



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

AUGUST 18, 2014

Benjamin Stevenson, Executive Director

Ricardo Gilmore, Esquire

AGENDA

Board of Commissioners Meeting
The Housing Authority of the City of Lakeland, Florida
Monday, August 18, 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, July 21, 2014.**
- 3. Public Forum**
- 4. Old Business**
 - Recovery Plan Review Committee Approval of Meeting Minutes & Board 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 # 14-1382 – The Board of Commissioner is requested to adopt an Investment Policy for the Lakeland Authority.
 - Resolution # 14-1383 – The Board of Commissioners is requested to adopt a Banking and Wire Transfer Policy for the Lakeland Housing Authority.
- 7. Secretary's Report**
- 8. Legal Report**
 - Executive Director Evaluation Criteria
- 9. Other Business**
 - Corrective Action Plan
- 10. Adjournment**

MINUTES
Regular Board Meeting of
The Housing Authority of the City of Lakeland
Monday, August 18, 2014

The Commissioners of the Housing Authority of the City of Lakeland met for a Regular Board Meeting on Monday, July 21, 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

Board Secretary Benjamin Stevenson
Legal Counsel Present: 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.

Commissioner Pimentel introduced the newly appointed Commissioner, Lorenzo Robinson, for the swearing in ceremony. The oath was given by Ricardo Gilmore, LHA Legal Counsel. Commissioner Robinson gave brief remarks to the board.

APPROVAL OF THE AGENDA

Commissioner Pimentel asked the board if anyone would like to add items to the agenda for discussion. No items were added.

APPROVAL/ACCEPTANCE OF MINUTES

- **Motion to approve and accept the Minutes of the Regular Board Meeting held May 19, 2014.**

Motion to accept the minutes as written with necessary corrections.

Motion by Pimentel, second by Richardson

Correction: Page 3 under *Approval and Acceptance of Minutes, Vote Commissioners*: Commissioner Gary Smith vote was changed to "Present."

Vote: Commissioners

Michael Pimentel – Aye

Richard Richardson – Aye

Edward Hall – Aye

Joseph DiCesare – Present

Lorenzo Robinson – Present

Dorothy Sanders – Aye

Gary Smith – Aye

OLD BUSINESS

Commissioner DiCesare stated he never received a copy of draft document presented by with the Financial Advisor, Innovative Financial Housing Solution (IFH) pertaining to LHA inter-fund balances and the examination of the fees recorded in the COCC as allowed under HUD's Asset Management structure on May 19, 2014. A copy was given to Commissioner DiCesare during this meeting.

• LHA Recovery Plan Update

Mr. Stevenson indicated prior to tonight's meeting he submitted a memo to the board which consisted of several items that will be addressed during the meeting. The items include a recommendation for forming of a Recovery Plan Review Committee. This recommendation must be approved by the board. It has been mandated by HUD that LHA form such committee to monitor the recovery plan process. The committee would be comprised of LHA commissioners.

Commissioner Pimentel also informed the board that HUD was very enthusiastic about the forming of the Recovery Plan Review Committee. He indicated this is an opportunity for this committee to be involved in every aspect of the recovery plan and keep the board informed.

The board discussed several strategies of how the committee should be structured, with 2 to 3 commissioners, possibly meeting every other week to review all aspects of the recovery plan and provide status updates to the board. Commissioner Pimentel recommended that Commissioners Richardson, Smith and DiCesare serve on the committee.

Both Commissioner Richardson and Smith indicated their willingness and acceptance to serve on this committee.

Commissioner DiCesare indicated he appreciated the offer and would be willing to sit on this committee; however he has a demanding schedule with other responsibilities on his job at the time and do not know how much time he would be able to devote to this committee.

Mr. Stevenson asked that the Recovery Plan Review Committee have its first meeting on next week so that the Financial Advisor, who co-authored the plan, would be available to attend the meeting. Mr. Stevenson requested that Recovery Plan Review Committee to meet on next Tuesday, July 29, 2014 at 6:00 p.m. at LHA. He also indicated that the LHA staff will prepare a final summary and present to Recovery Plan Review Committee and the board for approval to submit to HUD in September 2014. Mr. Stevenson also requested the board reschedule it September 2014 meeting due to the timelines of the Agency Plan to HUD. On September 15, 2014, we are requesting a Special Board Meeting and on September 29, 2014 that the LHA Regular Board meeting will be held. The Agency Plan must be submitted on October 15, 2014.

- Motion that the Board of Commissioners accepts and approves the three recommended nominees to serve as the Recovery Plan Review Committee.**

Motion by Pimentel, second by Richardson.

Vote: Commissioners

Michael Pimentel – Aye

Edward Hall –Aye

Lorenzo Robinson – Aye

Richard Richardson - Aye

Joseph DiCesare – Aye

Dorothy Sanders – Aye

Gary Smith – Aye

Raymond Coury presented the Financial Advisor Report. Mr. Coury asked if anyone had any questions on the internal financial statements for April and May 2014.

Commissioner Smith inquired why the June 2014 report was not submitted with April and May 2014 reports. Mr. Coury replied that LHA protocol is to report one month in the rear. The department has 60 days to submit or prepare the report rather than in the pursuing month. This has been LHA practice.

Mr. Stevenson advised that the check registry report are usually given to the commissioners upon their request and not put in the monthly board reports.

When asked if any further questions from the board, Commissioner DiCesare asked about multiple commissioners attending the HUD – LMR close-out meeting and the meeting made known by a public notice. Mr. Stevenson advised that HUD requested the chairman to attend the close-out meeting. HUD would be submitting their comments in writing.

Attorney Gilmore, reiterated that HUD usually request that one commissioner be present during the close-out meeting, preferably the chair, when they are giving the verbal summary of their review. Once the executive director receives the written report he will than update the board of HUD comments.

Commissioner Richardson asked a question to what is the primary responsibility of the financial advisor. He further indicated that since the Finance Director is no longer with the agency, who has the responsibility for all financial documents and what's the division line between the responsibilities of the financial advisor and doing the financial report. Commissioner Richardson clarified he was alluding to what was document in the HUD letter, "if a financial advisor is procured; the main priority outlined in the scope of service." The proper evaluation of the current operation is necessary and cutting costs is a priority. He is concerned that the Financial Advisor is not simply doing the bookkeeping for the organization.

Mr. Stevenson advised that the financial advisor is currently assisting with transitioning to the fee accountant and filling in as needed. They are currently contracted and will do various duties until we get a financial manager.

NEW BUSINESS

none

MONTHLY REPORTS

- **Financial Report and Grant Updates**

Raymond Coury gave a brief but through summary of the report. Mr. Coury advised the board if they had questions prior to the meeting to please submit them to him and the Executive Director in writing. He will provide and answer prior to the board meeting.

Report submitted and accepted as written.

• **Housing Report**

Carlos Pizarro highlighted some of the items summarized in the Housing Report.

Report submitted and accepted as written.

• **Development Report**

Valerie Brown gave a very thorough summary of the report highlighting a few key items.

1. The 2015 Agency Plan – explained the various timelines that are crucial and important:
 - A meeting with the Resident Advisory Board (City Wide Resident Organization) scheduled for August 7, 2014 in the LHA board room
 - A Special Board Meeting with the board to discuss the Agency Plan and where we want to be 5-years from now. Also, a required part of the plan is the 5-year Capital Fund Plan as well as replacement housing factor funds.
 - October 15, 2014 is the deadline to submit the agency plan to HUD. Therefore, to meet that deadline it will be necessary to move the regular board meeting scheduled for September 15, 2014 and conduct a Special Board Meeting and the September 29, 2014 will be the Regular Board Meeting. This will give staff two weeks to finalize the plan.

2. Will be presenting two resolutions to be approved in this meeting.
Resolution #14-1380 and #14-1381.

Report submitted and accepted as written

• **Resident Services Report**

Report submitted as accepted as written

RESOLUTIONS

Resolution #14-1380 – The Board of Commissioners is requested to approve and authorize the Executive Director to sign a non-binding Letter of Intent with GH and G Florida, LLC.

- Motion to accept and approve resolution #14-1380.
Motion by Smith, second by Richardson

Commissioner Hall asked if we were to get the money from the sale of the property would be used for development in the future. Ms. Brown mentioned that the West Lake and Cecil Gober properties were very distressed and the families have been waiting for improvement and modernization of the properties since before this current administration.

Vote: Commissioners

Michael Pimentel – Aye

Richard Richardson – Aye

Edward Hall –Aye

Joseph DiCesare – Aye

Lorenzo Robinson – Aye

Dorothy Sanders – Aye

Gary Smith – Aye

Resolution 14-1381 – The Board of Commissioners is requested to approve the authorization of its Executive Director to sign an Agreement for the Purchase and Sale of Real Property with Kolter Acquisition, LLC.

- Motion to accept and approve the resolution # 14-1381.
Motion by Richardson, second by Hall

Vote: Commissioners

Michael Pimentel – Aye

Richard Richardson – Aye

Edward Hall –Aye

Joseph DiCesare – Aye

Lorenzo Robinson – Aye

Dorothy Sanders – Aye

Gary Smith – Aye

SECRETARY’S REPORT

Report submitted and accepted as written

LEGAL REPORT

Ricardo Gilmore, Legal Counsel mentioned he had 3 important items to bring before the board.

- 1). The board was advised to move “Public Forum” up to position at the beginning of the meeting on the agenda. He further advised the board regarding the Florida Law, Government in The Sunshine Rule; provides access to the public to speak. Usually this is done prior to any action taking place or resolutions being presented. This way it allows for the public have input before an action. The board agreed to move “Public Forum” up on the meeting agenda.
- 2). For several years there has been no opening prayer in a government setting and some public meetings. The moment of silence took the place of opening prayer. The Supreme Court in the last few months ruled that prayer is permissible in a government setting.
- 3). Mr. Gilmore commended Commissioner Richardson on a job well done with the compilation of the individual comments regarding the Executive Director Annual Evaluation Form. Mr. Gilmore distribute the forms to the commissioners and asked they review the document and bring their comments, if any to the next LHA Regular Board Meeting.

OTHER BUSINESS

Corrective Action Plan

Submitted and accepted as written.

- **LHA Regular Meeting**

Commissioner DiCesare asked the question to what is the procedure for canceling a regular monthly board meeting. Commissioner DiCesare stated he received an email regarding the meeting being canceled. Commissioner DiCesare further questioned whether or not the LHA Board Chairman has the authority to cancel meetings. Commissioner DiCesare indicated he searched the By-Laws and there were no violation found.

Mr. Gilmore advised that the cancelation of meeting is not in the By-Laws. He stated there is no procedure in place. Mr. Gilmore gave a recommendation on when canceling a meeting: 1) The Executive Director or Chairman may recommend or request to cancel a meeting. 2) The Executive Director will provide a rationale regarding why the meeting is being canceled and discuss the matter with board chair. 3) If the board deems it necessary to have the meeting, then proceed with having a meeting.

Mr. Stevenson informed the board that the recent meeting cancelation was necessary. The last meeting was canceled due to staff working long and extensive hours preparing for a third HUD audit within the past 60 days. He was very concerned about staff burn out due to LHA currently operating at a "bare bones" capacity. He also advised the Board that the other meeting was cancelled due to a storm.

Mr. Gilmore informed the board that he will be conducting a Commissioner's Training on July 25, 2014, 9:30 a.m. – 2:30 p.m. If any commissioner wishes to attend, please confirm your attendance with Ms. Goodman. Mr. Gilmore mentioned the training will cover Florida Law and Government in the Sunshine Act.

PUBLIC FORUM

None

SPECIAL BOARD MEETINGS IN SEPTEMBER 2014

Due to submitting the 2014 Agency Plan in a timely fashion the board agreed to move the Regular Board Meeting scheduled for September 15, 2014 to September 29, 2014 and conduct a special board meeting on September 15, 2014. The board agreed to the following dates:

Special Board Meeting – September 15, 2014

Regular Board Meeting – September 29, 2014

The meeting adjourned at 8:00 p.m.

Benjamin J. Stevenson, Secretary

OLD BUSINESS



BOARD OF COMMISSIONERS

Michael A. Pimentel
Chairman

Rev. Richard Richardson
Vice-Chairman

Eddie Hall
Commissioner

Joseph DiCesare
Commissioner

Lorenzo Robinson.
Commissioner

Dorothy Sanders
Commissioner

Gary Smith
Commissioner

Benjamin J. Stevenson
Executive Director

430 Hartsell Ave
Lakeland, FL 33815

MAIN OFFICE

Phone: (863) 687-2911

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www.LakelandHousing.org

DATE: August 11, 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: The new buyer has provided an offer to purchase the commercial lot at the corner of 10th Street and Florida Avenue. LHA signed a Letter of Intent with the potential buyer. A contract for the sale of the property should be executed within the next 30 days.

Staff also received permission from the LHA Board of Commissioners to negotiate the sale of the Arbor Manor property. Staff has accepted an offer from a potential buyer. The terms of the sales contract have been negotiated. We are waiting for the document to be finalized by the attorneys.

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. As a part of the Recovery Plan, staff is also submitting a request to HUD to leave the COCC model and return to Asset Management model for public housing. More information on this option will be provided for the Board at a future meeting such as a workshop.

HUD visited LHA for a Limited Management Review during the week of July 21-24, 2014. A summary of the site visit is attached to this memorandum. HUD staff stated they had no findings during their review. They will submit written comments in about 45 days.

3) Develop a plan to transfer Housing staff to West Lake Management (WLM) Company



Status: Previously, staff spoke with Public Risk Management of Florida (PRM), the administrative entity for LHA employee benefits, about providing benefits for WLM staff. Staff was advised PRM could not provide benefits. LHA's current policy only applies to public employees. So, at this time, since WLM is a private company, LHA cannot transfer the employees to the WLM entity without a loss in benefits for these employees. Staff continues to review additional options and will discuss such options with labor/legal counsel at the appropriate time.

4) 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.

5) 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. Such would allow time for all of the prep work at the new location to be completed.

6) 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.

7) 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.

8) 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.

Staff also released the Request for Qualifications for a third party Developer Partner. Four responses were received. Information on the selected Developer Partner will 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.

Commissioner DiCesare declined the nomination to be a part of the Recovery Plan Review Committee. The email he submitted in that regard is also attached to this memorandum.

BJS

Summary of HUD Limited Management Review
Lakeland Housing Authority
July 21-25, 2014

Below is a summary of the Close Out/Exit meeting with HUD for the Limited Management Review at LHA during the week of July 21st. Each area where HUD conducted a review and a summary of their comments are provided below. Please note the comments below are a summary of the meeting. HUD will provide their written comments on the visit within 30-45 days.

Section 8:

HUD staff provided technical assistance on Reporting and discrepancies in the files. HUD stated the tenant folders are in order. EIV information and Notices are being provided as required by HUD.

Public Housing:

HUD staff provided technical assistance on Reporting. The flat rent program is in compliance with the new HUD requirements. LHA is sending out public notices as required, updating the ACOB and Agency Plan as required. The client folders are organized.

Quality Control:

The LHA managers are good and conduct quality control on each other. HUD staff stated “this is a good thing.”

HUD had no finding or concerns in the above areas of the review.

