



430 Hartsell Ave  
Lakeland, FL 33815

(863) 267-6911

<http://LakelandHousing.org>



### Board Of Commissioners

Michael Pimentel, Chairman

Richard Richardson, Vice-Chairman

Joseph DiCesare

Eddie Hall

Lorenzo Robinson

Dorothy Sanders

Gary Smith

## REGULAR BOARD MEETING

SEPTEMBER 29, 2014

Benjamin Stevenson, Executive Director

Ricardo Gilmore, Esquire

## **AGENDA**

Board of Commissioners Meeting  
The Housing Authority of the City of Lakeland, Florida  
Monday, September 29, 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, August 18, 2014 and Minutes of Special Board Meeting.**
- 3. Public Forum**
- 4. Old Business**
  - Recovery Plan Review Committee Update
  
  - LHA Recovery Plan Update
- 5. New Business**
- 6. Monthly Reports**
  - Financial Reports and Grant Updates
  
  - Housing Report
  
  - Development Report
  
  - Resident Services Report
  
  - Resolutions
    - Resolution # 14-1387 – The Board of Commissioner is requested to approve the Fiscal Year 2015 Fair Market Rent rates/Payments Standard for Section-8 residents effective December 1, 2014

Resolution # 14-1388 – The Board of Commissioners is requested to authorize an increase in the dollar value of contract with Johnson-Laux Construction, Inc. for the installation of a centralized phone system and necessary improvements to the parking lot and grounds at the Administration Building

Resolution # 14-1389 – The Board of Commissioners is requested to approve an increase in the dollar value of the contract with IFH Solutions for Financial Advisement

**7. Secretary's Report**

**8. Legal Report**

**9. Other Business**

- Corrective Action Plan

**10. Adjournment**

**MINUTES**  
**Special Board Meeting of**  
**The Housing Authority of the City of Lakeland**  
**Monday, September 15, 2014**

The Commissioners of the Housing Authority of the City of Lakeland met for a Special Board Meeting on Monday, September 15, 2014 at 6:00 p.m. at 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 Present:** Ricardo Gilmore, Esquire

The meeting was called to order at 6:03 p.m. by Commissioner Pimentel, Chairman. The Pledge of Allegiance and a Moment of Silence were observed. A quorum was established.

Mr. Stevenson introduced to the board to the new LHA employee, Joseph Murphy, Finance Manager/Controller. Mr. Murphy gave the brief remarks to the board.

**BUDGET**

Carlos Pizarro, Director of Housing, gave a brief overview of the four Budget handouts. Mr. Pizarro asked the board to review the Budget Report and if they have any questions those questions can be addressed at the Regular Board Meeting scheduled for September 29, 2014.

Mr. Stevenson further explained that the final budget will also be presented to the Recovery Plan Review Committee in October 2014 for approval.

**AGENCY PLAN**

Valerie Brown, Director of Development, gave a brief overview of some of the changes in the 2015 Agency Plan. Ms. Brown explained some of the key changes in the 2015 Agency Plan regarding the Admissions and Continued Occupancy Policy (ACOP) on Pg.43, Section 4-II.B.- Organization of the Wait List and the items that have been changed are the preferences:

Applicants will no longer receive preference for the wait list regarding the following:

- Victim of Domestic Violence
- Voters Registration
- Graduate from a Lakeland based approved Transitional Housing Program
- Enrollment in school
- Residing in government acquired property
- Being relocated at the request of LHA

The preferences will now be based on the following:

- Working family (highest number of points)
- No one in household has a prescribe crime history..

These preferences will also apply to Section-8 housing.

Ms. Brown also informed the board of the final changes including the reduction in Community and Supportive Services:

- LHA no longer has funding to support the 21<sup>st</sup> Century Program
- LHA did not reapply for a ROSS grant this calendar year due to the focus on the Recovery Plan
- OST/MST program participants have been absorbed into the LHA workforce
- LHA will continue to served families via partnerships with Polk Elderly Services, We Care Services and VISTE
- LHA will still serve families via FSS for the Public Housing and Section 8 Programs.

All of the above mentioned changes are indicated in the handouts distributed by Ms. Brown to the board.

## **RESOLUTIONS**

**Resolution #14-1385** – The Board of Commissioners is requested to authorize the Executive Director to submit a Disposition Application for the Arbor Manor property to the U.S. Department of Housing and Urban Development.

- Motion to accept and approve the resolution # 14-1385.  
Motion by Richardson, second by Smith

**Vote:** Commissioners

Michael Pimentel – Aye

Richard Richardson – Aye

Edward Hall –Aye

Joseph DiCesare – Aye

Lorenzo Robinson – Aye

Dorothy Sanders – Aye

Gary Smith – Aye

**Resolution #14-1386** – The Board of Commissioners is requested to approve the proposed flat rent rates schedule and the corresponding Agency Plan Flat Rate Significant Amendment.

- Motion to accept and approve the resolution #14-1386.  
Motion by Richardson second by Smith

**Vote:** Commissioners

Michael Pimentel – Aye

Richard Richardson – Aye

Edward Hall –Aye

Joseph DiCesare – Aye

Lorenzo Robinson – Aye

Dorothy Sanders – Aye

Gary Smith – Aye

**LEGAL REPORT** *(not on the agenda)*

Ricardo Gilmore, Legal Counsel, mentioned that in his observations Public Forum was not included to the agenda. He advised in special board meetings that “Public Forum” should be placed on the meeting agenda.

The meeting adjourned at 6:35 p.m.

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**Benjamin J. Stevenson, Secretary**

**MINUTES**  
**Regular Board Meeting of**  
**The Housing Authority of the City of Lakeland**  
**Monday, September 29, 2014**

The Commissioners of the Housing Authority of the City of Lakeland met for a Regular Board Meeting on Monday, September 29, 2014 at 6:00 p.m. at 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  
  Gary Smith, Commissioners

Secretary                                 Benjamin Stevenson  
Legal Counsel:                         Ricardo Gilmore, Esquire

The meeting was called to order at 6:02 p.m. by Commissioner Pimentel, Chairman.  
The Pledge of Allegiance and a Moment of Silence were observed.  
A quorum was established.

**APPROVAL OF THE AGENDA**

Meeting agenda was approved. No new items were added to the agenda.

- **Motion to approve the meeting agenda.**  
Motion by DiCesare, second by Richardson

**Vote:** Board of Commissioners  
Michael Pimentel – Aye                         Edward Hall – Aye                                 Gary Smith – Aye  
Richard Richardson – Aye                     Joseph DiCesare – Aye

**APPROVAL/ACCEPTANCE OF MINUTES**

- **Motion to approve and accept the Minutes of the Regular Board Meeting held August 18, 2014**  
Motion by Richardson, second by Smith

**Vote:** Commissioners  
Michael Pimentel – Aye                         Edward Hall – Aye                                 Gary Smith - Aye  
Richard Richardson – Aye                     Joseph DiCesare – Aye                             Lorenzo Robinson - Aye

Friendly Amendment:

After the minutes were approved Commissioner Robinson requested that the following statement be inserted on pg.4 - Resolution #14-1380 after the first sentence "Commissioner Robinson voiced concerns about the previous proposed use of the land on 10<sup>th</sup> Street."

## **PUBLIC FORUM**

None

## **OLD BUSINESS**

Mr. Stevenson informed the board that Commissioner DiCesare declined to serve as a committee member for the Recovery Plan Review Committee via email. Mr. Stevenson indicated that a copy of the email is in the board report.

### **• Recovery Plan Review Committee Meeting Updates**

Mr. Stevenson informed the board that the Recovery Plan Review Committee met on July 29, 2014 and August 12, 2014 and the minutes have been approved by the committee. Copies of the meeting minutes have been distributed to all commissioners with the exception of Commissioner Sanders who is not present at this meeting. Commissioner Richardson asked the board to review the minutes. Commissioner Richardson advised the board that the first meeting with the staff was basically a fact finding meeting. He indicated the staff gave the committee in-depth reports on HUD's requirements regarding the recovery plan. The staff reduction seems to be the main focus and a balance budget. Commissioner Richardson indicated that the Recovery Plan Review Committee is very pleased with the work that has been done by staff and the progress they are making.

Commissioner Smith chaired the second Recovery Plan Review Committee meeting. He gave a brief update on the Incentive Package regarding staff reduction that is still being reviewed by labor counsel. He also informed the board that Mr. Stevenson presented a budget with the plan. The Board unanimously accepted the both minutes.

### **• LHA Recovery Plan Updates**

Mr. Stevenson referred the board to the four organization charts in the report. Mr. Stevenson gave a very thorough presentation on the charts, explaining the organizational charts with changes and options. He reiterated to the board that the organization is at a "bare bones" capacity and now having to cut bones.

It is LHA goal to have a draft Recovery Plan to present to HUD by the first week in September 2014 and then to the Recovery Plan Review Committee. Mr. Stevenson indicated that documents will be presented to the board at a future meeting. He informed the board that HUD is scheduled to visit LHA on September 29 – 30, 2014.

Mr. Stevenson also informed the board the Recovery Plan Update includes a summary of HUD's visit to LHA and items that were discussed. HUD will submit their findings in writing at a later date.

Part of the Recovery Plan is repayment options which are being discussed with Recovery Plan Review Committee.



- **Motion or recommendation that the Board accepts the Recovery Plan Update.**

Motion by Robinson 2<sup>nd</sup> Hall

**Vote:** Commissioners

Michael Pimentel – Aye

Edward Hall –Aye

Gary Smith – Aye

Richard Richardson – Aye

Joseph DiCesare – Aye

Lorenzo Robinson – Aye

## **NEW BUSINESS**

None

Commissioner DiCesare mentioned to the board that he wanted to make sure that the new commissioners are informed about the limits regarding the dollar amount for training and travel. Mr. Stevenson assured the board he has informed the new commissioners regarding the training and travel limits and restrictions.

## **MONTHLY REPORTS**

- **Financial Report and Grant Updates**

Ray Coury, Financial Advisor, gave a thorough report highlighting items on the Finance Report. Mr. Stevenson informed the board that LHA was awarded another YouthBuild Grant.

Report submitted and accepted as written.

- **Housing Report**

Carlos Pizarro, Housing Director gave highlights of his written report. Based on the HUD field visit there were no findings on the Housing/Property Management side.

Report submitted and accepted as written

- **Development Report**

Valerie Brown, Director of Development gave a thorough overview of the Development Report. She stated “today LHA sold the first home at Hampton Hill.” There are 11 more homes to sell.

Ms. Brown informed the board of the FY – 2015 Agency Plan and the various scheduled meetings. Report submitted and accepted as written

- **Resident Services Report**

Earl Haynes gave brief highlights of achievements in the Resident Service Report. Plants were donated to Villas of Lake Bonnet by the City of Lakeland Parks and Recreation Department.

Report submitted as accepted as written

**RESOLUTIONS**

**Resolution #14-1382** – The Board of Commissioners is requested to approve the adoption of an Investment Policy for the Lakeland Housing Authority.

- **Motion to accept and approve resolution #14-1382.**  
Motion by Richardson, second by Pimentel

**Vote:** Commissioners

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

**Resolution 14-1383** – The Board of Commissioners is requested to adopt a Banking and Wire Transfer Policy for the Lakeland Housing Authority.

- **Motion to accept and approve the resolution # 14-1383**  
Motion by Smith, Dual second by DiCesare & Robinson.

**Vote:** Commissioners

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

**Resolution # 14-1384** – The Board of Commissioners is requested to approve and authorized the Executive Director to increase the current dollar value of a contract with Johnson–Laux Construction, Inc. up to \$142,500.

- **Motion to accept and approve the resolution #14-1384**  
Motion by Richardson, second by Hall.

**Vote:** Commissioners

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

**SECRETARY’S REPORT**

Report submitted and accepted as written.

**LEGAL REPORT**

Mr. Ricardo Gilmore, Legal Counsel, suggested that the Annual Performance Evaluation Form for the Executive Director be approved and accepted with the suggested corrections.

- **Motion to approve and accept the Annual Performance Evaluation Form with the indicated corrections.**

Motion by Smith, Second by Richardson.

**Vote:** Commissioners

Michael Pimentel – Aye

Richard Richardson – Aye

Edward Hall – Aye

Joseph DiCesare – Aye

Gary Smith – Aye

Lorenzo Robinson – Aye

### **OTHER BUSINESS**

#### **Corrective Action Plan**

Submitted and accepted as written.

The meeting adjourned at 7:35 p.m.

