC	124,711.11
A/R - 21st Century/DOE	117,749.89
Due from Youthbuild-DOL2011	7,168.75
A/R - Capital Fund Grants/HUD	-250,571.34
A/R - Safety & Security Grant	233,905.74
Due from Development-General	1,543,617.53
Due from Section 8 HCV	345,744.29
Due from Central Office Cost Center	<u>2,802,695.26</u>
TOTAL DUE FROM	4,820,569.73
Lakeridge Homes 3rd Mortgage	251,000.00
Lakeridge Homes 2nd Mortgage	52,000.00
Colton Meadow Mortgage	450,845.00
Villas at Lake Bonnet Mortgage	1,009,877.00
A/R Villas at Lake Bonnet Mort. Interest	75,741.00
A/R-HUD	151,582.80
A/R-TriParty	36,719.48
Hampton Hills Operating Subsidy Receivable	<u>-11,341.67</u>
TOTAL ACCOUNTS AND NOTES RECEIVABLE	6,845,801.04
OTHER CURRENT ASSETS	
Prepaid Expenses and Other Assets	1,905.70
Prepaid Insurance	40,063.53
Prepaid Software Licenses	5,534.12
Insurance Deposit	37,400.00
Utility Deposit - Electric	2,600.00
Tri-Party Contra	36,719.48
TOTAL OTHER CURRENT ASSETS	<u>50,783.87</u>
TOTAL CURRENT ASSETS	7,624,219.69
NONCURRENT ASSETS	
FIXED ASSETS	
Land	1,466,869.23
Buildings	387,372.77
Machinery & Equipment	6,687.73
Automobiles	54,825.00
Site Improvement-Infrastructure	582,079.00
Accum Depreciation-Buildings	-8,935,490.06
Accum Depreciation- Misc FF&E	-36,286.24
Accum Depreciation-Infrastructure	-582,079.00
Intangible Assets	
TOTAL FIXED ASSETS (NET)	<u>-7,056,021.57</u>
Fees & Costs - Architect & Engineering	40,705.32
Site Improvement	3,934,551.27
Dwelling Structures	5,004,136.47
Dwelling Equipment	13,625.89
Non-Dwelling Structures	360,364.22
Non-Dwelling Equipment	<u>608,169.35</u>
TOTAL NONCURRENT ASSETS	2,905,530.95

LIABILITIES & EQUITY

CURRENT LIABILITIES	
A/P Vendors and Contractors	5,193.50
Tenant Security Deposits	50,013.00
Security Deposit Clearing Account	-650.19
Security Deposit-Pet	1,500.00
401 Plan Payable	-17,916.60
457 Plan Payable	-3,319.20
Aflac Payable	-1,126.33
Employee Donations Payable	171.00
Health Insurance Payable	2,451.67
Accrued PILOT	27,745.40
Accrued Audit Fees	30,515.00
Due to Federal Master	-103,326.34
YouthBuild Funds on Hand	62,064.23
HOPE VI Funds on Hand	249,952.85
Due to LPHC General	303,000.00
Due to Magnolia Pointe	155,869.65
Due to Central Office Cost Center	-173,336.94
Hampton Hills Subsidy Payable	11,341.67
Resident Participation Funds - LHA	-514.01
Tenant Prepaid Rents	8,850.30
Accrued Compensated Absences-Current	<u>5,078.85</u>
TOTAL CURRENT LIABILITIES	590,874.77
NONCURRENT LIABILITIES	
Accrued Compensated Absences-LT	9,432.16
FSS Due to Tenant Long Term	<u>39,601.36</u>
TOTAL NONCURRENT LIABILITIES	49,033.52
TOTAL LIABILITIES	<u>639,907.69</u>
EQUITY	
RETAINED EARNINGS	
Invested in Capital Assets-Net of Debt	5,668,053.00
Retained Earnings-Unrestricted Net Assets	4,221,789.95
TOTAL RETAINED EARNINGS:	<u>9,889,842.95</u>
TOTAL EQUITY	9,889,842.95

**Lakeland Housing Authority
Public Housing (AMP 1)
Changes in Cash
For the Current and Ten Months Ended October 31, 2014**

Period to Date	Beginning Balance	Ending Balance	Difference
Cash Operating 1	684,047.03	686,736.42	2,689.39
Cash Operating 2	0.00	0.00	0.00
Negative Cash LHA Master	0.00	0.00	0.00
Cash Restricted - FSS Escrow	38,749.36	38,749.36	0.00
Accrued FSS Escrow	0.00	0.00	0.00
Total Cash	722,796.39	725,485.78	2,689.39

Year to Date	Beginning Balance	Ending Balance	Difference
Cash Operating 1	315,338.58	686,736.42	371,397.84
Cash Operating 2	0.00	0.00	0.00
Negative Cash LHA Master	0.00	0.00	0.00
Cash Restricted - FSS Escrow	32,023.97	38,749.36	6,725.39
Accrued FSS Escrow	0.00	0.00	0.00
Total Cash	347,362.55	725,485.78	378,123.23

**Lakeland Housing Authority
Dakota Park Limited Partnership, LLLP
d/b/a Carrington Place
Statement of Operations
For the Current and Ten Months Ended October 31, 2014**

	Current Month					Year to Date				Annual Budget
	Actual	Budget	\$ Variance	% Variance		Actual	Budget	\$ Variance	%Variance	
Rental Income	10,916	9,251	1,666	18.01%	1	102,300	92,505	9,795	10.59%	111,006
Other Tenant Income	2,873	433	2,441	564.39%		5,677	4,325	1,352	31.26%	5,190
Government Subsidy	8,532	7,675	857	11.17%		77,578	76,752	826	1.08%	92,102
Other Income	1	4	(2)	-63.16%		20,927	36	20,891	58300.93%	43
Total Revenue	22,324	17,362	4,962	28.58%		206,482	173,618	32,865	18.93%	208,341
Administrative Expenses	2,598	4,752	(2,154)	-45.33%	2	42,389	42,557	(168)	-0.39%	51,068
Tenant Services Expense	-	42	(42)	-100.00%		248	417	(169)	-40.48%	500
Utility Expense	1,918	1,817	101	5.58%		12,988	18,167	(5,179)	-28.51%	21,800
Maintenance Expense	940	4,202	(3,262)	-77.64%	2	33,730	35,962	(2,232)	-6.21%	43,154
General Expenses	3,718	2,226	1,492	67.01%		28,348	22,264	6,084	27.33%	26,717
Housing Assistance Payments	404	2,000	(1,596)	-79.80%		9,950	14,667	(4,717)	-32.16%	17,600
Financing Expenses	2,450	7,590	(5,140)	-67.72%		27,352	75,895	(48,543)	-63.96%	91,074
Operating Expenses before Depreciation	12,029	22,629	(10,600)	-46.84%		155,005	209,928	(54,923)	-26.16%	251,913
Net Operating Income (Loss)	10,295	(5,267)	15,562	-295.46%		51,477	(36,310)	87,787	-241.77%	(43,572)
Depreciation & Amortization	2,199	2,199	-	-		17,590	15,391	-	-	26,385
Replacement Reserve Expenses										
Total Expense	14,227	24,828	(10,600)	-42.70%		172,595	225,319	(54,923)	-24.38%	278,298
Net Income (Loss)	8,096	(7,466)	15,562	-208.45%		33,887	(51,701)	85,588	-165.54%	(69,957)

Comments

- 1** Consists of 20 Low Income and 20 Tax Credit apartment units.
- 2** A variable expense.

**Lakeland Housing Authority
Dakota Park Limited Partnership, LLLP
d/b/a Carrington Place
Balance Sheet
as of October 31, 2014**

1110-00-000 **ASSETS**

Unrestricted Cash	
Cash Operating 1	18,602.07
Total Unrestricted Cash	<u>18,602.07</u>
Restricted Cash	
Cash Restricted-Security Deposits	7,848.00
Cash Restricted - FSS Escrow	9,745.05
Cash Restricted-Reserve for Replacement	29,287.36
Total Restricted Cash	<u>46,880.41</u>
TOTAL CASH	<u>65,482.48</u>
ACCOUNTS AND NOTES RECEIVABLE	
A/R-Tenants	22,163.09
Allowance for Doubtful Accounts-Tenants	-11,883.00
Due from Dakota Park PH	6,214.14
Due from Dakota Park Non-ACC	-46,645.02
Due from LPHC	550.00
A/R - Capital Fund Grants/HUD	17,500.00
TOTAL DUE FROM	<u>-22,930.88</u>
A/R Miscellaneous	-299.00
TOTAL ACCOUNTS AND NOTES RECEIVABLE	<u>-12,399.79</u>
OTHER CURRENT ASSETS	
Prepaid Expenses and Other Assets	248.93
Prepaid Software Licenses	1,250.64
Utility Deposit	7,060.00
TOTAL OTHER CURRENT ASSETS	<u>8,559.57</u>
TOTAL CURRENT ASSETS	<u>61,642.26</u>
NONCURRENT ASSETS	
FIXED ASSETS	
Land	34,672.00
Buildings	892,048.00
Machinery & Equipment	280.00
Accum Depreciation-Buildings	-61,327.82
Accum Depreciation- Misc FF&E	-76.93
Intangible Assets	
Loan Costs	28,340.90
Compliance Fees	1,640.00
Monitoring Fees	41,744.00
AA Compliance Fees	-1,308.00
AA Monitoring Fees	-23,193.41
AA Loan Costs	-12,300.73
TOTAL FIXED ASSETS (NET)	<u>900,518.01</u>
TOTAL NONCURRENT ASSETS	<u>900,518.01</u>
TOTAL ASSETS	<u>962,160.27</u>

LIABILITIES & EQUITY

CURRENT LIABILITIES	
A/P Vendors and Contractors	28.65
Tenant Security Deposits	8,148.00
Other Current Liabilities	-1,059.00
Accrued Payable	17,500.00
Accrued Interest - HOPE VI	393,698.17
Accrued - Developer Fee	149,859.50
Accrued Interest Payable	1,671.00
Accrued Audit Fees	8,833.30
Due to (13) Dakota Park Public Housing	-47,143.02
Due to (16) Dakota Park Non-ACC	6,214.14
Due to West Lake Mgmt.	68,636.73
Tenant Prepaid Rents	-2,310.38
Accrued Compensated Absences-Current	925.65
TOTAL CURRENT LIABILITIES	<u>605,002.74</u>
NONCURRENT LIABILITIES	
Accrued Compensated Absences-LT	1,719.07
FSS Due to Tenant Long Term	9,813.05
Due to Partner	19,033.64
Due to GP	84,778.00
Due to LP	21,142.00
Permanent Loan - HOPE VI	714,591.00
Permanent Loan - SunTrust	362,374.89
Permanent Loan - LHA	101,380.00
TOTAL NONCURRENT LIABILITIES	<u>1,314,831.65</u>
TOTAL LIABILITIES	<u>1,919,834.39</u>
EQUITY	
CONTRIBUTED CAPITAL	
Capital - LP	-1,219,110.00
Capital - GP2	240,496.13
TOTAL CONTRIBUTED CAPITAL	<u>-978,613.87</u>
RETAINED EARNINGS	
Retained Earnings-Unrestricted Net Assets	20,939.75
TOTAL RETAINED EARNINGS:	<u>20,939.75</u>
TOTAL EQUITY	<u>-957,674.12</u>
TOTAL LIABILITIES AND EQUITY	<u>962,160.27</u>

**Lakeland Housing Authority
Dakota Park Limited Partnership, LLLP
d/b/a Carrington Place
Changes in Cash
For the Current and Ten Months Ended October 31, 2014**

Period to Date	Beginning Balance	Ending Balance	Difference
Cash Operating 1	15,647.18	18,602.07	2,954.89
Negative Cash LHA Master	0.00	0.00	0.00
Negative Cash - Partnership	0.00	0.00	0.00
Cash Restricted-Security Deposits	9,847.00	7,848.00	-1,999.00
Cash Restricted - FSS Escrow	9,772.05	9,745.05	-27.00
Cash Restricted-Reserve for Replacement	30,560.34	29,287.36	-1,272.98
Cash Restricted - Escrow	0.00	0.00	0.00
Restricted Cash - Partnership Devmt	0.00	0.00	0.00
Dakota Working Cap Resv	0.00	0.00	0.00
Total Cash	65,826.57	65,482.48	-344.09

Year to Date	Beginning Balance	Ending Balance	Difference
Cash Operating 1	23,685.45	18,602.07	-5,083.38
Negative Cash LHA Master	0.00	0.00	0.00
Negative Cash - Partnership	0.00	0.00	0.00
Cash Restricted-Security Deposits	9,015.00	7,848.00	-1,167.00
Cash Restricted - FSS Escrow	26,069.45	9,745.05	-16,324.40
Cash Restricted-Reserve for Replacement	28,190.98	29,287.36	1,096.38
Cash Restricted - Escrow	0.00	0.00	0.00
Restricted Cash - Partnership Devmt	0.00	0.00	0.00
Dakota Working Cap Resv	0.00	0.00	0.00
Total Cash	86,960.88	65,482.48	-21,478.40

Lakeland Housing Authority
Renaissance at Washington Ridge Ltd., LLLP
Statement of Operations
For the Current and Ten Months ending October 31, 2014

	Current Month					Year to Date				Annual Budget
	Actual	Budget	\$ Variance	% Variance		Actual	Budget	\$ Variance	% Variance	
Rental Income	56,708	56,167	541	0.96%	1	520,734	561,667	(40,933)	-7.29%	674,000
Other Tenant Income	1,920	1,580	340	21.53%		20,246	15,796	4,450	28.17%	18,955
Government Subsidy	30,680	35,305	(4,625)	-13.10%		247,432	353,051	(105,619)	-29.92%	423,661
Other Income	12	383	(371)	0.00%		12	3,833	(3,821)	0.00%	4,600
Total Revenue	89,319	93,435	(4,115)	-4.40%		788,424	934,347	(145,923)	-15.62%	1,121,216
Administrative Expenses	23,702	24,768	(1,066)	-4.30%	2	216,236	247,677	(31,441)	-12.69%	297,212
Tenant Services	-	250	(250)	-100.00%		1,570	2,500	(930)	-37.20%	3,000
Utility Expense	7,924	6,363	1,561	24.54%		53,602	63,625	(10,023)	-15.75%	76,350
Maintenance Expense	21,356	24,882	(3,526)	-14.17%	2	209,034	248,823	(39,789)	-15.99%	298,588
General Expenses	5,884	7,329	(1,445)	-19.71%	2	68,515	73,288	(4,773)	-6.51%	87,946
Housing Assistance Payments	2,268	2,667	(399)	-14.95%		36,562	26,667	9,895	37.11%	32,000
Financing Expenses	13,370	13,171	199	1.51%		121,094	131,710	(10,616)	-8.06%	158,052
Operating Expense before Depreciation	74,504	79,429	(4,925)	-6.20%		706,613	794,290	(87,677)	-11.04%	953,148
Net Operating Income (Loss)	14,816	14,006	810	5.79%		81,811	140,057	(58,246)	-41.59%	168,068
Depreciation & Amortization	61,574	65,324	(3,750)	-5.74%		555,510	653,243	(97,733)	-14.96%	783,891
Total Expense	136,078	144,753	(8,676)	-5.99%		1,262,123	1,447,533	(185,410)	-12.81%	1,737,039
Net Income (Loss)	(46,758)	(51,319)	4,561	-8.89%		(473,699)	(513,186)	39,487	-7.69%	(615,823)

Comments

- 1 Consists of 109 low and moderate income family and senior apartment units and 87 Tax Credit units.
- 2 Variable expense.