Finance:

- HUD staff stated LHA has good documentation, but needs to update its SOPs (Standard Operating Procedures). LHA is using the SOPs that were adopted in 2006.
- Asset Management needs to be fully implemented. Currently, LHA has a lot of affiliates.
- Credit card bills may need to be separated. HUD wants to see a separation between Public Housing and West Lake Management.
- Gas – HUD would like to see an agreement between the City of Lakeland and LHA for gas purchases. A draft agreement is being reviewed by the City of Lakeland’s legal counsel.
- Repayment agreements – HUD wants to be able to see the status of repayments being made by tenants.
- HTVN Training – HUD is concerned with the cost of the renewal fees. The fee is \$2,000 and all LHA staff uses HTVN for training. HUD staff suggested LHA consider using the training manuals available on the HUD website.
- Section 8 – HUD suggested LHA start leasing up with Section 8.
- Financial Statement – HUD stated LHA needs to take out cash used to balance the budget and get operating budgets to surplus. This item is being addressed with the Recovery Plan
- LHA needs to address HUD budget concerns in the Recovery Plan

HUD Recommendations:

LHA Chart of Accounts:

LHA Chart of Accounts needs to be changed. HUD recommends one account for Public Housing and one account for West Lake Management. LHA should treat West Lake Management as a development affiliate. HUD also recommended LHA track expenses between Public Housing and West Lake Management.

Replacement Housing Factor (RHF) Funds:

LHA has an obligation deadline of September 2015 and expenditure deadline of September 2017 for 2009-13 Replacement Housing Factor funds. HUD is suggesting LHA use these funds to construct eight (8) public housing units on the vacant single family residential lots at the HOPE VI site. The funds will be used to cover hard and soft construction costs.

Proposed Sale of Vacant Land:

HUD is in agreement with LHA's proposal to sell the vacant lots at the HOPE VI and Arbor Manor sites. The sales prices are \$1.3M and 1.9 M, respectively. HUD would like to see the appraisals and other supporting documentation for the sales. HUD will consider allowing LHA to apply the sales proceeds of the HOPE VI land towards the public housing debt.

Invoices:

HUD would like for LHA to look carefully at all invoices and monitor its expenses. HUD recommends LHA consider delaying training for a year or so.

Co-Developer Fees:

HUD looked at all fees that could be generated by all existing LHA properties. A total of \$3.7M in fees could be earned. But, LHA completed a Physical Needs Assessment (as required by HUD) that showed a need for approximately \$8M in improvements at various LHA properties. HUD will rank the needs by priority and provide a recommendation. For example, replacement of electrical boxes is a priority over painting. HUD also considering allowing LHA to use the \$1.9M in HOPE VI funds to address this need at the HOPE VI site.

**FINANCIAL REPORT
AND
GRANT UPDATES**



TO: Lakeland Housing Authority Board of Commissioners

FROM: Raymond M. Coury, CPA LHA Financial Advisor

DATE: August 9, 2014

RE: June 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.

Raymond M. Coury, CPA
Financial Advisor
Lakeland Housing Authority

**Lakeland Housing Authority
Central Office Cost Center
Statement of Operations
30-Jun-14**

	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% 1	121,674	101,458	20,216	19.93%	243,500
Non-Federal Overhead Allocation	-	5,667	(5,667)	-100.00% 3	11,333	28,333	(17,000)	-60.00%	68,000
Non-Federal Cash on Hand	-	46,165	(46,165)	-100.00%	200,000	230,827	(30,827)	-13.35%	553,984
Miscellaneous Income	-	-	-	0.00%	215	-	215	100.00%	-
Total Revenue	20,291	72,124	(51,833)	-71.87%	333,222	360,618	(27,396)	-7.60%	865,484
Administrative Expenses	57,056	67,115	(10,059)	-14.99% 2	305,363	335,577	(30,214)	-9.00%	805,384
Utility Expense	1,946	1,429	517	36.15%	9,360	7,146	2,214	30.99%	17,150
Maintenance Expense	1,928	1,800	128	7.13%	9,068	9,000	68	0.76%	21,600
General Expenses	1,101	1,646	(545)	-33.13%	6,825	8,229	(1,404)	-17.06%	19,750
Depreciation	133	133	-	0.00%	799	667	-	0.00%	1,600
Total Expense	62,164	72,124	(9,959)	-13.81%	331,415	360,618	(29,336)	-8.13%	865,484
Net Operating Income (Loss)	(41,873)	-	(41,873)	100.00%	1,807	-	1,939	100.00%	-

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
June 30, 2014**

ASSETS

Unrestricted Cash	
Cash Operating 1	119,728.53
Total Unrestricted Cash	<u>119,728.53</u>
TOTAL CASH	<u>119,728.53</u>
ACCOUNTS AND NOTES RECEIVABLE	
Due from Public Housing General	-63,263.95
A/R - ROSS/HUD	26,357.37
Due from West Lake Management, LLC	55,485.80
A/R - 21st Century/DOE	19,315.51
Due from Youthbuild-DOL2011	93,078.09
Due from Villas at Lake Bonnet	405.03
Due from Development-General	-23,448.54
Due from Section 8 HCV	10,125.00
TOTAL DUE FROM	<u>118,054.31</u>
TOTAL ACCOUNTS AND NOTES RECEIVABLE	118,054.31
OTHER CURRENT ASSETS	
Prepaid Expenses and Other Assets	1,708.74
Prepaid Insurance	3,175.71
Prepaid Software Licenses	1,555.42
TOTAL OTHER CURRENT ASSETS	<u>6,439.87</u>
TOTAL CURRENT ASSETS	<u>244,222.71</u>
NONCURRENT ASSETS	
FIXED ASSETS	
Furniture & Fixtures	11,185.60
Furn, Fixt, & Equip	22,582.84
Accum Depreciation- Misc FF&E	-6,805.00
Intangible Assets	
TOTAL FIXED ASSETS (NET)	<u>26,963.44</u>
TOTAL NONCURRENT ASSETS	26,963.44
TOTAL ASSETS	<u>271,186.15</u>

LIABILITIES & EQUITY

CURRENT LIABILITIES	
A/P Vendors and Contractors	264.60
FUTA Tax	1,696.33
State Unemployment Tax	4,987.18
Workers Compensation	21,458.45
401 Plan Payable	12,495.65
457 Plan Payable	1,809.22
Aflac Payable	1,277.44
Health Insurance Payable	-8,508.95
Accrued Payroll & Payroll Taxes	24,061.11
Accrued Compensated Absences-Current	20,502.35
TOTAL CURRENT LIABILITIES	<u>80,043.38</u>
NONCURRENT LIABILITIES	
Due to Federal Master	2,802,665.30
Due to Polk County Developers, Inc.	200,000.00
Accrued Compensated Absences-LT	24,900.77
TOTAL NONCURRENT LIABILITIES	<u>3,027,566.07</u>
TOTAL LIABILITIES	<u>3,107,609.45</u>
EQUITY	
RETAINED EARNINGS	
Retained Earnings-Unrestricted Net Assets	-2,836,423.30
TOTAL RETAINED EARNINGS:	<u>-2,836,423.30</u>
TOTAL EQUITY	<u>-2,836,423.30</u>
TOTAL LIABILITIES AND EQUITY	<u>271,186.15</u>

**Lakeland Housing Authority
Central Office Cost Center
Cash Flow Statement
For the Month Ended June 30, 2014**

	<u>Unrestricted Cash</u>	
Cash Receipts		
COCC Payroll Reimbursements and Fees	401,431	1
Total Cash Receipts	<u>401,431</u>	
 Cash Disbursements		
Administrative Expenses	58,555	
Utility Expense	3,769	
Maintenance Expense	1,888	
General Expenses	1,101	
Non COCC Payroll Disbursements	223,256	1
Total Cash Disbursements	<u>288,569</u>	
	<u>112,862</u>	
 Cash Balance at 5/31/2014	6,867	
 Cash Balance at 6/30/2014	<u><u>119,729</u></u>	

Comments

1 COCC is the revolving fund for paying expenses on behalf of all programs.

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

	Current Month				Year to Date				Annual Budget
	Actual	Budget	\$ Variance	% Variance	Actual	Budget	\$Variance	% Variance	
Section 8 Admin Grant Revenue	66,500	54,340	12,160	22.38%	303,121	326,040	(22,919)	-7.03%	652,080
Other Income	1,320	9	1,311	14300.00% ²	584	55	529	961.82%	110
Total Revenue	67,820	54,349	13,471	24.79%	303,705	326,095	(22,390)	-6.87%	652,190
Administrative Expenses	53,428	52,576	853	1.62%	234,170	315,454	(81,284)	-25.77%	630,908
Utility Expense	774	587	186	31.76%	1,057	3,524	(2,467)	-70.00%	7,047
Maintenance Expense	630	571	59	10.37%	1,516	3,425	(1,909)	-55.74%	6,850
General Expenses (Insurance, etc)	-	133	(133)	-100.00%	487	800	(313)	-39.13%	1,600
Depreciation	350	350	-	0.00%	1,750	2,100	(350)	-16.67%	4,200
Total Expense	55,182	54,217	965	1.78%	238,980	325,303	(86,323)	-26.54%	650,605
Net Operating Income (Loss)	12,638	132	12,506	9468.01%	64,725	793	63,933	8067.19%	1,585

Lakeland Housing Authority
Section 8 Housing Choice Voucher Program
Statement of Operations - Housing Assistance Payments (HAP)
For the Current and Six Months Ended June 30, 2014

	Current Month				Year to Date				Annual Budget
	Actual	Budget	\$ Variance	% Variance	Actual	Budget	\$Variance	% Variance	
Section 8 HAP Grant Revenue	615,679	716,000	(100,321)	-14.01%	3,107,795	3,580,000	(472,205)	-13.19%	8,592,000
Port In HAP Reimbursements Received	41,932	52,627	(10,695)	-20.32%	289,219	263,135	26,084	9.91%	631,524
Other income	-	-	1,320	0.00%	22,002	-	22,002	0.00%	-
Total Revenue	657,611	768,627	(111,016)	-14.44%	3,397,014	3,843,135	(424,119)	-11.04%	9,223,524
Housing Assistance Payments	639,449	715,907	(76,458)	-10.68%	3,320,150	3,579,535	(259,385)	-7.25%	8,590,884
Tenant Utility Reimbursement	21,734	30,000	(8,266)	-27.55%	112,744	150,000	(37,256)	-24.84%	360,000
Port Out HAP Payments	10,658	18,220	(7,562)	-41.50%	72,472	91,100	(18,628)	-20.45%	218,640
FSS Escrow Payments	4,478	4,500	(22)	-0.50%	23,755	22,500	1,255	5.58%	54,000
Total Expense	676,319	768,627	(92,308)	-12.01%	3,529,121	3,843,135	(314,014)	-8.17%	9,223,524
Net Operating Income (Loss)	(18,708)	-	(18,708)	0.00%	(132,107)	-	(110,105)	0.00% ¹	-

Comments

- 1 Income or loss are added or subtracted to the restricted reserve balance.
- 2 Inspection fee income.
- 3 Increase in admin fees for June, adjusted by HUD. July amount reduced to \$42,040, projected through September.

Lakeland Housing Authority
Section 8 Housing Choice Voucher Program
Balance Sheet
as of June 30, 2014

ASSETS		LIABILITIES & EQUITY	
Unrestricted Cash		LIABILITIES	
Cash Operating 1	11,568.13	CURRENT LIABILITIES	
Cash Operating 2B	324,953.47	A/P Vendors and Contractors	-43,342.01
Cash Operating 3	319,084.50	Security Deposit Clearing Account	260.00
		Accrued Audit Fees	-2,250.00
Total Unrestricted Cash	<u>655,606.10</u>	Due to Federal Master	345,744.29
Restricted Cash		Due to Central Office Cost Center	10,125.00
Cash Restricted - FSS Escrow	80,748.52	Tenant Prepaid Rents	33,222.44
Total Restricted Cash	<u>80,748.52</u>	State of FL Unclaimed Funds	33,224.76
		Accrued Compensated Absences-Current	5,445.50
TOTAL CASH	<u>736,354.62</u>	Accrued FSS Escrow Short Term	<u>31,857.00</u>
		TOTAL CURRENT LIABILITIES	<u>414,286.98</u>
ACCOUNTS AND NOTES RECEIVABLE			
A/R-Tenants	-44,526.43	NONCURRENT LIABILITIES	
Allowance for Doubtful Accounts-Tenants	-27,903.09	Accrued Compensated Absences-LT	10,113.07
AR-Formal Agreements	<u>27,682.82</u>	FSS Due to Tenant Long Term	<u>44,374.19</u>
TOTAL DUE FROM	-44,746.70	TOTAL NONCURRENT LIABILITIES	<u>54,487.26</u>
A/R-Other Government	-3,206.04		
A/R - S8 overpayments	<u>32,080.00</u>	TOTAL LIABILITIES	<u>468,774.24</u>
TOTAL ACCOUNTS AND NOTES RECEIVABLE	-15,872.74		
		EQUITY	
OTHER CURRENT ASSETS		RETAINED EARNINGS	
Prepaid Software Licenses	7,244.70	Retained Earnings-Unrestricted Net Assets	243,088.13
Rental Deposit	<u>2,782.00</u>	Retained Earnings - Restricted Net Assets	<u>33,528.00</u>
TOTAL OTHER CURRENT ASSETS	<u>10,026.70</u>	TOTAL RETAINED EARNINGS:	<u>276,616.13</u>
TOTAL CURRENT ASSETS	730,508.58		
		TOTAL EQUITY	<u>276,616.13</u>
NONCURRENT ASSETS			
FIXED ASSETS		TOTAL LIABILITIES AND EQUITY	<u>745,390.37</u>
Furniture & Fixtures	26,461.08		
Accum Depreciation- Misc FF&E	-13,985.29		
Intangible Assets			
TOTAL FIXED ASSETS (NET)	<u>12,475.79</u>		
Non-Dwelling Equipment	<u>2,406.00</u>		
TOTAL NONCURRENT ASSETS	14,881.79		
TOTAL ASSETS	<u>745,390.37</u>		

**Lakeland Housing Authority
Section 8 Housing Choice Voucher Program
Cash Flow Statement
For the Current Month Ended June 30, 2014**

	Administrative Cash	HAP Cash	FSS Escrow	Total Cash
Cash Receipts				
HUD Operating Subsidy		611,283		611,283
Other Cash Receipts	1,320	-	-	1,320
Received from HUD for Sec 8 Admin Subsidy		67,287		67,287
Received from HUD for Sec 8 FSS Grant	4,396	-		4,396
Port In HAP Reimbursements Received	42,885	-		42,885
Total Cash Receipts	48,601	678,570	-	727,170
Cash Disbursements				
Administrative Expenses	53,494	-	-	53,494
Utility Expense	774			774
Maintenance Expense	660			660
General Expenses	-	-		-
Housing Assistance Payments	83,503	562,343		645,846
Total Cash Disbursements	138,431	562,343	-	700,774
Transfers	67,287	(67,287)		-
Cash Balance at 5/31/2014	353,196	276,014	80,749	709,959
Cash Balance at 6/30/2014	330,653	324,953	80,749	736,355

Comments

1 Transfers include moving the HUD Admin Subsidy from the HAP account to the Admin account.

**Lakeland Housing Authority
Public Housing (AMP 1)
Statement of Operations
For the Current and Six Months Ended June 30, 2014**

	Current Month				Year to Date				Annual Budget
	Actual	Budget	\$ Variance	% Variance	Actual	Budget	\$ Variance	% Variance	
Rental Income	20,772	24,500	(3,728)	-15.22% 3	146,257	147,000	(743)	-0.51%	294,000
Other Tenant Income	10	610	(600)	-98.36%	2,643	3,860	(1,217)	-31.53%	7,720
Government Subsidy Income	58,335	62,120	(3,785)	-6.09% 1	352,315	372,720	(20,405)	-5.47%	745,439
Interest Income Restricted	2,830	2,824	6	0.22%	16,920	16,942	(22)	-0.13%	33,884
Other Income	-	370	(370)	-100.00%	5,513	2,219	3,294	148.45%	4,438
Total Revenue	81,947	90,423	(8,476)	-9.37%	523,648	542,741	(19,093)	-3.52%	1,085,481
Administrative Expenses	25,619	37,781	(12,162)	-32.19%	153,041	226,684	(73,643)	-32.49%	453,367
Tenant Services Expenses	215	583	(368)	-63.14%	1,092	3,500	(2,408)	-68.80%	7,000
Utility Expense	5,906	7,500	(1,594)	-21.25%	43,462	45,000	(1,538)	-3.42%	90,000
Maintenance Expense	11,170	24,125	(12,954)	-53.70% 4	109,240	144,748	(35,508)	-24.53%	289,495
General Expenses	5,934	8,637	(2,703)	-31.30%	46,216	51,823	(5,607)	-10.82%	103,645
Housing Assistance Payments	4,997	1,458	3,539	242.65% 2	30,627	8,750	21,877	250.02%	17,500
Depreciation	66,917	66,917	0	0.00%	401,501	401,500	1	0.00%	803,000
Total Expense	120,758	147,001	(26,243)	-17.85%	785,179	882,004	(96,825)	-10.98%	1,764,007
Net Operating Income (Loss)	(38,811)	(56,577)	17,766	-31.40%	(261,531)	(339,263)	77,732	-22.91%	(678,526)

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 \$2,126.