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**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**

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[www.LakelandHousing.org](http://www.LakelandHousing.org)

DATE: September 24, 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 10<sup>th</sup> Street and Florida Avenue. Staff received permission from the LHA Board of Commissioners to negotiate the sale of the Arbor Manor property. A purchase agreement was executed in September 2014.

The next step is submittal of disposition application to the HUD Special Applications Center. The Board authorized submittal of the application at the September 15, 2014 Special Board meeting. The application will be completed and submitted in October 2014.

2) Reduce COCC Budget/Overall Agency Debt

Status: Staff is working on this issue with the Financial Advisor. We recently met with HUD to discuss the agency budget. One item recommended by HUD is agency-wide staff reorganization. The reorganization will include a reduction in staff size which will reduce the budgetary constraints on the COCC and be a part of the Recovery Plan. This proposal is being discussed with the Recovery Plan Review Committee.

HUD visited LHA for a Limited Management Review during the week of July 21-24, 2014. A summary of the site visit included with the August 2014 update.

The Miami Field Office will be in town at the end of this month for a presentation on the draft Recovery Plan. After receipt of comments from HUD-Miami, staff will finalize the document and present to the LHA Board of Commissioners for approval at the October 2014 Board meeting.

3) Reduction In Force



Status: Staff had preliminary conversations with labor/legal counsel regarding Reduction In Force process. Members of executive staff are developing Standard Operating Procedure manuals and providing recommendations regarding staffing in their respective departments. Staff is also developing a list of staff and their characteristics such as race, age, sex, etc. for review by the labor/legal counsel. This information will aid the labor/legal counsel with advising LHA on how to proceed within legal standards. Staff is still considering implementation of an agency-wide Reduction in Force or 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 may be 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. 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) Relocate Section 8 and Public Housing staff to Hartsell Avenue

Status: The Section 8 landlord was notified in December 2013 of LHA's intent to not renew the lease. Resident Services staff has completed the process of relocating into the Emma Turner Building. Public housing staff was relocated to the Hartsell office in February 2014. Staff has requested a two month extension from building owner. Such would allow time for all of the prep work at the Main Office to be completed.

5) Bring Human Resources In-House

Status: The previous HR contractor, ADP, was notified in the Fall 2013 of LHA's intent to not renew contract. A contractor, Paychex was procured in December 2013 to provide payroll services. The new payroll system was placed in operation in January 2014.

6) 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.

7) Other Updates



The Department of Labor approved another grant award for the LHA Youth Build program. The dollar amount of the grant is \$974,124 over a three year period. LHA received the official award letter on September 18, 2014.

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 this month's Development Report. The Developer will assist LHA in submitting a low income housing tax credit application for the West Lake Apartments property.

BJS

**FINANCIAL REPORT  
AND  
GRANT UPDATES**





TO: Lakeland Housing Authority Board of Commissioners

FROM: Raymond M. Coury, CPA LHA Financial Advisor

DATE: September 16, 2014

RE: July 2014 Financial Statements

I have attached the Statements of Operations, Balance Sheets and Cash Flows for June 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.

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Raymond M. Coury, CPA  
Financial Advisor  
Lakeland Housing Authority

**Lakeland Housing Authority  
Central Office Cost Center  
Statement of Operations  
July 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% <b>1</b>	141,965	142,042	(77)	-0.05%	<b>243,500</b>
Non-Federal Overhead Allocation	-	5,667	(5,667)	-100.00% <b>3</b>	11,333	39,667	(28,334)	-71.43%	<b>68,000</b>
Non-Federal Cash on Hand	-	46,165	(46,165)	-100.00%	200,000	323,157	(123,157)	-38.11%	<b>553,984</b>
Miscellaneous Income	134	-	134	0.00%	349	-	349	100.00%	-
<b>Total Revenue</b>	<b>20,425</b>	<b>72,124</b>	<b>(51,699)</b>	<b>-71.68%</b>	<b>353,647</b>	<b>504,866</b>	<b>(151,219)</b>	<b>-29.95%</b>	<b>865,484</b>
Administrative Expenses	34,180	67,115	(32,935)	-49.07% <b>2</b>	339,543	469,807	(130,264)	-27.73%	<b>805,384</b>
Utility Expense	2,356	1,429	927	64.85%	11,716	10,004	1,712	17.11%	<b>17,150</b>
Maintenance Expense	741	1,800	(1,059)	-58.83%	9,809	12,600	(2,791)	-22.15%	<b>21,600</b>
General Expenses	1,090	1,646	(556)	-33.78%	7,915	11,521	(3,606)	-31.30%	<b>19,750</b>
Total Expense before depreciation	38,367	71,990	(33,623)	-46.71%	368,983	503,932	(134,949)	-26.78%	<b>863,884</b>
<b>Operating Income (Loss) before Depreciation</b>	<b>(17,942)</b>	<b>133</b>	<b>(18,075)</b>	<b>-13556.41%</b>	<b>(15,336)</b>	<b>933</b>	<b>(16,269)</b>	<b>-1743.14%</b>	<b>1,600</b>
Depreciation	133	133	-	0.00%	932	933	-	0.00%	<b>1,600</b>
<b>Total Expense</b>	<b>38,500</b>	<b>72,124</b>	<b>(33,623)</b>	<b>-46.62%</b>	<b>369,915</b>	<b>504,866</b>	<b>(134,949)</b>	<b>-26.73%</b>	<b>865,484</b>
<b>Net Operating Income (Loss)</b>	<b>(18,075)</b>	<b>-</b>	<b>(18,075)</b>	<b>-</b>	<b>(16,268)</b>	<b>-</b>	<b>(16,269)</b>	<b>(0) -</b>	<b>-</b>

Comments

- 1** Management fee and bookkeeping fee revenue is 54% of maximum allowed under Asset Management.
- 2** Significant favorable variance within this salary expense line.
- 3** Budgeted income from West Lake Management, Inc. when WLM is reporting a profit and positive cashflow.

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

**ASSETS**

Unrestricted Cash	
Cash Operating 1	111,276.52
Total Unrestricted Cash	<u>111,276.52</u>
<b>TOTAL CASH</b>	<u>111,276.52</u>
<b>ACCOUNTS AND NOTES RECEIVABLE</b>	
Due from Public Housing General	-52,692.89
A/R - ROSS/HUD	19,911.71
Due from West Lake Management, LLC	51,702.74
A/R - 21st Century/DOE	71,113.20
Due from Youthbuild-DOL2011	4,837.84
A/R - Capital Fund Grants/HUD	32,741.00
Due from Villas at Lake Bonnet	405.03
Due from Development-General	-23,169.60
Due from Section 8 HCV	19,021.74
<b>TOTAL DUE FROM</b>	<u>123,870.77</u>
<b>TOTAL ACCOUNTS AND NOTES RECEIVABLE</b>	<u>123,870.77</u>
<b>OTHER CURRENT ASSETS</b>	
Prepaid Expenses and Other Assets	1,280.23
Prepaid Insurance	3,175.71
Prepaid Software Licenses	1,375.91
<b>TOTAL OTHER CURRENT ASSETS</b>	<u>5,831.85</u>
<b>TOTAL CURRENT ASSETS</b>	<u>240,979.14</u>
<b>NONCURRENT ASSETS</b>	
<b>FIXED ASSETS</b>	
Furniture & Fixtures	11,185.60
Furn, Fixt, & Equip	22,582.84
Accum Depreciation- Misc FF&E	-6,938.00
Intangible Assets	
<b>TOTAL FIXED ASSETS (NET)</b>	<u>26,830.44</u>
<b>TOTAL NONCURRENT ASSETS</b>	<u>26,830.44</u>
<b>TOTAL ASSETS</b>	<u>267,809.58</u>

**LIABILITIES & EQUITY**

<b>CURRENT LIABILITIES</b>	
A/P Vendors and Contractors	564.29
FUTA Tax	1,696.33
State Unemployment Tax	4,987.18
Workers Compensation	22,159.84
401 Plan Payable	13,972.47
457 Plan Payable	1,809.22
Aflac Payable	3,789.24
Health Insurance Payable	-31,571.34
Accrued Payroll & Payroll Taxes	24,061.11
Due to Federal Master	2,802,695.30
Due to Polk County Developers, Inc.	200,000.00
Accrued Compensated Absences-Current	20,502.35
<b>TOTAL CURRENT LIABILITIES</b>	<u>3,064,665.99</u>
<b>NONCURRENT LIABILITIES</b>	
Accrued Compensated Absences-LT	24,900.77
<b>TOTAL NONCURRENT LIABILITIES</b>	<u>24,900.77</u>
<b>TOTAL LIABILITIES</b>	<u>3,089,566.76</u>
<b>EQUITY</b>	
<b>RETAINED EARNINGS</b>	
Retained Earnings-Unrestricted Net Assets	-2,821,757.18
<b>TOTAL RETAINED EARNINGS:</b>	<u>-2,821,757.18</u>
<b>TOTAL EQUITY</b>	<u>-2,821,757.18</u>
<b>TOTAL LIABILITIES AND EQUITY</b>	<u>267,809.58</u>

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

<b>Period to Date</b>	<b>Beginning Balance</b>	<b>Ending Balance</b>	<b>Difference</b>
Cash Operating 1	119,728.53	111,276.52	-8,452.01
Negative Cash LHA Master	0.00	0.00	0.00
Negative Cash COCC Master	0.00	0.00	0.00
<b>Total Cash</b>	<b>119,728.53</b>	<b>111,276.52</b>	<b>-8,452.01</b>
<b>Year to Date</b>	<b>Beginning Balance</b>	<b>Ending Balance</b>	<b>Difference</b>
Cash Operating 1	200,965.85	111,276.52	-89,689.33
Negative Cash LHA Master	0.00	0.00	0.00
Negative Cash COCC Master	0.00	0.00	0.00
<b>Total Cash</b>	<b>200,965.85</b>	<b>111,276.52</b>	<b>-89,689.33</b>

**Lakeland Housing Authority**  
**Section 8 Housing Choice Voucher Program**  
**Statement of Operations - Program Administration**  
**For the Current and Seven Months Ended July 30, 2014**

	Current Month				Year to Date			Annual Budget
	Actual	Budget	\$ Variance	% Variance	Budget	\$Variance	% Variance	
Section 8 Admin Grant Revenue	52,049	54,340	(2,291)	-4.22%	380,380	(25,210)	-6.63%	652,080
Other Income	0	9	(9)	-95.64%	64	520	810.13%	110
<b>Total Revenue</b>	<b>52,049</b>	<b>54,349</b>	<b>(2,300)</b>	<b>-4.23%</b>	<b>380,444</b>	<b>(24,690)</b>	<b>-6.49%</b>	<b>652,190</b>
Administrative Expenses	57,804	52,576	5,228	9.94%	368,030	(76,056)	-20.67%	630,908
Utility Expense	398	587	(190)	-32.28%	4,111	(2,656)	-64.60%	7,047
Maintenance Expense	394	571	(177)	-31.03%	3,996	(2,186)	-54.70%	6,850
General Expenses (Insurance, etc.)	-	133	(133)	-100.00%	933	(446)	-47.82%	1,600
Total Expense before Depreciation	58,595	53,867	4,728	8.78%	377,070	(81,344)	-21.57%	646,405
<b>Operating Income (Loss) before Depreciation</b>	<b>(6,546)</b>	<b>482</b>	<b>(7,028)</b>	<b>-1457.91%</b>	<b>3,375</b>	<b>56,653</b>	<b>1678.83%</b>	<b>5,785</b>
Depreciation	350	350	-	0.00%	2,450	-	0.00%	4,200
<b>Total Expense</b>	<b>58,945</b>	<b>54,217</b>	<b>4,728</b>	<b>8.72%</b>	<b>379,520</b>	<b>(81,344)</b>	<b>-21.43%</b>	<b>650,605</b>
<b>Net Operating Income (Loss)</b>	<b>(6,896)</b>	<b>132</b>	<b>(7,028)</b>	<b>-5321.15%</b>	<b>925</b>	<b>56,653</b>	<b>6127.45%</b>	<b>1,585</b>

**Lakeland Housing Authority**  
**Section 8 Housing Choice Voucher Program**  
**Statement of Operations - Housing Assistance Payments (HAP)**  
**For the Current and Seven Months Ended July 31, 2014**