Lakeland Housing Authority
Renaissance at Washington Ridge Ltd., LLLP
Balance Sheet
October 31, 2014

ASSETS

Cash Operating 1	314,541.44
Petty Cash	300.00
Total Unrestricted Cash	<u>314,841.44</u>
Restricted Cash	
Cash Restricted-Security Deposits	45,117.33
Cash Restricted - FSS Escrow	9,312.00
Cash Restricted-Reserve for Replacement	154,714.10
Restricted Cash - Partnership Devmt	1,188.69
Restricted Cash - OA Reserve	76,195.99
Restricted Cash - AA Reserve	46,965.90
Investment 1	254,247.98
Investment 2	253,668.86
Total Restricted Cash	<u>841,410.85</u>
TOTAL CASH	<u>1,156,252.29</u>
ACCOUNTS AND NOTES RECEIVABLE	
A/R-Tenants	32,769.28
Allowance for Doubtful Accounts-Tenants	-22,438.50
Due from Renaissance Fam PH	-28,600.70
Due from Renaissance Sr. PH	-31,228.63
Due from Renaissance FAM Non ACC	23,230.36
Due from Renaissance Senior Non ACC	-230,512.48
Due from LPHC	550.00
TOTAL DUE FROM	<u>-267,111.45</u>
TOTAL ACCOUNTS AND NOTES RECEIVABLE	<u>-256,230.67</u>
OTHER CURRENT ASSETS	
Prepaid Insurance	12,152.20
Prepaid Software Licenses	6,128.19
Utility Deposit - Electric	20,500.00
TOTAL OTHER CURRENT ASSETS	<u>38,780.39</u>
TOTAL CURRENT ASSETS	<u>938,802.01</u>
NONCURRENT ASSETS	
FIXED ASSETS	
Buildings	21,088,272.28
Machinery & Equipment	150,483.39
Furniture & Fixtures	596,259.09
Site Improvement-Infrastructure	2,382,356.15
Accum Depreciation-Buildings	-5,518,193.44
Accum Depreciation- Misc FF&E	-729,639.00
Accum Depreciation-Infrastructure	-1,309,756.00
Intangible Assets	
Loan Costs	137,065.70
Monitoring Fees	131,658.00
AA Compliance Fees	-7,310.00
AA Monitoring Fees	-93,070.93
AA Loan Costs	-107,242.12
TOTAL FIXED ASSETS (NET)	<u>16,720,883.12</u>
TOTAL NONCURRENT ASSETS	<u>16,720,883.12</u>
TOTAL ASSETS	<u>17,659,685.13</u>

LIABILITIES & EQUITY

CURRENT LIABILITIES	
A/P Vendors and Contractors	188.37
Tenant Security Deposits	44,968.39
Security Deposit-Pet	1,700.00
Accrued Audit Fees	10,375.00
Due to (14) Renaissance Family Public Housing	-34,393.58
Due to (15) Renaissance Senior Public Housing	-232,817.87
Due to (17) Renaissance Family Non-ACC	100.00
Due to West Lake Mgmt.	2,765.26
HAP Overpayments	649.00
Tenant Prepaid Rents	2,335.32
Accrued Compensated Absences-Current	4,519.36
TOTAL CURRENT LIABILITIES	<u>-199,610.75</u>
NONCURRENT LIABILITIES	
Accrued Compensated Absences-LT	8,393.09
FSS Due to Tenant Long Term	9,629.00
Notes Payable-LT	381,200.32
Permanent Loan - HOPE VI	2,200,000.00
Accrued Interest - HOPE VI	331,291.33
Accrued - Developer Fee	1,308,453.00
Permanent Loan - SunTrust	624,730.84
TOTAL NONCURRENT LIABILITIES	<u>4,863,697.58</u>
TOTAL LIABILITIES	<u>4,664,086.83</u>
EQUITY	
CONTRIBUTED CAPITAL	
Capital - LP	6,951,274.41
Capital - GP2	7,123,264.00
TOTAL CONTRIBUTED CAPITAL	<u>14,074,538.41</u>
RETAINED EARNINGS	
Retained Earnings-Unrestricted Net Assets	-1,078,940.11
TOTAL RETAINED EARNINGS:	<u>-1,078,940.11</u>
TOTAL EQUITY	<u>12,995,598.30</u>
TOTAL LIABILITIES AND EQUITY	<u>17,659,685.13</u>

Lakeland Housing Authority
Renaissance at Washington Ridge Ltd., LLLP
Changes in Cash
For the Current and Ten Months Ended October 31, 2014

Period to Date	Beginning Balance	Ending Balance	Difference
Cash Operating 1	305,872.27	314,541.44	8,669.17
Negative Cash LHA Master	0.00	0.00	0.00
Negative Cash - Partnership	0.00	0.00	0.00
Cash Restricted-Security Deposits	44,835.46	45,117.33	281.87
Cash Restricted - FSS Escrow	9,312.00	9,312.00	0.00
Cash Restricted-Reserve for Replacement	153,500.84	154,714.10	1,213.26
Restricted Cash - Partnership Devmt	1,188.66	1,188.69	0.03
Restricted Cash - OA Reserve	76,192.75	76,195.99	3.24
Restricted Cash - AA Reserve	46,963.91	46,965.90	1.99
Investment 1	254,247.98	254,247.98	0.00
Investment 2	253,668.86	253,668.86	0.00
Total Cash	1,145,782.73	1,155,952.29	10,169.56

Year to Date	Beginning Balance	Ending Balance	Difference
Cash Operating 1	167,797.10	314,541.44	146,744.34
Negative Cash LHA Master	0.00	0.00	0.00
Negative Cash - Partnership	0.00	0.00	0.00
Cash Restricted-Security Deposits	43,654.46	45,117.33	1,462.87
Cash Restricted - FSS Escrow	21,370.55	9,312.00	-12,058.55
Cash Restricted-Reserve for Replacement	143,855.05	154,714.10	10,859.05
Restricted Cash - Partnership Devmt	1,188.39	1,188.69	0.30
Restricted Cash - OA Reserve	76,164.27	76,195.99	31.72
Restricted Cash - AA Reserve	46,946.37	46,965.90	19.53
Investment 1	254,247.98	254,247.98	0.00
Investment 2	253,668.86	253,668.86	0.00
Total Cash	1,008,893.03	1,155,952.29	147,059.26

Lakeland Housing Authority
Colton Meadow, LLLP
Statement of Operations
For the Current and Ten Months Ended October 31, 2014

	Current Month					Year to Date				Annual Budget
	Actual	Budget	\$ Variance	% Variance		Actual	Budget	\$ Variance	% Variance	
Rental Income	44,070	43,687	383	0.88%	1	440,046	436,867	3,179	0.73%	524,240
Other Tenant Income	1,433	1,407	26	1.83%		15,361	14,068	1,294	9.19%	16,881
Other Income	-	3	(3)	-100.00%		165	33	132	395.00%	40
Total Revenue	45,503	45,097	406	0.90%		455,572	450,968	4,605	1.02%	541,161
Administrative Expense	11,251	11,475	(224)	-1.95%	2	98,408	114,753	(16,345)	-14.24%	137,703
Tenant Services	-	150	(150)	-100.00%		44	1,500	(1,456)	-97.07%	1,800
Utility Expense	6,168	5,445	723	13.27%		55,228	54,454	774	1.42%	65,345
Maintenance Expense	5,868	9,193	(3,325)	-36.17%	2	91,133	91,931	(798)	-0.87%	110,317
General Expense	10,482	7,745	2,737	35.35%	4	79,298	77,446	1,852	2.39%	92,935
Financing Expense	4,659	7,349	(2,690)	-36.61%	3	41,897	73,487	(31,590)	-42.99%	88,184
Operating Expense before Depreciation	38,428	41,357	(2,929)	-7.08%		366,008	413,570	(47,562)	-11.50%	496,284
Net Operating Income (Loss)	7,075	3,740	3,335	89.18%		89,564	37,397	52,167	139.49%	44,877
Depreciation & Amortization Expense	39,013	38,937	76	0.19%		390,130	389,373	758	0.19%	467,247
Total Expense	77,441	80,294	(2,854)	-3.55%		756,138	802,943	(46,805)	-5.83%	963,531
Net Operating Income (Loss)	(31,938)	(35,198)	3,259	-9.26%		(300,566)	(351,975)	51,409	-14.61%	(422,370)

Comments

- 1 Consists of 72 Tax Credit apartment units.
- 2 Variable expense
- 3 Over budgeted interest on mortgages

Lakeland Housing Authority
Colton Meadow, LLLP
Balance Sheet
October 31, 2014

ASSETS

Cash Operating 1	56,729.48
Petty Cash	225.00
Total Unrestricted Cash	<u>56,954.48</u>
Restricted Cash	
Cash Restricted-Security Deposits	24,750.00
Cash Restricted-Operating Reserve	440,827.29
Cash Restricted-Reserve for Replacemen	73,800.00
Cash-Tax & Insurance Escrow	65,394.49
Total Restricted Cash	<u>604,771.78</u>
TOTAL CASH	<u>661,726.26</u>
ACCOUNTS AND NOTES RECEIVABLE	
A/R-Tenants	15,860.59
Allowance for Doubtful Accounts-Tenants	-8,230.56
Due from LPHC	550.00
Due from Colton Meadow GP, Inc.	101,151.61
TOTAL DUE FROM	<u>101,151.61</u>
TOTAL ACCOUNTS AND NOTES RECEIVABLE	<u>109,331.64</u>
OTHER CURRENT ASSETS	
Prepaid Expenses and Other Assets	6,585.92
Prepaid Insurance	17,561.00
Prepaid Software Licenses	2,086.43
Utility Deposit	10,000.00
TOTAL OTHER CURRENT ASSETS	<u>36,233.35</u>
TOTAL CURRENT ASSETS	<u>807,291.25</u>
NONCURRENT ASSETS	
FIXED ASSETS	
Land	300,000.00
Buildings	856,353.89
Building Acquisition	2,010,000.00
Building Improvements	5,802,500.00
Machinery & Equipment	67,970.48
Automobiles	15,484.50
Furniture & Fixtures	1,503,657.00
Site Improvement-Infrastructure	1,496,187.97
Accum Depreciation-Buildings	-1,739,564.20
Intangible Assets	
Amortization Tax Credit Fees	53,329.00
Monitoring Fees	208,695.00
TOTAL FIXED ASSETS (NET)	<u>10,467,955.64</u>
Site Improvement	16,364.00
Non-Dwelling Structures	28,019.32
Non-Dwelling Equipment	60,262.45
TOTAL NONCURRENT ASSETS	<u>10,572,601.41</u>
TOTAL ASSETS	<u>11,379,892.66</u>

LIABILITIES & EQUITY

CURRENT LIABILITIES	
A/P Vendors and Contractors	281.41
Tenant Security Deposits	23,950.00
Security Deposit-Pet	800.00
Accrued Property Taxes	27,780.00
Accrued Interest Payable	10,521.45
Accrued Audit Fees	7,775.00
Due to West Lake Mgmt.	2,874.90
Due to Polk County Developers, Inc.	362,901.17
Tenant Prepaid Rents	129.91
Accrued Compensated Absences-Current	1,209.59
TOTAL CURRENT LIABILITIES	<u>438,223.43</u>
NONCURRENT LIABILITIES	
First Mortgage - TCAP	1,231,424.00
Tax Credit Exchange Program (TCEP)	8,040,171.40
HOME Funds	115,899.60
Mortgage Note Payable	450,845.00
Accrued Compensated Absences-LT	2,246.38
Developer Fee Payable - PCHD	197,907.00
TOTAL NONCURRENT LIABILITIES	<u>10,038,493.38</u>
TOTAL LIABILITIES	<u>10,476,716.81</u>
EQUITY	
CONTRIBUTED CAPITAL	
Capital - LP	1,205,286.00
GP Equity	46.12
TOTAL CONTRIBUTED CAPITAL	<u>1,205,332.12</u>
RETAINED EARNINGS	
Retained Earnings-Unrestricted Net Assets	-302,156.27
TOTAL RETAINED EARNINGS:	<u>-302,156.27</u>
TOTAL EQUITY	<u>903,175.85</u>
TOTAL LIABILITIES AND EQUITY	<u>11,379,892.66</u>

Lakeland Housing Authority
Colton Meadow, LLLP
Changes in Cash
For the Current and Ten Months Ended October 31, 2014

Period to Date	Beginning Balance	Ending Balance	Difference
Cash Operating 1	62,992.59	56,729.48	-6,263.11
Cash Operating 2	0.00	0.00	0.00
Cash Restricted-Security Deposits	24,850.00	24,750.00	-100.00
Cash Restricted-Operating Reserve	440,827.29	440,827.29	0.00
Cash Restricted-Reserve for Replacement	72,000.00	73,800.00	1,800.00
Cash-Tax & Insurance Escrow	57,666.72	65,394.49	7,727.77
Total Cash	658,336.60	661,501.26	3,164.66

Year to Date	Beginning Balance	Ending Balance	Difference
Cash Operating 1	147,894.09	56,729.48	-91,164.61
Cash Operating 2	0.00	0.00	0.00
Cash Restricted-Security Deposits	22,725.00	24,750.00	2,025.00
Cash Restricted-Operating Reserve	881,250.29	440,827.29	-440,423.00
Cash Restricted-Reserve for Replacement	55,800.00	73,800.00	18,000.00
Cash-Tax & Insurance Escrow	42,513.73	65,394.49	22,880.76
Total Cash	1,150,183.11	661,501.26	-488,681.85

**Lakeland Housing Authority
Bonnet Shores, LLLP
Statement of Operations
For the Current and Ten Months Ended October 31, 2014**

	Current Month					Year to Date				Annual Budget
	Actual	Budget	\$ Variance	% Variance		Actual	Budget	\$ Variance	% Variance	
Rental Income	49,557	48,426	1,131	2.34%	1	496,692	484,261	12,431	2.57%	581,113
Other Tenant Income	1,372	1,779	(407)	-22.90%		14,108	17,789	(3,681)	-20.69%	21,347
Other Income	-	1	(1)	-100.00%		10	10	-	0.00%	12
Total Revenue	50,929	50,206	723	1.44%		510,810	502,060	8,750	1.74%	602,472
Administrative Expense	11,461	11,479	(18)	-0.16%	2	95,549	114,789	(19,240)	-16.76%	137,747
Tenant Services	-	208	(208)	-100.00%		94	2,083	(1,989)	-95.49%	2,500
Utility Expense	4,907	4,433	473	10.68%		44,911	44,333	578	1.30%	53,200
Maintenance Expense	8,602	7,869	733	9.31%	2	87,882	78,692	9,190	11.68%	94,430
General Expense	10,000	8,138	1,863	22.89%		88,965	81,375	7,590	9.33%	97,650
Financing Expense	11,596	7,570	4,027	53.19%		102,395	75,698	26,698	35.27%	90,837
Operating Expense before Depreciation	46,566	39,697	6,869	17.30%		419,796	396,970	22,826	5.75%	476,364
Net Operating Income (Loss)	4,363	10,509	(6,146)	-58.49%		91,014	105,090	(14,076)	-13.39%	126,108
Depreciation & Amortization Expense	47,465	47,465	-	0.00%		474,650	474,648	-	0.00%	569,578
Total Expense	94,031	87,162	6,869	7.88%		894,446	871,618	22,826	2.62%	1,045,942
Net Income (Loss)	(43,102)	(36,956)	(6,146)	16.63%		(383,636)	(369,558)	(14,076)	3.81%	(443,470)

Comments

- 1 75 apartment units, Tax Credit and Section 8 Vouchers.
- 2 A variable expense.