3 Consists of 177 public housing units.

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

Lakeland Housing Authority
Public Housing (AMP 1)
Balance Sheet
June 30, 2014

ASSETS		LIABILITIES & EQUITY	
Unrestricted Cash		CURRENT LIABILITIES	
Cash Operating 1	867,304.96	A/P Vendors and Contractors	4,777.05
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>868,104.96</u>	Security Deposit-Pet	1,500.00
Restricted Cash		401 Plan Payable	-17,916.60
Cash Restricted - FSS Escrow	41,731.97	457 Plan Payable	-3,319.20
Total Restricted Cash	<u>41,731.97</u>	Aflac Payable	-1,126.33
		Employee Donations Payable	171.00
		Health Insurance Payable	2,451.67
TOTAL CASH	<u>909,836.93</u>	Accrued PILOT	21,575.08
		Accrued Audit Fees	48,515.00
ACCOUNTS AND NOTES RECEIVABLE		Due to Federal Master	-70,618.40
A/R-Tenants	26,471.76	YouthBuild Funds on Hand	62,064.23
Allowance for Doubtful Accounts-Tenants	-8,597.52	HOPE VI Funds on Hand	249,952.85
AR-Formal Agreements	3,130.75	Due to LPHC General	303,000.00
Due from Commercial Lot	900.00	Due to Magnolia Pointe	155,869.65
Due from West Lake	-12,625.72	Due to Central Office Cost Center	-136,268.50
Due from West Lake Addition	-32,692.75	Hampton Hills Subsidy Payable	6,818.00
Due from John Wright Homes	-6,310.97	Resident Participation Funds - LHA	-514.01
Due from Cecil Gober	-20,937.66	Tenant Prepaid Rents	6,176.73
Due from Arbor Manor	2,263.44	Accrued Compensated Absences-Current	<u>5,078.85</u>
A/R - ROSS/HUD	203.75	TOTAL CURRENT LIABILITIES	<u>671,613.88</u>
Due from Hampton Hills	55,012.24		
Due from West Lake Management, LLC	124,711.11	NONCURRENT LIABILITIES	
A/R - 21st Century/DOE	168,146.16	Accrued Compensated Absences-LT	9,432.16
Due from Youthbuild-DOL2011	-74,909.89	FSS Due to Tenant Long Term	<u>43,857.97</u>
A/R - Capital Fund Grants/HUD	-8,820.30	TOTAL NONCURRENT LIABILITIES	<u>53,290.13</u>
A/R - Safety & Security Grant	122.36		
Due from Development-General	1,543,617.53	TOTAL LIABILITIES	<u>724,904.01</u>
Due from Section 8 HCV	345,744.29		
Due from Central Office Cost Center	<u>2,802,665.26</u>		
TOTAL DUE FROM	<u>4,887,088.85</u>		
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-TriParty	36,719.48		
Hampton Hills Operating Subsidy Receivable	<u>-6,818.00</u>		
TOTAL ACCOUNTS AND NOTES RECEIVABLE	<u>6,777,458.32</u>		
OTHER CURRENT ASSETS			
Prepaid Expenses and Other Assets	3,914.62		
Prepaid Insurance	42,217.04		
Prepaid Software Licenses	792.03		
Insurance Deposit	37,400.00		
Utility Deposit - Electric	2,600.00		
Tri-Party Contra	<u>36,719.48</u>		
TOTAL OTHER CURRENT ASSETS	<u>50,204.21</u>		
TOTAL CURRENT ASSETS	<u>7,737,499.46</u>		
NONCURRENT ASSETS			
FIXED ASSETS		EQUITY	
Land	1,466,869.23	RETAINED EARNINGS	
Buildings	387,372.77	Invested in Capital Assets-Net of Debt	5,865,447.00
Machinery & Equipment	6,687.73	Retained Earnings-Unrestricted Net Assets	<u>4,317,871.30</u>
Automobiles	54,825.00	TOTAL RETAINED EARNINGS:	<u>10,183,318.30</u>
Site Improvement-Infrastructure	582,079.00		
Accum Depreciation-Buildings	-8,667,822.06		
Accum Depreciation- Misc FF&E	-36,315.24		
Accum Depreciation-Infrastructure	-582,079.00		
Intangible Assets			
TOTAL FIXED ASSETS (NET)	<u>-6,788,382.57</u>	TOTAL EQUITY	<u>10,183,318.30</u>
Fees & Costs - Architect & Engineering	40,705.32		
Site Improvement	3,934,551.27		
Dwelling Structures	5,004,136.47		
Dwelling Equipment	11,178.79		
Non-Dwelling Structures	360,364.22		
Non-Dwelling Equipment	<u>608,169.35</u>		
TOTAL NONCURRENT ASSETS	<u>3,170,722.85</u>		

**Lakeland Housing Authority
Public Housing (AMP 1)
Cash Flow Statement
For the Current Month Ended June 30, 2014**

	Unrestricted Cash	FSS Escrow	Total Cash	
Cash Receipts				
Rental Receipts	26,112		26,112	
Other Tenant Receipts	263		263	-
Other Income	20,000		20,000	-
HUD Operating Subsidy	58,335		58,335	-
Mortgage Interest Received from Colton Meadow LLLP	2,818		2,818	-
Received from HUD for Renaissance Subsidy	30,793		30,793	-
Received from HUD for Dakota Subsidy	8,564		8,564	
Received from HUD for Hampton Hills Subsidy	1,129		1,129	
Received from Youth Build	65,124		65,124	-
Received from HHS	82,079		82,079	-
Received from CFP Grant	149,144		149,144	-
Total Cash Receipts	444,362	-	444,362	-
Cash Disbursements				
Administrative Expenses	25,886		25,886	-
Tenants Service Expenses	215		215	
Utility Expense	12,255		12,255	
Maintenance Expense	11,046		11,046	
General Expenses	5,065		5,065	
Housing Assistance Payments	2,600		2,600	
HUD Subsidy Payment to Renaissance	30,793	-	30,793	
HUD Subsidy Payment to Dakota	8,564		8,564	
HUD Subsidy Payment to Hampton Hills	1,129		1,129	
Payment of Payroll Liabilities to COCC	84,946		84,946	
Total Cash Disbursements	182,499	-	182,499	
Transfers			-	
Increase (Decrease) in Cash Balance	261,863	-	261,863	
Cash Balance at 5/31/2014	606,242	41,732	647,974	
Cash Balance at 6/30/2014	868,105	41,732	909,837	

**Lakeland Housing Authority
Dakota Park Limited Partnership, LLLP
d/b/a Carrington Place
Statement of Operations
For the Current and Six Months Ended June 30, 2014**

	Current Month				Year to Date				Annual Budget
	Actual	Budget	\$ Variance	% Variance	Actual	Budget	\$ Variance	% Variance	
Rental Income	11,836	9,251	2,586	27.95%	68,157	55,503	12,654	22.80% ¹	111,006
Other Tenant Income	128	433	(305)	-70.40%	2,246	2,595	(349)	-13.45%	5,190
Government Subsidy	8,564	7,675	889	11.58%	51,870	46,051	5,819	12.64%	92,102
Other Income	1,250	4	1,247	34789.02%	20,924	22	20,903	97220.93%	43
Total Revenue	21,778	17,362	4,416	25.44%	143,197	104,171	39,027	37.46%	208,341
Administrative Expenses	4,231	4,752	(521)	-10.95%	28,919	25,534	3,385	13.26%	51,068
Tenant Services Expense	-	42	(42)	-100.00%	140	250	(110)	-44.00%	500
Utility Expense	1,608	1,817	(208)	-11.47%	9,468	10,900	(1,432)	-13.14%	21,800
Maintenance Expense	3,436	4,202	(766)	-18.23%	30,842	21,577	9,265	42.94%	43,154
General Expenses	-	2,226	(2,226)	-100.00%	14,903	13,359	1,545	11.56%	26,717
Housing Assistance Payments	1,104	2,000	(896)	-44.80%	7,930	8,800	(870)	-9.89%	17,600
Financing Expenses	2,532	7,590	(5,058)	-66.64%	19,842	45,537	(25,695)	-56.43%	91,074
Depreciation & Amortization	2,199	2,199	0	0.01%	13,194	13,193	2	0.01%	26,385
Total Expense	15,111	24,828	(9,717)	-39.14%	125,238	139,149	(13,911)	-10.00%	278,298
Net Operating Income (Loss)	6,668	(7,466)	14,133	-189.31%	17,959	(34,979)	52,938	-151.34%	(69,957)

Comments

¹ Consists of 20 Low Income and 20 Tax Credit apartment units.

**Lakeland Housing Authority
Dakota Park Limited Partnership, LLLP
d/b/a Carrington Place
Balance Sheet
as of June 30, 2014**

ASSETS		LIABILITIES & EQUITY	
Unrestricted Cash		CURRENT LIABILITIES	
Cash Operating 1	31,047.78	A/P Vendors and Contractors	3,075.34
Total Unrestricted Cash	<u>31,047.78</u>	Tenant Security Deposits	9,847.00
Restricted Cash		Other Current Liabilities	-1,059.00
Cash Restricted-Security Deposits	9,847.00	Accrued Interest - HOPE VI	393,698.17
Cash Restricted - FSS Escrow	9,514.05	Accrued - Developer Fee	149,859.50
Cash Restricted-Reserve for Replacement	<u>30,661.78</u>	Accrued Interest Payable	1,671.00
Total Restricted Cash	<u>50,022.83</u>	Accrued Audit Fees	5,299.98
		Due to (13) Dakota Park Public Housing	-35,528.58
		Due to (16) Dakota Park Non-ACC	6,214.14
		Due to West Lake Mgmt.	101,395.01
		Tenant Prepaid Rents	-1,584.64
		Accrued Compensated Absences-Current	<u>925.65</u>
TOTAL CASH	<u>81,070.61</u>	TOTAL CURRENT LIABILITIES	<u>633,813.57</u>
ACCOUNTS AND NOTES RECEIVABLE		NONCURRENT LIABILITIES	
A/R-Tenants	9,932.01	Accrued Compensated Absences-LT	1,719.07
Allowance for Doubtful Accounts-Tenants	-2,735.24	FSS Due to Tenant Long Term	9,196.05
Due from Dakota Park PH	6,214.14	Due to Partner	19,033.64
Due from Dakota Park Non-ACC	-35,030.58	Due to GP	84,778.00
Due from LPHC	<u>550.00</u>	Due to LP	21,142.00
TOTAL DUE FROM	<u>-28,816.44</u>	Permanent Loan - HOPE VI	714,591.00
A/R-HUD	17,500.00	Permanent Loan - SunTrust	364,777.85
A/R Miscellaneous	<u>-299.00</u>	Permanent Loan - LHA	<u>101,380.00</u>
TOTAL ACCOUNTS AND NOTES RECEIVABLE	<u>-3,868.67</u>	TOTAL NONCURRENT LIABILITIES	<u>1,316,617.61</u>
OTHER CURRENT ASSETS		TOTAL LIABILITIES	<u>1,950,431.18</u>
Prepaid Expenses and Other Assets	414.53	EQUITY	
Prepaid Software Licenses	167.54	CONTRIBUTED CAPITAL	
Utility Deposit	<u>7,060.00</u>	Capital - LP	-1,219,110.00
TOTAL OTHER CURRENT ASSETS	<u>7,642.07</u>	Capital - GP2	<u>240,496.13</u>
TOTAL CURRENT ASSETS	<u>84,844.01</u>	TOTAL CONTRIBUTED CAPITAL	<u>-978,613.87</u>
NONCURRENT ASSETS		RETAINED EARNINGS	
FIXED ASSETS		Retained Earnings-Unrestricted Net Assets	29,782.71
Land	34,672.00	TOTAL RETAINED EARNINGS:	<u>29,782.71</u>
Buildings	892,048.00	TOTAL EQUITY	<u>-948,831.16</u>
Machinery & Equipment	280.00	TOTAL LIABILITIES AND EQUITY	<u>1,001,600.02</u>
Accum Depreciation-Buildings	-46,460.46		
Accum Depreciation- Misc FF&E	-58.29		
Intangible Assets			
Loan Costs	28,340.90		
Compliance Fees	1,640.00		
Monitoring Fees	41,744.00		
AA Compliance Fees	-1,272.00		
AA Monitoring Fees	-22,265.41		
AA Loan Costs	<u>-11,912.73</u>		
TOTAL FIXED ASSETS (NET)	<u>916,756.01</u>		
TOTAL NONCURRENT ASSETS	<u>916,756.01</u>		
TOTAL ASSETS	<u>1,001,600.02</u>		

**Lakeland Housing Authority
Dakota Park Limited Partnership, LLLP
d/b/a Carrington Place
Cash Flow Statement
For the Current Month Ended June 30, 2014**

	Unrestricted Cash	Reserve for Replacement	FSS Escrow	Tenant Security Deposits	Total Cash	
Cash Receipts						
Rental Receipts	11,680				11,680	
Other Tenant Receipts	195			-	195	-
HUD Operating Subsidy	8,564				8,564	-
Other Cash Receipts	-	1	-		1	-
Total Cash Receipts	20,439	1	-	-	20,440	-
Cash Disbursements						
Administrative Expenses	3,728		-		3,728	-
Tenants Service Expenses	-				-	-
Utility Expense	1,588				1,588	-
Maintenance Expense	2,267	-			2,267	-
General Expenses	-			99	99	-
Housing Assistance Payments	-				-	-
Financing Expenses	5,613				5,613	-
Total Cash Disbursements	13,196	-	-	99	13,295	-
Transfers	(667)	667	-	-	-	1
Increase (Decrease) in Cash Balance	6,576	668	-	(99)	7,145	
Cash Balance at 5/31//2014	24,472	29,994	9,514	9,946	73,926	
Cash Balance at 6/30/2014	31,048	30,662	9,514	9,847	81,071	

Comments

1 Transfers include funding of Reserve for Replacement (\$667).

Lakeland Housing Authority
Renaissance at Washington Ridge Ltd., LLLP
Statement of Operations
For the Current and Six Months Ended June 30, 2014