	Current Month				Year to Date			Annual Budget
	Actual	Budget	\$ Variance	% Variance	Budget	\$Variance	% Variance	
Section 8 HAP Grant Revenue	663,132	716,000	(52,868)	-7.38%	5,012,000	(1,261,183)	-25.16%	8,592,000
Port In HAP Reimbursements Received	53,104	52,627	477	0.91%	368,389	(26,066)	-7.08%	631,524
Other income	6.00	-	0	0.00%	-	22,008	0.00%	-
<b>Total Revenue</b>	<b>716,242</b>	<b>768,627</b>	<b>(52,385)</b>	<b>-6.82%</b>	<b>5,380,389</b>	<b>(1,265,241)</b>	<b>-23.52%</b>	<b>9,223,524</b>
Housing Assistance Payments	643,022	715,907	(72,885)	-10.18%	5,011,349	(1,048,177)	-20.92%	8,590,884
Tenant Utility Reimbursement	22,458	30,000	(7,542)	-25.14%	210,000	(74,798)	-35.62%	360,000
Port Out HAP Payments	24,596	18,220	6,376	34.99%	127,540	(30,472)	-23.89%	218,640
FSS Escrow Payments	69,763	4,500	65,263	1450.29% <sup>2</sup>	31,500	62,018	196.88%	54,000
<b>Total Expense</b>	<b>759,839</b>	<b>768,627</b>	<b>(8,788)</b>	<b>-1.14%</b>	<b>5,380,389</b>	<b>(1,091,429)</b>	<b>-20.29%</b>	<b>9,223,524</b>
<b>Net Operating Income (Loss)</b>	<b>(43,597)</b>	<b>-</b>	<b>(43,597)</b>	<b>0.00%</b> <sup>1</sup>	<b>-</b>	<b>(173,812)</b>	<b>0.00%</b>	<b>-</b>

Comments

- <sup>1</sup> Income or loss are added or subtracted to the restricted reserve balance.
- <sup>2</sup> July's FSS Escrow is \$5007 verses the budget of \$4,500. An additional \$6,725 was recorded from completed reconciliations. This adjustment off-sets prior month forfeitures reported of \$32,179.

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

**ASSETS**

Unrestricted Cash	
Cash Operating 1	10,176.29
Cash Operating 2B	271,869.99
Cash Operating 3	<u>352,973.30</u>
Total Unrestricted Cash	635,019.58
Restricted Cash	
Cash Restricted - FSS Escrow	<u>146,021.28</u>
Total Restricted Cash	<u>146,021.28</u>
<b>TOTAL CASH</b>	<b><u>781,040.86</u></b>
ACCOUNTS AND NOTES RECEIVABLE	
Allowance for Doubtful Accounts-Tenants	-27,903.09
AR-Formal Agreements	29,882.82
Allowance for Doubtful Accounts-Aff. Hsg. Subsidies	-32,080.00
A/R - S8 overpayments	<u>32,080.00</u>
<b>TOTAL ACCOUNTS AND NOTES RECEIVABLE</b>	<b><u>1,979.73</u></b>
OTHER CURRENT ASSETS	
Prepaid Software Licenses	1,112.36
Rental Deposit	<u>2,782.00</u>
<b>TOTAL OTHER CURRENT ASSETS</b>	<b><u>3,894.36</u></b>
<b>TOTAL CURRENT ASSETS</b>	<b><u>783,020.59</u></b>
NONCURRENT ASSETS	
FIXED ASSETS	
Furniture & Fixtures	26,461.08
Accum Depreciation- Misc FF&E	-14,335.29
Intangible Assets	<u>                    </u>
<b>TOTAL FIXED ASSETS (NET)</b>	<b><u>12,125.79</u></b>
Non-Dwelling Equipment	<u>2,406.00</u>
<b>TOTAL NONCURRENT ASSETS</b>	<b><u>14,531.79</u></b>
<b>TOTAL ASSETS</b>	<b><u>797,552.38</u></b>

**LIABILITIES & EQUITY**

LIABILITIES	
CURRENT LIABILITIES	
A/P Vendors and Contractors	2,001.31
Due to Federal Master	345,744.29
Due to Central Office Cost Center	19,021.74
Tenant Prepaid Rents	61,130.35
State of FL Unclaimed Funds	33,224.76
Accrued Compensated Absences-Current	5,445.50
Accrued FSS Escrow Short Term	14,379.73
<b>TOTAL CURRENT LIABILITIES</b>	<b><u>480,947.68</u></b>
NONCURRENT LIABILITIES	
Accrued Compensated Absences-LT	10,113.07
FSS Due to Tenant Long Term	<u>131,863.12</u>
<b>TOTAL NONCURRENT LIABILITIES</b>	<b><u>141,976.19</u></b>
<b>TOTAL LIABILITIES</b>	<b><u>622,923.87</u></b>
EQUITY	
RETAINED EARNINGS	
Retained Earnings-Unrestricted Net Assets	80,516.51
Retained Earnings - Restricted Net Assets	<u>94,112.00</u>
<b>TOTAL RETAINED EARNINGS:</b>	<b><u>174,628.51</u></b>
<b>TOTAL EQUITY</b>	<b><u>174,628.51</u></b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b><u>797,552.38</u></b>

**Lakeland Housing Authority**  
**Section 8 Housing Choice Voucher Program**  
**Changes in Cash**  
**For the Current and Seven Months Ended July 30, 1014**

<b>Period to Date</b>	<b>Beginning Balance</b>	<b>Ending Balance</b>	<b>Difference</b>
Cash Operating 1	11,540.42	10,176.29	-1,364.13
Cash Operating 2	0.00	0.00	0.00
Cash Operating 2B	327,727.15	271,869.99	-55,857.16
Cash Operating 3	319,685.37	352,973.30	33,287.93
Negative Cash LHA Master	0.00	0.00	0.00
Negative Cash S8 Voucher	0.00	0.00	0.00
Cash Restricted - FSS Escrow	80,723.94	146,020.79	65,296.85
<b>Total Cash</b>	<b>739,676.88</b>	<b>781,040.37</b>	<b>41,363.49</b>

<b>Year to Date</b>	<b>Beginning Balance</b>	<b>Ending Balance</b>	<b>Difference</b>
Cash Operating 1	59,138.07	10,176.29	-48,961.78
Cash Operating 2	0.00	0.00	0.00
Cash Operating 2B	402,250.09	271,869.99	-130,380.10
Cash Operating 3	138,155.97	352,973.30	214,817.33
Negative Cash LHA Master	0.00	0.00	0.00
Negative Cash S8 Voucher	0.00	0.00	0.00
Cash Restricted - FSS Escrow	91,362.10	146,020.79	54,658.69
<b>Total Cash</b>	<b>690,906.23</b>	<b>781,040.37</b>	<b>90,134.14</b>

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

	Current Month				Year to Date				Annual Budget	
	Actual	Budget	\$ Variance	% Variance	Actual	Budget	\$ Variance	% Variance		
Rental Income	20,557	24,500	(3,943)	-16.09%	3	166,814	171,500	(4,686)	-2.73%	<b>294,000</b>
Other Tenant Income	-	610	(610)	-100.00%		2,643	4,503	(1,860)	-41.31%	<b>7,720</b>
Government Subsidy Income	58,334	62,120	(3,786)	-6.09%	1	410,649	434,839	(24,190)	-5.56%	<b>745,439</b>
Interest Income Restricted	2,818	2,824	(6)	-0.20%		19,738	19,766	(28)	-0.14%	<b>33,884</b>
Other Income	12	370	(358)	-96.71%		5,525	2,589	2,936	113.42%	<b>4,438</b>
<b>Total Revenue</b>	<b>81,721</b>	<b>90,423</b>	<b>(8,702)</b>	<b>-9.62%</b>		<b>605,369</b>	<b>633,197</b>	<b>(27,828)</b>	<b>-4.39%</b>	<b>1,085,481</b>
Administrative Expenses	31,701	37,781	(6,080)	-16.09%	5	184,742	264,464	(79,722)	-30.14%	<b>453,367</b>
Tenant Services Expenses	1,085	583	502	85.99%		2,177	4,083	(1,906)	-46.69%	<b>7,000</b>
Utility Expense	10,883	7,500	3,383	45.11%		54,345	52,500	1,845	3.51%	<b>90,000</b>
Maintenance Expense	43,101	24,125	18,976	78.66%	4	152,341	168,872	(16,531)	-9.79%	<b>289,495</b>
General Expenses	10,701	8,637	2,064	23.90%		56,917	60,460	(3,543)	-5.86%	<b>103,645</b>
Housing Assistance Payments	5,733	1,458	4,275	293.12%	2	36,360	10,208	26,152	256.18%	<b>17,500</b>
Operating expense before Depreciation	103,204	80,084	23,120	28.87%		486,882	560,587	(73,705)	-13.15%	<b>961,007</b>
<b>Operating Income (Loss) before Depreciation</b>	<b>(21,483)</b>	<b>10,340</b>	<b>(31,822)</b>	<b>-307.77%</b>		<b>118,487</b>	<b>72,610</b>	<b>45,877</b>	<b>63.18%</b>	<b>124,474</b>
Depreciation	66,917	66,917	-	0.00%		468,418	468,417	1	0.00%	<b>803,000</b>
<b>Total Expense</b>	<b>170,121</b>	<b>147,001</b>	<b>23,120</b>	<b>15.73%</b>		<b>955,300</b>	<b>1,029,004</b>	<b>(73,704)</b>	<b>-7.16%</b>	<b>1,764,007</b>
<b>Net Operating Income (Loss)</b>	<b>(88,400)</b>	<b>(56,577)</b>	<b>(31,822)</b>	<b>56.25%</b>		<b>(349,931)</b>	<b>(395,807)</b>	<b>45,876</b>	<b>-11.59%</b>	<b>(678,526)</b>

**Comments**

1

Monthly Government Subsidy payments received have been in inconsistent amounts. Amount received through May 7, 2014 is \$293,980. HUD letter dated March 27, 2014 is reporting a 89% proration for April and May, \$58,335 received for June and July.

2 Includes FSS deposits of \$2,172

3 Consists of 177 public housing units. (7 vacant units in July)

4 Actual maintenance fluctuates monthly and budget amounts reflect annual projected levels.

5 Favorable variance in salaries.



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

<b>ASSETS</b>		<b>LIABILITIES &amp; EQUITY</b>	
Unrestricted Cash		CURRENT LIABILITIES	
Cash Operating 1	519,208.01	A/P Vendors and Contractors	10,143.43
Petty Cash	500.00	Tenant Security Deposits	47,713.00
Petty Cash Public Housing	300.00	Security Deposit Clearing Account	-650.19
Total Unrestricted Cash	<u>520,008.01</u>	Security Deposit-Pet	1,500.00
Restricted Cash		401 Plan Payable	-17,916.60
Cash Restricted - FSS Escrow	46,029.97	457 Plan Payable	-3,319.20
Total Restricted Cash	<u>46,029.97</u>	Aflac Payable	-1,126.33
TOTAL CASH	<u>566,037.98</u>	Employee Donations Payable	171.00
		Health Insurance Payable	2,451.67
ACCOUNTS AND NOTES RECEIVABLE		Accrued PILOT	23,117.66
A/R-Tenants	25,856.13	Accrued Audit Fees	48,515.00
Allowance for Doubtful Accounts-Tenants	-19,642.10	Due to Federal Master	-84,881.44
AR-Formal Agreements	3,895.75	YouthBuild Funds on Hand	62,064.23
Due from Commercial Lot	900.00	HOPE VI Funds on Hand	249,952.85
Due from West Lake	-16,317.21	Due to LPHC General	303,000.00
Due from West Lake Addition	-38,145.57	Due to Magnolia Pointe	155,869.65
Due from John Wright Homes	-6,051.43	Due to Central Office Cost Center	-135,419.44
Due from Cecil Gober	-26,315.93	Hampton Hills Subsidy Payable	7,947.00
Due from Arbor Manor	2,263.44	Resident Participation Funds - LHA	-514.01
A/R - ROSS/HUD	203.75	Tenant Prepaid Rents	6,658.10
Due from Hampton Hills	55,013.68	Accrued Compensated Absences-Current	<u>5,078.85</u>
Due from West Lake Management, LLC	124,711.11	TOTAL CURRENT LIABILITIES	<u>664,461.23</u>
A/R - 21st Century/DOE	168,146.16		
Due from Youthbuild-DOL2011	7,168.75	NONCURRENT LIABILITIES	
A/R - Capital Fund Grants/HUD	-74,974.56	Accrued Compensated Absences-LT	9,432.16
A/R - Safety & Security Grant	233,905.74	FSS Due to Tenant Long Term	<u>46,029.97</u>
Due from Development-General	1,543,617.53	TOTAL NONCURRENT LIABILITIES	<u>55,462.13</u>
Due from Section 8 HCV	345,744.29		
Due from Central Office Cost Center	<u>2,802,695.26</u>	TOTAL LIABILITIES	<u>719,923.36</u>
TOTAL DUE FROM	5,122,565.01		
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>-7,947.00</u>		
TOTAL ACCOUNTS AND NOTES RECEIVABLE	<u>7,152,493.07</u>		
OTHER CURRENT ASSETS			
Prepaid Expenses and Other Assets	3,412.39		
Prepaid Insurance	40,938.12		
Prepaid Software Licenses	396.07		
Insurance Deposit	37,400.00		
Utility Deposit - Electric	2,600.00		
Tri-Party Contra	<u>36,719.48</u>		
TOTAL OTHER CURRENT ASSETS	<u>48,027.10</u>		
TOTAL CURRENT ASSETS	<u>7,766,558.15</u>		
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	-8,734,739.06		
Accum Depreciation- Misc FF&E	-36,315.24		
Accum Depreciation-Infrastructure	-582,079.00		
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 FIXED ASSETS (NET)	<u>3,106,252.95</u>		
TOTAL ASSETS	<u>10,872,811.10</u>	EQUITY	
		RETAINED EARNINGS	
		Invested in Capital Assets-Net of Debt	5,668,053.00
		Retained Earnings-Unrestricted Net Assets	<u>4,484,834.74</u>
		TOTAL RETAINED EARNINGS:	<u>10,152,887.74</u>
		TOTAL EQUITY	<u>10,152,887.74</u>
		TOTAL LIABILITIES AND EQUITY	<u>10,872,811.10</u>