Lakeland Housing Authority
Bonnet Shores, LLLP
Balance Sheet
October 31, 2014

ASSETS		LIABILITIES & EQUITY	
Unrestricted Cash		CURRENT LIABILITIES	
Cash Operating 2	133,726.00	A/P Vendors and Contractors	28.24
Petty Cash	225.00	Tenant Security Deposits	23,125.00
Total Unrestricted Cash	133,951.00	Security Deposit-Pet	700.00
Restricted Cash		Accrued Property Taxes	34,920.00
Cash Restricted-Security Deposits	23,825.00	Current Portion of LT Debt	38,193.00
Cash Restricted-Operating Reserve	460,094.78	Accrued Interest Payable	132,724.17
Cash Restricted-Reserve for Replacement	91,875.00	Accrued Audit Fees	7,775.00
Cash-Tax & Insurance Escrow	53,668.34	Due to West Lake Mgmt.	4,934.62
Total Restricted Cash	629,463.12	Due to Central Office Cost Center	405.03
TOTAL CASH	763,414.12	Tenant Prepaid Rents	254.33
ACCOUNTS AND NOTES RECEIVABLE		Accrued Compensated Absences-Current	1,209.59
A/R-Tenants	19,028.07	TOTAL CURRENT LIABILITIES	244,268.98
Allowance for Doubtful Accounts-Tenants	-10,867.18	NONCURRENT LIABILITIES	
Due from Bonnet Shores GP, Inc	7,062.23	Accrued Compensated Absences-LT	2,246.37
Due from Development-General	112,103.01	First Mortgage - TCAP	3,819,255.00
TOTAL DUE FROM	119,165.24	HOME Funds	131,028.00
TOTAL ACCOUNTS AND NOTES RECEIVABLE	127,326.13	Mortgage Note Payable	1,009,877.00
OTHER CURRENT ASSETS		Developer Fee Payable - PCHD	320,033.00
Prepaid Expenses and Other Assets	7,173.34	TOTAL NONCURRENT LIABILITIES	5,282,439.37
Prepaid Insurance	31,589.71	TOTAL LIABILITIES	5,526,708.35
Prepaid Software Licenses	2,135.79	EQUITY	
Utility Deposit	5,000.00	CONTRIBUTED CAPITAL	
TOTAL OTHER CURRENT ASSETS	45,898.84	Capital - LP	6,812,347.00
TOTAL CURRENT ASSETS	936,639.09	GP Equity	-162.00
NONCURRENT ASSETS		Syndication Costs	-40,000.00
FIXED ASSETS		TOTAL CONTRIBUTED CAPITAL	6,772,185.00
Land	300,000.00	RETAINED EARNINGS	
Buildings	11,447,110.83	Retained Earnings-Unrestricted Net Assets	-383,636.86
Automobiles	24,477.33	TOTAL RETAINED EARNINGS:	-383,636.86
Furniture & Fixtures	423,152.78	TOTAL EQUITY	6,388,548.14
Site Improvement-Infrastructure	679,255.00	TOTAL LIABILITIES AND EQUITY	11,915,256.49
Accum Depreciation-Buildings	-1,595,652.50		
Accum Depreciation- Misc FF&E	-343,172.00		
Accum Depreciation-Infrastructure	-173,596.00		
Intangible Assets			
Loan Costs	41,419.00		
Amortization Loan Cost	7,948.00		
Compliance Fees	246,589.00		
Amortization Tax Credit Fees	63,018.04		
TOTAL FIXED ASSETS (NET)	10,978,617.40		
TOTAL NONCURRENT ASSETS	10,978,617.40		
TOTAL ASSETS	11,915,256.49		

**Lakeland Housing Authority
Bonnet Shores, LLLP
Changes in Cash
For the Current and Ten Months Ended October 31, 2014**

Period to Date	Beginning Balance	Ending Balance	Difference
Cash Operating 1	0.00	0.00	0.00
Cash Operating 2	128,309.14	133,726.00	5,416.86
Cash Operating 3	0.00	0.00	0.00
Negative Cash - Partnership	0.00	0.00	0.00
Cash Restricted-Security Deposits	24,075.00	23,825.00	-250.00
Cash Restricted-Operating Reserve	460,094.78	460,094.78	0.00
Cash Restricted-Reserve for Replacement	90,000.00	91,875.00	1,875.00
Cash-Tax & Insurance Escrow	46,909.89	53,668.34	6,758.45
Total Cash	749,388.81	763,189.12	13,800.31

Year to Date	Beginning Balance	Ending Balance	Difference
Cash Operating 1	0.00	0.00	0.00
Cash Operating 2	129,741.61	133,726.00	3,984.39
Cash Operating 3	0.00	0.00	0.00
Negative Cash - Partnership	0.00	0.00	0.00
Cash Restricted-Security Deposits	22,450.00	23,825.00	1,375.00
Cash Restricted-Operating Reserve	460,094.78	460,094.78	0.00
Cash Restricted-Reserve for Replacement	73,125.00	91,875.00	18,750.00
Cash-Tax & Insurance Escrow	32,555.78	53,668.34	21,112.56
Total Cash	717,967.17	763,189.12	45,221.95

**Lakeland Housing Authority
West Bartow Partnership, Ltd., LLLP
Statement of Operations
For the Current and Ten Months Ended October 31, 2014**

	Current Month					Year to Date				Annual Budget
	Actual	Budget	\$ Variance	% Variance		Actual	Budget	\$ Variance	% Variance	
Rental Income	70,757	66,542	4,215	6.33%	1	710,984	665,417	45,567	6.85%	798,500
Other Tenant Income	303	265	38	14.45%		2,118	2,648	(530)	-20.00%	3,177
Other Income	84	86	(1)	-1.60%		8,949	856	8,093	945.65%	1,027
Total Revenue	71,144	66,892	4,252	6.36%		722,051	668,920	53,131	7.94%	802,704
Administrative Expenses	10,458	15,526	(5,068)	-32.64%	3	142,949	155,261	(12,312)	-7.93%	186,313
Tenants Service Expenses	-	-	-	-100.00%		24	-	24	-100.00%	-
Utility Expense	8,916	9,038	(122)	-1.35%		86,076	90,378	(4,302)	-4.76%	108,454
Maintenance Expense	4,855	11,588	(6,732)	-58.10%	3	61,262	115,878	(54,616)	-47.13%	139,054
General Expenses	4,166	4,511	(345)	-7.65%		37,999	45,108	(7,109)	-15.76%	54,130
Financing Expenses	23,774	19,647	4,127	21.01%	2	240,345	196,465	43,880	22.33%	235,758
Operating expense before depreciation	52,169	60,309	(8,140)	-13.50%		568,655	603,091	(34,436)	-5.71%	723,709
Net Operating Income (Loss)	18,975	6,583	12,392	188.24%		153,396	65,829	87,567	133.02%	78,995
Depreciation & Amortization	41,940	41,940	-	0.00%		419,400	419,400	-	0.00%	503,280
Total Expense	94,109	102,249	(8,140)	-7.96%		988,055	1,022,491	(34,436)	-3.37%	1,226,989
Net Operating Income (Loss)	(22,965)	(35,357)	12,392	-35.05%		(266,004)	(353,571)	87,567	-24.77%	(424,285)

Comments

- 1 Consists of 100 Tax Credit and Section 8 Voucher units.
- 2 Budget omitted interest cost on deferred developer fee
- 3 Variable expense

**Lakeland Housing Authority
West Bartow Partnership, Ltd., LLLP
Balance Sheet
October 31, 2014**

ASSETS

Unrestricted Cash	
Cash Operating 1	200,498.79
Petty Cash	<u>300.00</u>
Total Unrestricted Cash	200,798.79
Restricted Cash	
Cash Restricted-Security Deposits	8,700.00
Cash Restricted-Operating Reserve	25,155.58
Cash Restricted-Reserve for Replacement	135,471.80
Cash-Tax & Insurance Escrow	32,087.60
Investment 1	<u>227,713.14</u>
Total Restricted Cash	429,128.12
TOTAL CASH	<u>629,926.91</u>
ACCOUNTS AND NOTES RECEIVABLE	
A/R-Tenants	3,266.57
Allowance for Doubtful Accounts-Tenants	<u>-1,002.47</u>
TOTAL ACCOUNTS AND NOTES RECEIVABLE	<u>2,264.10</u>
OTHER CURRENT ASSETS	
Prepaid Expenses and Other Assets	5,208.24
Prepaid Insurance	22,233.91
Prepaid Software Licenses	2,547.14
Utility Deposit	<u>85.00</u>
TOTAL OTHER CURRENT ASSETS	<u>30,074.29</u>
TOTAL CURRENT ASSETS	<u>662,265.30</u>
NONCURRENT ASSETS	
FIXED ASSETS	
Land	432,717.00
Buildings	12,796,743.00
Furn, Fixt, & Equip	1,157,974.64
Accum Depreciation-Buildings	-1,706,236.44
Accum Depreciation- Misc FF&E	-615,284.00
Accum Depreciation-Infrastructure	-189,759.00
Intangible Assets	
Loan Costs	335,121.42
Amortization Loan Cost	99,286.00
Compliance Fees	200,558.00
Amortization Tax Credit Fees	<u>71,305.00</u>
TOTAL FIXED ASSETS (NET)	<u>12,241,243.62</u>
Site Improvement	<u>711,597.00</u>
TOTAL NONCURRENT ASSETS	<u>12,952,840.62</u>
TOTAL ASSETS	<u>13,615,105.92</u>

LIABILITIES & EQUITY

CURRENT LIABILITIES	
A/P Vendors and Contractors	8,969.51
Tenant Security Deposits	8,250.00
Security Deposit-Pet	550.00
Accrued Property Taxes	1,852.00
Accrued Interest NLP Loan	3,332.50
Accrued Audit Fees	9,225.00
Due to West Lake Mgmt.	-5,201.09
HAP Overpayments	28.00
Tenant Prepaid Rents	238.07
Accrued Compensated Absences-Current	<u>3,802.62</u>
TOTAL CURRENT LIABILITIES	<u>31,046.61</u>
NONCURRENT LIABILITIES	
Mortgage Note Payable	3,190,274.53
Second Mortgage Payable	850,000.00
Third Mortgage Payable	383,370.25
Fourth Mortgage Payable	400,000.00
Note Payable-City of Bartow Impact Fees	564,621.00
Deferred Development Fee	1,569,330.37
Accrued Compensated Absences-LT	<u>7,062.01</u>
TOTAL NONCURRENT LIABILITIES	<u>6,964,658.16</u>
TOTAL LIABILITIES	<u>6,995,704.77</u>
EQUITY	
CONTRIBUTED CAPITAL	
Capital Private Investors	6,936,810.00
GP Equity	-13.00
Special LP Equity	-10.00
Syndication Costs	<u>-30,000.00</u>
TOTAL CONTRIBUTED CAPITAL	<u>6,906,787.00</u>
RETAINED EARNINGS	
Retained Earnings-Unrestricted Net Assets	<u>-287,385.85</u>
TOTAL RETAINED EARNINGS:	<u>-287,385.85</u>
TOTAL EQUITY	<u>6,619,401.15</u>
TOTAL LIABILITIES AND EQUITY	<u>13,615,105.92</u>

Lakeland Housing Authority
West Bartow Partnership, Ltd., LLLP
Changes in Cash
For the Current and Ten Months Ended October 31, 2014

Period to Date	Beginning Balance	Ending Balance	Difference
Cash Operating 1	202,813.98	200,498.79	-2,315.19
Cash Restricted-Security Deposits	8,850.00	8,700.00	-150.00
Cash Restricted-Operating Reserve	25,155.58	25,155.58	0.00
Cash Restricted-Reserve for Replacement	132,971.80	135,471.80	2,500.00
Cash-Tax & Insurance Escrow	28,099.60	32,087.60	3,988.00
Investment 1	227,628.93	227,713.14	84.21
Total Cash	625,519.89	629,626.91	4,107.02

Year to Date	Beginning Balance	Ending Balance	Difference
Cash Operating 1	126,119.04	200,498.79	74,379.75
Cash Restricted-Security Deposits	8,300.00	8,700.00	400.00
Cash Restricted-Operating Reserve	25,245.58	25,155.58	-90.00
Cash Restricted-Reserve for Replacement	110,888.49	135,471.80	24,583.31
Cash-Tax & Insurance Escrow	42,667.32	32,087.60	-10,579.72
Investment 1	226,861.28	227,713.14	851.86
Total Cash	540,081.71	629,626.91	89,545.20

LAKELAND HOUSING AUTHORITY
Grant Report
Updated as of October 31, 2014

		START DATE	OBLIGATION END DATE	DISTRIBUTION END DATE	AUTHORIZED	OBLIGATION 90% THRESHOLD	OBLIGATED AMOUNT	DISBURSED	AVAILABLE BALANCE
Capital Fund Program	(HUD)								
CFP - 2011		07-15-11	08-03-13	08-02-15	562,980.00	506,682.00	532,317.00	503,394.00	59,586.00
CFP - 2012		03-12-12	03-11-14	03-11-16	327,414.00	294,672.60	297,414.00	204,807.00	122,607.00
CFP - 2013		08-09-13	09-08-15	09-08-17	251,538.00	226,384.20	102,655.00	95,051.00	156,487.00
CFP - 2014					341,004.00	306,903.60	43,586.00	43,586.00	297,418.00
				CFP Subtotal:	1,482,936.00	1,334,642.40	975,972.00	846,838.00	636,098.00
Replacement Housing Factor	(HUD)								
RHF - 2009(a)		09-15-09	10-29-15	07-27-17	282,108.00	253,897.20	0.00	0.00	282,108.00
RHF - 2009(b)		04-02-10	10-29-15	10-29-17	149,804.00	134,823.60	0.00	0.00	149,804.00
RHF - 2010		07-15-10	10-29-15	10-29-17	441,385.00	397,246.50	0.00	0.00	441,385.00
RHF - 2011		08-03-11	10-29-15	10-29-17	380,321.00	342,288.90	0.00	0.00	380,321.00
RHF - 2012(a)		03-12-12	10-29-15	10-29-17	185,485.00	166,936.50	0.00	0.00	185,485.00
RHF - 2012(b)		03-12-12	10-29-15	10-29-17	70,661.00	63,594.90	0.00	0.00	70,661.00
RHF - 2013		08-09-13	09-08-15	09-08-17	271,433.00	244,289.70	0.00	0.00	271,433.00
				RHF Subtotal:	1,781,197.00	1,358,787.60	0.00	0.00	1,781,197.00
HOPE VI	(HUD)	04-05-00		12-31-17	21,842,801.00	19,658,520.90	19,908,767.13	19,908,767.13	1,934,033.87
Safety & Security Grant	(HUD)	03-20-13	03-19-14	03-19-15	250,000.00	225,000.00	225,283.00	239,067.00	10,933.00
				Safety & Security Subtotal:	250,000.00	225,000.00	225,283.00	239,067.00	10,933.00
Resident Opportunities and Self Sufficiency	(HUD)								
ROSS - Family Self Sufficiency 2014		09-29-14	02-13-16		104,856.00	94,370.40	0.00	0.00	104,856.00
ROSS - Family Self Sufficiency 2013		07-01-13	07-01-14		52,084.00	46,875.60	52252	52,084.00	0.00
ROSS - Service Coordinator 2011		09-22-11	09-29-14		140,838.00	126,754.20	140838	140,838.00	0.00
				ROSS Subtotal:	297,778.00	268,000.20	193,090.00	192,922.00	104,856.00
YouthBuild	(DOL)	06-01-11	05-31-15		997,492.00	897,742.80	997492	885,088.00	112,404.00
				YouthBuild Subtotal:	997,492.00	897,742.80	997,492.00	885,088.00	112,404.00
YouthBuild (new)	(DOL)	08-11-14	12-10-2017		974,124.00			26,852.00	947,272.00
				YouthBuild Subtotal:	974,124.00	0.00	997,492.00	26,852.00	947,272.00
21st Century	(DOE)	08-01-13	07-31-14		324,331.00	291,897.90	324331	324,331.00	0.00
				21st Century Subtotal:	324,331.00	291,897.90	324,331.00	324,331.00	0.00

HOUSING REPORT

Housing Management

Board Report December meeting 2014

- **Public Housing (PH), Housing Choice Voucher (HCV) and West Lake Management Communities Reports**
 - Housing communities reports
 1. West Lake
 2. West Lake Addition
 3. Cecil Gober
 4. John Wright Homes
 5. Carrington Place (Formerly known as Dakota Apartments)
 6. Renaissance/Washington Ridge
 7. Villas at Lake Bonnet
 8. Colton Meadow
 9. The Manor at West Bartow
 - Housing Choice Voucher Program
 1. Intake & Occupancy Report
 2. Housing Choice Voucher report

Updates for the month of November:

- The LHA website includes many new features that are now available at the www.lakelandhousing.org.
- Public Housing Family Self Sufficiency Program has 3 families graduating the program during the month of November after completing their goals, their escrow checks will be cut in December.
- We successfully coordinated and sponsored many resident activities including but not limited to; Thanksgiving lunches, GED classes, health fair, senior families' trips, etc...
- Carrington Place (Dakota Park) was inspected and audited by the investors. The inspector and the auditor were very pleased with the property condition, curb appeal and the overall management of the site.