	<u>Current Month</u>				<u>Year to Date</u>				<u>Annual Budget</u>
	Actual	Budget	\$ Variance	% Variance	Actual	Budget	\$ Variance	% Variance	
Rental Income	58,344	56,167	2,177	3.88% 1	289,886	337,000	(47,114)	-13.98%	674,000
Other Tenant Income	1,628	1,580	48	3.05%	14,917	9,478	5,440	57.39%	18,955
Government Subsidy	30,793	35,305	(4,512)	-12.78%	124,026	211,831	(87,805)	-41.45%	423,661
Other Income	18,376	383	17,992	0.00% 2	35,934	2,300	33,634	0.00%	4,600
Total Revenue	109,140	93,435	15,705	16.81%	464,763	560,608	(95,845)	-17.10%	1,121,216
Administrative Expenses	26,328	28,918	(2,590)	-8.96%	115,870	148,606	(32,736)	-22.03%	297,212
Tenant Services	675	250	425	170.10%	929	1,500	(571)	-38.07%	3,000
Utility Expense	7,158	6,363	796	12.50%	30,747	38,175	(7,428)	-19.46%	76,350
Maintenance Expense	47,807	28,143	19,664	69.87% 3	122,964	149,294	(26,330)	-17.64%	298,588
General Expenses	6,076	7,329	(1,253)	-17.09%	42,819	43,973	(1,154)	-2.62%	87,946
Housing Assistance Payments	1,486	2,667	(1,181)	-44.28%	9,520	16,000	(6,480)	-40.50%	32,000
Financing Expenses	13,522	13,171	351	2.67%	67,324	79,026	(11,702)	-14.81%	158,052
Depreciation & Amortization	61,574	65,324	(3,750)	0.00%	307,870	391,946	(84,076)	0.00%	783,891
Total Expense	164,626	152,164	12,462	8.19%	698,043	868,520	(170,477)	-19.63%	1,737,039
Net Operating Income (Loss)	(55,486)	(58,730)	3,244	-5.52%	(233,280)	(307,912)	74,632	-24.24%	(615,823)

Comments

- 1** Consists of 109 low and moderate income family and senior apartment units and 87 Tax Credit units.
- 2** Includes FSS forfeitures of \$18,364.
- 3** Includes \$20,800 repairs to interior, \$100 budgeted for the month.

Lakeland Housing Authority
Renaissance at Washington Ridge Ltd., LLLP
Balance Sheet
June 30, 2014

ASSETS

Unrestricted Cash	
Cash Operating 1	257,027.78
Petty Cash	300.00
Total Unrestricted Cash	<u>257,327.78</u>
Restricted Cash	
Cash Restricted-Security Deposits	45,464.46
Cash Restricted - FSS Escrow	9,052.00
Cash Restricted-Reserve for Replacement	159,225.88
Restricted Cash - Partnership Devmt	1,188.57
Restricted Cash - OA Reserve	76,183.14
Restricted Cash - AA Reserve	46,958.00
Investment 1	254,247.98
Investment 2	253,668.86
Total Restricted Cash	<u>845,988.89</u>
TOTAL CASH	<u>1,103,316.67</u>
ACCOUNTS AND NOTES RECEIVABLE	
A/R-Tenants	31,437.18
Allowance for Doubtful Accounts-Tenants	-21,489.98
Due from LPHC	550.00
TOTAL DUE FROM	<u>10,497.20</u>
TOTAL ACCOUNTS AND NOTES RECEIVABLE	<u>10,497.20</u>
OTHER CURRENT ASSETS	
Prepaid Insurance	36,456.60
Prepaid Software Licenses	821.28
Utility Deposit - Electric	20,500.00
TOTAL OTHER CURRENT ASSETS	<u>57,777.88</u>
TOTAL CURRENT ASSETS	<u>1,171,591.75</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
Intangible Assets	
Loan Costs	137,065.70
Monitoring Fees	131,658.00
AA Compliance Fees	-4,386.00
AA Monitoring Fees	-93,070.93
AA Loan Costs	-104,790.12
TOTAL FIXED ASSETS (NET)	<u>17,208,099.12</u>
TOTAL NONCURRENT ASSETS	<u>17,208,099.12</u>
TOTAL ASSETS	<u>18,379,690.87</u>

LIABILITIES & EQUITY

CURRENT LIABILITIES	
A/P Vendors and Contractors	45,476.23
Tenant Security Deposits	44,167.39
Security Deposit-Pet	1,400.00
Accrued Audit Fees	6,225.00
HAP Overpayments	649.00
Tenant Prepaid Rents	6,606.57
Accrued Compensated Absences-Current	4,519.36
TOTAL CURRENT LIABILITIES	<u>109,043.55</u>
NONCURRENT LIABILITIES	
Accrued Compensated Absences-LT	8,393.09
FSS Due to Tenant Long Term	-9,247.00
Accrued Interest - HOPE VI	292,938.01
Accrued - Developer Fee	1,308,453.00
Notes Payable-LT	381,200.32
Permanent Loan - HOPE VI	2,200,000.00
Permanent Loan - SunTrust	629,098.15
TOTAL NONCURRENT LIABILITIES	<u>4,810,835.57</u>
TOTAL LIABILITIES	<u>4,919,879.12</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	-614,726.66
TOTAL RETAINED EARNINGS:	<u>-614,726.66</u>
TOTAL EQUITY	<u>13,459,811.75</u>
TOTAL LIABILITIES AND EQUITY	<u>18,379,690.87</u>

**Lakeland Housing Authority
Renaissance at Washington Ridge Ltd., LLLP
Cash Flow Statement
For the Current Month Ended June 30, 2014**

	Unrestricted Cash	Reserve for Replacement	FSS Escrow	Tenant Security Deposits	Owner Affordability Reserve	LHA Affordability Reserve	Partnership Development Account	Total Cash
Cash Receipts								
Rental Receipts	57,721							57,721
Other Tenant Receipts	1,513		21	3,135			-	4,669
HUD Operating Subsidy	30,793						-	
Other Cash Receipts	-	6			3	2	-	11
Total Cash Receipts	90,027	6	21	3,135	3	2	-	62,401
Cash Disbursements								
Administrative Expenses	44,180		-	-			-	44,180
Tenants Service Expenses	-						-	-
Utility Expense	6,900						-	6,900
Maintenance Expense	32,033	-					-	32,033
General expenses	6,076			3,573			-	9,649
Financing Expenses	13,522						-	13,522
Total Cash Disbursements	102,711	-	-	3,573	-	-	-	106,284
Transfers	(3,227)	3,227	-	-	-	-	-	-
Increase (Decrease) in Cash Balance	(15,911)	3,233	21	(438)	3	2	-	(13,090)
Cash Balance at 5/31/14	273,239	155,993	9,031	45,902	330,428	300,625	1,189	1,116,407
Cash Balance at 6/30/14	257,328	159,226	9,052	45,464	330,431	300,627	1,189	1,103,317

Comments

1 Transfers include funding of Reserve for Replacement (\$3,227).

**Lakeland Housing Authority
Colton Meadow, LLLP
Statement of Operations
For the Current and Six Months Ended June 30, 2014**

	Current Month				Year to Date				Annual
	Actual	Budget	\$ Variance	% Variance	Actual	Budget	\$ Variance	% Variance	Budget
Rental Income	44,676	43,687	989	2.26% 1	262,657	262,120	537	0.20%	524,240
Other Tenant Income	632	1,407	(774)	-55.04%	8,111	8,441	(330)	-3.90%	16,881
Other Income	10	3	7	200.00%	135	20	115	575.00%	40
Total Revenue	45,318	45,097	222	0.49%	270,903	270,581	323	0.12%	541,161
Administrative Expense	8,317	11,475	(3,158)	-27.52%	59,492	68,852	(9,360)	-13.59%	137,703
Tenant Services	-	150	(150)	-100.00%	44	900	(856)	-95.11%	1,800
Utility Expense	5,016	5,445	(430)	-7.89%	32,883	32,673	211	0.64%	65,345
Maintenance Expense	8,013	9,193	(1,180)	-12.84%	52,762	55,159	(2,397)	-4.34%	110,317
General Expense	6,954	7,745	(790)	-10.20%	47,599	46,468	1,132	2.44%	92,935
Financing Expense	4,658	7,349	(2,690)	-36.61% 2	25,271	44,092	(18,821)	-42.69%	88,184
Depreciation & Amortization Expense	39,013	38,937	76	0.19%	234,078	233,624	455	0.19%	467,247
Total Expense	71,971	80,294	(8,323)	-10.37%	452,129	481,766	(29,637)	-6.15%	963,531
Net Operating Income (Loss)	(26,653)	(35,198)	8,544	-24.28%	(181,226)	(211,185)	29,959	-14.19%	(422,370)

Comments

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

Lakeland Housing Authority
Colton Meadow, LLLP
Balance Sheet
June 30, 2014

ASSETS	
Cash Operating 1	185,786.89
Petty Cash	225.00
Total Unrestricted Cash	<u>186,011.89</u>
Restricted Cash	
Cash Restricted-Security Deposits	24,750.00
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>576,188.47</u>
TOTAL CASH	<u>762,200.36</u>
ACCOUNTS AND NOTES RECEIVABLE	
A/R-Tenants	7,033.48
Allowance for Doubtful Accounts-Tenants	-5,204.51
Due from LPHC	550.00
Due from Colton Meadow GP, Inc.	101,151.61
TOTAL DUE FROM	<u>101,151.61</u>
TOTAL ACCOUNTS AND NOTES RECEIVABLE	<u>103,530.58</u>
OTHER CURRENT ASSETS	
Prepaid Expenses and Other Assets	4,072.95
Prepaid Insurance	35,121.96
Prepaid Software Licenses	301.76
Utility Deposit	10,000.00
TOTAL OTHER CURRENT ASSETS	<u>49,496.67</u>
TOTAL CURRENT ASSETS	<u>915,227.61</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	-1,588,148.20
Intangible Assets	
Amortization Tax Credit Fees	48,693.00
Monitoring Fees	208,695.00
TOTAL FIXED ASSETS (NET)	<u>10,624,007.64</u>
Site Improvement	16,364.00
Non-Dwelling Structures	28,019.32
Non-Dwelling Equipment	60,262.45
TOTAL NONCURRENT ASSETS	<u>10,728,653.41</u>
TOTAL ASSETS	<u><u>11,643,881.02</u></u>

LIABILITIES & EQUITY	
CURRENT LIABILITIES	
A/P Vendors and Contractors	4,793.61
Tenant Security Deposits	23,650.00
Security Deposit-Pet	1,100.00
Accrued Property Taxes	16,668.00
Accrued Interest Payable	19,891.14
Accrued Audit Fees	4,665.00
Tenant Prepaid Rents	384.54
Accrued Compensated Absences-Current	1,209.59
TOTAL CURRENT LIABILITIES	<u>72,361.88</u>
NONCURRENT LIABILITIES	
Accrued Compensated Absences-LT	2,246.38
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
Due to Polk County Developers, Inc.	362,901.17
Developer Fee Payable - PCHD	346,026.00
TOTAL NONCURRENT LIABILITIES	<u>10,549,513.55</u>
TOTAL LIABILITIES	<u>10,621,875.43</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	-183,326.53
TOTAL RETAINED EARNINGS:	<u>-183,326.53</u>
TOTAL EQUITY	<u>1,022,005.59</u>
TOTAL LIABILITIES AND EQUITY	<u><u>11,643,881.02</u></u>

**Lakeland Housing Authority
Colton Meadow, LLLP
Cash Flow Statement
For the Current Month Ended June 30, 2014**

	Unrestricted Cash	Operating Reserve	Reserve for Replacement	Tax & Insurance Escrow	Tenant Security Deposits	Total Cash
Cash Receipts						
Rental Receipts	44,491					44,491
Other Tenant Receipts	407				-	407
Other Cash Receipts	-					-
Total Cash Receipts	44,898	-	-	-	-	44,898
Cash Disbursements						
Administrative Expenses	5,661					5,661
Tenants Service Expenses	-					-
Utility Expense	6,456					6,456
Maintenance Expense	9,728					9,728
General Expenses	8,813			-	-	8,813
Financing Expenses	3,989					3,989
Total Cash Disbursements	34,646	-	-	-	-	34,646
Transfers	(19,056)		3,600	15,456	-	-
Increase (Decrease) in Cash Balance	(8,804)	-	3,600	15,456	-	10,252
Cash Balance at 5/31/2014	194,816	440,827	64,800	26,755	24,750	751,948
Cash Balance at 6/30/2014	186,012	440,827	68,400	42,211	24,750	762,200

Comments

- 1 Transfers include funding of Reserve for Replacement (\$3,600), funding of Taxes & Insurance Escrow (\$15456), including July's payment as well.

**Lakeland Housing Authority
Bonnet Shores, LLLP
Statement of Operations
For the Current and Six Months Ended June 30, 2014**

	Current Month				Year to Date				Annual
	Actual	Budget	\$ Variance	% Variance	Actual	Budget	\$ Variance	% Variance	Budget
Rental Income	48,702	48,426	275	0.57%	299,336	290,557	8,780	3.02%	1 581,113
Other Tenant Income	1,105	1,779	(674)	-37.88%	7,989	10,674	(2,685)	-25.15%	21,347
Other Income	-	1	(1)	-100.00%	10	6	4	66.67%	12
Total Revenue	49,807	50,206	(399)	-0.80%	307,335	301,236	6,099	2.02%	602,472
Administrative Expense	8,278	11,479	(3,201)	-27.89%	56,347	68,874	(12,527)	-18.19%	137,747
Tenant Services	-	208	(208)	-100.00%	94	1,250	(1,156)	-92.48%	2,500
Utility Expense	4,915	4,433	482	10.86%	27,434	26,600	834	3.14%	53,200
Maintenance Expense	9,116	7,869	1,247	15.84%	47,910	47,215	695	1.47%	94,430
General Expense	6,791	8,138	(1,347)	-16.55%	52,429	48,825	3,604	7.38%	97,650
Financing Expense	11,596	7,570	4,027	53.19%	61,825	45,419	16,407	36.12% 2	90,837
Depreciation & Amortization Expense	47,465	47,465	-	0.00%	284,790	284,789	-	0.00%	569,578
Total Expense	88,161	87,162	999	1.15%	530,829	522,971	7,858	1.50%	1,045,942
Net Operating Income (Loss)	(38,354)	(36,956)	(1,398)	3.78%	(223,494)	(221,735)	(1,759)	0.79%	(443,470)