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

<b>Period to Date</b>	<b>Beginning Balance</b>	<b>Ending Balance</b>	<b>Difference</b>
Cash Operating 1	863,006.96	519,208.01	-343,798.95
Cash Operating 2	0.00	0.00	0.00
Negative Cash LHA Master	0.00	0.00	0.00
Cash Restricted - FSS Escrow	41,727.53	46,025.53	4,298.00
Accrued FSS Escrow	0.00	0.00	0.00
<b>Total Cash</b>	<b>904,734.49</b>	<b>565,233.54</b>	<b>-339,500.95</b>
<b>Year to Date</b>	<b>Beginning Balance</b>	<b>Ending Balance</b>	<b>Difference</b>
Cash Operating 1	315,338.58	519,208.01	203,869.43
Cash Operating 2	0.00	0.00	0.00
Negative Cash LHA Master	0.00	0.00	0.00
Cash Restricted - FSS Escrow	32,019.53	46,025.53	14,006.00
Accrued FSS Escrow	0.00	0.00	0.00
<b>Total Cash</b>	<b>347,358.11</b>	<b>565,233.54</b>	<b>217,875.43</b>

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

	Current Month				Year to Date				Annual Budget
	Actual	Budget	\$ Variance	% Variance	Actual	Budget	\$ Variance	% Variance	
Rental Income	11,713	9,251	2,463	26.62% <b>1</b>	79,870	64,754	15,117	23.34%	<b>111,006</b>
Other Tenant Income	220	433	(213)	-49.13%	2,374	3,028	(654)	-21.59%	<b>5,190</b>
Government Subsidy	8,564	7,675	889	11.58%	60,434	53,726	6,708	12.49%	<b>92,102</b>
Other Income	1	4	(2)	-63.16%	20,925	25	20,900	83321.93%	<b>43</b>
<b>Total Revenue</b>	<b>20,498</b>	<b>17,362</b>	<b>3,137</b>	<b>18.07%</b>	<b>163,603</b>	<b>121,532</b>	<b>42,071</b>	<b>34.62%</b>	<b>208,341</b>
Administrative Expenses	6,922	4,752	2,170	45.66% <b>3</b>	35,841	29,790	6,051	20.31%	<b>51,068</b>
Tenant Services Expense	108	42	66	159.58%	248	292	(44)	-14.97%	<b>500</b>
Utility Expense	1,602	1,817	(215)	-11.83%	11,070	12,717	(1,647)	-12.95%	<b>21,800</b>
Maintenance Expense	1,034	4,202	(3,168)	-75.40% <b>3</b>	31,876	25,173	6,703	26.63%	<b>43,154</b>
General Expenses	4,303	2,226	2,076	93.26% <b>2</b>	19,206	15,585	3,621	23.23%	<b>26,717</b>
Housing Assistance Payments	1,102	2,000	(898)	-44.90%	9,032	10,267	(1,235)	-12.03%	<b>17,600</b>
Financing Expenses	2,509	7,590	(5,081)	-66.94%	22,351	53,127	(30,776)	-57.93%	<b>91,074</b>
Operating Expenses before Depreciation	17,580	22,629	(5,049)	-22.31%	129,624	146,949	(17,325)	-11.79%	<b>251,913</b>
<b>Operating Income (Loss) before Depreciation</b>	<b>2,919</b>	<b>(5,267)</b>	<b>8,186</b>	<b>-155.42%</b>	<b>33,979</b>	<b>(25,417)</b>	<b>59,396</b>	<b>-233.69%</b>	<b>(43,572)</b>
Depreciation & Amortization	2,199	2,199	-	0.00%	15,391	15,391	-	0.00%	<b>26,385</b>
<b>Total Expense</b>	<b>19,779</b>	<b>24,828</b>	<b>(5,049)</b>	<b>-20.34%</b>	<b>145,015</b>	<b>162,341</b>	<b>(17,325)</b>	<b>-10.67%</b>	<b>278,298</b>
<b>Net Operating Income (Loss)</b>	<b>720</b>	<b>(7,466)</b>	<b>8,186</b>	<b>-109.64%</b>	<b>18,588</b>	<b>(40,808)</b>	<b>59,396</b>	<b>-145.55%</b>	<b>(69,957)</b>

Comments

- 1** Consists of 20 Low Income and 20 Tax Credit apartment units.
- 2** Includes bad debt expense of \$2,726.
- 3** A variable expense.

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

**ASSETS**

Cash Operating 1	36,761.58
Total Unrestricted Cash	<u>36,761.58</u>
Restricted Cash	
Cash Restricted-Security Deposits	9,847.00
Cash Restricted - FSS Escrow	9,609.05
Cash Restricted-Reserve for Replacement	<u>31,329.77</u>
Total Restricted Cash	<u>50,785.82</u>
<b>TOTAL CASH</b>	<b><u>87,547.40</u></b>
<b>ACCOUNTS AND NOTES RECEIVABLE</b>	
A/R-Tenants	13,075.73
Allowance for Doubtful Accounts-Tenants	-5,461.41
Due from Dakota Park PH	6,214.14
Due from Dakota Park Non-ACC	-39,496.46
Due from LPHC	550.00
A/R - Capital Fund Grants/HUD	<u>17,500.00</u>
TOTAL DUE FROM	<u>-15,782.32</u>
A/R Miscellaneous	<u>-299.00</u>
TOTAL ACCOUNTS AND NOTES RECEIVABLE	<u>-7,917.00</u>
<b>OTHER CURRENT ASSETS</b>	
Prepaid Expenses and Other Assets	373.13
Prepaid Software Licenses	83.74
Utility Deposit	<u>7,060.00</u>
TOTAL OTHER CURRENT ASSETS	<u>7,516.87</u>
<b>TOTAL CURRENT ASSETS</b>	<b><u>87,147.27</u></b>
<b>NONCURRENT ASSETS</b>	
<b>FIXED ASSETS</b>	
Land	34,672.00
Buildings	892,048.00
Machinery & Equipment	280.00
Accum Depreciation-Buildings	-46,460.46
Accum Depreciation- Misc FF&E	-58.29
Loan Costs	28,340.90
Compliance Fees	1,640.00
Monitoring Fees	41,744.00
AA Compliance Fees	-1,281.00
AA Monitoring Fees	-22,497.41
AA Loan Costs	<u>-12,009.73</u>
TOTAL FIXED ASSETS (NET)	<u>916,418.01</u>
<b>TOTAL NONCURRENT ASSETS</b>	<b><u>916,418.01</u></b>
<b>TOTAL ASSETS</b>	<b><u>1,003,565.28</u></b>

**LIABILITIES & EQUITY**

<b>CURRENT LIABILITIES</b>	
A/P Vendors and Contractors	2,455.73
Tenant Security Deposits	9,847.00
Other Current Liabilities	-1,059.00
Accrued Payable	17,500.00
Accrued Audit Fees	6,183.31
Due to (13) Dakota Park Public Housing	-39,994.46
Due to (16) Dakota Park Non-ACC	6,214.14
Due to West Lake Mgmt.	105,906.11
Tenant Prepaid Rents	-2,286.64
Accrued Compensated Absences-Current	<u>925.65</u>
<b>TOTAL CURRENT LIABILITIES</b>	<b><u>105,691.84</u></b>
<b>NONCURRENT LIABILITIES</b>	
Accrued Interest - HOPE VI	393,698.17
Accrued - Developer Fee	149,859.50
Accrued Interest Payable	1,671.00
Accrued Compensated Absences-LT	1,719.07
FSS Due to Tenant Long Term	9,609.05
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	364,142.45
Permanent Loan - LHA	<u>101,380.00</u>
<b>TOTAL NONCURRENT LIABILITIES</b>	<b><u>1,861,623.88</u></b>
<b>TOTAL LIABILITIES</b>	<b><u>1,967,315.72</u></b>
<b>EQUITY</b>	
<b>CONTRIBUTED CAPITAL</b>	
Capital - LP	-1,219,110.00
Capital - GP2	<u>240,496.13</u>
<b>TOTAL CONTRIBUTED CAPITAL</b>	<b><u>-978,613.87</u></b>
<b>RETAINED EARNINGS</b>	
Retained Earnings-Unrestricted Net Assets	<u>14,863.43</u>
<b>TOTAL RETAINED EARNINGS:</b>	<b><u>14,863.43</u></b>
<b>TOTAL EQUITY</b>	<b><u>-963,750.44</u></b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b><u>1,003,565.28</u></b>

**Lakeland Housing Authority  
Dakota Park Limited Partnership, LLLP  
d/b/a Carrington Place  
Changes in Cash**

**For the Current and Seven Months Ended July 31, 2014**

<b>Period to Date</b>	<b>Beginning Balance</b>	<b>Ending Balance</b>	<b>Difference</b>	
Cash Operating 1	30,952.78	36,761.58	5,808.80	
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	9,847.00	0.00	
Cash Restricted - FSS Escrow	9,514.05	9,609.05	95.00	-
Cash Restricted-Reserve for Replacement	30,661.78	31,329.77	667.99	-
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	
<b>Total Cash</b>	<b>80,975.61</b>	<b>87,547.40</b>	<b>6,571.79</b>	
				-
<b>Year to Date</b>	<b>Beginning Balance</b>	<b>Ending Balance</b>	<b>Difference</b>	
Cash Operating 1	23,685.45	36,761.58	13,076.13	-
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	9,847.00	832.00	-
Cash Restricted - FSS Escrow	26,069.45	9,609.05	-16,460.40	-
Cash Restricted-Reserve for Replacement	28,190.98	31,329.77	3,138.79	-
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	
<b>Total Cash</b>	<b>86,960.88</b>	<b>87,547.40</b>	<b>586.52</b>	

**Lakeland Housing Authority  
Renaissance at Washington Ridge Ltd., LLLP  
Statement of Operations  
For the Current and Seven Months Ended July 31, 2014**