Public Housing PIC Reporting Percentage

All Housing Authorities are required to submit information to HUD through the PIH Information Center (PIC). All transactions processed on the Public Housing Program are submitted on a monthly basis to PIC. HUD requires a monthly reporting rate of 95%. Below is our current reporting rate for the Public Housing program:

Effective Date	Public Housing	Date Collected
10/31/2014	96.73%	11/12/2014

Housing Choice Voucher Program Report

- **Tenant-Based Waitlist**

As of November 30, 2014, the Housing Choice Voucher tenant based waiting list contained seventy seven (77) applicants. A total of 119 families were selected from the waiting list for determination of final eligibility.

- **VASH Waitlist**

As of November 30, 2014, the Veteran Affairs Supportive Housing waiting list contained three (3) applicants.

- **Project-Based Waitlist – The Manor at West Bartow**

As of November 30, 2014, Lakeland Housing Authority project-based waiting list for the Manor at West Bartow contained one (1) applicants.

- **Project-Based Waitlist – Villas at Lake Bonnet**

As of November 30, 2014, Lakeland Housing Authority project-based waiting list for the Villas at Lake Bonnet contained one hundred seven (107) applicants.

- **Project-Based Waitlist - Habitat for Humanity**

As of November 30, 2014, Lakeland Housing Authority project-based waiting list for Habitat for Humanity contained one (1) applicant.

- **Port Outs**

LHA currently has twenty one (21) port-outs in the month of November. Port outs are clients that use their voucher in another jurisdiction.

- **Port Ins**

LHA currently has no port ins for the month of November. Port-ins are participants that transferred from another housing agency that we are billing for HAP and administrative fees.

- **Lease-up & Movers**

As of November 30, 2014, Lakeland Housing Authority issued seven (7) vouchers to movers. We received sixty-three (63) Requests for Tenancy Approvals during the month of November. We processed zero (0) unit transfers, one (1) initial move-in, and three (3) port-in.

- **Active Clients**

As of November 30, 2014, LHA is servicing 1,164 families on the Housing Choice Voucher program. These families include 893 regular Housing Choice Voucher holders, 41 Mainstream Disabled Housing Vouchers, 55 VASH, 106 Project-Based Vouchers, 68 Tenant Protection Program (TenPro) and 3 Port Ins.

- **EOP – End of Participation**

LHA processed three (3) EOP's with a date effective the month of November 2014. Below are the reasons for leaving the program:

Reason	Number
Termination – Criminal	0
Termination – Unreported income and/or family composition	0
Left w/out notice	0
No longer need S/8 Assistance	3
Deceased	0
Landlord Eviction	0
Lease and/or Program Violations non-curable	0
Voucher Expired	0

- **PIC Reporting Percentage**

All Housing Authorities are required to submit information to HUD through the PIH Information Center (PIC). All transactions processed on the Housing Choice Voucher Program are submitted on a monthly basis to PIC. HUD requires a monthly reporting rate of 95%. Below is our current reporting rate for the Housing Choice Voucher program:

Effective Date	HCV	Date Collected
11/30/2014	104.75%	12/08/2014

- **General information and activities for the month of November 2014**

- The Housing Choice Voucher Department processed one hundred eight (108) annual certifications and eighteen (18) interim certifications.
- A total of one hundred twenty four (124) Housing Quality Standards (HQS) inspections were conducted during this month.

RECEPTION MONTHLY REPORT 2014					
	VISITOR'S COUNT	RFTA	REQUEST TO LIST PROPERTY	INTERIM CHANGE	STAMPED MAIL
January	287	8	23	23	2068
February	445	15	24	54	2140
March	363	9	3	52	2472
April	394	18	5	70	2054
May	330	24	7	55	1620
June	357	3	5	10	N/A
July	403	15	10	30	1886
August	331	27	10	49	2046
September	220	18	5	31	N\A
October	915	38	12	45	2070
November	549	64	8	20	2070

Community Manager's Name	Vanessa C. Johnson	Vanessa C. Johnson	Vanessa C. Johnson	Vanessa C. Johnson	Lovett Johnson	Lovett Johnson	Jennifer Robinson	Jennifer Robinson	Jennifer Robinson
Comments	Monthly residents meeting. Tobacco free seminar.	Monthly residents meeting.	Monthly residents meeting, Health Fair and movie day. Trip to the Flea market for the residents.	Monthly residents meeting and free tax returns.	Monthly resident meeting, weekly activities for children and a senior outing. Trip to Peltz Shoe store in Brandon for children.	Health Screenings, movie day, birthday celebrations, resident meetings and daily feeding. Filed trip, and art classes for kids.	Monthly residents meetings and Tutoring: Weekly; each Wednesday from 4pm to 6pm	Monthly residents meetings and Tutoring: Weekly; each Wednesday from 4pm to 6pm. Health Fair.	Monthly residents meeting and community yard sale, bingo daily, Field trip, craft and movie night and Dinner and brunch.

By: Carlos R. Pizarro, Director of Housing

DEVELOPMENT REPORT

December 2014

PROCUREMENT

In addition to the normal day-to-day procurement activities (such as: monitoring invoices and certified payroll reports submitted by contractors and maintaining contract files and vendor lists), the following activities were accomplished in November 2014:

- Developed Task Order #02 to the agreement with **EE&G Environmental Services, LLC** to conduct a Phase II Environmental Site Assessment for the Arbor Manor properties for a not-to-exceed cost of \$11,500.00
- Developed Task Order #03 to the agreement with **Innovative Financial Housing Solutions, Inc.** to continue to provide various types of Finance-related support on an as-needed basis beginning November 01, 2014 for a not-to-exceed cost of \$50,000.00
- Tom Hornack and Patrick Roberts attended **Federal Labor Standards Training** in Sarasota on November 18th and 19th. The training was provided by representatives from the US Department of Housing and Urban Development (HUD) and the US Internal Revenue Service (IRS).

LAKELAND HOUSING AUTHORITY
SECTION 3 AND M/WBE SUMMARY REPORT
(Existing Contracts: April 01, 2012--November 30, 2014)

Item #	Contractor	Amount	M/WBE	Type	M/WBE Totals	Section 3 Firm	Section 3 Firm Totals	Section 3 Hires	Section 3 Totals
1	Rodmon and Rodman Hampton Hills	\$20,000.00	Yes	African-American	1	Yes	1	No	0
2	Bio Mass Tech	\$33,278.05	No	N/A	0	No	0	No	0
3	Robert's Painting	\$8,100.00	No	N/A	0	No	0	No	0
4	Zee's Construction	\$24,500.00	No	N/A	0	No	0	No	0
5	NKA Contractors	\$23,750.00	Yes	African-American	1	No	0	No	0
6	Jackson Management Consulting	\$10,198.00	Yes	African-American	1	No	0	No	0
7	Florida Dance Theatre	\$3,840.00	No	N/A	0	No	0	No	0
8	Rodmon and Rodmon (09-27-12 to 10-26-12)	\$5,750.00	Yes	African-American	1	Yes	1	No	0
9	Rodmon and Rodmon (10-29-12 to 10-28-13)	\$30,000.00	Yes	African-American	1	Yes	1	No	0
10	Bruce Reeves	\$5,000.00	No	N/A	0	No	0	No	0
11	Beachfront Community Outreach	\$31,900.00	Yes	African-American	1	No	0	Yes	1
12	PAINTSMART USA, INC.	\$31,000.00	Yes	African-American	1	No	0	Yes	2
13	Nova Engineering and Environmental, LLC	\$19,000.00	No	N/A	0	No	0	No	0
14	Atkins Paving, Inc	\$7,400.00	Yes	African-American	1	No	0	No	0
15	Best Termite & Pest Control	\$50,000.00	No	N/A	0	No	0	No	0
16	Clampett Industries dba EMG	\$39,000.00	No	N/A	0	No	0	No	0
17	Reeves Building and Plumbing Contractor	\$7,950.00	Yes	African-American	1	No	0	No	0
18	Jacksonville Sound	\$552.00	No	N/A	0	No	0	No	0
19	Marshalls, LLC	\$6,377.00	No	N/A	0	No	0	No	0
20	R.I.G., Inc. aka Residential Investment Group	\$79,425.00	Yes	Woman-owned	1	No	0	No	0
21	Reeves Building and Plumbing Contractor	\$9,975.00	Yes	African-American	1	No	0	No	0
22	All Florida Fire Equipment Company	\$5,500.00	No	N/A	0	No	0	No	0
23	Campolong Enterprises dba DH Striping Company	\$5,000.00	No	N/A	0	No	0	No	0
24	Professional Roof Systems	\$37,800.00	No	N/A	0	No	0	No	0
25	State Alarm	\$287,591.50	No	N/A	0	No	0	No	0
26	Stripe A Lot of America II, Corp	\$4,100.00	No	N/A	0	No	0	No	0
27	Waller Construction	\$20,800.00	No	N/A	0	No	0	No	0
28	Annettie Machuca & Associates	\$8,000.00	Yes	Hispanic and Woman-owned	1	No	0	No	0
29	Haskell Termite and Pest Control	\$17,872.00	No	N/A	0	No	0	No	0
30	Johnson-Laux Construction	\$169,092.40	Yes	Woman-owned	1	No	0	No	0
31	Yardi Systems	\$50,824.70	No	N/A	0	No	0	No	0
32	Annettie Machuca & Associates	\$123,000.00	Yes	Hispanic and Woman-owned	1	No	0	No	0
33	West Lake Management	\$135,150.00	No	N/A	0	No	0	No	0

Note: Amounts referenced within the table include all contracts, amendments/change orders, and/or task orders issued to the vendors between April 01, 2012 and November 30, 2014.

LAKELAND HOUSING AUTHORITY
SECTION 3 AND M/WBE SUMMARY REPORT
(Existing Contracts: April 01, 2012--November 30, 2014)

Item #	Contractor	Amount	M/WBE	Type	M/WBE Totals	Section 3 Firm	Section 3 Firm Totals	Section 3 Hires	Section 3 Totals
34	West Lake Management	\$10,000.00	No	N/A	0	No	0	No	0

<i>Indefinite Delivery, Indefinite Quantity Architectural Services Pool</i>									
35	GLE Associates	\$0.00	No	N/A	0	No	0	No	0
36	Wallis Murphey Boyington	\$0.00	No	N/A	0	No	0	No	0
37	Bessolo Design Group	\$0.00	No	N/A	0	No	0	No	0
38	Robert Reid Wedding	\$47,227.50	No	N/A	0	No	0	No	0
<i>Indefinite Delivery, Indefinite Quantity Property Appraisal Services Pool</i>									
39	Valuation Advisors	\$2,900.00	No	N/A	0	No	0	No	0
<i>Indefinite Delivery, Indefinite Quantity Surveying Services Pool</i>									
40	DRMP	\$0.00	No	N/A	0	No	0	No	0
41	Hamilton Engineering & Surveying	\$0.00	No	N/A	0	No	0	No	0
42	ECON	\$5,020.00	No	N/A	0	No	0	No	0
43	Pickett & Associates	\$0.00	No	N/A	0	No	0	No	0
<i>Indefinite Delivery, Indefinite Quantity Environmental Testing/Building Inspection Services Pool</i>									
44	ACT-American Compliance Technologies	\$0.00	No	N/A	0	No	0	No	0
45	GLE Associates	\$5,275.00	No	N/A	0	No	0	No	0
46	Terracon Consultants	\$0.00	No	N/A	0	No	0	No	0
<i>Indefinite Delivery, Indefinite Quantity Engineering Services Pool</i>									
47	Boggs Engineering (Civil)	\$3,950.00	No	N/A	0	No	0	No	0
48	Hamilton Engineering & Surveying (Civil)	\$0.00	No	N/A	0	No	0	No	0
49	EE & G Environmental (Environmental)	\$21,250.00	No	N/A	0	No	0	No	0
50	GLE Associates (Multi-discipline)	\$1,425.00	No	N/A	0	No	0	No	0
51	Biller Reinhart (Structural)	\$0.00	No	N/A	0	No	0	No	0
<i>Indefinite Delivery, Indefinite Quantity Financial Advisor Services Pool</i>									
52	Baker Tilly	\$0.00	No	N/A	0	No	0	No	0
53	Innovative Financial Housing Solutions	\$187,000.00	Yes	Woman-owned	1	No	0	No	0
54	TAG Associates	\$0.00	No	N/A	0	No	0	No	0
TOTALS		\$1,595,773.15			15		3		3

Note: Amounts referenced within the table include all contracts, amendments/change orders, and/or task orders issued to the vendors between April 01, 2012 and November 30, 2014.

LAKELAND HOUSING AUTHORITY
SECTION 3 AND M/WBE SUMMARY
(New Contracts: November 01, 2014 - November 30, 2014)

Item #	Contractor	Amount	M/WBE	Type	M/WBE Totals	Section 3 Firm	Section 3 Firm Totals	Section 3 Hires	Section 3 Totals
1									
2									
3									
4									
5									
6									
7									
8									
9									
10									
11									
12									
<i>Indefinite Delivery, Indefinite Quantity Architectural Services Pool</i>									
13									
14									
15									
<i>Indefinite Delivery, Indefinite Quantity Property Appraisal Services Pool</i>									
16									
<i>Indefinite Delivery, Indefinite Quantity Surveying Services Pool</i>									
17									
18									
19									
20									
<i>Indefinite Delivery, Indefinite Quantity Environmental Testing/Building Inspection Services Pool</i>									
21									
22									
23									
<i>Indefinite Delivery, Indefinite Quantity Engineering Services Pool</i>									
24	EE & G Environmental (Environmental)	\$11,500.00	No	N/A	0	No	0	No	0
25									
26									
27									
<i>Indefinite Delivery, Indefinite Quantity Legal Services Pool</i>									
28	Innovative Financial Housing Solutions	\$50,000.00							
29									
30									
TOTALS		\$61,500.00			0		0		0

Note: Amounts referenced within the table include all contracts, amendments/change orders, and/or task orders issued to the vendor November 01, 2014 - November 30, 2014.

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RESIDENT SERVICES REPORT

**Resident Services
November 2014 Board Report**

- **Resident Services**

To date, YouthBuild-Lakeland is the only grant-funded program remaining active under the Resident Services umbrella.

- **YouthBuild-Lakeland**

Academics and Recruitment

We continue to follow-up with program graduates as they work toward earning their GEDs. Graduates are coming by for individual academic assistance. Recruitment continues in full swing for the upcoming Cycle 11. Flyers are being distributed throughout Lakeland, and staff continues to seek out new partnerships within the community to spread the word. New applications are arriving daily and the application/recruiting process is in full swing. The next orientation starts on January 5, 2014. (19) young adults will be chosen from about 60 participants who will start their first day of the program on January 26, 2015!

Placement News

Congratulations to Jennifer Liceaga, YouthBuild-Lakeland Cycle 10, who completed the Certified Nursing Training Program and is registered to take her state exam. Both Jennifer and Ruben Andrews have also completed a Home Health Aide course.

Community Involvement

During the month of November, YouthBuild staff attended the following community meetings and/or events:

- November 4th and 5th Basic and Intermediate Excel Training
- November 19th Ministers Alliance of Lakeland

Other News

The YouthBuild program moved from the WestLake subdivision to the Emma Turner Center. Staff have been busy getting the building ready for the new class in January.