Comments

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

Lakeland Housing Authority
Bonnet Shores, LLLP
Balance Sheet
June 30, 2014

ASSETS

Unrestricted Cash	
Cash Operating 2	233,422.15
Petty Cash	225.00
Total Unrestricted Cash	<u>233,647.15</u>
Restricted Cash	
Cash Restricted-Security Deposits	23,800.00
Cash Restricted-Operating Reserve	460,094.78
Cash Restricted-Reserve for Replacement	86,250.00
Cash-Tax & Insurance Escrow	70,082.27
Total Restricted Cash	<u>640,227.05</u>
TOTAL CASH	<u>873,874.20</u>
ACCOUNTS AND NOTES RECEIVABLE	
A/R-Tenants	12,528.63
Allowance for Doubtful Accounts-Tenants	-5,088.28
Due from Bonnet Shores GP, Inc	7,062.23
Due from Development-General	112,103.01
TOTAL DUE FROM	<u>119,165.24</u>
TOTAL ACCOUNTS AND NOTES RECEIVABLE	<u>126,605.59</u>
OTHER CURRENT ASSETS	
Prepaid Expenses and Other Assets	4,065.14
Prepaid Insurance	8,265.31
Prepaid Software Licenses	314.28
Utility Deposit	5,000.00
TOTAL OTHER CURRENT ASSETS	<u>17,644.73</u>
TOTAL CURRENT ASSETS	<u>1,018,124.52</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	-1,456,900.50
Accum Depreciation- Misc FF&E	-313,332.00
Accum Depreciation-Infrastructure	-158,500.00
Intangible Assets	
Loan Costs	41,419.00
Amortization Loan Cost	7,256.00
Compliance Fees	246,589.00
Amortization Tax Credit Fees	57,538.04
TOTAL FIXED ASSETS (NET)	<u>11,168,477.40</u>
TOTAL NONCURRENT ASSETS	<u>11,168,477.40</u>
TOTAL ASSETS	<u>12,186,601.92</u>

LIABILITIES & EQUITY

CURRENT LIABILITIES	
A/P Vendors and Contractors	2,128.83
Tenant Security Deposits	22,850.00
Security Deposit-Pet	700.00
Accrued Property Taxes	20,952.00
Current Portion of LT Debt	38,193.00
Accrued Interest Payable	134,248.48
Accrued Audit Fees	4,665.00
Due to Central Office Cost Center	405.03
Tenant Prepaid Rents	154.65
Accrued Compensated Absences-Current	1,209.59
TOTAL CURRENT LIABILITIES	<u>225,506.58</u>
NONCURRENT LIABILITIES	
Accrued Compensated Absences-LT	2,246.37
First Mortgage - TCAP	3,819,255.00
HOME Funds	131,028.00
Mortgage Note Payable	1,009,877.00
Developer Fee Payable - PCHD	450,000.00
TOTAL NONCURRENT LIABILITIES	<u>5,412,406.37</u>
TOTAL LIABILITIES	<u>5,637,912.95</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	-223,496.03
TOTAL RETAINED EARNINGS:	<u>-223,496.03</u>
TOTAL EQUITY	<u>6,548,688.97</u>
TOTAL LIABILITIES AND EQUITY	<u>12,186,601.92</u>

**Lakeland Housing Authority
Bonnet Shores, LLLP
Cash Flow Statement
For the Current Month Ended June 30, 2014**

	Unrestricted Cash	Operating Reserve	Reserve for Replacement	Tax & Insurance Escrow	Tenant Security Deposits	Total Cash	
Cash Receipts							
Rental Receipts	43,515					43,515	
Other Tenant Receipts	504				400	904	#
Other Cash Receipts	-					-	#
Total Cash Receipts	44,019	-	-	-	400	44,419	#
Cash Disbursements							
Administrative Expenses	17,380					17,380	#
Tenants Service Expenses	-					-	#
Utility Expense	6,096					6,096	#
Maintenance Expense	2,608					2,608	#
General Expenses	228			-	250	478	#
Financing Expenses	6,312					6,312	#
Total Cash Disbursements	32,623	-	-	-	250	32,873	#
Transfers	(17,266)	-	3,750	13,516	-	-	1
Increase (Decrease) in Cash Balance	(5,870)	-	3,750	13,516	150	11,546	
Cash Balance at 5/31/2014	239,517	460,095	82,500	56,566	23,650	862,328	
Cash Balance at 6/30/2014	233,647	460,095	86,250	70,082	23,800	873,874	

Comments

1 Transfers include funding of Reserve for Replacement (\$3,750) and funding of Taxes & Insurance Escrow (\$13,516) including July's payments of \$1,875 and \$6,758, respectively.

**Lakeland Housing Authority
West Bartow Partnership, Ltd., LLLP
Statement of Operations
For the Current and Six Months Ended June 30, 2014**

	Current Month				Year to Date				Annual Budget
	Actual	Budget	\$ Variance	% Variance	Actual	Budget	\$ Variance	% Variance	
Rental Income	70,275	66,542	3,733	5.61% 1,2	426,640	399,250	27,390	6.86%	798,500
Other Tenant Income	375	265	110	41.64%	1,177	1,589	(412)	-25.90%	3,177
Other Income	87	86	1	1.52%	561	514	48	9.25%	1,027
Total Revenue	70,737	66,892	3,845	5.75%	428,378	401,352	27,026	6.73%	802,704
Administrative Expenses	14,233	15,526	(1,294)	-8.33%	83,638	93,157	(9,519)	-10.22%	186,313
Tenants Service Expenses	-	-	-	-100.00%	24	-	24	-100.00%	-
Utility Expense	8,832	9,038	(206)	-2.28%	49,910	54,227	(4,317)	-7.96%	108,454
Maintenance Expense	5,283	11,588	(6,305)	-54.41%	33,091	69,527	(36,436)	-52.41%	139,054
General Expenses	4,050	4,511	(461)	-10.22%	21,567	27,065	(5,498)	-20.31%	54,130
Financing Expenses	23,858	19,647	4,212	21.44% 2	144,635	117,879	26,756	22.70%	235,758
Depreciation & Amortization	41,940	41,940	-	0.00%	251,640	251,640	-	0.00%	503,280
Total Expense	98,195	102,249	(4,054)	-3.96%	584,505	613,495	(28,990)	-4.73%	1,226,989
Net Operating Income (Loss)	(27,458)	(35,357)	7,899	-22.34%	(156,127)	(212,143)	56,016	-26.40%	(424,285)

Comments

- 1 Consists of 100 Tax Credit and Section 8 Voucher units.
- 2 Under budgeted.

Lakeland Housing Authority
West Bartow Partnership, Ltd., LLLP
Balance Sheet
June 30, 2014

ASSETS

Unrestricted Cash	
Cash Operating 1	159,684.29
Petty Cash	300.00
Total Unrestricted Cash	<u>159,984.29</u>
Restricted Cash	
Cash Restricted-Security Deposits	8,375.00
Cash Restricted-Operating Reserve	25,185.58
Cash Restricted-Reserve for Replacement	125,471.80
Cash-Tax & Insurance Escrow	27,355.64
Investment 1	227,370.89
Total Restricted Cash	<u>413,758.91</u>
 TOTAL CASH	 <u>573,743.20</u>
 ACCOUNTS AND NOTES RECEIVABLE	
A/R-Tenants	1,432.73
Allowance for Doubtful Accounts-Tenants	-191.09
TOTAL ACCOUNTS AND NOTES RECEIVABLE	<u>1,241.64</u>
 OTHER CURRENT ASSETS	
Prepaid Expenses and Other Assets	5,208.24
Prepaid Insurance	26,730.04
Prepaid Software Licenses	414.84
Utility Deposit	85.00
TOTAL OTHER CURRENT ASSETS	<u>32,438.12</u>
TOTAL CURRENT ASSETS	<u>607,422.96</u>
 NONCURRENT ASSETS	
FIXED ASSETS	
Land	432,717.00
Buildings	12,796,743.00
Furn, Fixt, & Equip	1,157,974.64
Accum Depreciation-Buildings	-1,599,596.44
Accum Depreciation- Misc FF&E	-576,684.00
Accum Depreciation-Infrastructure	-177,899.00
Intangible Assets	
Loan Costs	335,121.42
Amortization Loan Cost	93,082.00
Compliance Fees	200,558.00
Amortization Tax Credit Fees	66,849.00
TOTAL FIXED ASSETS (NET)	<u>12,409,003.62</u>
Site Improvement	711,597.00
TOTAL NONCURRENT ASSETS	<u>13,120,600.62</u>
 TOTAL ASSETS	 <u>13,728,023.58</u>

LIABILITIES & EQUITY

CURRENT LIABILITIES	
A/P Vendors and Contractors	9,939.44
Tenant Security Deposits	8,050.00
Security Deposit-Pet	500.00
Accrued Property Taxes	1,111.20
Accrued Interest NLP Loan	666.50
Accrued Audit Fees	5,535.00
HAP Overpayments	28.00
Tenant Prepaid Rents	287.89
Accrued Compensated Absences-Current	3,802.62
TOTAL CURRENT LIABILITIES	<u>29,920.65</u>
 NONCURRENT LIABILITIES	
Mortgage Note Payable	3,204,822.67
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	1,551,106.37
Accrued Compensated Absences-LT	7,062.01
TOTAL NONCURRENT LIABILITIES	<u>6,960,982.30</u>
 TOTAL LIABILITIES	 <u>6,990,902.95</u>
 EQUITY	
CONTRIBUTED CAPITAL	
Capital Private Investors	6,936,810.00
GP Equity	-13.00
Special LP Equity	-10.00
Syndication Costs	-30,000.00
TOTAL CONTRIBUTED CAPITAL	<u>6,906,787.00</u>
RETAINED EARNINGS	
Retained Earnings-Unrestricted Net Assets	-169,666.37
TOTAL RETAINED EARNINGS:	<u>-169,666.37</u>
 TOTAL EQUITY	 <u>6,737,120.63</u>
 TOTAL LIABILITIES AND EQUITY	 <u>13,728,023.58</u>

**Lakeland Housing Authority
West Bartow Partnership, Ltd., LLLP
Cash Flow Statement
For the Month Ended June 30, 2014**

	Unrestricted Cash	Operating Reserve	Reserve for Replacement	Tax & Insurance Escrow	Tenant Security Deposits	Total Cash	
Cash Receipts							
Rental Receipts	69,571					69,571	
Other Tenant Receipts	300				42	342	-
Other Cash Receipts	-	87				87	-
Total Cash Receipts	69,871	87	-	-	42	70,000	-
Cash Disbursements							
Administrative Expenses	18,486	10				18,496	-
Tenants Service Expenses	-					-	-
Utility Expense	8,231					8,231	-
Maintenance Expense	6,026					6,026	-
General Expenses	4,050				242	4,292	-
Financing Expenses	23,858					23,858	-
Total Cash Disbursements	60,650	10	-	-	242	60,902	-
Transfers	(5,235)	-	2,083	3,152		-	1
Increase (Decrease) in Cash Balance	3,986	77	2,083	3,152	(200)	9,097	
Cash Balance at 5/31/2014	155,999	252,479	123,389	24,204	8,575	564,646	
Cash Balance at 6/30/2014	159,985	252,556	125,472	27,356	8,375	573,743	

Comments

1 Transfers include March funding of Reserve for Replacement (\$2,083) and Taxes & Insurance Escrow (\$3,152).

LAKELAND HOUSING AUTHORITY

Updated as of July 31, 2014

		START DATE	OBLIGATION END DATE	DISTRIBUTION END DATE	AUTHORIZED	OBLIGATION 90% THRESHHOLD	OBLIGATED AMOUNT	DISBURSED	AVAILABLE BALANCE
Capital Fund Program	(HUD)								
CFP - 2011		07-15-11	08-03-13	08-02-15	562,980.00	506,682.00	532,317.00	503,394.00	59,586.00
CFP - 2012		03-12-12	03-11-14	03-11-16	327,414.00	294,672.60	297,414.00	176,975.00	150,439.00
CFP - 2013		08-09-13	09-08-15	09-08-17	251,538.00	226,384.20	102,655.00	94,051.00	157,487.00
				CFP Subtotal:	1,141,932.00	1,027,738.80	932,386.00	774,420.00	367,512.00
Replacement Housing Factor	(HUD)								
RHF - 2009(a)		09-15-09	10-29-15	07-27-17	282,108.00	253,897.20	0.00	0.00	282,108.00
RHF - 2009(b)		04-02-10	10-29-15	10-29-17	149,804.00	134,823.60	0.00	0.00	149,804.00
RHF - 2010		07-15-10	10-29-15	10-29-17	441,385.00	397,246.50	0.00	0.00	441,385.00
RHF - 2011		08-03-11	10-29-15	10-29-17	380,321.00	342,288.90	0.00	0.00	380,321.00
RHF - 2012(a)		03-12-12	10-29-15	10-29-17	185,485.00	166,936.50	0.00	0.00	185,485.00
RHF - 2012(b)		03-12-12	10-29-15	10-29-17	70,661.00	63,594.90	0.00	0.00	70,661.00
RHF - 2013		08-09-13	09-08-15	09-08-17	271,433.00	244,289.70	0.00	0.00	271,433.00
				RHF Subtotal:	1,781,197.00	1,358,787.60	0.00	0.00	1,781,197.00
HOPE VI	(HUD)	04-05-00		12-31-17	21,842,801.00	19,658,520.90	19,908,767.13	19,908,767.13	1,934,033.87
Safety & Security Grant	(HUD)	03-20-13	03-19-14	03-19-15	250,000.00	225,000.00	225,283.00	239,067.00	10,933.00
				Safety & Security Subtotal:	250,000.00	225,000.00	225,283.00	239,067.00	10,933.00
Resident Opportunities and Self Sufficiency	(HUD)								
ROSS - Family Self Sufficiency 2013		07-01-13	07-01-14		52,084.00	46,875.60	52084	49,115.00	2,969.00
ROSS - Service Coordinator 2011		09-22-11	09-29-14		140,838.00	126,754.20	140838	140,838.00	0.00
				ROSS Subtotal:	192,922.00	173,629.80	192,922.00	140,838.00	2,969.00
YouthBuild	(DOL)	06-01-11	05-31-15		997,492.00	897,742.80	997492	793,788.00	203,704.00
				YouthBuild Subtotal:	997,492.00	897,742.80	997,492.00	793,788.00	203,704.00
21st Century	(DOE)	08-01-13	07-31-14		324,331.00	291,897.90	324331	324,331.00	0.00
				21st Century Subtotal:	324,331.00	291,897.90	324,331.00	324,331.00	0.00

HOUSING REPORT

Housing Management

Board Report August 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 July:

- The Florida Housing Finance Agency through the company called “Amerinational” audited and inspected the Villas at Lake Bonnet; they inspected files, units and our management operations. We score a perfect audit, basically, the audit ended up with no findings.
- The Department of Housing and Urban Development (HUD) performed a RIM review of the Public Housing and Section 8 program, based on the exit meeting, HUD was very pleased with the way we are operating the two programs.
- The LHA website includes many new features that are now available at the www.lakelandhousing.org.

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
07/31/2014	98.01%	05/7/2014

Housing Choice Voucher Program Report

- **Tenant-Based Waitlist**

As of July 31, 2014, the Housing Choice Voucher tenant based waiting list contained one hundred fifty one (151) applicants.

- **VASH Waitlist**

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

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

As of July 31, 2014, Lakeland Housing Authority project-based waiting list for the Manor at West Bartow contained twelve(12) applicants.

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

As of July 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 July 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 July. Port outs are clients that use their voucher in another jurisdiction.

- **Port Ins**

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

- **Lease-up & Movers**

As of July 31, 2014, Lakeland Housing Authority issued nineteen (19) vouchers to movers. We received fifteen (15) Requests for Tenancy Approvals during the month of July. We processed twelve (12) unit transfers, five (5) initial move-in, and six (6) port-in with a date effective July 1, 2014

- **Active Clients**

As of July 31, 2014, LHA is servicing 1,107 families on the Housing Choice Voucher program. These families include 818 regular Housing Choice Voucher holders, 45 Mainstream Disabled Housing Vouchers, 54 VASH, 116 Project-Based Vouchers, 69 Tenant Protection Program (TenPro) and 5 Port Ins.