	Current Month				Year to Date				Annual Budget
	Actual	Budget	\$ Variance	% Variance	Actual	Budget	\$ Variance	% Variance	
Rental Income	59,170	56,167	3,003	5.35% <sup>1</sup>	349,056	393,167	(44,111)	-11.22%	<b>674,000</b>
Other Tenant Income	868	1,580	(711)	-45.04%	15,785	11,057	4,728	42.76%	<b>18,955</b>
Government Subsidy	30,792	35,305	(4,513)	-12.78%	154,818	247,136	(92,318)	-37.36%	<b>423,661</b>
Other Income	12	383	(371)	0.00%	35,946	2,683	33,263	0.00%	<b>4,600</b>
<b>Total Revenue</b>	<b>90,842</b>	<b>93,435</b>	<b>(2,592)</b>	<b>-2.77%</b>	<b>555,605</b>	<b>654,043</b>	<b>(98,438)</b>	<b>-15.05%</b>	<b>1,121,216</b>
Administrative Expenses	34,949	28,918	6,031	20.86%	150,819	173,374	(22,555)	-13.01%	<b>297,212</b>
Tenant Services	645	250	395	157.98%	1,574	1,750	(176)	-10.06%	<b>3,000</b>
Utility Expense	7,662	6,363	1,300	20.43%	38,409	44,538	(6,129)	-13.76%	<b>76,350</b>
Maintenance Expense	25,152	28,143	(2,991)	-10.63% <sup>3</sup>	148,116	174,176	(26,060)	-14.96%	<b>298,588</b>
General Expenses	9,526	7,329	2,197	29.98% <sup>2</sup>	52,345	51,302	1,043	2.03%	<b>87,946</b>
Housing Assistance Payments	1,805	2,667	(862)	-32.31%	11,325	18,667	(7,342)	-39.33%	<b>32,000</b>
Financing Expenses	13,389	13,171	218	1.66%	80,713	92,197	(11,484)	-12.46%	<b>158,052</b>
Operating Expense before Depreciation	93,129	86,840	6,289	7.24%	483,301	556,003	(72,702)	-13.08%	<b>953,148</b>
<b>Operating Income (Loss) before Depreciation</b>	<b>(2,287)</b>	<b>6,595</b>	<b>(8,881)</b>	<b>-134.67%</b>	<b>72,304</b>	<b>98,040</b>	<b>(25,736)</b>	<b>-26.25%</b>	<b>168,068</b>
Depreciation & Amortization	61,574	65,324	(3,750)	-5.74%	369,444	457,270	(87,826)	-19.21%	<b>783,891</b>
<b>Total Expense</b>	<b>154,703</b>	<b>152,164</b>	<b>2,539</b>	<b>1.67%</b>	<b>852,745</b>	<b>1,013,273</b>	<b>(160,528)</b>	<b>-15.84%</b>	<b>1,737,039</b>
<b>Net Operating Income (Loss)</b>	<b>(63,861)</b>	<b>(58,730)</b>	<b>(5,131)</b>	<b>8.74%</b>	<b>(297,140)</b>	<b>(359,230)</b>	<b>62,090</b>	<b>-17.28%</b>	<b>(615,823)</b>

**Comments**

- <sup>1</sup> Consists of 109 low and moderate income family and senior apartment units and 87 Tax Credit units.
- <sup>2</sup> Includes bad debt expense of \$3,450.
- <sup>3</sup> Spent from replacement reserves - \$1,755 stoves, \$4,369 HVAC, and \$1,421 other capital replacements.

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

**ASSETS**

Unrestricted Cash	
Cash Operating 1	257,113.28
Petty Cash	300.00
Total Unrestricted Cash	<u>257,413.28</u>
Restricted Cash	
Cash Restricted-Security Deposits	45,764.46
Cash Restricted - FSS Escrow	9,182.00
Cash Restricted-Reserve for Replacement	161,181.78
Restricted Cash - Partnership Devmt	1,188.60
Restricted Cash - OA Reserve	76,186.38
Restricted Cash - AA Reserve	46,959.99
Investment 1	254,247.98
Investment 2	253,668.86
Total Restricted Cash	<u>848,380.05</u>
Clearing	38.00
TOTAL CASH	<u>1,105,831.33</u>
ACCOUNTS AND NOTES RECEIVABLE	
A/R-Tenants	30,899.04
Allowance for Doubtful Accounts-Tenants	-24,583.06
Due from LPHC	550.00
TOTAL ACCOUNTS AND NOTES RECEIVABLE	<u>6,865.98</u>
OTHER CURRENT ASSETS	
Prepaid Insurance	30,380.50
Prepaid Software Licenses	410.65
Utility Deposit - Electric	20,500.00
TOTAL OTHER CURRENT ASSETS	<u>51,291.15</u>
TOTAL CURRENT ASSETS	<u>1,163,988.46</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	-5,165,545.44
Accum Depreciation- Misc FF&E	-679,855.00
Accum Depreciation-Infrastructure	-1,230,348.00
Loan Costs	137,065.70
Monitoring Fees	131,658.00
AA Compliance Fees	-5,117.00
AA Monitoring Fees	-93,070.93
AA Loan Costs	-105,403.12
TOTAL FIXED ASSETS (NET)	<u>17,206,755.12</u>
TOTAL NONCURRENT ASSETS	<u>17,206,755.12</u>
TOTAL ASSETS	<u>18,370,743.58</u>

**LIABILITIES & EQUITY**

CURRENT LIABILITIES	
A/P Vendors and Contractors	17,974.89
Tenant Security Deposits	44,767.39
Security Deposit-Pet	1,400.00
Accrued Audit Fees	7,262.50
Due to West Lake Mgmt.	21,350.42
HAP Overpayments	649.00
Tenant Prepaid Rents	4,083.41
Accrued Compensated Absences-Current	4,519.36
TOTAL CURRENT LIABILITIES	<u>102,006.97</u>
NONCURRENT LIABILITIES	
Accrued Interest - HOPE VI	302,526.34
Accrued - Developer Fee	1,308,453.00
Accrued Compensated Absences-LT	8,393.09
FSS Due to Tenant Long Term	-9,182.00
Notes Payable-LT	381,200.32
Permanent Loan - HOPE VI	2,200,000.00
Permanent Loan - SunTrust	627,952.99
TOTAL NONCURRENT LIABILITIES	<u>4,819,343.74</u>
TOTAL LIABILITIES	<u>4,921,350.71</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	-625,145.54
TOTAL RETAINED EARNINGS:	<u>-625,145.54</u>
TOTAL EQUITY	<u>13,449,392.87</u>
TOTAL LIABILITIES AND EQUITY	<u>18,370,743.58</u>

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

<b>Period to Date</b>	<b>Beginning Balance</b>	<b>Ending Balance</b>	<b>Difference</b>
Cash Operating 1	256,897.78	257,113.28	215.50
Negative Cash LHA Master	0.00	0.00	0.00
Negative Cash - Partnership	0.00	0.00	0.00
Cash Restricted-Security Deposits	45,464.46	45,764.46	300.00
Cash Restricted - FSS Escrow	9,052.00	9,182.00	130.00
Cash Restricted-Reserve for Replacement	159,225.88	161,181.78	1,955.90
Restricted Cash - Partnership Devmt	1,188.57	1,188.60	0.03
Restricted Cash - OA Reserve	76,183.14	76,186.38	3.24
Restricted Cash - AA Reserve	46,958.00	46,959.99	1.99
Investment 1	254,247.98	254,247.98	0.00
Investment 2	253,668.86	253,668.86	0.00
<b>Total Cash</b>	<b>1,102,886.67</b>	<b>1,105,493.33</b>	<b>2,606.66</b>

<b>Year to Date</b>	<b>Beginning Balance</b>	<b>Ending Balance</b>	<b>Difference</b>
Cash Operating 1	167,797.10	257,113.28	89,316.18
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	45,764.46	2,110.00
Cash Restricted - FSS Escrow	21,370.55	9,182.00	-12,188.55
Cash Restricted-Reserve for Replacement	143,855.05	161,181.78	17,326.73
Restricted Cash - Partnership Devmt	1,188.39	1,188.60	0.21
Restricted Cash - OA Reserve	76,164.27	76,186.38	22.11
Restricted Cash - AA Reserve	46,946.37	46,959.99	13.62
Investment 1	254,247.98	254,247.98	0.00
Investment 2	253,668.86	253,668.86	0.00
<b>Total Cash</b>	<b>1,008,893.03</b>	<b>1,105,493.33</b>	<b>96,600.30</b>



**Lakeland Housing Authority  
Colton Meadow, LLLP  
Statement of Operations  
For the Current and Seven Months Ended July 31, 2014**

	<u>Current Month</u>				<u>Year to Date</u>				<u>Annual Budget</u>
	Actual	Budget	\$ Variance	% Variance	Actual	Budget	\$ Variance	% Variance	
Rental Income	44,968	43,687	1,281	2.93% <b>1</b>	307,625	305,807	1,818	0.59%	<b>524,240</b>
Other Tenant Income	2,769	1,407	1,362	96.82%	10,880	9,847	1,033	10.49%	<b>16,881</b>
Other Income	-	3	(3)	-100.00%	135	23	112	478.57%	<b>40</b>
<b>Total Revenue</b>	<b>47,737</b>	<b>45,097</b>	<b>2,640</b>	<b>5.85%</b>	<b>318,640</b>	<b>315,677</b>	<b>2,963</b>	<b>0.94%</b>	<b>541,161</b>
Administrative Expense	8,416	11,475	(3,060)	-26.66%	67,908	80,327	(12,419)	-15.46%	<b>137,703</b>
Tenant Services	-	150	(150)	-100.00%	44	1,050	(1,006)	-95.81%	<b>1,800</b>
Utility Expense	5,997	5,445	551	10.12%	38,880	38,118	762	2.00%	<b>65,345</b>
Maintenance Expense	7,451	9,193	(1,742)	-18.95%	60,213	64,352	(4,139)	-6.43%	<b>110,317</b>
General Expense	7,059	7,745	(685)	-8.85%	54,658	54,212	446	0.82%	<b>92,935</b>
Financing Expense	3,989	7,349	(3,360)	-45.72% <b>2</b>	29,260	51,441	(22,181)	-43.12%	<b>88,184</b>
Operating Expense before Depreciation	32,911	41,357	(8,446)	-20.42%	250,963	289,499	(38,536)	-13.31%	<b>496,284</b>
<b>Operating Income (Loss) before Depreciation</b>	<b>14,826</b>	<b>3,740</b>	<b>11,086</b>	<b>296.44%</b>	<b>67,677</b>	<b>26,178</b>	<b>41,499</b>	<b>158.52%</b>	<b>44,877</b>
Depreciation & Amortization Expense	39,013	38,937	76	0.19%	273,091	272,561	530	0.19%	<b>467,247</b>
<b>Total Expense</b>	<b>71,924</b>	<b>80,294</b>	<b>(8,370)</b>	<b>-10.42%</b>	<b>524,054</b>	<b>562,060</b>	<b>(38,006)</b>	<b>-6.76%</b>	<b>963,531</b>
<b>Net Operating Income (Loss)</b>	<b>(24,187)</b>	<b>(35,198)</b>	<b>11,010</b>	<b>-31.28%</b>	<b>(205,414)</b>	<b>(246,383)</b>	<b>40,969</b>	<b>-16.63%</b>	<b>(422,370)</b>

Comments

- 1 Consists of 72 Tax Credit apartment units.
- 2 Budget excess.