**Janiene Bambridge
YouthBuild Program Manager**

**Richard Mooneyham
YouthBuild Program Instructor**

**Cynthia E. Zorn-Shaw
YouthBuild Career Development Specialist**

RESOLUTIONS

SECRETARY'S REPORT

**Secretary's Report
December 2014**

HOPE VI Funds Expenditure

HUD would like for LHA to obligate the HOPE VI funds as quickly as possible. Staff submitted a Development Proposal to use the HOPE VI funds to construct some affordable rental housing units on the vacant lots at the HOPE VI site. Since that time, staff has had follow-up conversations with HUD-Miami regarding the unexpended HOPE VI funds. Staff has provided responses to their follow-up questions. We are waiting on HUD approval of the proposal. Details will be provided for the Board at a later date.

As previously advised, staff withdrew a request to HUD for approval of approximately \$847,000 in HOPE VI expenses that were paid out of the Magnolia Point sales proceeds. During the HUD site visit, staff discussed this option and another option with HUD staff. LHA considered submitting a request to HUD to use the sales proceeds from the sale of a vacant commercial lot on the HOPE VI site to be applied towards the public housing debt. This request was included in the Recovery Plan submitted to HUD in October 2014. The LHA is still in the process of making a request to use the remaining HOPE VI funds and some unobligated RHF funds to construct some new housing units at the HOPE VI site. The request should be submitted within the next 30 days.

Annual Budget/Agency Update

The proposed 2015 Agency Budget was given to the Board at the September 15, 2014 Special Board meeting. Each commissioner was given a copy of the budget for their review. The budget was discussed at the September 29th Board meeting.

A copy of the Corrective Action Plan is submitted to the HUD-Miami office for review and comment on a monthly basis. HUD has approved the Corrective Action Plan and recommended acceptance by the LHA Board. The Board provided acceptance at the January 2013 meeting. Periodic updates on the status of items in the Corrective Action Plan are given to the Board on a minimum quarterly basis. A copy of the most recently updated Corrective Action Plan is included with this month's report. The update was also submitted to HUD-Miami.

The LHA Recovery Plan update is a standard part of the Board agenda.

Section 3 and M/WBE Policy

The Section 3 and Minority/Women Business Enterprise Policy for LHA was approved at the November 2012 Board meeting. The policy provides statements regarding required Section 3 language for all LHA contracts, minimum percentages of contract dollar amounts for contractors to subcontract to M/WBEs and Section 3 business concerns, and forms for reporting compliance with the Section 3 and M/WBE policy.

Secretary's Report

December 2014

LHA held a "How To Do Business with LHA" meeting in 2013. The meeting was open to the public and invites were sent to all firms on the LHA vendor's list. The Section 3 and M/WBE policies were discussed in detail at the meeting. A question and answer session was also a part of the program.

Agency Plan

The Agency Plan was approved by the LHA Board of Commissioners in an October 2014 Board meeting. Copies of the Plan were made available for review and public comment for a forty-five (45) day period. Copies of the Plan were also provided for the Resident Advisory Board, the City of Lakeland, local neighborhood associations, and the NAACP as well as be placed in public libraries. Public meetings on the Plan were held in August and September in addition to a Public Hearing at the LHA central office. LHA staff also held two (2) public meetings with the Resident Advisory Board regarding the Plan prior to the public hearing. After completion of the public process, the Plan was submitted to the U.S. Department of Housing and Urban Development Miami Field Office for review and approval.

Meetings and Activity

The Recovery Plan and 2015 Budget were approved by the LHA Board of Commissioners at the October board meeting. The Plan was revised as instructed by the Board and submitted to the HUD-Miami Field Office. Staff is waiting on comments from HUD.

The disposition application for the Arbor Manor property was submitted to the HUD Special Applications Center (SAC) office in October 2014. The application process also required that an environmental assessment of the property be submitted to the HUD-Miami Field Office. Staff has learned that a Phase II environmental is required for the property before the application can be approved. The Phase II should be completed by the end of the month.

A meeting was held with the Resident Advisory Board on December 4, 2014. LHA executive staff met with the resident leaders to discuss upcoming projects and activities related to the Christmas holidays. Other issues affecting residents and the properties were also discussed.

Other Activities

I attended the reception with the candidates for the Chief of Police for the City of Lakeland. The event was held at the Lakeland Center.

Respectfully submitted,

Benjamin Stevenson

Secretary

OTHER BUSINESS



**BOARD OF
COMMISSIONERS**

Michael A. Pimentel
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Vice-Chairman

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Commissioner

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Dorothy Sanders
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Gary Smith
Commissioner

Benjamin J. Stevenson
Executive Director

430 Hartsell Ave
Lakeland, FL 33815

MAIN OFFICE

Phone: (863) 687-2911

Fax: (863) 413-2976

www.LakelandHousing.org

December 8, 2014

Victor Rocher, Acting Director
U.S. Department of Housing and Urban Development
Office of Public Housing
Brickell Plaza Federal Building
909 SE First Avenue, Room 500
Miami, FL 33131-3402

RE: Updated Corrective Action Plan

Dear Mr. Rocher:

Enclosed for your review is the most recently updated Corrective Action Plan (CAP) for the Lakeland Housing Authority (LHA). Please note there are no new updates from the last submittal.

Please do not hesitate to have staff contact Valerie Brown if you have questions or require additional information. Ms. Brown can be reached at (863) 687-2911, x216.

Sincerely,

Benjamin Stevenson
Executive Director

cc: Valerie Brown
Project Files

Enclosure(s)

**LAKELAND HOUSING AUTHORITY
CORRECTIVE ACTION PLAN**

In May 2012, representatives from the Miami Field Office, Office of Public Housing (OPH) conducted a Limited Financial Management Review (LFMR) of the Lakeland Housing Authority (LHA). The LFMR resulted in three (3) findings and three (3) observations. Due to the nature of the Findings, OPH recommended that LHA engage a third party firm to conduct a forensic audit. LHA used a competitive Request for Proposals process to procure forensic audit services from NKA Contractors, LLC (NKA). NKA issued their findings on September 3, 2012. The special forensic audit procedures identified 22 findings and nine (9) weaknesses throughout various LHA departments. Additionally, LHA is in receipt of seven (7) findings from the Independent

Item #	Source Document	Classification	Issue	Action Required or Recommendation	Action Taken	Expected Completion	Status	Responsible Party	Category
1	Forensic Audit Report	No Classification Listed	The Rushing file involves a family of two. The family filed the litigation and negotiated a settlement with LHA, but did not fulfill the terms of the agreement.	It is recommended that LHA have its attorneys take appropriate action to ensure that the pendency of this case is terminated by the court.	The case has been settled. Case is now closed. The participant in this case was issued a Voucher but did not submit a Request For Tenancy Approval and is no longer participating in the program.	9/30/2012	Complete	C. Pizarro w/ Housing	LITIGATION
2	Independent Auditor's Report	Finding 11-7	We reviewed abatement logs prepared by the Authority, as well as supporting HAP check registers. We noted numerous instances in which HAP to landlords for units with uncorrected HQS deficiencies were not abated in a timely manner.	We recommend that the Authority develop proper procedures and strengthen internal controls relating to enforcement of HQS requirements through HAP abatement. A list of failed re-inspections should be reviewed regularly by a dedicated staff person, and management should perform monthly reviews of the inspection logs to ensure that all failed inspections are re-inspected within the required time frame and that all HAP abatements are handled properly per the Authority's administrative plan and HUD rules.	The Authority will review its current system of controls and implement policies and procedures to ensure Section 8 Housing Choice Voucher Program HQS Enforcement is performed timely. All failed inspections will be re-inspected within the required time frame to ensure HAP abatements are in compliance with HUD requirements and the Authority's administrative plan. The corrections will be made immediately under the supervision of Carlos Pizarro, Director of Housing, and improved policies will be implemented.	3/31/2013 4/30/2013	Complete	C. Pizarro w/ Housing	ABATEMENTS
3	Limited Financial Management Review	Finding 3	According to the monthly HAP expense reports, HAP abatements are routinely paid to landlords.	All paid abatements within the 2012 CY must be repaid back to the program. The LHA must calculate all paid abatements in CY 2012, contact the affected landlords and either reduce subsequent payments or collect the amounts directly. Evidence of this procedure and subsequent collections must be submitted to this office within 30 days of the date of this letter.				C. Pizarro w/ Housing	ABATEMENTS

**LAKELAND HOUSING AUTHORITY
CORRECTIVE ACTION PLAN**

Item #	Source Document	Classification	Issue	Action Required or Recommendation	Action Taken	Expected Completion	Status	Responsible Party	Category
4	Forensic Audit Report	Finding 7	The authority's September 7, 2011 corrective action plan asserts corrective actions were implemented prior to the release of the final independent audit report that includes a reference to the Management Letter dated September 8, 2011. There are no outstanding corrective action plans based on independent audit report findings, or HUD monitoring reports.	The authority must be proactive and document its plans to accept or reject the independent auditor's September 28, 2011 management letter comments and recommendations for improvement in its' operations.	The Corrective Action Plan currently being written is based upon the most current independent audit report and third party reviews.	11/30/2012	Complete	E. Hall w/Finance	AUDIT
5	Forensic Audit Report	Finding 2	Board of Commissioners Meeting Minutes are not signed by the Chairman and attested to by the Secretary. Minutes are not certified, nor is the agency seal affixed to authenticate the documents as true copies.	Board of Commissioners Secretary, or a designee, should secure the appropriate signatures on all approved Resolutions. All minutes should be certified and sealed. Agency seal should be kept under lock and key to avoid unauthorized use.	LHA staff is now ensuring that the appropriate signatures are secured for all approved Resolutions. Additionally, all minutes are now being certified and sealed. The agency seal is also being kept under lock and key.	Complete	On-Going Oversight	K. Davis w/Executive Office B. Goodman w/Executive Office	BOC
6	Forensic Audit Report	Finding 6	The financial statements do not include the Statement of Cash Flows for LHA and its Affiliates. The absence of the report is an incomplete presentation of financial condition.	The cash position must be assessed to ensure the continuation of operations and eliminate service disruptions. The Finance Department must generate the Yardi report for presentation to the Executive Director and Board on a monthly or quarterly basis.	Cash flow statements will be included in the monthly financial statements beginning with the December 31, 2013 financials prepared for the Authority's next Board of Commissioners Meeting.	Complete	On-Going Oversight	E. Hall w/Finance	CASH POSITION
7	Forensic Audit Report	Finding 9	The authority has not followed its' policy to transfer outstanding checks to a liability account after 120 days. The face of the check states "Void after 120 days." The June 2012 bank reconciliation listed outstanding checks from the year 2011.	The outstanding checks should be voided or an entry made to account for the Unclaimed Funds. If past history supports longer timeframes for cashing checks, a policy modification may be warranted.	The Authority will ensure the policies regarding old outstanding checks are followed. Outstanding amounts will be identified and classified as Unclaimed Funds.	Complete	On-Going	E. Hall w/Finance	CHECKS
8	Limited Financial Management Review	Observation 1	Current bank statement reconciliations contain several checks over six months' old, many in excess of one year.	The LHA must adopt policies and procedures for aged checks and should attempt to contact vendors with invalid checks and issue new payments if appropriate. Any checks more than one year old should be voided and written off or re-issue the check as needed.				E. Hall w/Finance	CHECKS

**LAKELAND HOUSING AUTHORITY
CORRECTIVE ACTION PLAN**

Item #	Source Document	Classification	Issue	Action Required or Recommendation	Action Taken	Expected Completion	Status	Responsible Party	Category
9	Forensic Audit Report	Finding 18	LHA has been receiving RHF Funding in amounts shown in Attachment 18 totaling \$2,992,124. The use of these funds pre-date the scope of this assignment and the LHA staff indicated that HUD has approved all RHF activities.	The use of these funds should be reviewed in light of the information provided above to insure that all RHF Funds have been properly expended.	LHA staff is in the process of reviewing RHF expenditures as outlined by Attachment 18 to ensure that the funds were properly expended.	8/1/2013 12/31/13	In Progress	V. Brown w/ Development	COMPLIANCE
10	Forensic Audit Report	Finding 11	The bank signature update forms were part of the bank reconciliation files. The bank forms include confidential personal information for each signer. This includes a mixture of social security and driver license numbers, and at all times this data must be stored in a secure location to prevent misuse or identity theft.	The bank signature update forms must not become part of the bank reconciliation files, and immediately removed from the files. The Finance Department should have one central file for each financial institution to store the signature update forms. They must be kept in a locked secure cabinet.	Bank signature forms have been removed from the bank reconciliation files and filed separately.		Complete	E. Hall w/Finance	CONFIDENTIAL INFORMATION
11	Forensic Audit Report	Weakness 9	The random selection of five (5) employee files for comparison to ADP pay rates resulted in no issues with four (4) files. The human resource (HR) office file for one (1) employee could not be located.	The files must have a 100% accounting for all staff. The HR manager must implement a procedure for "sign-out and sign-in" of staff files to ensure confidentiality.	The HR manager is in the process of implementing procedures for "sign-out and sign-in" of staff files.	Complete	On-Going Oversight	P. Roberts w/Human Resources	CONFIDENTIAL INFORMATION
12	Forensic Audit Report	Finding 10	The bank reconciliation listed deposits dated the beginning of the month that was not recorded by the bank. Based on technology and banking clearinghouse procedures the funds would be available within 24 hours to seven (7) business days.	This unusual transaction should be researched and the authority records must present the steps taken to correct this process breakdown. The authority assets must be safeguarded, immediately deposited in a federally insured financial institution, and recorded in the general ledger to prevent theft, kiting, and misappropriation. This unusual transaction could indicate undetected systemic fraud in the organization.	This situation occurred because a property manager did not deposit checks on a daily basis. Staff has been advised of Authority's policy requiring daily deposits and compliance will be reviewed during bank reconciliations.		Complete	E. Hall w/Finance	DEPOSITS

**LAKELAND HOUSING AUTHORITY
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Item #	Source Document	Classification	Issue	Action Required or Recommendation	Action Taken	Expected Completion	Status	Responsible Party	Category
13	Limited Financial Management Review	Observation 3	Tenant file deficiencies and income discrepancies from EIV totaled 138 participants.	Provide updates for all participants in process or under review. Files must be documented with criminal background checks and sexual offender registrations, if applicable. Third party verification of income and assets is required. Bank statements or other source documents should be obtained to verify participant deposits and expenses. Additional Recommendations: Zero income participants are not required to come to the Office for an interview. These families should be required to meet at least annually with the housing counselor and provide a written statement certifying to zero income. Funds considered excluded contributions for zero income families	LHA staff is interviewing all 0 income tenants on a monthly basis to calculate income.	11/1/2012	HUD considers this item to still be open.	C. Pizarro w/ Housing	EIV
14	Independent Auditor's Report	Finding 11-1 (iii)	The Authority's general ledger commingles activity for certain public housing units, which fall under the HUD Annual Contributions Contracts ("ACC") with activity of other subsidized units at mixed-finance projects which are not included in the Authority's reporting entity. The activity of the public housing units in the general ledger could not easily be traced to amounts isolated for presentation in the FDS. This commingling presents the possibility of inaccurate reporting of the financial information related to the public housing units.	The Authority should segregate the activity related to the public housing units at mixed-finance projects from the activity of the other subsidize units and general partnership activity in the general ledger.	The Authority will review its current system of controls and implement procedures necessary to ensure all financial information is reported accurately, timely and in accordance with GAAP. To ensure compliance with GAAP and grant requirements, the Authority will provide training for the accounting staff so they have the necessary competencies required to account for the Authority's varied programs and activities. The general ledger will be adjusted to ensure mixed-finance project activity is not commingled with the activity of the other subsidized units and general partnership activity in the general ledger. The review and necessary actions are in progress under the supervision of Eva Hall, Director of Finance.	3/31/2013 5/31/2013	Complete	E. Hall w/Finance	FDS