- **EOP – End of Participation**

LHA processed four (4) EOP's with a date effective the month of July 2014. Below are the reasons for leaving the program:

Reason	Number
Termination – Criminal	0
Termination – Unreported income and/or family composition	0
Left w/out notice	1
No longer need S/8 Assistance	0
Deceased	2
Landlord Eviction	1
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
07/31/2014	97.86%	08/05/2014

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

- The Housing Choice Voucher Department processed ninety seven (97) annual certifications and fifty six (56) interim certifications.
- A total of one hundred nine (109) Housing Quality Standards (HQS) inspections were conducted during this month.

RECEPTION MONTHLY REPORT 2014					
	VISITOR'S COUNT	RFTA	REQUEST TO LIST PROPERTY	INTERIM CHANGE	STAMPED MAIL
January	287	8	23	23	2068
February	445	15	24	54	2140
March	363	9	3	52	2472
April	394	18	5	70	2054
May	330	24	7	55	1620
June	357	3	5	10	N/A
July	403	15	10	30	1886



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	West Lake	West Lake Addition	Cecil Gober	John Wright	Carrington Place	Renaissance	Villas Lake Bonnet	Colton Meadow	Manor at West Bartow
Occupancy %	100%	96%	86%	100%	100%	99.6%	99%	100%	100%
Vacant units	0	2	5	0	0	1	1	0	0
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	11	10	4	0	6	29	11	10	0
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

I. Authority-Wide Updates

Section 3 and M/WBE: The Housing Authority of the City of Lakeland, Florida (LHA) entered into one (1) agreement during this reporting period. Below is a summary of contracting activities that occurred during this reporting period:

- Issued a Request for Proposals for ***Integrated Accounting And Property Management Software***
- Developed an agreement with **Johnson-Laux Construction, Inc.** for *Renovation of the Section 8 Offices and Other Improvements at the LHA Administration Building* with a not-to-exceed cost of \$87,531.00

Execution of the above referenced agreement has had the following effect on LHA's Section 3 and M/WBE percentages:

- The amount of work contracted to outside vendors by LHA, or its affiliates, ***"increased"*** from \$968,816 to ***\$1,056,347***.
- The total dollar volume of work contracted to M/WBE firms ***"increased"*** from \$282,923 to ***\$439,441***. This equates to 42% of the total dollar volume contracted by LHA.
- Fourteen (14) of the 50 contracts are with M/WBE firms. This represents 28% of the contracts.
- Three (3) of the 50 contracts are with Section 3 Business Concerns; which represents approximately 6% of the contracts.
- Three (3) Section 3 Hires have been employed as part of LHA's existing contracts.

Lake Ridge Homeowners Association: Staff continued to manage the operations of the association. Current projects include: working in conjunction with West Lake Management to resolve parking and trespassing issues in the alley way between the Lake Ridge homes and the Lake Ridge rental properties and addressing and resolving the delinquent HOA fees. Last reporting period, staff issued a solicitation for lawn services at Lake Ridge Homes. On July 14, 2014, the Renaissance Master Association received bids from two (2) respondents. The due diligence process revealed that it was more cost effective for the association to continue lawn maintenance services with West Lake Management, LLC (WLM). Subsequently, on July 31, 2014 the association issued Change Order #1 to WLM in the amount of \$24,000. This allowed the association to extend WLM's existing agreement for an additional year. The new contract completion date is July 30, 2015.

Developer RFQ: On Wednesday, June 18, 2014, LHA received proposals from three (3) firms. An evaluation committee comprised of three members reviewed the proposals. The committee met on July 8, 2014 to rank the proposals. All three firms scored above the minimum threshold requirements. On July 17, 2014, staff sent notification that interviews would be conducted with each firm as part of LHA's due diligence process. Staff forwarded a primary set of interview questions to respondents on August 15, 2014. Interviews are tentatively scheduled for September.

FY 2015 Agency Plan: LHA has a January 1 fiscal year. Accordingly, the Authority is required to submit its FY 2015 Agency Plan to HUD by October 15, 2014. On July 29, 2014, staff briefed the Recovery Plan Review Committee on the FY 2015 Agency Plan process. As part of the meeting, staff discussed key components that would need to be added to the plan. Additionally, staff briefed the Resident Advisory Board (RAB) on the 2015 Agency Plan process on Thursday, August 7, 2014. A second meeting with the RAB to discuss key elements for the plan is scheduled for Thursday, August 28, 2014 at 10 AM. The meeting will be held in the LHA Conference Room.

There is a Special Board Meeting scheduled for Monday, September 15, 2014 at 6 PM to review the Agency and Recovery Plans. Additionally, staff is scheduled to conduct the Public Hearing on September 25, 2014 at 6 PM.

LHA Portfolio

Arbor Manor

- On July 21, 2014, the Board approved Resolution Number 14-1381. This allowed staff and outside counsel to commence negotiations of the agreement for the purchase and sale of 17.33 acres of land that LHA owns at Hunterfield. Representatives from Kolter Land Partners, LLC (Kolter) offered LHA \$1,890,606 for the property. Kolter forwarded a draft of the agreement for review on August 4, 2014. Staff received comments from outside counsel the same day. Staff met internally on August 11, 2014 to review comments received from outside counsel. Staff transmitted comments to Kolter the same day.

Cecil Gober

- *Ageing-In-Place Design:* The Stop Work Order dated July 11, 2013 remains in effect. There are no new items to report.
- *Ageing-In-Place Modernization:* There are no updates to provide for this item. This item will remain "On Hold" until revisions to the design are completed.
- *Tax Credit Application:* Staff did not perform any activities related to the tax credit application this reporting period.

Hampton Hills

- *Homeownership Plan:* Staff continued to work with the four (4) individuals that live at Hampton Hills and are seeking to purchase the homes. During this reporting period, LHA entered into a Residential Sale and Purchase Contract for 3845 Rollingsford Circle. The closing is scheduled for Monday, August 18, 2014.

LHA Administration Building

- *Remediation and Renovation of Administration Building:* Johnson Laux Construction (JLC) mobilized on July 8, 2014. All work associated with remediation and renovation of the interiors was originally scheduled to be completed on August 15,

2014. However, a delay in the permitting process and leaks discovered during the static test has prevented JLC from being able to complete the renovations by the deadline. Staff is working with JLC to amend the work order to include an extension of time. The amendment will also address revisions to the statement of work resulting from unforeseen conditions discovered during remediation. Once the work is completed, staff from the Housing Choice Voucher program will move back into the administration building.

- Remote Video Surveillance System: State Alarm, Inc. completed all work associated with installation of surveillance equipment at the LHA Administration Building by the May 30, 2014 contract completion date. During this reporting period, the vendor corrected discrepancies with their certified payroll. Staff is in the process of issuing final payment and closing out the project.

Westlake

- Fiscal Year 2012 Capital Fund Emergency Safety and Security Program: State Alarm, Inc. completed all work associated with installation of surveillance equipment at Westlake by the May 30, 2014 deadline. Certified payrolls submitted for this site are correct and all closeout documentation has been received. Staff is in the process of issuing final payment and closing out the project.
- Redevelopment of Westlake: Please refer to the narrative for Developer RFQ located on Page 1 of this report for details.
- Tax Credit Application: There has been no change in the status of the application for Twin Lakes. To recap, on Tuesday, January 14, 2014, a representative from the Florida Housing Coalition emailed LHA staff to verify whether or not the authority still planned to proceed with the Twin Lakes project. Specifically, Twin Lakes received a Predevelopment Loan Program (PLP) Loan in July 2012. The loan has to be repaid in July 2015. Since PLP loans are typically repaid at the financial closing, a tax credit application would need to be submitted for Twin Lakes during calendar year 2014. Otherwise, it will not be feasible to utilize the funds and have them repaid by the July 2015 deadline. Accordingly, time is of the essence in determining whether or not to utilize the loan.

Williamstown

- Staff did not perform any activities related to Williamstown during this reporting period.

II. Mixed Finance Developments

- Taxes: There are no updates related to taxes this reporting period.

Colton Meadow

- Staff submitted the SR-1 to the Florida Housing Finance Corporation (FHFC) by the May 30, 2014 deadline. On July 11, 2014, AmeriNational completed review of the SR-1. They forwarded an adjustment to the SR-1 form along with the 2013

interest invoice the same day. Staff continues to review the interest calculations and revised worksheet.

Carrington Place (formerly Dakota Park)

- Fiscal Year 2012 Capital Fund Emergency Safety and Security Program: State Alarm, Inc. completed installation of surveillance equipment at this site prior to the May 30, 2014 deadline. Certified payrolls submitted are correct and all closeout documentation has been received. Staff is in the process of issuing final payment.

Renaissance

- Remote Video Surveillance System: Please see Carrington Place narrative listed above.
- FY 1999 HOPE VI Funds: The Miami Field Office conducted a Limited Management Review (LMR) of LHA during the week of July 21, 2014. Representatives from the Department of Housing and Urban Development (HUD) informed staff that \$844,696 in existing HOPE VI expenses would not be approved. Accordingly, staff will have to develop an alternative strategy for expending the \$1.9 million remaining in 1999 HOPE VI funds. Staff proposed that balances remaining within the grant be used to correct deficiencies discovered at the HOPE VI site as part of the Green Physical Needs Assessment. HUD representatives appeared to be supportive of the plan. Staff is now in the process of preparing a revised proposal to HUD.
- Intersection of N. Florida Avenue and W. Tenth Street: On July 21, 2014, the Board approved Resolution Number 14-1380. This allowed staff and outside counsel to commence negotiations of a non-binding Letter of Intent with GH&G Florida, LLC for purchase of the 4-acre commercial corner. On August 13, 2014, staff received notification from outside counsel that changes proposed to the contract were acceptable.

The Manor at West Bartow

- Staff worked with team members from Finance to complete the SR-1 and audited financials. On March 10, 2014, AIG confirmed that they received the audited financials for 2013. On July 1, 2014, AIG forwarded LHA a copy of their analysis. Staff continues to review the analysis and determine whether or not they agree with amounts calculated for deferred developer fees and distributions to the limited partner.

Villas at Lake Bonnet

- Staff submitted the completed SR-1 form and audited financials for the Villas at Lake Bonnet to AmeriNational and Florida Housing Finance Corporation the week of May 19th. According to the SR-1 for 2013, there should be \$129,967 in year end cash to pay down deferred developer fees.

Magnolia Pointe

- Staff did not perform any activities related to Magnolia Pointe during this reporting period.

August 2014

PROCUREMENT

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

- Issued a Request for Proposals for *Integrated Accounting And Property Management Software*
- Developed an agreement with **Johnson-Laux Construction, Inc.** for *Renovation of the Section 8 Offices and Other Improvements at the LHA Administration Building* with a not-to-exceed cost of \$87,531.00

LAKELAND HOUSING AUTHORITY
SECTION 3 AND M/WBE SUMMARY REPORT
(Existing Contracts: April 1, 2012--July 31, 2014)

Item #	Contractor	Amount	M/WBE	Type	M/WBE Totals	Section 3 Firm	Section 3 Firm Totals	Section 3 Hires	Section 3 Totals
1	Rodmon and Rodman Hampton Hills	\$20,000.00	Yes	African-American	1	Yes	1	No	0
2	Bio Mass Tech	\$33,278.05	No	N/A	0	No	0	No	0
3	Robert's Painting	\$8,100.00	No	N/A	0	No	0	No	0
4	Zee's Construction	\$24,500.00	No	N/A	0	No	0	No	0
5	NKA Contractors	\$23,750.00	Yes	African-American	1	No	0	No	0
6	Jackson Management Consulting	\$10,198.00	Yes	African-American	1	No	0	No	0
7	Florida Dance Theatre	\$3,840.00	No	N/A	0	No	0	No	0
8	Rodmon and Rodmon (09-27-12 to 10-26-12)	\$5,750.00	Yes	African-American	1	Yes	1	No	0
9	Rodmon and Rodmon (10-29-12 to 10-28-13)	\$30,000.00	Yes	African-American	1	Yes	1	No	0
10	Bruce Reeves	\$5,000.00	No	N/A	0	No	0	No	0
11	Beachfront Community Outreach	\$31,900.00	Yes	African-American	1	No	0	Yes	1
12	PAINTSMART USA, INC.	\$31,000.00	Yes	African-American	1	No	0	Yes	2
13	Nova Engineering and Environmental, LLC	\$19,000.00	No	N/A	0	No	0	No	0
14	Atkins Paving, Inc	\$7,400.00	Yes	African-American	1	No	0	No	0
15	Best Termite & Pest Control	\$24,000.00	No	N/A	0	No	0	No	0
16	Clampett Industries dba EMG	\$39,000.00	No	N/A	0	No	0	No	0
17	Reeves Building and Plumbing Contractor	\$7,950.00	Yes	African-American	1	No	0	No	0
18	Jacksonville Sound	\$552.00	No	N/A	0	No	0	No	0
19	Marshalls, LLC	\$6,377.00	No	N/A	0	No	0	No	0
20	R.I.G., Inc. aka Residential Investment Group	\$79,185.00	Yes	Woman-owned	1	No	0	No	0
21	Reeves Building and Plumbing Contractor	\$9,975.00	Yes	African-American	1	No	0	No	0
22	All Florida Fire Equipment Company	\$5,500.00	No	N/A	0	No	0	No	0
23	Campolong Enterprises dba DH Striping Company	\$5,000.00	No	N/A	0	No	0	No	0
24	Professional Roof Systems	\$37,800.00	No	N/A	0	No	0	No	0
25	State Alarm	\$287,591.50	No	N/A	0	No	0	No	0
26	Stripe A Lot of America II, Corp	\$4,100.00	No	N/A	0	No	0	No	0
27	Waller Construction	\$20,800.00	No	N/A	0	No	0	No	0
28	Annettie Machuca & Associates	\$8,000.00	Yes	Hispanic and Woman-owned	1	No	0	No	0
29	Haskell Termite and Pest Control	\$17,872.00	No	N/A	0	No	0	No	0
30	Johnson-Laux Construction	\$87,531.00	Yes	Woman-owned	1	No	0	No	0

Note: Amounts referenced within the table include all contracts, amendments/change orders, and/or task orders issued to the vendors between April 1, 2012 and July 31, 2014.

LAKELAND HOUSING AUTHORITY
SECTION 3 AND M/WBE SUMMARY REPORT
(Existing Contracts: April 1, 2012--July 31, 2014)

Item #	Contractor	Amount	M/WBE	Type	M/WBE Totals	Section 3 Firm	Section 3 Firm Totals	Section 3 Hires	Section 3 Totals
<i>Indefinite Delivery, Indefinite Quantity Architectural Services Pool</i>									
31	GLE Associates	\$0.00	No	N/A	0	No	0	No	0
32	Wallis Murphey Boyington	\$0.00	No	N/A	0	No	0	No	0
33	Bessolo Design Group	\$0.00	No	N/A	0	No	0	No	0
34	Robert Reid Wedding	\$47,227.50	No	N/A	0	No	0	No	0
<i>Indefinite Delivery, Indefinite Quantity Property Appraisal Services Pool</i>									
35	Valuation Advisors	\$1,500.00	No	N/A	0	No	0	No	0
<i>Indefinite Delivery, Indefinite Quantity Surveying Services Pool</i>									
36	DRMP	\$0.00	No	N/A	0	No	0	No	0
37	Hamilton Engineering & Surveying	\$0.00	No	N/A	0	No	0	No	0
38	ECON	\$5,020.00	No	N/A	0	No	0	No	0
39	Pickett & Associates	\$0.00	No	N/A	0	No	0	No	0
<i>Indefinite Delivery, Indefinite Quantity Environmental Testing/Building Inspection Services Pool</i>									
40	ACT-American Compliance Technologies	\$0.00	No	N/A	0	No	0	No	0
41	GLE Associates	\$5,275.00	No	N/A	0	No	0	No	0
42	Terracon Consultants	\$0.00	No	N/A	0	No	0	No	0
<i>Indefinite Delivery, Indefinite Quantity Engineering Services Pool</i>									
43	Boggs Engineering (Civil)	\$3,950.00	No	N/A	0	No	0	No	0
44	Hamilton Engineering & Surveying (Civil)	\$0.00	No	N/A	0	No	0	No	0
45	EE & G Environmental (Environmental)	\$0.00	No	N/A	0	No	0	No	0
46	GLE Associates (Multi-discipline)	\$1,425.00	No	N/A	0	No	0	No	0
47	Biller Reinhart (Structural)	\$0.00	No	N/A	0	No	0	No	0
<i>Indefinite Delivery, Indefinite Quantity Financial Advisor Services Pool</i>									
48	Baker Tilly	\$0.00	No	N/A	0	No	0	No	0
49	Innovative Financial Housing Solutions	\$97,000.00	Yes	Woman-owned	1	No	0	No	0
50	TAG Associates	\$0.00	No	N/A	0	No	0	No	0
TOTALS		\$1,056,347.05			14		3		3

Note: Amounts referenced within the table include all contracts, amendments/change orders, and/or task orders issued to the vendors between April 1, 2012 and July 31, 2014.