**Lakeland Housing Authority**  
**Colton Meadow, LLLP**  
**Balance Sheet**  
**July 31, 2014**

**ASSETS**

Unrestricted Cash	
Cash Operating 1	210,882.02
Petty Cash	225.00
Total Unrestricted Cash	<u>211,107.02</u>
Restricted Cash	
Cash Restricted-Security Deposits	24,350.00
Cash Restricted-Operating Reserve	440,827.29
Cash Restricted-Reserve for Replacemen	68,400.00
Cash-Tax & Insurance Escrow	42,211.18
Total Restricted Cash	<u>575,788.47</u>
TOTAL CASH	<u>786,895.49</u>
ACCOUNTS AND NOTES RECEIVABLE	
A/R-Tenants	9,135.19
Allowance for Doubtful Accounts-Tenants	-5,095.39
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	105,741.41
OTHER CURRENT ASSETS	
Prepaid Expenses and Other Assets	3,258.39
Prepaid Insurance	30,731.72
Prepaid Software Licenses	150.92
Utility Deposit	10,000.00
TOTAL OTHER CURRENT ASSETS	<u>44,141.03</u>
TOTAL CURRENT ASSETS	<u>936,777.93</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	-1,626,002.20
Site Improvement	16,364.00
Non-Dwelling Structures	28,019.32
Non-Dwelling Equipment	60,262.45
TOTAL FIXED ASSETS (NET)	<u>10,689,640.41</u>
OTHER NONCURRENT ASSETS	
Amortization Tax Credit Fees	49,852.00
Monitoring Fees	208,695.00
	<u>258,547.00</u>
TOTAL ASSETS	<u>11,626,418.34</u>

**LIABILITIES & EQUITY**

CURRENT LIABLITIES	
A/P Vendors and Contractors	2,741.92
Tenant Security Deposits	23,250.00
Security Deposit-Pet	1,100.00
Accrued Property Taxes	19,446.00
Accrued Interest Payable	21,061.78
Accrued Audit Fees	5,442.50
Due to West Lake Mgmt.	3,992.09
Tenant Prepaid Rents	332.62
Accrued Compensated Absences-Current	1,209.59
TOTAL CURRENT LIABILITIES	<u>78,576.50</u>
NONCURRENT LIABILITIES	
Due to Polk County Developers, Inc.	362,901.17
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	346,026.00
TOTAL NONCURRENT LIABILITIES	<u>10,549,513.55</u>
TOTAL LIABILITIES	<u>10,628,090.05</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	-207,003.83
TOTAL RETAINED EARNINGS:	<u>-207,003.83</u>
TOTAL EQUITY	<u>998,328.29</u>
TOTAL LIABILITIES AND EQUITY	<u>11,626,418.34</u>

**Lakeland Housing Authority**  
**Colton Meadow, LLLP**  
**Changes in Cash**  
**For the Current and Seven Months Ended July 31, 2014**

<b>Period to Date</b>	<b>Beginning Balance</b>	<b>Ending Balance</b>	<b>Difference</b>
Cash Operating 1	185,786.89	210,882.02	25,095.13
Cash Operating 2	0.00	0.00	0.00
Cash Restricted-Security Deposits	24,750.00	24,350.00	-400.00
Cash Restricted-Operating Reserve	440,827.29	440,827.29	0.00
Cash Restricted-Reserve for Replacement	68,400.00	68,400.00	0.00
Cash-Tax & Insurance Escrow	42,211.18	42,211.18	0.00
<b>Total Cash</b>	<b>761,975.36</b>	<b>786,670.49</b>	<b>24,695.13</b>

<b>Year to Date</b>	<b>Beginning Balance</b>	<b>Ending Balance</b>	<b>Difference</b>
Cash Operating 1	147,894.09	210,882.02	62,987.93
Cash Operating 2	0.00	0.00	0.00
Cash Restricted-Security Deposits	22,725.00	24,350.00	1,625.00
Cash Restricted-Operating Reserve	881,250.29	440,827.29	-440,423.00
Cash Restricted-Reserve for Replacement	55,800.00	68,400.00	12,600.00
Cash-Tax & Insurance Escrow	42,513.73	42,211.18	-302.55
<b>Total Cash</b>	<b>1,150,183.11</b>	<b>786,670.49</b>	<b>-363,512.62</b>

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

	Current Month				Year to Date				Annual Budget
	Actual	Budget	\$ Variance	% Variance	Actual	Budget	\$ Variance	% Variance	
Rental Income	49,446	48,426	1,020	2.11% <sup>1</sup>	348,782	338,983	9,799	2.89%	<b>581,113</b>
Other Tenant Income	699	1,779	(1,079)	-60.68%	8,688	12,452	(3,764)	-30.23%	<b>21,347</b>
Other Income	-	1	(1)	-100.00%	10	7	3	42.86%	<b>12</b>
<b>Total Revenue</b>	<b>50,146</b>	<b>50,206</b>	<b>(60)</b>	<b>-0.12%</b>	<b>357,480</b>	<b>351,442</b>	<b>6,038</b>	<b>1.72%</b>	<b>602,472</b>
Administrative Expense	8,957	11,479	(2,522)	-21.97%	65,304	80,352	(15,048)	-18.73%	<b>137,747</b>
Tenant Services	-	208	(208)	-100.00%	94	1,458	(1,364)	-93.55%	<b>2,500</b>
Utility Expense	5,058	4,433	625	14.09%	32,492	31,033	1,459	4.70%	<b>53,200</b>
Maintenance Expense	9,714	7,869	1,844	23.44%	57,624	55,084	2,540	4.61%	<b>94,430</b>
General Expense	8,657	8,138	519	6.38%	61,086	56,963	4,124	7.24%	<b>97,650</b>
Financing Expense	9,658	7,570	2,089	27.59% <sup>2</sup>	71,483	52,988	18,495	34.90%	<b>90,837</b>
Operating Expense before Depreciation	42,043	39,697	2,346	5.91%	288,083	277,879	10,204	3.67%	<b>476,364</b>
<b>Operating Income (Loss) before Depreciation</b>	<b>8,103</b>	<b>10,509</b>	<b>(2,406)</b>	<b>-22.90%</b>	<b>69,397</b>	<b>73,563</b>	<b>(4,166)</b>	<b>-5.66%</b>	<b>126,108</b>
Depreciation & Amortization Expense	47,465	47,465	-	0.00%	332,255	332,254	-	0.00%	<b>569,578</b>
<b>Total Expense</b>	<b>89,508</b>	<b>87,162</b>	<b>2,346</b>	<b>2.69%</b>	<b>620,338</b>	<b>610,133</b>	<b>10,204</b>	<b>1.67%</b>	<b>1,045,942</b>
<b>Net Operating Income (Loss)</b>	<b>(39,362)</b>	<b>(36,956)</b>	<b>(2,406)</b>	<b>6.51%</b>	<b>(262,858)</b>	<b>(258,691)</b>	<b>(4,166)</b>	<b>1.61%</b>	<b>(443,470)</b>

Comments

- <sup>1</sup> 75 apartment units, Tax Credit and Section 8 Vouchers.
- <sup>2</sup> Budget appears not to include interest expense on LHA "Land Loan" obligation.

**Lakeland Housing Authority  
Bonnet Shores, LLLP  
Balance Sheet  
July 31, 2014**

**ASSETS**

Unrestricted Cash	
Cash Operating 2	228,440.07
Petty Cash	225.00
Total Unrestricted Cash	<u>228,665.07</u>
Restricted Cash	
Cash Restricted-Security Deposits	23,525.00
Cash Restricted-Operating Reserve	460,094.78
Cash Restricted-Reserve for Replacement	86,250.00
Cash-Tax & Insurance Escrow	33,392.99
Total Restricted Cash	<u>603,262.77</u>
<b>TOTAL CASH</b>	<u><b>831,927.84</b></u>
ACCOUNTS AND NOTES RECEIVABLE	
A/R-Tenants	14,179.29
Allowance for Doubtful Accounts-Tenants	-6,106.25
Due from Bonnet Shores GP, Inc	7,062.23
Due from Development-General	112,103.01
TOTAL DUE FROM	<u>119,165.24</u>
<b>TOTAL ACCOUNTS AND NOTES RECEIVABLE</b>	<u><b>127,238.28</b></u>
OTHER CURRENT ASSETS	
Prepaid Expenses and Other Assets	3,138.58
Prepaid Insurance	40,807.58
Prepaid Software Licenses	157.15
Utility Deposit	5,000.00
TOTAL OTHER CURRENT ASSETS	<u>49,103.31</u>
<b>TOTAL CURRENT ASSETS</b>	<u><b>1,008,269.43</b></u>
NONCURRENT ASSETS	
FIXED ASSETS	
Land	300,000.00
Buildings	11,447,110.83
Automobiles	24,477.33
Furniture & Fixtures	423,152.78
Site Improvement-Infrastructure	679,255.00
Accum Depreciation-Buildings	-1,491,588.50
Accum Depreciation- Misc FF&E	-320,792.00
Accum Depreciation-Infrastructure	-162,274.00
TOTAL FIXED ASSETS (NET)	<u>10,899,341.44</u>
OTHER NONCURRENT ASSETS	
Loan Costs	41,419.00
Amortization Loan Cost	-7,429.00
Compliance Fees	246,589.00
Amortization Tax Credit Fees	-58,908.04
TOTAL OTHER NONCURRENT ASSETS	<u>221,670.96</u>
<b>TOTAL NONCURRENT ASSETS</b>	<u><b>11,121,012.40</b></u>
<b>TOTAL ASSETS</b>	<u><b>12,129,281.83</b></u>

**LIABILITIES & EQUITY**

CURRENT LIABILITIES	
A/P Vendors and Contractors	3,252.25
Tenant Security Deposits	23,225.00
Security Deposit-Pet	700.00
Accrued Property Taxes	24,444.00
Current Portion of LT Debt	38,193.00
Accrued Audit Fees	5,442.50
Due to West Lake Mgmt.	4,594.93
Due to Central Office Cost Center	405.03
Tenant Prepaid Rents	368.37
Accrued Compensated Absences-Current	1,209.59
<b>TOTAL CURRENT LIABILITIES</b>	<u><b>101,834.67</b></u>
NONCURRENT LIABILITIES	
First Mortgage - TCAP	3,819,255.00
HOME Funds	131,028.00
Mortgage Note Payable	1,009,877.00
Accrued Interest Payable	105,714.31
Accrued Compensated Absences-LT	2,246.37
Developer Fee Payable - PCHD	450,000.00
<b>TOTAL NONCURRENT LIABILITIES</b>	<u><b>5,518,120.68</b></u>
<b>TOTAL LIABILITIES</b>	<u><b>5,619,955.35</b></u>
EQUITY	
CONTRIBUTED CAPITAL	
Capital - LP	6,812,347.00
GP Equity	-162.00
Syndication Costs	-40,000.00
TOTAL CONTRIBUTED CAPITAL	<u>6,772,185.00</u>
RETAINED EARNINGS	
Retained Earnings-Unrestricted Net Assets	-262,858.52
TOTAL RETAINED EARNINGS:	<u>-262,858.52</u>
<b>TOTAL EQUITY</b>	<u><b>6,509,326.48</b></u>
<b>TOTAL LIABILITIES AND EQUITY</b>	<u><b>12,129,281.83</b></u>

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

<b>Period to Date</b>	<b>Beginning Balance</b>	<b>Ending Balance</b>	<b>Difference</b>
Cash Operating 1	0.00	0.00	0.00
Cash Operating 2	233,422.15	228,440.07	-4,982.08
Cash Operating 3	0.00	0.00	0.00
Negative Cash - Partnership	0.00	0.00	0.00
Cash Restricted-Security Deposits	23,800.00	23,525.00	-275.00
Cash Restricted-Operating Reserve	460,094.78	460,094.78	0.00
Cash Restricted-Reserve for Replace	86,250.00	86,250.00	0.00
Cash-Tax & Insurance Escrow	70,082.27	33,392.99	-36,689.28
<b>Total Cash</b>	<b>873,649.20</b>	<b>831,702.84</b>	<b>-41,946.36</b>
<b>Year to Date</b>	<b>Beginning Balance</b>	<b>Ending Balance</b>	<b>Difference</b>
Cash Operating 1	0.00	0.00	0.00
Cash Operating 2	129,741.61	228,440.07	98,698.46
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	23,525.00	1,075.00
Cash Restricted-Operating Reserve	460,094.78	460,094.78	0.00
Cash Restricted-Reserve for Replace	73,125.00	86,250.00	13,125.00
Cash-Tax & Insurance Escrow	32,555.78	33,392.99	837.21
<b>Total Cash</b>	<b>717,967.17</b>	<b>831,702.84</b>	<b>113,735.67</b>
<b>Cash Balance at 6/30/2014</b>	<b>791,092</b>	<b>917,953</b>	<b>126,861</b>

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

	Current Month				Year to Date				Annual Budget
	Actual	Budget	\$ Variance	% Variance	Actual	Budget	\$ Variance	% Variance	
Rental Income	71,001	66,542	4,460	6.70% <b>1,2</b>	497,641	465,792	31,849	6.84%	<b>798,500</b>
Other Tenant Income	215	265	(50)	-18.79%	1,392	1,853	(461)	-24.89%	<b>3,177</b>
Other Income	8,130	86	8,045	9399.64% <b>3</b>	8,691	599	8,092	1350.72%	<b>1,027</b>
<b>Total Revenue</b>	<b>79,347</b>	<b>66,892</b>	<b>12,455</b>	<b>18.62%</b>	<b>507,724</b>	<b>468,244</b>	<b>39,480</b>	<b>8.43%</b>	<b>802,704</b>
Administrative Expenses	12,734	15,526	(2,792)	-17.99%	96,372	108,683	(12,311)	-11.33%	<b>186,313</b>
Tenants Service Expenses	-	-	-	-100.00%	24	-	24	-100.00%	-
Utility Expense	9,559	9,038	521	5.76%	59,469	63,265	(3,796)	-6.00%	<b>108,454</b>
Maintenance Expense	10,591	11,588	(997)	-8.61%	43,682	81,115	(37,433)	-46.15%	<b>139,054</b>
General Expenses	4,267	4,511	(244)	-5.41%	25,834	31,576	(5,742)	-18.18%	<b>54,130</b>
Financing Expenses	24,325	19,647	4,678	23.81% <b>2</b>	168,960	137,526	31,435	22.86%	<b>235,758</b>
Operating expense before depreciation	61,474	60,309	1,165	1.93%	394,341	422,164	(27,823)	-6.59%	<b>723,709</b>
<b>Operating Income (Loss) before depreciation</b>	<b>17,872</b>	<b>6,583</b>	<b>11,289</b>	<b>171.49%</b>	<b>113,383</b>	<b>46,080</b>	<b>67,303</b>	<b>146.05%</b>	<b>78,995</b>
Depreciation & Amortization	41,940	41,940	-	0.00%	293,580	293,580	-	0.00%	<b>503,280</b>
<b>Total Expense</b>	<b>103,414</b>	<b>102,249</b>	<b>1,165</b>	<b>1.14%</b>	<b>687,921</b>	<b>715,744</b>	<b>(27,823)</b>	<b>-3.89%</b>	<b>1,226,989</b>
<b>Net Operating Income (Loss)</b>	<b>(24,068)</b>	<b>(35,357)</b>	<b>11,289</b>	<b>-31.93%</b>	<b>(180,197)</b>	<b>(247,500)</b>	<b>67,303</b>	<b>-27.19%</b>	<b>(424,285)</b>

Comments

- 1 Consists of 100 Tax Credit and Section 8 Voucher units.
- 2 Under budgeted.
- 3 Includes insurance premium refund, \$8,046, resulting from a policy change.