**LAKELAND HOUSING AUTHORITY
CORRECTIVE ACTION PLAN**

Item #	Source Document	Classification	Issue	Action Required or Recommendation	Action Taken	Expected Completion	Status	Responsible Party	Category
15	Forensic Audit Report	Weakness 2	The Finance Department creates the required LHA and its Affiliates financial statements for presentation and approval by the Executive Director and Board of Commissioners. Review of the board packages for the audit period indicates the Yardi generated financial statements are converted to Microsoft Excel reports.	The Yardi financial statements converted to excel could be manipulated, create unintentional errors, and inaccurately present the results of operations. The Comptroller/Finance Director must present Yardi generated financial statements to the Executive Director for review and approval. This preliminary board package can include excel formatted reports based on criteria or special requests of the Executive Director or Board of Commissioners. This approach will ensure the BOC's legal and fiduciary responsibility is not compromised by decision making based on inaccurate reporting.	The Authority's monthly financial statements are prepared using Excel in order to comply with requests from the Board of Commissioners and Finance Committee for presentation and format of the information. Programming changes to the Yardi software are cost-prohibitive at this time. The Authority will consider the potential for inaccurate reporting and devise review procedures to mitigate the risk.	12/31/2012	Complete	E. Hall w/Finance	FINANCIAL STATEMENTS
16	Forensic Audit Report	Weakness 3	The COCC chart of accounts (COA) properly presents the major and sub accounts for HUD reporting purposes, and generally accepted accounting principles (GAAP) compliance. The COA for the public housing units Asset Management Projects (AMP) summary or general accounts should be analyzed to ensure accurate presentation of legal ownership.	The Comptroller/Finance Director must analyze the account rollups to improve the reliability of the financial statements. As noted in recent board minutes, the tenant security deposits were incorrectly classified in Cash and were appropriately reclassified as a separate financial statement line item. Other instances of misclassification should be resolved prior to issuance of Executive Director and Board of Commissioners reports.	The new Finance Director is experienced in the preparation of financial statements and will ensure the proper classification of accounts in the Authority's financial reports.	12/31/2012	Complete	E. Hall w/Finance	FINANCIAL STATEMENTS
17	Forensic Audit Report	Finding 19	Effective on October 1, 2011, LHA increased its FMR to 105% of the published HUD standard for 2012. LHA Section 8 staff has indicated that HUD has requested that the authority return to using the HUD FMR standards. From the comparison above it is clear that rents in the Lakeland market are changing rapidly.	LHA should conduct a Rent Comparability Study (RCS) pursuant to HUD Guidelines if it intends to maintain its Payment Standards at 105% of FMR. LHA, as one of the largest Section 8 landlords in the Lakeland market should proactively evaluate the impact of changes to its Payment Standards on its mixed-finance properties.	Rent comparison study is in progress. A rent comparison study is no longer necessary. LHA is in the process of lowering its payment standard to 90% FMR.	3/31/2013	Complete	C. Pizarro w/Housing	FMR

**LAKELAND HOUSING AUTHORITY
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Item #	Source Document	Classification	Issue	Action Required or Recommendation	Action Taken	Expected Completion	Status	Responsible Party	Category
18	Forensic Audit Report	Finding 12	The Authority does not have required General Depository Agreements (GDA) at financial institutions to protect authority assets originating from federal housing funds.	There are approximately nine (9) financial institutions with 46 different accounts for LHA and its" Affiliates. The review of bank reconciliations demonstrates appropriate segregation of funds has occurred. The authority should determine the Affiliate accounts that must have GDA's based on the level of federal housing subsidy provided to the Affiliate. The subsidized tenants and corresponding assets must be protected to ensure LHA is not liable for financial events beyond the control of LHA.	The Authority is in the process of collecting current GDA forms from the two banks holding the Authority's deposits. All the banks are on the government's list of approved Public Depositories.	11/30/2012	Complete	E. Hall w/Finance	GDA
19	Forensic Audit Report	Finding 20	LHA currently has a Section 8 HAP Budget shortfall due to an inaccurate estimate of its Section 8 funding surplus, recent increase of the authority's Section 8 Payment Standard to 105% of the HUD FMR, and failure to establish and maintain effective control of its Section 8 Budget. LHA is attempting to mitigate this problem by reducing the number of outstanding Vouchers. Additionally, LHA staff indicated that the authority is letting Vouchers expire, not issuing new Vouchers and borrowing from future HUD HAP funding. The precise amount of this shortfall is unknown at this time.	The authority should work with its audit firm to determine the extend of the shortfall. Once the amount of the shortfall is known a plan to eliminate this shortfall within one year must be implemented.	Any budget shortfall in the HCV program will be paid with existing cash deposits and supplemented with LHA unrestricted funds if necessary. As the 2013 budget is prepared, adjustments to expenditures will be made and budget overages will not be permitted. The Authority is not borrowing from future HUD HAP funding. LHA does not have a HAP shortfall for 3013.		Complete	C. Pizarro w/ Housing	HAP BUDGET

**LAKELAND HOUSING AUTHORITY
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Item #	Source Document	Classification	Issue	Action Required or Recommendation	Action Taken	Expected Completion	Status	Responsible Party	Category
20	Independent Auditor's Report	Finding 11-1 (i)	Authority's unaudited Financial Data Schedule ("FDS") included balances for net assets and current year housing assistance payments ("HAP") expense of the Housing Choice Voucher program ("HCV"), as well as total capital assets, that did not agree to and could not be reconciled to the Authority's general ledger. Further, the Authority could not provide sufficient evidence in order to support the fair presentation of the balances in accordance with accounting principles generally accepted in the United States of America ("GAAP").	Capital Assets - the Authority should perform a complete inventory of its capital assets annually to ensure that recorded capital assets exists and that the balances reported in the financial records are accurate and complete. Further, the Authority should also analyze the remaining useful lives of existing assets annually, as well as any potential impairment of capital assets, and make adjustments to depreciation records as necessary. It should be noted that the financial records of the Authority should not include capital assets that belong to the partnerships involved in the mixed-finance projects even if the funding sources are provided by the Authority. These assets do not belong to the Authority and, therefore,	<i>The Authority is in the process of establishing procedures for an annual physical inventory of capital assets to ensure their existence and evaluate their condition and remaining useful lives. These procedures will address properly excluding assets which are not directly owned by the Authority and ensure that such assets are properly recorded in the capital asset records of their respective owners. The inventory is in progress under the supervision of Carlos Pizarro, Director of Housing, and will be complete for the December 31, 2012 FDS submission.</i>	Complete	On-Going Oversight	E. Hall w/Finance and J. Murphy w/Finance and V Brown w/ Development	INVENTORY
21	Forensic Audit Report	Finding 3	LHA policy governing physical inventory is not in compliance with current HUD policies. The 2006 policy which references "the Central Warehouse" is outdated and does not conform to the "just-in-time" inventory system currently in use for materials used for maintenance replacements and repairs.	Revise inventory policy to conform to LHA's site-based Asset Management system.				V. Brown w/ Development	INVENTORY
22	Forensic Audit Report	Finding 4	LHA does not conduct an annual physical inventory of dwelling/non-dwelling equipment, furniture, and other expendable supplies and record fixed assets in accordance with HUD PIH Low-Rent Technical Accounting Guide Book 7510.1.	Establish and implement procedures for conducting an annual physical inventory of all material assets in accordance with HUD requirements.				V. Brown w/ Development	INVENTORY
23	Forensic Audit Report	Finding 22	The Finance Department does not have a Board of Commissioners approved investment strategy policy. The 2006 Casterline SOP guidance is outdated and does not address LHA complexities.	The finance department should develop an investment strategy and corresponding policy recommendation for Executive Director and Board of Commissioners approval.	LHA's Board of Commissioners approved the investment policy as part of their August 2014 meeting.	3/30/2013 8/1/2013 12/31/13 8/18/2014	Complete	E. Hall w/Finance B. Stevenson w/Executive Office	INVESTMENT POLICY

**LAKELAND HOUSING AUTHORITY
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24	Forensic Audit Report	Weakness 6	The 46 (forty-six) accounts under LHA management should be considered for a "sweep account" agreement to generate or improve the return on cash.	On December 31, 2012 the FDIC unlimited coverage on non-interest bearing accounts expires. The analysis of account balances and ownership should be completed to determine which accounts can be leveraged to improve the return on cash. The results of the analysis must comply with HUD regulations for PHA's Instrumentalities.	Limited Partnership properties managed by the Authority are required to have separate accounts for security deposits, reserves and escrow accounts. In addition, It is the Authority's desire to separate federal funds from non-federal funds. Staff has been advised that HUD does not favor sweep accounts.		Complete	E. Hall w/ Finance	INVESTMENT POLICY
25	Forensic Audit Report	Weakness 4	The review of Yardi system journal entries demonstrate a high incidence of reversing entries due to incorrect entering of transactions.	The staff must receive additional accounting and Yardi Systems training. The database relationships must be accurately defined to provide minimum user interface or processing of manual entries. Yardi systems is a robust software that can be utilized to improve financial and operational reporting, create efficiencies, and streamline department processes.	There are numerous journal entries in Yardi with the description "Reclass". This is not a correction or reversal of a previous entry, but an allocation of an expense between entities. The entries are required because Yardi does not process inter-fund transactions to the satisfaction of staff. Staff will be afforded the opportunity for training to enhance skills and efficiency.		Complete	E. Hall w/Finance	JOURNAL ENTRIES
26	Forensic Audit Report	Weakness 7	The LHA Board of Commissioners have legal and fiduciary responsibility for some the LHA Affiliates. The financial impact of the GAAP and International Financial Reporting Standards (IFRS) reporting requirement for Leases and Capital Assets must be completed before year end.	The Comptroller/Finance Director should review all leases to project one to five year results of operations, and develop strategic plans to best utilize limited authority and partnership resources.	The Authority has short-term, cancellable operating leases with several vendors. There are no leases which meet the requirements for capitalization.		Complete	E. Hall w/Finance	LEASES AND CAPITAL ASSETS
27	Limited Financial Management Review	Finding 1	The LHA's reported actual available NRA for operations is significantly less than the HUD review team's calculated amount for CYE 12/31/2011.	Due to the discrepancy between the reported FDS Balance Sheet numbers and the actual cash available in the HCV program accounts a forensic audit is highly recommended to identify where the missing funds are inappropriately held in other program accounts or are actually missing from the LHA.	The Authority has engaged a team of consultants to reconcile VMS reports to the general ledger and determine NRA and UNA. Actual cash held by the Authority is higher than amounts reported on the VMS. This reconciliation will correct the 2011 and 2012 VMS reported amounts. All amounts will be corrected for the March 31, 2013 reporting period. The consultants have	4/1/2013	Complete	E. Hall w/ Finance	NRA

**LAKELAND HOUSING AUTHORITY
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Item #	Source Document	Classification	Issue	Action Required or Recommendation	Action Taken	Expected Completion	Status	Responsible Party	Category
28	Limited Financial Management Review	Finding 1a	FDS CY 2010 line number 125: "Accounts Receivable-Miscellaneous" \$458,839 . . . and line number 347: "Inter-Program-Due to" \$627,006. If the \$458,839 was never collected or collections were not reported correctly in CY 2011, this would explain approximately the \$629,000 calculated shortage.	Provide detail explaining the receivable and entries that reduced this amount to \$25,441 on the CY 2011 FDS. The same detail is required for the "Inter-Program Due to" amount. This information is due within seven business days.	been engaged to address all findings included in HUD's Limited Financial Management Review letter. The procedures will be complete for the March 31, 2013 reporting period.			E. Hall w/Finance	NRA
29	Limited Financial Management Review	Finding 1b	The CY ending 12/31/2010 FDS had a balance of \$387,406 in Fraud Recovery and the CY 2011 FDS balance was \$56,331, indicating a subsequent write-off of approximately \$331,075 in 2011. The monthly HAP expense worksheet used to report HAP expenses on the VMS shows a CY 2011 write off of fraud recoveries of \$75,000, not \$331,075 as reported. This \$75,000 also reduced the reported FDS NRA balance by the same amount.	Detail must be provided explaining what comprises the receivable and the entries that reduced this amount to \$56,331 on the 2011 FDS. In addition, GL entries that recorded the Fraud A/Rs as revenue are required to be submitted to this office within seven days of the date of this letter.				E. Hall w/Finance	NRA
30	Limited Financial Management Review	Finding 1c	The VMS reported CY 2011 monthly HCV HAP expenses varied significantly (approximately \$337,500 in total) from the calculated amounts on the monthly HAP Registers provided to the HUD review team by the Finance Director. Unit Months' Leased also varied from the number of tenants listed on the HAP registers, though the variance was not as significant. A total of 76 additional UMLs were reported on the CYE 2011 FDS Balance Sheet compared to the monthly HAP registers. In addition, based upon the variances noted between reports, VASH revenues and expenses appeared to be double counted on the FDS, included in both the HCV totals and again, separately, under the VASH accounts.	Detailed monthly reports and entries explaining CYE 2011 FDS through June 2012 and reported HCV HAP expenses and UMLs are required within 30 days of the date of this letter.				E. Hall w/Finance	NRA

**LAKELAND HOUSING AUTHORITY
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31	Limited Financial Management Review	Finding 1d	The Finance Director's monthly expense report used for VMS reporting included port-in expenditures with the regular monthly HAP expenses thereby improperly increasing the VMS reported HAP expenses.	The PHA must correct the VMS and the general ledger 30 days.				E. Hall w/Finance	NRA
32	Limited Financial Management Review	Finding 1e	Several "Due to" and "Due From" accounts were noted on the HCV trial balance, most of which appeared to cancel out except for the "Due to Master" account. Some of these were not explained in detail to the review team. In addition, HAP funds cannot be loaned to other funds. This is a severe program violation.	A detailed explanation is required for the "Due from LPCH", "Due from Colton Meadow, LLP", "Due From Mainstream", "Due from the Manor at West Bartow", and the "Due from PortProp" accounts. In addition, the following specific entry requires further explanation: December 20, 2011: Debit-Cash Operating 1 \$100,000.00 Credit-Due to Colton Meadow, LLP \$100,000.00				E. Hall w/Finance	NRA
33	Limited Financial Management Review	Finding 1f	Several adjusting entries made to the general ledger were not clearly documented. May appear to be transfers of funds between projects.	The PHA must maintain supporting documentation for any deposit or transfer of funds. Also, any transfer of funds between accounts must have the Executive Director's approval. Monthly quality control procedures must be established for accounts receivable, payables, and journal entries. Please provide verification for the transfer.	The Authority will enforce its policy of requiring approval of proper documentation before journal entries are posted.		Complete	E. Hall w/Finance	NRA
34	Forensic Audit Report	Weakness 7a	LHA appears to have placed its Operating Surplus at risk of recapture. The authority would be able to mitigate this risk by using the Operating Fund Financing Program (OFFP) to borrow working capital for its development activities and committing its Operating Surplus to repay those loans as permitted by HUD.	Our general recommendation is that LHA staff familiarizes themselves with the OFFP.	LHA staff will review the OFFP.		Complete	Authority-Wide/ Executive Team	OFFP