LAKELAND HOUSING AUTHORITY
SECTION 3 AND M/WBE SUMMARY
(New Contracts: July 1-31, 2014)

Item #	Contractor	Amount	M/WBE	Type	M/WBE Totals	Section 3 Firm	Section 3 Firm Totals	Section 3 Hires	Section 3 Totals
1	Johnson-Laux Construction	\$87,531.00	Yes	Woman-owned	1	No	0	No	0
2									
3									
4									
5									
6									
7									
8									
9									
10									
11									
12									
<i>Indefinite Delivery, Indefinite Quantity Architectural Services Pool</i>									
13									
14									
15									
<i>Indefinite Delivery, Indefinite Quantity Property Appraisal Services Pool</i>									
16									
<i>Indefinite Delivery, Indefinite Quantity Surveying Services Pool</i>									
17									
18									
19									
20									
<i>Indefinite Delivery, Indefinite Quantity Environmental Testing/Building Inspection Services Pool</i>									
21									
22									
23									
<i>Indefinite Delivery, Indefinite Quantity Engineering Services Pool</i>									
24									
25									
26									
27									
<i>Indefinite Delivery, Indefinite Quantity Legal Services Pool</i>									
28									
29									
30									
TOTALS		\$87,531.00			1	0	0		0

Note: Amounts referenced within the table include all contracts, amendments/change orders, and/or task orders issued to the vendor July 1-31, 2014.

INVESTIGATIVE BOARD REPORT

The following activities were accomplished July 31, 2014:

1 Small Claims Court

- There was no small claim cases made for the month of July.

2 Eviction Court

- One Eviction for the month of July.

3 Applicant Criminal Histories

- Seventy-three (73) New Criminal Histories for Public Housing were processed during the month of July, for a total savings of one thousand six hundred and seventy-nine dollars (\$1679.00)

4 Public Housing Re-certification Criminal Histories

- Sixty (60) re-certifications were submitted for the month of July for Public Housing, for a savings of one thousand three hundred and eighty dollars (\$1380.00)

5 Conflict Resolutions

- One for the month of July.

6 Public Housing Fraud Recovery

- None for the month of July.

7 Repayment Agreements

- Fifteen (15) for the month of July for un-paid balances at West Lake Management for an amount of \$2970.00 (two thousand nine hundred and seventy dollars dollars) Two (02) were done for Lakeland Housing Authority Public Housing, unpaid balances for a total of \$650.00

Section 8

1 Section 8 Terminations

- None for the month of July, however, we have some pending.

Type	Current	Pending	Closed
Un-Authorized Guest	2	1	1
Un-Reported Income			
Un-Guest / Income			

INVESTIGATIVE BOARD REPORT

Drug Related Criminal Activity			
Totals	2	1	1

2 Section 8 Repayment Agreements

- No section 8 re-payment agreements were signed for the month of July.

3 Section 8 Fraud Recovery

- Figures are unavailable.

4 Criminal Court

- The Lakeland Housing Authority currently has one pending cases with the State Attorney

5 Section 8 Applicant Criminal Histories

- During the month of July, the Lakeland Housing Authority Investigations Department ran two (02) criminal histories for Section 8 applicants. **This resulted in a net savings of two forty-six dollars (\$46.00).**

6 Section 8 Re-certification Criminal Histories

- Ninety (90) section eight re-certifications were processed for the month of July. Resulting in a savings of (\$2070.00) Two thousand and seventy dollars.

7 Section 8 Hearings

- Investigators attended no section eight hearings for the month of July.

8 VASH

- One (01) for the month of July for a savings of twenty-three dollars (\$23.00).

Administration

- One (01) background was submitted by Human Resources for the month of July resulting in a savings of (\$23.00) twenty-three dollars.

INVESTIGATIVE BOARD REPORT

- Three (03) criminal histories were run for re-certifications for the West Bartow property, resulting in a savings of (\$69.00) sixty-nine dollars. We also completed Three (03) criminal histories for new applicants for a savings of (69.00) sixty-nine dollars.

Washington Renaissance and Carrington Place (formerly Dakota Park Apartments)

- Three (03) new applications for criminal history were submitted for July, for the Renaissance/Washington Oaks property, resulting in a savings of **sixty-nine dollars. (\$69.00)** Three (03) applications submitted for recertification for the month of July, for a savings of **sixty-nine dollars (\$69.00)**.

Colton Meadow/Villas at Lake Bonnet

- Two (02) criminal histories were processed for Colton Meadow, for the month of July, for a saving of **forty-six dollars (\$46.00)**. We also completed one (01) application for recertification for a savings of **twenty-three dollars (\$23.00)**. **Sixteen (16) criminal histories were processed for new applications for a savings of three hundred and sixty two (\$362.00) at the Villas at Lake Bonnet property. Two (02) recertification's were submitted to investigations for processing, for a savings of forty-six dollars (\$46.00).**

Lincoln Square Apartments

- No longer do checks on this property

General

- During the month of July, we wrote ten (10) parking violations. One vehicle was towed for failure to comply with the 24 hour notice. We also made four ID cards, and attended several meetings. By having the Investigation Department process the criminal backgrounds in-house, the Lakeland Housing Authority has saved **six thousand six hundred and forty-one dollars (\$6641.00)**, for the month of July. This figure is based upon the cost of twenty-three dollars per background check by outside information suppliers. The Lakeland Housing Authority Investigation Department is now doing outside vendor work for Lakewood Terrace Apartments. We are now handling all evictions, and conflict resolutions. During the month of July, several capital Fund inspections, Davis Bacon interviews, and inspections of any ongoing construction and or large maintenance projects, were completed.

RESIDENT SERVICES REPORT

Resident Services July 2014 Board Report

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

During the month of July, the ROSS Services Coordinator continued to focus on certain supportive services to assist eligible public housing residents (family, elderly, and disabled) in their goal to become self-sufficient. The provision of these services contributes to the improvement of the quality of life for LHA residents who participate in the RSC program. Referral information continued to be provided to residents to assist them in their areas of need. ROSS participants continued to receive gas cards to assist with their transportation needs.

Community Involvement

During the month of July, the ROSS Services Coordinator met with the following community partners to coordinate services to be provided to ROSS participants:

July 11th - Coordinator attended the YouthBuild Service Awards ceremony.

- **Resident Services**

The Lakeland Housing Authority 21st Century Community Learning Center initiative was a key component of the “No Child Left Behind” Act. The focus of this after school program was to provide expanded academic enrichment opportunities for children attending low-performing schools, including tutorial services and academic enrichment activities to help students meet local and state academic standards in subjects such as reading and math. In addition, the program provides youth development activities, drugs and violence prevention programs, technology education programs, arts, music, recreation programs, counseling, and character education to enhance the academic component of the program. The 21ST CCLC Program Children were exposed to different activities and events that they would not have been exposed to otherwise. Sadly to say that the program’s last day of a 5- year grant ended on July 31, 2014.

- We served over 150 students during the Summer program
- The program was closed for the Fourth of July holiday
- On July 2nd the K-3 students went to an interactive play Rupunzel Shakespeare Theater to learn about Performing Arts, while the 4th – 5th students went to CSI Experience to learn about forensics
- On July 11th the students went to Gatorland to learn about Nature
- On July 18th the students went to Disney’s Animal Kingdom to learn about Culture
- On July 25th the students went to MOSI to learn about Science
- On July 31st the students went to Sea World to learn about Oceanography
- July 31st last day of the 21ST CCLC Program

On July 23rd the Seniors of Cecil Gober Villa was given the royal treatment by VISTE and its volunteers. The young volunteers, raked resident yards, dust furniture and blinds, vacuum carpet, clean bathrooms, kitchens and took out the trash. After a hard day of work, the volunteers provided the seniors with lunch and played board games. The seniors were very pleased with all that was done by VISTE and the volunteers. One of the volunteers was Michael Pimentel, Jr., the son of Commissioner Michael Pimentel who is the Chairman of the LHA's Board of Commissioners.





The City of Lakeland Parks and Recreation's nursery donated plants to Lake Bonnet for the beautification Project and property inspection. Thanks goes out to Regina Shultz of the City of Lakeland for her assistance in making this effort a success.

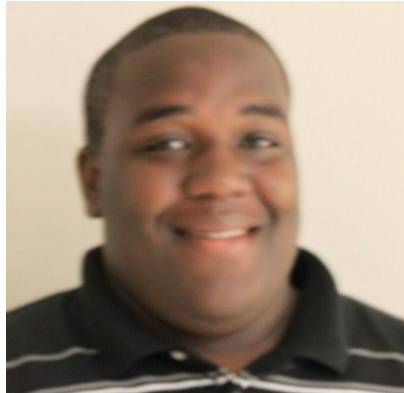


Some of the staff members of the Lakeland Housing Authority assisted the Tampa Housing Authority and NAHRO by volunteering at the 2014 Summer Conference that was held on July 17th – 19th at the Marriot Waterside Tampa Florida.

- **YouthBuild-Lakeland**

Academics

The participants of Cycle 10 have been hard at work wrapping up their academic endeavors in YouthBuild. They have been taking the TABE Post Test, and so far 79% of participants have achieved at least a one educational level learning gain. Participants also continue to work hard toward achieving their GEDs.



Ruben Andrews

The first participant of the cycle to complete his GED is Ruben Andrews. He passed all four sections of the GED and has earned his high school diploma.

Other academic news: Participants are working diligently, and making strides in all areas of learning. The students have registered for the GED and will be taking the test in the next month. Students continue to work on improving keyboarding skills, writing essays, and verbal communication.

Placement News



T.J. Kempton

Congratulations to T.J. Kempton, who is the first female to be hired as a carpenter's helper with Olson Construction!!

Career Development

Participants have been preparing for final mock interviews and presentations during the month. A “Dress for Success” workshop was provided and students will be acquiring out suitable interview clothing during the months of July and August 2014. Final career plans will be implemented as students earn their GED’s over the next two months.

Participants continued to receive training in workplace skills. All participants received certification in CPR/First Aid from the American Heart Association and they also received OSHA 10 training.

Construction

Participants are starting to re-build the Habitat for Humanity family home, which burned to the ground last month. Debris has been cleared from the home site, and a new foundation is expected to be completed by the end of July.

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

July 2014	# FSS Tenants	# with Escrow	% with Escrow	Escrow Amount (\$)
Public Housing (02,04) (05)	37	18	49	46,029.97
Dakota Park (13)	06	02	34	9,609.05
Renaissance (14)	13	03	23	9,182.00
Totals	56	23	41*	64,821.02

*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: One (1)

Termination/Forfeiture/Transfer/Disbursement: None

Earned Income from Employment: One (1)

Final Disbursement: None

Community Involvement: During the month of July 2014, the PHFSS Coordinator attended the following meetings and/or events:

- July 2nd - Spotlight agency was the Health Navigator for United Way. An update was given on the Affordable Healthcare Act.
- July 17th - NAHRO Volunteer Conference
- July 22nd - VISTE Youth Day
- July 31st - Submitted 2012 final grant

Westlake 21st Century Community Learning Center

- The summer program ended on July 31, 2014.

Earl W. Haynes
Resident Services Director

Janiene Bambridge
Interim YouthBuild Program Manager

Cynthia E. Zorn-Shaw
ROSS Service Coordinator

Kim Bean
21st CCLC Site Coordinator

Linda Willis
PH/FSS Coordinator

RESOLUTIONS

**The Housing Authority of the City of Lakeland
Request for Board Action**

1. Describe Board Action Requested and why it is necessary:

Re: Resolution # 14-1382

The Board of Commissioners is requested to adopt an Investment Policy for the Lakeland Housing Authority

2. Who is making request:

A. Entity: LHA

B. Project: Investments

C. Originator: Benjamin Stevenson

3. Cost Estimate:

N/A

Narrative:

The attached Investment Policy provides parameters for investment of all reserves and other funds by the Lakeland Housing Authority. The establishment of such a policy is recommended by the LHA Corrective Action Plan. This resolution recommends adoption of the Investment Policy.

RESOLUTION NO. 14-1382

**ADOPTING AN INVESTMENT POLICY FOR
THE HOUSING AUTHORITY OF THE CITY OF LAKELAND**

WHEREAS, the Housing Authority of the City of Lakeland has established goals and plans for the provision of affordable housing; and

WHEREAS, the Housing Authority of the City of Lakeland does not currently have an investment policy; and

WHEREAS, the Housing Authority of the City of Lakeland has implemented a Corrective Action Plan that recommends the establishment of an investment policy; and

WHEREAS, staff has determined that it is desirable for the Housing Authority of the City of Lakeland to have a policy that provides parameters for investment at a reasonable rate of return on all reserves and other funds in a safe and secure manner.

NOW THEREFORE, BE IT RESOLVED that the Board of the Commissioners of the Housing Authority of the City of Lakeland hereby adopts an investment policy for the Housing Authority of the City of Lakeland.

CERTIFICATE OF COMPLIANCE

This is to certify that the Board of Commissioners of the Housing Authority of the City of Lakeland has approved and adopted this Resolution No. 14-1382 dated August 18, 2014.

Attested by:

Benjamin Stevenson, Secretary

Michael Pimentel, Chair

INVESTMENT POLICY

The objective of the Investment Policy is to provide a reasonable rate of return on all reserves and other funds while assuring this is accomplished in a safe and secure manner, while providing adequate liquidity of funds and adequate yields.

A. Excess funds required for use on a current basis shall be invested in short term interest-bearing investments consisting of certificates of deposit and other income-producing securities allowed under the policy of the U.S. Department of Housing and Urban Development.

B. All program funds for projects under an Annual Contributions Contract or ACC shall be deposited and invested in accordance with the terms of a General Depository Agreement (form HUD-51999).

C. An investment register shall be maintained to record the purchase and sale of investment securities and records will be maintained to include the following (bank statements are generally adequate in tracking investments):

- A description of the securities purchased
- The date of purchase
- The purchase price
- The interest rate
- The amount of periodic increment of value of US Savings Bond, if applicable
- Redemptions
- Source of funds invested

D. All investments shall be adequately collateralized. The Lakeland Housing Authority shall require each depository to continuously and fully (100%) secure all deposits, regardless of the types of investment, that are in excess of the insured amount.