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

**ASSETS**

Unrestricted Cash	
Cash Operating 1	182,152.54
Petty Cash	<u>300.00</u>
Total Unrestricted Cash	182,452.54
Restricted Cash	
Cash Restricted-Security Deposits	8,050.00
Cash Restricted-Operating Reserve	25,175.58
Cash Restricted-Reserve for Replacement	127,971.80
Cash-Tax & Insurance Escrow	30,507.64
Investment 1	<u>227,455.00</u>
Total Restricted Cash	419,160.02
<b>TOTAL CASH</b>	<b><u>601,612.56</u></b>
<b>ACCOUNTS AND NOTES RECEIVABLE</b>	
A/R-Tenants	3,517.46
Allowance for Doubtful Accounts-Tenants	<u>-509.64</u>
<b>TOTAL ACCOUNTS AND NOTES RECEIVABLE</b>	<b>3,007.82</b>
<b>OTHER CURRENT ASSETS</b>	
Prepaid Expenses and Other Assets	5,208.24
Prepaid Insurance	22,966.79
Prepaid Software Licenses	207.43
Utility Deposit	<u>85.00</u>
<b>TOTAL OTHER CURRENT ASSETS</b>	<b><u>28,467.46</u></b>
<b>TOTAL CURRENT ASSETS</b>	<b>633,087.84</b>
<b>NONCURRENT ASSETS</b>	
<b>FIXED ASSETS</b>	
Land	432,717.00
Buildings	12,796,743.00
Furn, Fixt, & Equip	1,157,974.64
Accum Depreciation-Buildings	-1,626,256.44
Accum Depreciation- Misc FF&E	-586,334.00
Accum Depreciation-Infrastructure	-180,864.00
Site Improvement	<u>711,597.00</u>
<b>TOTAL FIXED ASSETS (NET)</b>	<b><u>12,705,577.20</u></b>
<b>OTHER NONCURRENT ASSETS</b>	
Loan Costs	335,121.42
Amortization Loan Cost	-94,633.00
Compliance Fees	200,558.00
Amortization Tax Credit Fees	<u>-67,963.00</u>
	<u>373,083.42</u>
<b>TOTAL NONCURRENT ASSETS</b>	<b><u>13,078,660.62</u></b>
<b>TOTAL ASSETS</b>	<b>13,711,748.46</b>

**LIABILITIES & EQUITY**

A/P Vendors and Contractors	11,388.97
Tenant Security Deposits	8,250.00
Security Deposit-Pet	450.00
Accrued Property Taxes	1,296.40
Accrued Interest NLP Loan	1,333.00
Accrued Audit Fees	6,457.50
Due to West Lake Mgmt.	4,515.24
HAP Overpayments	28.00
Tenant Prepaid Rents	161.18
Accrued Compensated Absences-Current	<u>3,802.62</u>
<b>TOTAL CURRENT LIABILITIES</b>	<b>37,682.91</b>
<b>NONCURRENT LIABILITIES</b>	
Mortgage Note Payable	3,201,217.17
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	1,555,662.37
Accrued Compensated Absences-LT	<u>7,062.01</u>
<b>TOTAL NONCURRENT LIABILITIES</b>	<b>6,961,932.80</b>
<b>TOTAL LIABILITIES</b>	<b><u>6,999,615.71</u></b>
<b>EQUITY</b>	
<b>CONTRIBUTED CAPITAL</b>	
Capital Private Investors	6,936,810.00
GP Equity	-13.00
Special LP Equity	-10.00
Syndication Costs	<u>-30,000.00</u>
<b>TOTAL CONTRIBUTED CAPITAL</b>	<b>6,906,787.00</b>
<b>RETAINED EARNINGS</b>	
Retained Earnings-Unrestricted Net Assets	<u>-194,654.25</u>
<b>TOTAL RETAINED EARNINGS:</b>	<b>-194,654.25</b>
<b>TOTAL EQUITY</b>	<b><u>6,712,132.75</u></b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>13,711,748.46</b>



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

<b>Period to Date</b>	<b>Beginning Balance</b>	<b>Ending Balance</b>	<b>Difference</b>
Cash Operating 1	159,684.29	182,152.54	22,468.25
Cash Restricted-Security Deposits	8,375.00	8,050.00	-325.00
Cash Restricted-Operating Reserve	25,185.58	25,175.58	-10.00
Cash Restricted-Reserve for Replacement	125,471.80	127,971.80	2,500.00
Cash-Tax & Insurance Escrow	27,355.64	30,507.64	3,152.00
Investment 1	227,370.89	227,455.00	84.11
<b>Total Cash</b>	<b>573,443.20</b>	<b>601,312.56</b>	<b>27,869.36</b>

  

<b>Year to Date</b>	<b>Beginning Balance</b>	<b>Ending Balance</b>	<b>Difference</b>
Cash Operating 1	126,119.04	182,152.54	56,033.50
Cash Restricted-Security Deposits	8,300.00	8,050.00	-250.00
Cash Restricted-Operating Reserve	25,245.58	25,175.58	-70.00
Cash Restricted-Reserve for Replacement	110,888.49	127,971.80	17,083.31
Cash-Tax & Insurance Escrow	42,667.32	30,507.64	-12,159.68
Investment 1	226,861.28	227,455.00	593.72
<b>Total Cash</b>	<b>540,081.71</b>	<b>601,312.56</b>	<b>61,230.85</b>

LAKELAND HOUSING AUTHORITY

Updated as of August 31, 2014

		START DATE	OBLIGATION END DATE	DISTRIBUTION END DATE	AUTHORIZED	OBLIGATION 90% THRESHHOLD	OBLIGATED AMOUNT	DISBURSED	AVAILABLE BALANCE
<b>Capital Fund Program</b>	<b>(HUD)</b>								
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
				<b>CFP Subtotal:</b>	<b>1,141,932.00</b>	<b>1,027,738.80</b>	<b>932,386.00</b>	<b>803,252.00</b>	<b>338,680.00</b>
<b>Replacement Housing Factor</b>	<b>(HUD)</b>								
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
				<b>RHF Subtotal:</b>	<b>1,781,197.00</b>	<b>1,358,787.60</b>	<b>0.00</b>	<b>0.00</b>	<b>1,781,197.00</b>
<b>HOPE VI</b>	<b>(HUD)</b>	04-05-00		12-31-17	<b>21,842,801.00</b>	19,658,520.90	<b>19,908,767.13</b>	<b>19,908,767.13</b>	<b>1,934,033.87</b>
<b>Safety &amp; Security Grant</b>	<b>(HUD)</b>	03-20-13	03-19-14	03-19-15	250,000.00	225,000.00	225,283.00	239,067.00	10,933.00
				<b>Safety &amp; Security Subtotal:</b>	<b>250,000.00</b>	<b>225,000.00</b>	<b>225,283.00</b>	<b>239,067.00</b>	<b>10,933.00</b>
<b>Resident Opportunities and Self Sufficiency</b>	<b>(HUD)</b>								
ROSS - Family Self Sufficiency 2013		07-01-13	07-01-14		52,084.00	46,875.60	52084	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
				<b>ROSS Subtotal:</b>	<b>192,922.00</b>	<b>173,629.80</b>	<b>192,922.00</b>	<b>140,838.00</b>	<b>0.00</b>
<b>YouthBuild</b>	<b>(DOL)</b>	06-01-11	05-31-15		997,492.00	897,742.80	997492	850,035.00	147,457.00
				<b>YouthBuild Subtotal:</b>	<b>997,492.00</b>	<b>897,742.80</b>	<b>997,492.00</b>	<b>850,035.00</b>	<b>147,457.00</b>
<b>21st Century</b>	<b>(DOE)</b>	08-01-13	07-31-14		324,331.00	291,897.90	324331	324,331.00	0.00
				<b>21st Century Subtotal:</b>	<b>324,331.00</b>	<b>291,897.90</b>	<b>324,331.00</b>	<b>324,331.00</b>	<b>0.00</b>

# HOUSING REPORT

# Housing Management

## Board Report September 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 August:

- The LHA website includes many new features that are now available at the [www.lakelandhousing.org](http://www.lakelandhousing.org).
- LHA is planning the opening of the Section 8 waiting list before the year end.
- We have entered into a second contract with the Pinellas County Housing Authority to perform an additional 184 HQS inspection for their Section 8 Department; this is the second contract this year. The inspections are scheduled to start on October 6, 2014.

The Housing staff is continuously working with other departments specifically with the Resident Services Department staff to continue our successful resident programs to continue to meet our LURA requirements.

### **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
08/31/2014	97.37%	09/19/2014

## **Housing Choice Voucher Program Report**

- **Tenant-Based Waitlist**

As of August 31, 2014, the Housing Choice Voucher tenant based waiting list contained two hundred (200) applicants.

- **VASH Waitlist**

As of August 31, 2014, the Veteran Affairs Supportive Housing waiting list contained three (3) applicants.

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

As of August 31, 2014, Lakeland Housing Authority project-based waiting list for the Manor at West Bartow contained seventeen (17) applicants.

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

As of August 31, 2014, Lakeland Housing Authority project-based waiting list for the Villas at Lake Bonnet contained one hundred eleven (111) applicants.

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

As of August 31, 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 August. Port outs are clients that use their voucher in another jurisdiction.

- **Port Ins**

LHA currently has five (5) port-ins for the month of August. Port-ins are participants that transferred from another housing agency that we are billing for HAP and administrative fees.

- **Lease-up & Movers**

As of August 31, 2014, Lakeland Housing Authority issued nineteen (19) vouchers to movers. We received twenty (27) Requests for Tenancy Approvals during the month of August. We processed eight (8) unit transfers, one (1) initial move-in, and zero (0) port-in.

- **Active Clients**

As of August 31, 2014, LHA is servicing 1,173 families on the Housing Choice Voucher program. These families include 885 regular Housing Choice Voucher holders, 45 Mainstream Disabled Housing Vouchers, 52 VASH, 115 Project-Based Vouchers, 70 Tenant Protection Program (TenPro) and 5 Port Ins.

- **EOP – End of Participation**

LHA processed seven (7) EOP's with a date effective the month of August 2014. Below are the reasons for leaving the program:

<b>Reason</b>	<b>Number</b>
Termination – Criminal	0
Termination – Unreported income and/or family composition	0
Left w/out notice	1
No longer need S/8 Assistance	3
Deceased	3
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
08/31/2014	102.32%	09/08/2014

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

- The Housing Choice Voucher Department processed one hundred eight (108) annual certifications and one hundred twenty eight (128) interim certifications.
- A total of one hundred fifty five (155) Housing Quality Standards (HQS) inspections were conducted during this month.