**LAKELAND HOUSING AUTHORITY
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Item #	Source Document	Classification	Issue	Action Required or Recommendation	Action Taken	Expected Completion	Status	Responsible Party	Category
35	Independent Auditor's Report	Finding 11-2	Adequate controls are not in place over cash disbursements. During the audit we noted i.) Inconsistencies in practice in the use of purchase orders and level of approvals as required by the Authority's procurement and cash disbursement policies. ii.) Inadequate segregation of duties over the set-up of the required approvals in the accounting software and the actual approval of transactions, as well as between the recording of transactions in the general ledger and the approval of transactions in certain cases. iii.) A lack of monitoring controls over total disbursements to vendors under contract.	Management should analyze the cash disbursement process in conjunction with procurement policies and document the required procedures. Specifically, the Authority should implement the required approval thresholds and better define the staff positions that should be involved in the processing of cash disbursements. Further, the Authority should implement proper segregation of duties over monitoring controls over total vendor payments made under contracts. The Authority should also provide training to all staff on relevant rules and regulations and the internal policies relating to cash disbursements and procurement.	The Authority will review its current system of controls and implement policies and procedures to ensure cash disbursements and procurements have proper approval. Policies regarding approvals, approval thresholds and monitoring by procurement staff will be enforced. Staff will be trained on the Authority's policies and the relevant rules and regulations related to cash disbursements and procurement. The review and necessary actions are in progress under the supervision of Eva Hall, Director of Finance Joe Murphy, Finance Manager/Comptroller.	3/31/2013 8/1/2013 3/31/14	On-Going Oversight	E. Hall J. Murphy w/Finance and V Brown w/ Development	PURCHASING
36	Independent Auditor's Report	Finding 11-3	Several contracts with a vendor, as well as invoices for work performed, were not procured in accordance with the Authority's policies and HUD rules and regulations. Contracts with the vendor were not signed even though costs were incurred and payments were made for services. Management overrode certain controls over cash disbursements and procurement of vendors that existed and did not obtain proper Board approval of the contracts.	The Authority should analyze existing internal controls over procurement to ensure that all contracts with vendors are properly procured in accordance with its policies. Also recommend that the Authority implement new monitoring controls with procurement staff to ensure that any cash disbursements to vendors are supported by properly procured contracts and that total payments to vendors do not exceed contracted amounts. Further, a record of all procurement actions should be maintained on a centralized listing and should be numbered in sequential order to ensure that there is an audit trail relating to all vendors procured by the Authority.	The Authority will review its current system of controls and implement policies and procedures to ensure procurement activities meet the Authority's policies and the relevant rules and regulations. Procedures and controls will be established to ensure activities are supported by proper documentation and adhere to approved amounts. Implemented policies will ensure an audit trail exists for the Authority's procurement activities. The review and necessary actions are in progress under the supervision of Eva Hall, Director of Finance.	3/31/2013 8/1/2013 6/17/2013 Complete	On-Going Oversight	V. Brown w/ Development	PURCHASING

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Item #	Source Document	Classification	Issue	Action Required or Recommendation	Action Taken	Expected Completion	Status	Responsible Party	Category
37	Forensic Audit Report	Finding 13	The contract for DSM.net, Inc. has continued to be paid beyond the initial contract period and contract value of \$70,000. As of December 31, 2011, the COCC Purchase Order Directory records payments of \$138,280 and the Vendor Total Worksheet records payments of \$111,991.55. This is a major discrepancy. It was also reported that payments have continued into 2012.	LHA must justify and clarify inconsistencies in service costs paid to DSM.net, Inc. LHA should discontinue services of DSM.net, Inc. and consider bringing the service in-house, which would be more cost effective and responsive to staff needs on a full-time basis. The costs of this service far exceeds the company's annual estimates and cost analysis for outside IT services when compared to in-house services.	LHA staff has discontinued services for DSM.net.	10/31/2012	Complete	V. Brown w/ Development	PURCHASING
38	Forensic Audit Report	Finding 14	LHA has ten (10) entertainment magazine subscriptions that have no relevance to the housing industry or standard business interest/practices of the agency.	LHA should cancel all non-housing industry or business publications.	Non-industry publications are purchased for the waiting rooms used by LHA clients and prospective clients. The Authority will ensure these publications are paid for with non-federal funds.		Complete	V. Brown w/ Development	PURCHASING
39	Forensic Audit Report	Finding 15	Procurement contract files are absent of invoices, payments, and correspondence needed to complete the files by documenting the history of transactions.	The LHA Finance Department should provide the Procurement Manager with copies of invoices, payments, payment schedules, and correspondence to compile a history of transactions associated with the procurement.	The Authority will establish SOPs for the provision of supporting documentation between departments.	3/31/2013 3/31/2014	Complete	E. Hall w/Finance	PURCHASING
40	Forensic Audit Report	Finding 16	The engagement letter (contract) between LHA and its auditor, Berman and Hopkins, is not a valid HUD agreement and it lacks the clauses required by the HUD Procurement Handbook including Termination for Convenience and other required language.	All of the additional contracts reviewed lacked the standard clauses required by HUD whether they were for capital projects or operating expenses. The authority contracts must be amended to include the required HUD language and documents.	Per review of the independent auditor's engagement letter, it appears all HUD requirements are satisfied. The audit firm specializes in audits of public housing authorities and uses a standard engagement letter for its public housing clients.		Complete	V. Brown w/ Development	PURCHASING
41	Forensic Audit Report	Finding 17	A review of the authority's Regulatory and Operating Agreements with its partnerships and affiliates are dated and do not conform to the current HUD standard in accordance with 24 CFR 85.36(b)(3).	While it is not a requirement of HUD to modify these agreements it may be a good business practice.	LHA staff is in the process of reviewing all Regulatory and Operating Agreements with its partners to determine whether or not modifications will be required to conform with HUD standards in accordance with 24 CFR 85.36(b)(3).	12/31/2012	Complete	V. Brown w/ Development	PURCHASING

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Item #	Source Document	Classification	Issue	Action Required or Recommendation	Action Taken	Expected Completion	Status	Responsible Party	Category
42	Limited Financial Management Review	Observation 2	The LHA is not effectively enforcing repayment agreements.	The PHA should take immediate action to enforce repayment agreements and should terminate assistance for failure to comply with the terms. Repayment amounts total approximately \$45,000 as of the date of the review.	The LHA staff has begun enforcing non payment of repayments Agreements.	On Going	HUD considers this item to still be open.	C. Pizarro w/ Housing	REPAYMENTS
43	Forensic Audit Report	Finding 21	The August 1, 2011 version of the LHA Administrative Plan generally follows the current HUD model, but lacks some of the language required by HUD. Additionally, no attempt was made by the forensic audit team to verify that the appropriate requirements for advertising, publication and public comment on this Administrative Plan were met.	LHA should review and revise the Section 8 Administrative Plan to incorporate current HUD guidelines and regulations.	A new Section 8 administrative plan was submitted to HUD on 10-31-2012.	10/31/2012	Complete	C. Pizarro w/ Housing	S8 ADMIN PLAN
44	Forensic Audit Report	Weakness 5	The salary allocation basis is not supported by employee time records. The salary allocation tables are manually calculated and entered by the Finance Manager.	Develop salary allocation tables in the Yardi database to accurately prorate direct and indirect labor costs. Only substantive labor changes would require manual salary allocation journal entries.	The Authority does not utilize Yardi for payroll processing. Payroll is outsourced to ADP and the Authority does not anticipate bringing payroll in-house in the near future. Currently, the Authority has only six employees whose salaries are allocated to more than one program.		Complete	P. Roberts w/Human Resources and E. Hall w/Finance	SALARIES
45	Independent Auditor's Report	Finding 11-5 (i)	Indicator 1 - Waiting List: The Authority did not maintain documentation to support the reported score for Indicator 1, including the quality control samples utilized or testing performed to satisfy this indicator.	We recommend that the Authority correct the reporting deficiencies and resubmit its SEMAP to HUD.	The Authority will correct the reporting deficiencies and resubmit its SEMAP to HUD.		Complete	C. Pizarro w/ Housing	SEMAP

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46	Independent Auditor's Report	Finding 11-5 (ii)	Indicator 3 - Determination of Adjusted Income: The Authority indicated that 80 - 89% of their quality control sample for Indicator 3 of the self-assessment showed that income determinations were performed properly as required by 24 CFR 985. However, the documentation maintained to support the reported score did not support the self-assessed score. Further, the results of our eligibility testing indicated numerous issues as noted in Finding 11-4. Therefore, it appears that the Authority should have indicated in the self assessment that a lower percentage of files included in the quality control sample showed that LHA determined adjusted income properly.	We recommend that quality control samples for all indicators be drawn in accordance with regulations contained in 24 CFR 985.3. In addition, we recommend that the Authority pull the samples throughout the year, both for SEMAP and internal review purposes, and that any needed corrective action be taken immediately to prevent program noncompliance.	The Authority will implement a system of quality control reviews to ensure compliance with all program requirements. LHA staff is currently performing a 100% file review.	2/1/2013	Complete	C. Pizarro w/ Housing	SEMAP
47	Independent Auditor's Report	Finding 11-5 (iii)	Indicator 6 - HQS Enforcement: The Authority indicated that greater than 98% of their quality control sample for Indicator 6 of the self-assessment showed that if HQS deficiencies were not corrected within the required timeframe, the Authority stopped housing assistance payments beginning no later than the first of the month following the correction period, or took prompt action to enforce the family obligations. However, the documentation did not support this assessment and the lead sheet did not assess the time frames for proper SEMAP reporting for this indicator. Additionally, the Authority did not abate housing assistance payments made to landlords in a timely manner when an inspection failed and was not properly corrected within the required timeframe (see Finding 11-7).	We recommend that the Authority verify controls are in place in order to ensure accurate SEMAP reporting, including an independent review of the SEMAP documentation and reported results by upper management.	The Authority will implement policies and procedures to ensure accurate SEMAP reporting including review by upper management. The Authority will implement policies and procedures to ensure the SEMAP is supported by adequate documentation of procedures performed and results determined for each indicator.	2/1/2013	Complete	C. Pizarro w/ Housing	SEMAP

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48	Independent Auditor's Report	Finding 11-5 (iv)	Documentation: The SEMAP data collected for the year end reporting lacked key documentation to support the Authority's overall self-assessed score for each indicator, including calculations of reported results, definitions of the populations for which quality control samples were selected, calculations of minimum required sample sizes, and certain supporting documents from which the results were derived.	We recommend that the SEMAP documentation maintained by the Authority clearly define the population from which each required sample is drawn, indicate how the required sample size was determined, and how the quality control samples are selected in an unbiased manner and how they are representative of the population. Furthermore, the SEMAP score reported to HUD for each indicator should clearly trace back to the testing sheet for each SEMAP indicator, including results of each item in a sample and the overall results corresponding with the reported score.	The corrections will be made immediately under the supervision of Carlos Pizarro, Director of Housing, and policies and procedures will be put in place.	2/1/2013	Complete	C. Pizarro w/ Housing	SEMAP
49	Forensic Audit Report	Finding 1	The Finance Department procedures should be updated to reflect day-to-day operations. The organizational workflow and procedures were originally modified with the 2010 implementation of: the Yardi Systems accounting software; the HUD Asset Based Management model; and more importantly the General Partner accounting model. The June 1, 2006 Casterline Associates, P.C. "Standard Operating Procedure for Critical Financial Functions" provides the accounting procedures structure for financial activities. The Casterline Standard Operating Procedures ("SOP") appear to be a standard template for public housing authorities modified to include updates for LHA vendor names and service providers. Audit team found no evidence of executed resolutions by the Board of Commissioners ("BOC")	Immediately update SOP to differentiate between Central Office Cost Center (COCC), public housing, and the fee for services accounting procedures models. The Finance Department's designated Yardi system "super users" should be able to assist in the creation and implementation of new operating procedures. Present the new SOP to BOC for approval prior to organization wide implementation.	The Finance Director is currently assessing operating procedures and an updated SOP will be produced.	3/31/2013 12/31/2013 3/31/14	In Progress	E. Hall J. Murphy w/ Finance	SOP

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Item #	Source Document	Classification	Issue	Action Required or Recommendation	Action Taken	Expected Completion	Status	Responsible Party	Category
50	Forensic Audit Report	Finding 5	The accounting department did not present evidence of documented work processes and workflow to make it possible to determine if controls exist to safeguard authority assets. Finance Manager did not have a Finance Department organization chart with corresponding responsibilities. The current five person department includes a new Comptroller, Finance Manager, three Accounting Clerks along with one part time clerk. In a small organization segregation of duties is critical to prevent fraud, theft, and asset misappropriation.	Internal controls must go beyond Yardi's automated processes. There are several approaches to developing documented control process. The new Finance Manager/Comptroller should be tasked with creating the internal and financial control model for the organization, to verify the existence of adequate controls, and to implement process improvements. The organization is over-reliant on the Yardi position control model to identify and reject unauthorized activities.	The Authority is committed to implementing and enforcing an effective system of internal controls. The internal controls are being evaluated and adjusted in conjunction with the update of SOPs.	3/31/2013 6/30/2013 8/1/2013 3/31/14	In Progress	E. Hall J. Murphy w/ Finance	SOP
51	Forensic Audit Report	Weakness 1	The petty cash Imprest procedure is not consistently applied to transactions. The site petty cash fund replenishment request included original receipts that were not "marked" to prevent reuse by staff.	The authority policy states "supporting documentation will be permanently marked in a manner to prevent re-use". The policy must be consistently applied to all petty cash reimbursement requests.	The Finance Department staff will review the policies with the petty cash custodians to ensure original receipts are marked "paid" when cash is disbursed.	10/31/2013 Complete	Ongoing Oversight	E. Hall w/Finance	SOP
52	Independent Auditor's Report	Finding 11-4	Out of a total tenant population of approximately 1,300, we tested 25 files and the following deficiencies were noted: 1.) 4 files improperly verified or calculated tenants' adjusted income; 2.) 2 files utilized incorrect payment standards; 3.) 1 file incorrectly calculated utility allowances; 4.) 2 files did not obtain signed U.S. citizenship declarations for all tenants; and 5.) 1 file did not have an annual HQS inspection performed on the unit.	The Authority should correct the deficiencies noted in the tested files. In addition, the Authority should establish quality control review procedures to ensure proper compliance with the requirements related to tenant eligibility. In order to provide a greater level of oversight to identify deficiencies in a timely manner, we recommend that the Authority perform independent monthly tenant file reviews. The review monthly quality control review sample should include tenant files processed by all housing specialists, and the reviewer should test for compliance with all tenant file management requirements as established by the Authority's administrative plan. Ongoing staff training and timely management	All deficiencies noted by the auditors will be corrected. The Authority will implement a system of monthly tenant file reviews to ensure the Section 8 Housing Choice Voucher Program files are in compliance with HUD requirements and the Authority's administrative plan. Training will be provided to ensure the Section 8 staff has the competencies necessary to maintain complete and accurate tenant files. The corrections will be made immediately under the supervision of Carlos Pizarro, Director of Housing.	2/1/2013	Complete	C. Pizarro w/ Housing	TENANT FILES

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Item #	Source Document	Classification	Issue	Action Required or Recommendation	Action Taken	Expected Completion	Status	Responsible Party	Category
53	Forensic Audit Report	Weakness 8	The new Comptroller's HUD regulations learning curve. This intellectual capital short term issue is compounded by the current Finance Department staff complement that performs routine tasks with minimum errors, but the incorrect processing of extraordinary or non-routine financial events are noted findings by the independent auditor's.	Procure training for staff on mixed finance guidelines, HUD regulations, asset based management, etc. to improve competencies, reduce attrition, and attain stellar performance in the finance organization. This could provide revenue generating opportunities for LHA by marketing financial services to other private, county and state landlords.	The Finance Director has attended numerous training conferences and has scheduled future training to ensure competency and compliance with HUD public housing requirements. The learning curve is mitigated by the Finance Director's 22 years of experience in federal regulations and compliance with funding requirements and financial reporting.		Complete	E. Hall w/Finance	TRAINING
54	Independent Auditor's Report	Finding 11-1 (ii)	The Authority's unaudited FDS required numerous material adjustments, including significant prior period adjustments (see Notes to the financial statements), to be fairly stated in accordance with GAAP, with the exception of the balances noted above which are not fairly presented. These prior period adjustments related primarily to developer fees earned by the Authority and were required to correctly reflect ending balances in developer fees receivable and to recognize revenue in the proper period. These adjustments should have been detected by the Authority staff while performing their normal duties of processing and recording financial information.	The auditors recommend that the Authority review the established system of controls, including responsibilities at each staff level, for adequate safeguards to facilitate accurate and timely processing of financial information under all circumstances. Also, the Authority should provide additional training to staff in the accounting department, particularly related to the development activity of the Authority, to ensure an accurate and timely system of financial reporting at all times. The Authority needs to ensure that the books and records are closed timely and accurately without relying on audit adjustments, considering that the external auditors are independent of the internal control	The Authority has scheduled the services of a consultant who will assist in the reconciliation of HAP expense, Net Restricted Assets and Unrestricted Net Assets per the Authority's general ledger to the amounts reported to HUD in the Voucher Management System ("VMS") and make all necessary adjustments to the general ledger balances and the VMS reported amounts. Review procedures will be established to ensure all future transactions are properly recorded and reconciled so the VMS will be correct. The reconciliation is being performed under the supervision of Eva Hall, Director of Finance, and will be complete for the March 31, 2013 reporting period.	4/1/2013	Complete	E. Hall w/Finance	VMS
55	Forensic Audit Report	Observation 1	More than half of the files reviewed had small errors on the 50058 Forms submitted to HUD including wrong bedroom count, wrong rent (FMR) for the units, HQS inspections that are not timely.	The Section 8 staff should take advantage of any training available in the area with the goal of improving file accuracy and attention to detail. Training should be prioritized based on QC review of each of the caseworkers' files.	In 2012 we provided income calculation and HQS training for all Section 8 employees. Continuous training will be on going.	3/31/2013 Complete	On-Going	C. Pizarro w/Housing	VMS
56	Forensic Audit Report	Observation 2	Each file contained excellent checklists, but they were often not filled out completely.	Careful use of existing Checklist will improve accuracy. The staff should continue their efforts to purge old or duplicate data from the files.	LHA will continue to implement a file review of all files completed in the Section 8 program.	On-Going	On-Going	C. Pizarro w/Housing	VMS

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57	Forensic Audit Report	Observation 3	Some files, while complete, contained draft or incomplete forms.	The Section 8 staff should take advantage of any training available in the area with the goal of improving file accuracy and attention to detail.	In 2012 we provided income calculation and HQS training for all Section 8 employees. All staff were certified at the time of training.	3/31/2013 Complete	On-Going	C. Pizarro w/ Housing	VMS
58	Forensic Audit Report	Observation 4	While Quality Control Checklists were observed in some files, the level of accuracy in the files is not acceptable.	Careful use of existing Checklist will improve accuracy. The staff should continue their efforts to purge old or duplicate data from the files.	LHA will continue to implement a file review of all files completed in the Section 8 program.	4/1/2013	On-Going	C. Pizarro w/ Housing	VMS
59	Forensic Audit Report	Observation 5	In all but one case the rent appeared to be calculated correctly.	While the Section 8 files reviewed were in generally good condition, the transmission of inaccurate 50058 Forms will eventually lead to a reduction in the authority's SEMAP score as HUD's monitoring capability increases. Also, several firms market software that monitors the accuracy of 50058 data submitted to HUD which may be of some help to LHA's Section 8 staff.	LHA Section 8 staff will be reviewing files for accuracy and completeness.	On-Going	On-Going	C. Pizarro w/ Housing	VMS
60	Forensic Audit Report	Observation 6	When the unit failed an HQS inspection they were re-inspected within 30 days and passed.	No corresponding comment was listed.	LHA procedures were implemented to ensure the timeliness of re-inspections.	On-Going	On-Going	C. Pizarro w/ Housing	VMS
61	Forensic Audit Report	Observation 7	Most re-certifications were performed after the lease renewal date.	No corresponding comment was listed.	LHA Section 8 staff is now working 60 days in advance on annuals and will move to 120 days in advance.	On-Going	On-Going	C. Pizarro w/ Housing	VMS

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Item #	Source Document	Classification	Issue	Action Required or Recommendation	Action Taken	Expected Completion	Status	Responsible Party	Category
62	Independent Auditor's Report	Finding 11-6	We noted material differences between the HAP expense recorded in the general ledger and reported on the FDS. In addition, neither of these amounts agreed with the HAP expense reported to HUD in VMS. In addition, the Authority could not provide supporting documentation to reconcile the information reported in VMS or on the FDS for unit months leased. Further, as noted in Financial Statements Finding 11-1-i, the Authority could not provide adequate documentation to support the HAP expense recorded in the general ledger; therefore, we could not determine that HAP expense and, therefore, HAP equity are fairly stated in accordance with GAAP.	The Authority should implement internal control procedures to ensure that data submitted to HUD in VMS and the REAC agrees to the general ledger and other supporting documentation. We recommend that management designate an individual to review supporting documentation for VMS data and reconcile the information to data recorded in the general ledger and other management information systems prior to submission to HUD. Further, we recommend that management reconcile internal HAP registers to expenses recorded in the general ledger during each HAP check run to ensure that amounts are properly recorded and paid to landlords.	The Authority has scheduled the services of a consultant who will assist in the reconciliation of HAP expense, Net Restricted Assets and Unrestricted Net Assets per the Authority's general ledger and the amounts reported to HUD in the Voucher Management System ("VMS") and make all necessary adjustments to the general ledger balances and the VMS reported amounts. Review procedures will be established to ensure all future transactions are properly recorded and reconciled so the VMS will be correct. This will include reconciling Section 8 tenant and landlord registers with the general ledger. Under the supervision of Eva Hall, Director of Finance, and Carlos Pizarro, Director of Housing, the VMS reports were reconciled to the general ledger and corrections were made for the March 31, 2013 reporting period.	Complete	On-Going Oversight	C. Pizarro w/ Housing and E. Hall/ Finance	VMS-PIC
63	Limited Financial Management Review	Finding 2	Significant reporting errors and/or omissions were noted in VMS and PIC reporting.	The LHA must verify the HCV HAP expenses and UMLs for CY 2011 and the first six months of CY 2012 and submit within 30 days. If these reports contradict the HAP register used by the HUD review team's NRA calculation, reasons and backup must be provided.				C. Pizarro w/ Housing	VMS-PIC
64	Limited Financial Management Review	Finding 2a	Significant reporting errors and/or omissions were noted in VMS and PIC reporting.	Correct the CY 2011 and 2012 VMS.				C. Pizarro w/ Housing	VMS-PIC
65	Limited Financial Management Review	Finding 2b	Significant reporting errors and/or omissions were noted in VMS and PIC reporting.	Correct PIC data and properly maintain the data once corrected.				C. Pizarro w/ Housing	VMS-PIC
66	Limited Financial Management Review	Finding 2c	Significant reporting errors and/or omissions were noted in VMS and PIC reporting.	Establish policies and procedures, including quality controls, to ensure accurate VMS data is being reported.				C. Pizarro w/ Housing	VMS-PIC
67	Limited Financial Management Review	Finding 2d	Significant reporting errors and/or omissions were noted in VMS and PIC reporting.	LHA's HCV and Finance Department must review VMS data monthly before finalizing the information in VMS.				C. Pizarro w/ Housing and E. Hall w/ Finance	VMS-PIC

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Item #	Source Document	Classification	Issue	Action Required or Recommendation	Action Taken	Expected Completion	Status	Responsible Party	Category
68	Forensic Audit Report	Finding 8	The authority does not have documented bank wire transfer procedures. The Finance Manager responded to process description questions, and did not believe the absence of the SOP was an issue based on the small number of wire transfers.	The Finance Department must develop procedures for outgoing wire transfers. The absence of clearly delineated internal control procedures that includes levels of authority, signatures, checks and balances, verification of data, paper trail, financial institution manual or automated authorization procedures, etc. could expose the authority to significant financial losses.	The Finance Department is updating its SOPs and will include written procedures for bank wire transfers. Although there is not a written procedure, strict procedures are required by the banking institutions and all transfers must have approval by authorized staff and/or Commissioners.	3/31/2013 12/31/2013 3/31/14 8/18/2014	Complete	E. Hall w/Finance B. Stevenson w/Executive Office	WIRES
69	LHA Audited Financials for 2012	Finding 2012-001 Financial Reporting	During our audit of the Authority's financial statements, we detected certain deficiencies in internal control over financial reporting as described below which are identified as a material weakness in internal control over financial reporting in accordance with Statement on Auditing Standards No. 115 ("SAS 115"). The Authority's unaudited FDS required numerous material adjustments, including certain prior period adjustments (see the notes to the financial statements), to be fairly stated in accordance with U.S. generally accepted accounting principals ("GAAP"). These prior period adjustments should have been detected by the Authority staff while performing their normal duties of processing and recording financial information.	Management should determine proper staffing needs given the size and complexity of the Authority, including related parties and component units, for proper financial reporting. As of December 31, 2012, the Authority had eight related parties, in addition to the Authority's eleven blended component units.	The Authority is in the process of reviewing its organizational chart to delineate responsibilities and accountability among departments. To ensure compliance with GAAP and grant requirements, the Authority will provide training for staff so they have the necessary competencies required to account for the Authority's varied programs and activities. The review and necessary actions are in progress under the supervision of Eva Hall, Director of Finance, and Carlos Pizarro, Director of Housing, and will be complete within 90 days.	12/31/2013 Complete	Ongoing Oversight	E. Hall w/ Finance and C. Pizarro w/Housing	INTERNAL CONTROLS

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Item #	Source Document	Classification	Issue	Action Required or Recommendation	Action Taken	Expected Completion	Status	Responsible Party	Category
70	LHA Audited Financials for 2012	Finding 2012-002 Allowable Costs & Adequate Controls Over Disbursements	Adequate controls are not in place over cash disbursements. During the audit we noted inconsistencies in practice in the use of purchase orders and level of approvals as required by the Authority's procurement and cash disbursement policies. We noted inadequate segregation of duties over the set-up of the required approvals in the accounting software and the actual approval of transactions, as well as between the recording of transactions in the general ledger and the approval of transactions in certain cases. Further, we noted a lack of monitoring controls over total disbursements to vendors under contract. NOTE: Finding for all major programs is also same as Financial Statements Audit Finding.	We recommend that management analyze the cash disbursement process in conjunction with procurement policies and document the required procedures. Specifically, the Authority should identify the required approval thresholds and better define the relevant staff that should be involved in the processing of cash disbursements. Further, the Authority should implement proper segregation of duties over recording, authorizing and reconciling cash disbursements and should implement monitoring controls of total vendor payments under contract be procurement staff. The Authority should also provide training to all staff on relevant rules and regulations and internal policies relating	The Authority is in the process of documenting and improving its current system of controls and implementing procedures to monitor and ensure compliance. Certain departments have developed policies and procedures to ensure cash disbursements and procurements have approval. These procedures will be implemented for the entire Authority. Staff will be trained on the Authority's policies and the relevant rules and regulations related to cash disbursements and procurement. The review and necessary actions are in progress under the supervision of Eva Hall, Director of Finance, and Carlos Pizarro, Director of Housing, and will be complete within 90 days.	12/31/2013 Complete	Ongoing Oversight	E. Hall w/Finance and C. Pizarro w/Housing	DISBURSEMENTS
71	LHA Audited Financials for 2012	Finding 2012-003 Interprogram Activity and Pooled Cash Account	The Authority utilizes a pooled cash account that resides in AMP 1. On December 31, 2012, AMP 1 had \$137,775 of unrestricted cash, as well as an \$3,847,180 of interprogram receivable.	We recommend that the pooled cash account be relocated in the general ledger to the COCC (Central Office Cost Center) and be reconciled and settled up. Despite the location of the pooled cash account, programs and AMPs should be running operations without having to borrow from other programs. Any internal borrowings should be short term in nature and due to the centralized bank account paying for common costs to prevent multiple checks being needed. It should not be utilized to cover operational shortfalls.	The Authority has moved its pooled cash account to the COCC general ledger. The necessary actions will be performed under the supervision of Eva Hall, Director of Finance, and will be completed within 90 days. The Authority is currently analyzing pooled cash account activity to developing a realistic methodology to settle internal borrowings and prevent future commingling of program funds. Under the supervision of Eva Hall, Director of Finance, a plan was formalized and goals established based upon this research . The Authority acknowledges the gravity of this situation and the long term nature of the solution.	Complete	Ongoing oversight	E. Hall w/Finance	ACCOUNTS

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Item #	Source Document	Classification	Issue	Action Required or Recommendation	Action Taken	Expected Completion	Status	Responsible Party	Category
72	LHA Audited Financials for 2012	Finding 2012-004 Eligibility	Low Rent Public Housing, CFDA Number 14.850 Condition: Out of total ACC unit population of approximately 250, we tested 25 files and the following deficiencies were noted: 7 files lacked a signed HUD Form 9886 for adult members in the household; 5 files did not obtain signed U.S. citizenship declarations for all tenants; 5 files lacked proper identification; 1 file had an incorrect income calculation; and 9 files lacked annual inspections.	The Authority should correct the deficiencies noted in the tested files. In addition, the Authority should establish quality control review procedures, including public housing units in the mixed finance properties, to ensure proper compliance with the requirements related to tenant eligibility.	All deficiencies noted by the auditors will be corrected. The Authority will implement a system of tenant file reviews to ensure the Low Rent Public Housing Program files (including mixed finance properties that have units under ACC) are in compliance with HUD requirements and the Authority's ACOP - Admissions and Continued Occupancy Plan. Training will be provided to ensure staff has the competencies necessary to maintain complete and accurate tenant files. The corrections will be made immediately under the supervision of Carlos Pizarro, Director of Housing, and training will be provided within 90 days.	12/31/2013	Complete	C. Pizarro w/Housing	TENANT FILES
73	LHA Audited Financials for 2012	2012-005 Special Tests and Provisions - General Depository Agreement	Low Rent Public Housing, CFDA Number 14.850 Housing Voucher Cluster Condition: During our audit of the Authority's accounts with financial institutions, we noted that the Authority had failed to enter into depository agreements with every financial institution handling accounts containing federal monies.	The Authority must execute Form HUD-51999 with all financial institutions where the Authority has funds and monitor the collateral levels for compliance with the General Depository Agreement on a least a monthly basis to ensure that the Authority's deposits are fully protected as required.	The forms have been completed. LHA has an executed depository agreement with each financial institution handling accounts containing federal monies. During the NRA review that occurred April 22-24, 2014, the auditors outlined that the Depository Agreements that LHA has on file for HCVP are not acceptable. The agreements are signed but not dated. Additionally, the auditors expressed concerns in reference to the bank fees. On June 17, 2014, Wells Fargo sent LHA the executed form HUD-51999 for the Public Housing Master Account and Section 8. Staff continues to negotiate with the banks to eliminate the fees and obtain agreements that are acceptable to HUD.	1/15/2014 6/2/2014	Complete In Progress	E. Hall w/Finance V. Brown w/Development and Ray Coury w/IFH Solutions	GDA

**LAKELAND HOUSING AUTHORITY
CORRECTIVE ACTION PLAN**

Item #	Source Document	Classification	Issue	Action Required or Recommendation	Action Taken	Expected Completion	Status	Responsible Party	Category
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Summary of Terms

- 1.) Finding: A deficiency that represents a violation of statutory or regulatory requirements, for which sanctions or other corrective actions are authorized, and which, therefore, necessitates immediate remedial action.
- 2.) Observation: Maybe a general comment, or may be a deficiency in program performance, which does not result in a violation of statutory or regulatory requirement, but which could, if not addressed, result later in a finding.
AMP = Asset Management
- 3.) Projects
BOC = Board of
- 4.) Commissioners
5.) COA = Chart of Accounts
COCC = Central Office Cost
- 6.) Center
7.) CYE = Calendar Year End
EIV = Enterprise Income
- 8.) Verification
FDS = Financial Data System or
- 9.) Financial Data Schedule
10.) FMR = Fair Market Rents
GAAP = Generally Accepted
- 11.) Accounting Principles
GAAS = Generally Accepted
- 12.) Audited Standards
GDA = General Depository
- 13.) Agreements
14.) GL = General Ledger
HCV = Housing Choice
- 15.) Voucher
IFRS = International Financial
- 16.) Reporting Standards
17.) NRA = Net Restricted Asset
- 18.) OPH = Office of Public Housing
OFFP = Operating Fund
- 19.) Financing Program
- 20.) PIC = PIH Information Center
- 21.) PIH = Public and Indian Housing
- 22.) RCS = Rent Comparability Study
- 23.) SAS = Statement on Audit Standards
- 24.) SOP = Standard Operating Procedures
- 25.) TARs = Tenant Account Receivables
- 26.) UMLs = Unit Months Leased
- 27.) VASH = Veterans Affairs Support of Housing
- 28.) VMS = Voucher Management System