<b>RECEPTION MONTHLY REPORT 2014</b>					
	<b>VISITOR'S COUNT</b>	<b>RFTA</b>	<b>REQUEST TO LIST PROPERTY</b>	<b>INTERIM CHANGE</b>	<b>STAMPED MAIL</b>
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



## Reports from the Communities

### Communities

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

Item	WestLake	WestLake Addition	Cecil Gober	John Wright	Carrington Place	Renaissance	Villas Lake Bonnet	Colton Meadow	Manor at West Bartow
Occupancy 99% averaged	97%	98%	100%	100%	100%	98%	98%	100%	99%
Vacant units	2	1	0	0	0	3	2	0	1
Current rents:									
1 bedroom	387	425	481	N/A	N/A	613	N/A	N/A	699
2 bedrooms	443	508	N/A	526	736	736	627	627	801
3 bedrooms	543	576	N/A	579	850	850	709	709	N/A
4 bedrooms	581	N/A	N/A	N/A	949	949	N/A	780	N/A
5 bedrooms	N/A	N/A	N/A	N/A	1047	N/A	N/A	N/A	N/A
Unit inspections	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Building inspections	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Security issues (Insurance claims)	No	No	No	No	No	No	No	No	No
Number of Annual Certifications done	4	1	2	3	7	29	11	5	3
Newsletter distributed	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
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

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

By: Carlos R. Pizarro, Director of Housing



# **DEVELOPMENT REPORT**

# **RESIDENT SERVICES REPORT**

**Resident Services  
August 2014 Board Report**

- **Resident Opportunity and Self-Sufficiency (ROSS)**

During the past three years, the Lakeland Housing Authority ROSS grant program has provided avenues for supportive services to assist public housing residents (family, elderly, and disabled) in their goal to become self-sufficient. The provision of these services has offered opportunities for the improvement of the quality of life for program participants. Many thanks to our supporting community partners for their support and efforts to assist participants. This 3-year grant ended effective August 31, 2014.

- **YouthBuild-Lakeland**

**Academics**

Participants continue to prepare and take sections of the GED Test. Participants are receiving individualized help and continue to make progress toward passing all sections of the GED. Also, Cycle 10 participants have been working on making learning gains in Literacy and Numeracy on the TABE test. Thus far, 86% of Cycle 10 participants have achieved a learning gain. This statistic is 36% above the national average. Also, 92% of Cycle 10 participants have completed their Pre-Apprenticeship Certificate Training (PACT) in Carpentry from the National Home Builders Institute.

**Placement News**



During the month of August 2014, Jacob Whiteshield became a licensed business owner. Jacob is the President/CEO of JW's Animal Removal. He is a graduate of YouthBuild-Lakeland's Cycle 10 class. Congratulations, Jacob!

## Career Development



**Dr. Earl Brown**



**YouthBuild-Lakeland Cycle 10**

August was an extremely busy month for the YouthBuild Program. Travelers visited the cycle again on August 1<sup>st</sup> and hosted a workshop entitled “Launching a Career-Advice from the Field.” Speakers from the healthcare, engineering, maintenance and education fields attended. Dr. Earl Brown was the honorary guest speaker. Dr. Brown is a Pastor, Professor, Speaker, Author and a Certified Professional Life Coach and Trainer. His presentation was so well received that the participants requested that he speak at their graduation, which is to be held on Monday, September 22<sup>nd</sup>.

Participants toured Polk State College and Traviss Career Center on August 7<sup>th</sup> and August 21<sup>st</sup>.



**At Traviss Career Center, the Nursing Instructor and students shared info with YouthBuild students.**

Other August events included: Forklift Certification, Final Mock Interviews, Professional Growth Presentations and shopping for Interview Clothing.

The Participants last day was August 22<sup>nd</sup>. This day was celebrated with a group bowling tournament and lunch at Cici's Pizza!

**Construction**

Participants have continued to work at the Habitat site rebuilding the family home that was burned to the ground. Unfortunately, they will not be able to complete the house, but will be part of the celebration scheduled for October when the keys are presented to the homeowners.

**Grant Funding**



YouthBuild has been awarded a 2014 Grant from Travelers in the amount of \$12,000 and applied for funding from Wells Fargo.

- **Public Housing/Family Self-Sufficiency Program (PH/FSS)**

August 2014	# FSS Tenants	# with Escrow	% with Escrow	Escrow Amount (\$)
Public Housing (02,04) (05)	33	16	49	44,107.97
Dakota Park (13)	06	02	34	9,677.05
Renaissance (14)	12	03	25	9,247.00
Hampton Hill (12)	01	01	01	1,751.00
Totals	52	22	43*	\$64,783.02

\*The percentage using the total number of FSS clients and total number of clients with escrow.

**Public Housing FSS Waiting List:** Zero (0).

The Coordinator continues to meet with residents, by walking the sites and having one-on-one meeting. Each resident is given available supportive services in the community.

**New Enrollment:** Zero (0)

**Termination/Forfeiture/Transfer/Disbursement:** Four (4)

**Final Disbursement:** Ms. Lopez enrolled in the FSS Program in 2009, she had many goals she wanted to complete within the five years of her individual training and services plan. She enrolled at a technical school, obtained full-time employment, and received certificate of how to manage her money by taking the Money Smart class. Ms. Lopez will receive her escrow funds in her account in September.

**Community Involvement:** During the month of August, the PHFSS Coordinator attended the following meetings and/or events:

- August 4<sup>th</sup> Residents field trip
- August 14<sup>th</sup> Meeting with Winter Haven Housing Authority
- August 28<sup>th</sup> Careersource-POLK's Best Place to Work Breakfast Meeting

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**Earl W. Haynes**  
**Resident Services Director**

**Janiene Bambridge**  
**YouthBuild Program Manager**

**Linda Willis**  
**PH/FSS Coordinator**

# **RESOLUTIONS**

# **SECRETARY'S REPORT**



**Secretary's Report  
September 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.

At this time, staff has withdrawn 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 is now considering 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 will be included in the Recovery Plan submitted to HUD.

**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 will be 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  
September 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**

LHA staff has started work on the Agency Plan that will be submitted to HUD in October 2014. The Plan must be approved by the LHA Board of Commissioners prior to the October 2014 Board meeting. Copies of the Plan will be 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 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 will be submitted to the U.S. Department of Housing and Urban Development Miami Field Office for review and approval.

**Meetings and Activity**

The HUD-Miami office was in town for a Limited Management Review. Details regarding the site visit are included in the August Recovery Plan Update. The Miami Field Office will also be visiting LHA at the end of September for a presentation of the draft Recovery Plan. Staff will present the Recovery Plan to the LHA Board of Commissioners at the October board meeting.

**Other Activities**

I was recently elected to the Board of Directors for the Florida Housing Authorities Risk Management Insured's (FHARMI). I was also selected to serve on the Nomination Committee for the Florida Association of Housing and Redevelopment Officials (FAHRO).

I also received my Professional Certificate in Asset Management and lapel pin from the Consortium for Housing and Asset Management, Neighborhood Works, Enterprise Foundation and the National Equity Fund. I am now officially designated as a Certified Housing and Asset Manager.

Respectfully submitted,

*Benjamin Stevenson*

Secretary

## **OTHER BUSINESS**



**BOARD OF  
COMMISSIONERS**

Michael A. Pimentel  
**Chairman**

Rev. Richard Richardson  
**Vice Chairman**

Joseph DiCesare  
**Commissioner**

Eddie Hall  
**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](http://www.LakelandHousing.org)

September 18, 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 33131-3042

RE: Updated Corrective Action Plan

Dear Mr. Rocher:

Enclosed for your review is the Corrective Action Plan (CAP) for the Lakeland Housing Authority (LHA). On August 18, 2014, LHA's Board of Commissioners approved the investment and wire transfer policies. Information for each task is contained on Pages 7 and 20 of the CAP.

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 J. Stevenson  
Executive Director

Cc: Valerie Brown  
Project Files

Enclosure

**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

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.	<del>3/31/2013</del> 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	K. Davis 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	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.	<del>8/1/2013</del> 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	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  
CORRECTIVE ACTION PLAN**

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 are to be documented by a notarized	LHA staff is interviewing all 0 income tenants on a monthly basis to calculate income.	<del>11/1/2012</del>	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.	<del>3/31/2013</del> 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

**LAKELAND HOUSING AUTHORITY  
CORRECTIVE ACTION PLAN**

Item #	Source Document	Classification	Issue	Action Required or Recommendation	Action Taken	Expected Completion	Status	Responsible Party	Category
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.	<del>Rent comparison study is in progress.</del> 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
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  
CORRECTIVE ACTION PLAN**

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 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, should not be included in their financial	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.	Complete	On-Going	E. Hall 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	<i>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.</i>	<i>The finance department should develop an investment strategy and corresponding policy recommendation for Executive Director and Board of Commissioners approval.</i>	<i>LHA's Board of Commissioners approved the investment policy as part of their August 2014 meeting.</i>	<del>3/30/2013</del> <del>8/1/2013</del> <del>12/31/13</del> 8/18/2014	Complete	<del>E. Hall</del> <del>w/Finance</del> B. Stevenson w/Executive Office	INVESTMENT POLICY

**LAKELAND HOUSING AUTHORITY  
CORRECTIVE ACTION PLAN**

Item #	Source Document	Classification	Issue	Action Required or Recommendation	Action Taken	Expected Completion	Status	Responsible Party	Category
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 been engaged to address all findings	4/1/2013	Complete	E. Hall w/ Finance	NRA

**LAKELAND HOUSING AUTHORITY  
CORRECTIVE ACTION PLAN**

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.	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  
CORRECTIVE ACTION PLAN**

Item #	Source Document	Classification	Issue	Action Required or Recommendation	Action Taken	Expected Completion	Status	Responsible Party	Category
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  
CORRECTIVE ACTION PLAN**

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.	<del>3/31/2013</del> <del>8/1/2013</del> 3/31/14	On-Going	E. Hall 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.	<del>3/31/2013</del> <del>8/1/2013</del> 6/17/2013 Complete	On-Going	V. Brown w/ Development	PURCHASING

**LAKELAND HOUSING AUTHORITY  
CORRECTIVE ACTION PLAN**

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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.	<del>3/31/2013</del> 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



**LAKELAND HOUSING AUTHORITY  
CORRECTIVE ACTION PLAN**

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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

**LAKELAND HOUSING AUTHORITY  
CORRECTIVE ACTION PLAN**

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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

**LAKELAND HOUSING AUTHORITY  
CORRECTIVE ACTION PLAN**

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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") setting forth and approving the LHA	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.	<del>3/31/2013</del> <del>12/31/2013</del> 3/31/14	In Progress	E. Hall w/ Finance	SOP

**LAKELAND HOUSING AUTHORITY  
CORRECTIVE ACTION PLAN**

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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 Director/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.	<del>3/31/2013</del> <del>6/30/2013</del> <del>8/1/2013</del> 3/31/14	In Progress	E. Hall 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	In Progress	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 reviews should ensure that staff is	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

**LAKELAND HOUSING AUTHORITY  
CORRECTIVE ACTION PLAN**

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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 process.	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

**LAKELAND HOUSING AUTHORITY  
CORRECTIVE ACTION PLAN**

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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
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

**LAKELAND HOUSING AUTHORITY  
CORRECTIVE ACTION PLAN**

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 will be reconciled to the general ledger and corrections will be made for the March 31, 2013 reporting period.	On-Going	On-Going	C. Pizarro w/ Housing and E. Hall w/ 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

**LAKELAND HOUSING AUTHORITY  
CORRECTIVE ACTION PLAN**

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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.	<del>3/31/2013</del> <del>12/31/2013</del> <del>3/31/14</del> 8/18/2014	Complete	<del>E. Hall</del> <del>w/Finance</del> 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. NOTE: Financial Reporting for all Major	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.	<del>12/31/2013</del>	In Progress	E. Hall w/ Finance and C. Pizarro w/Housing	INTERNAL CONTROLS



**LAKELAND HOUSING AUTHORITY  
CORRECTIVE ACTION PLAN**

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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 to cash disbursements and	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	In Progress	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. <del>The necessary actions will be performed under the supervision of Eva Hall, Director of Finance, and will be completed within 90 days.</del> The Authority is currently analyzing <del>pooled cash account activity to</del> 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 will be formalized and goals established <del>based upon this research.</del> The Authority acknowledges the gravity of this situation and the long term nature of the solution.	Ongoing	In Progress	E. Hall w/Finance	ACCOUNTS

**LAKELAND HOUSING AUTHORITY  
CORRECTIVE ACTION PLAN**

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.	<del>The forms have been completed. LHA has an executed depository agreement with each financial institution handling accounts containing federal monies.</del> 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.	<del>1/15/2014</del> 6/2/2014	<del>Complete</del> In Progress	<del>E. Hall w/Finance</del> 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