E. A custodian must be used for investments managed by an outside entity.

**The Housing Authority of the City of Lakeland
Request for Board Action**

1. Describe Board Action Requested and why it is necessary:

Re: Resolution # 14-1383

The Board of Commissioners is requested to adopt a Banking and Wire Transfer Policy for the Lakeland Housing Authority

2. Who is making request:

A. Entity: LHA

B. Project: Banking, Wire Transfers and Other Controls

C. Originator: Benjamin Stevenson

3. Cost Estimate:

N/A

Narrative:

The attached Banking and Wire Transfer Policy provides parameters for banking, wire transfers and other controls by the Lakeland Housing Authority. The establishment of such a policy is recommended by the LHA Corrective Action Plan. This resolution recommends adoption of the Banking and Wire Transfer Policy.

RESOLUTION NO. 14-1383

**ADOPTING A BANKING AND WIRE TRANSFER POLICY FOR
THE HOUSING AUTHORITY OF THE CITY OF LAKELAND**

WHEREAS, the Housing Authority of the City of Lakeland has established goals and plans for the provision of affordable housing; and

WHEREAS, the Housing Authority of the City of Lakeland does not currently have a wire transfers policy; and

WHEREAS, the Housing Authority of the City of Lakeland has implemented a Corrective Action Plan that recommends the establishment of a wire transfer policy; and

WHEREAS, staff has determined that it is desirable for the Housing Authority of the City of Lakeland to have a policy that provides parameters for banking and wire transfers.

NOW THEREFORE, BE IT RESOLVED that the Board of the Commissioners of the Housing Authority of the City of Lakeland hereby adopts a banking and wire transfer policy for the Housing Authority of the City of Lakeland.

CERTIFICATE OF COMPLIANCE

This is to certify that the Board of Commissioners of the Housing Authority of the City of Lakeland has approved and adopted this Resolution No. 14-1383 dated August 18, 2014.

Attested by:

Benjamin Stevenson, Secretary

Michael Pimentel, Chair

BANKING, WIRE TRANSFERS AND OTHER CONTROLS

- A. Banking administration requires dual administration. Only the Executive Director and his Designee are authorized as administrators. All actions with the exception of password reset require two administrators to complete.
- B. Accounting Specialists such as the Finance Manager transmits/inputs positive pay for all checks issued.
- C. The Executive Director, Finance Manager and the Executive Director's Designee are authorized to transmit Automated Clearing House or ACH debit payment files. Payment file total must be matched to computer generated payment detail prior to transmitting. This is also checked at time of bank reconciliation by the Finance Manager.
- D. Book transfers require initiation and approval by two of the following personnel: Executive Director and/or his Designee such as the Finance Manager, Senior Accountant or equivalent.
- E. Automated Clearing House or ACH debit templates require initiation and approval by two of the following personnel: Finance Manager or the Executive Director's Designee and/or Executive Director.
- F. Wire payments or other non-template payments require initiation by one of the following personnel: Finance Manager or Executive Director.
- G. Wire payments or other non-template payments require approval by one of the following personnel: Finance Manager or Executive Director.
- H. The Finance Manager or Executive Director's Designee is primarily responsible for issuing checks. The Fee Accountant completes all bank reconciliations and therefore shall not complete any of the following tasks: make deposits, issue checks without other mitigating controls approved by Finance Manager and Executive Director, complete Automated Clearing House or ACH payment files, complete manual journal entries to cash accounts, or complete wire payments.

SECRETARY'S BUSINESS

**Secretary's Report
August 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 Juan Miranda of 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 next month.

Annual Budget/Agency Update

A workshop on the 2014 Agency Budget was held on November 7, 2013 at 5:30 pm. Each commissioner was given a copy of the budget for their review. The budget was approved at the December 2013 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
August 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. So, staff is asking the Board to change the date of the September 2014 meeting in order to meet this deadline. Copies of the Plan will be made available for review and public comment for a forty-five (45) day period. Copies of the Plan will also be provided for the Resident Advisory Board, the City of Lakeland, local neighborhood associations, and the NAACP as well as be placed in public libraries. Public hearings on the Plan are being scheduled for August and September at the LHA central office. LHA staff will also meet with the Resident Advisory Board regarding the Plan prior to the public meetings. After completion of the public process, the Plan will be submitted to the U.S. Department of Housing and Urban Development Miami 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 Recovery Plan Update.

Other Activities

Staff also received notice from the U.S. Department of Labor and Senator Bill Nelson's office that LHA was awarded another Youth Build grant. The dollar amount is \$974,124 over a three year period.

Respectfully submitted,

Benjamin Stevenson

Secretary

OTHER BUSINESS



**BOARD OF
COMMISSIONERS**

Michael A. Pimentel
Chairman

Rev. Richard Richardson
Vice-Chairman

Eddie Hall
Commissioner

Joseph DiCesare
Commissioner

Lorenzo Robinson.
Commissioner

Dorothy Sanders
Commissioner

Gary Smith
Commissioner

Benjamin J. Stevenson
Executive Director

430 Hartsell Ave
Lakeland, FL 33815

MAIN OFFICE

Phone: (863) 687-2911
Fax: (863) 413-2976

www.LakelandHousing.org

August 11, 2014

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

RE: Updated Corrective Action Plan

Dear Mr. Rocher:

Enclosed for your review is the most recently updated Corrective Action Plan (CAP) for the Lakeland Housing Authority (LHA). Many of the items are still in process. There are no new updates from the last submittal.

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

Sincerely,

Benjamin Stevenson
Executive Director

cc: Valerie Brown
Project Files

Enclosure(s)

**LAKELAND HOUSING AUTHORITY
CORRECTIVE ACTION PLAN**

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

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

**LAKELAND HOUSING AUTHORITY
CORRECTIVE ACTION PLAN**

Item #	Source Document	Classification	Issue	Action Required or Recommendation	Action Taken	Expected Completion	Status	Responsible Party	Category
4	Forensic Audit Report	Finding 7	The authority's September 7, 2011 corrective action plan asserts corrective actions were implemented prior to the release of the final independent audit report that includes a reference to the Management Letter dated September 8, 2011. There are no outstanding corrective action plans based on independent audit report findings, or HUD monitoring reports.	The authority must be proactive and document its plans to accept or reject the independent auditor's September 28, 2011 management letter comments and recommendations for improvement in its' operations.	The Corrective Action Plan currently being written is based upon the most current independent audit report and third party reviews.	11/30/2012	Complete	E. Hall w/Finance	AUDIT
5	Forensic Audit Report	Finding 2	Board of Commissioners Meeting Minutes are not signed by the Chairman and attested to by the Secretary. Minutes are not certified, nor is the agency seal affixed to authenticate the documents as true copies.	Board of Commissioners Secretary, or a designee, should secure the appropriate signatures on all approved Resolutions. All minutes should be certified and sealed. Agency seal should be kept under lock and key to avoid unauthorized use.	LHA staff is now ensuring that the appropriate signatures are secured for all approved Resolutions. Additionally, all minutes are now being certified and sealed. The agency seal is also being kept under lock and key.	Complete	On-Going	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.	4/30/2013 8/1/2013 1/31/2014	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

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9	Forensic Audit Report	Finding 18	LHA has been receiving RHF Funding in amounts shown in Attachment 18 totaling \$2,992,124. The use of these funds pre-date the scope of this assignment and the LHA staff indicated that HUD has approved all RHF activities.	The use of these funds should be reviewed in light of the information provided above to insure that all RHF Funds have been properly expended.	LHA staff is in the process of reviewing RHF expenditures as outlined by Attachment 18 to ensure that the funds were properly expended.	8/1/2013 12/31/13	In Progress	V. Brown w/ Development	COMPLIANCE
10	Forensic Audit Report	Finding 11	The bank signature update forms were part of the bank reconciliation files. The bank forms include confidential personal information for each signer. This includes a mixture of social security and driver license numbers, and at all times this data must be stored in a secure location to prevent misuse or identity theft.	The bank signature update forms must not become part of the bank reconciliation files, and immediately removed from the files. The Finance Department should have one central file for each financial institution to store the signature update forms. They must be kept in a locked secure cabinet.	Bank signature forms have been removed from the bank reconciliation files and filed separately.		Complete	E. Hall w/Finance	CONFIDENTIAL INFORMATION
11	Forensic Audit Report	Weakness 9	The random selection of five (5) employee files for comparison to ADP pay rates resulted in no issues with four (4) files. The human resource (HR) office file for one (1) employee could not be located.	The files must have a 100% accounting for all staff. The HR manager must implement a procedure for "sign-out and sign-in" of staff files to ensure confidentiality.	The HR manager is in the process of implementing procedures for "sign-out and sign-in" of staff files.	Complete	On-Going	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

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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.	11/1/2012	HUD considers this item to still be open.	C. Pizarro w/ Housing	EIV
14	Independent Auditor's Report	Finding 11-1 (iii)	The Authority's general ledger commingles activity for certain public housing units, which fall under the HUD Annual Contributions Contracts ("ACC") with activity of other subsidized units at mixed-finance projects which are not included in the Authority's reporting entity. The activity of the public housing units in the general ledger could not easily be traced to amounts isolated for presentation in the FDS. This commingling presents the possibility of inaccurate reporting of the financial information related to the public housing units.	The Authority should segregate the activity related to the public housing units at mixed-finance projects from the activity of the other subsidize units and general partnership activity in the general ledger.	The Authority will review its current system of controls and implement procedures necessary to ensure all financial information is reported accurately, timely and in accordance with GAAP. To ensure compliance with GAAP and grant requirements, the Authority will provide training for the accounting staff so they have the necessary competencies required to account for the Authority's varied programs and activities. The general ledger will be adjusted to ensure mixed-finance project activity is not commingled with the activity of the other subsidized units and general partnership activity in the general ledger. The review and necessary actions are in progress under the supervision of Eva Hall, Director of Finance.	3/31/2013 5/31/2013	Complete	E. Hall w/Finance	FDS

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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

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17	Forensic Audit Report	Finding 19	Effective on October 1, 2011, LHA increased its FMR to 105% of the published HUD standard for 2012. LHA Section 8 staff has indicated that HUD has requested that the authority return to using the HUD FMR standards. From the comparison above it is clear that rents in the Lakeland market are changing rapidly.	LHA should conduct a Rent Comparability Study (RCS) pursuant to HUD Guidelines if it intends to maintain its Payment Standards at 105% of FMR. LHA, as one of the largest Section 8 landlords in the Lakeland market should proactively evaluate the impact of changes to its Payment Standards on its mixed-finance properties.	Rent comparison study is in progress. A rent comparison study is no longer necessary. LHA is in the process of lowering its payment standard to 90% FMR.	3/31/2013	Complete	C. Pizarro w/ Housing	FMR
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

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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	The Finance Department does not have a Board of Commissioners approved investment strategy policy. The 2006 Casterline SOP guidance is outdated and does not address LHA complexities.	The finance department should develop an investment strategy and corresponding policy recommendation for Executive Director and Board of Commissioners approval.	Staff will present an updated Investment Policy for Approval by the Board of Commissioners at their April 2013 meeting.	3/30/2013 8/1/2013 12/31/13	In Progress	E. Hall w/Finance	INVESTMENT POLICY

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

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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

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

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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.	3/31/2013 8/1/2013 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.	3/31/2013 8/1/2013 6/17/2013 Complete	On-Going	V. Brown w/ Development	PURCHASING

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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.	3/31/2013 3/31/2014	Complete	E. Hall w/Finance	PURCHASING
40	Forensic Audit Report	Finding 16	The engagement letter (contract) between LHA and its auditor, Berman and Hopkins, is not a valid HUD agreement and it lacks the clauses required by the HUD Procurement Handbook including Termination for Convenience and other required language.	All of the additional contracts reviewed lacked the standard clauses required by HUD whether they were for capital projects or operating expenses. The authority contracts must be amended to include the required HUD language and documents.	Per review of the independent auditor's engagement letter, it appears all HUD requirements are satisfied. The audit firm specializes in audits of public housing authorities and uses a standard engagement letter for its public housing clients.		Complete	V. Brown w/ Development	PURCHASING
41	Forensic Audit Report	Finding 17	A review of the authority's Regulatory and Operating Agreements with its partnerships and affiliates are dated and do not conform to the current HUD standard in accordance with 24 CFR 85.36(b)(3).	While it is not a requirement of HUD to modify these agreements it may be a good business practice.	LHA staff is in the process of reviewing all Regulatory and Operating Agreements with its partners to determine whether or not modifications will be required to conform with HUD standards in accordance with 24 CFR 85.36(b)(3).	12/31/2012	Complete	V. Brown w/ Development	PURCHASING

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

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

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

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Item #	Source Document	Classification	Issue	Action Required or Recommendation	Action Taken	Expected Completion	Status	Responsible Party	Category
50	Forensic Audit Report	Finding 5	The accounting department did not present evidence of documented work processes and workflow to make it possible to determine if controls exist to safeguard authority assets. Finance Manager did not have a Finance Department organization chart with corresponding responsibilities. The current five person department includes a new Comptroller, Finance Manager, three Accounting Clerks along with one part time clerk. In a small organization segregation of duties is critical to prevent fraud, theft, and asset misappropriation.	Internal controls must go beyond Yardi's automated processes. There are several approaches to developing documented control process. The new Finance 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.	3/31/2013 6/30/2013 8/1/2013 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

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Item #	Source Document	Classification	Issue	Action Required or Recommendation	Action Taken	Expected Completion	Status	Responsible Party	Category
53	Forensic Audit Report	Weakness 8	The new Comptroller's HUD regulations learning curve. This intellectual capital short term issue is compounded by the current Finance Department staff complement that performs routine tasks with minimum errors, but the incorrect processing of extraordinary or non-routine financial events are noted findings by the independent auditor's.	Procure training for staff on mixed finance guidelines, HUD regulations, asset based management, etc. to improve competencies, reduce attrition, and attain stellar performance in the finance organization. This could provide revenue generating opportunities for LHA by marketing financial services to other private, county and state landlords.	The Finance Director has attended numerous training conferences and has scheduled future training to ensure competency and compliance with HUD public housing requirements. The learning curve is mitigated by the Finance Director's 22 years of experience in federal regulations and compliance with funding requirements and financial reporting.		Complete	E. Hall w/Finance	TRAINING
54	Independent Auditor's Report	Finding 11-1 (ii)	The Authority's unaudited FDS required numerous material adjustments, including significant prior period adjustments (see Notes to the financial statements), to be fairly stated in accordance with GAAP, with the exception of the balances noted above which are not fairly presented. These prior period adjustments related primarily to developer fees earned by the Authority and were required to correctly reflect ending balances in developer fees receivable and to recognize revenue in the proper period. These adjustments should have been detected by the Authority staff while performing their normal duties of processing and recording financial information.	The auditors recommend that the Authority review the established system of controls, including responsibilities at each staff level, for adequate safeguards to facilitate accurate and timely processing of financial information under all circumstances. Also, the Authority should provide additional training to staff in the accounting department, particularly related to the development activity of the Authority, to ensure an accurate and timely system of financial reporting at all times. The Authority needs to ensure that the books and records are closed timely and accurately without relying on audit adjustments, considering that the external auditors are independent of the internal control 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

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

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Item #	Source Document	Classification	Issue	Action Required or Recommendation	Action Taken	Expected Completion	Status	Responsible Party	Category
62	Independent Auditor's Report	Finding 11-6	We noted material differences between the HAP expense recorded in the general ledger and reported on the FDS. In addition, neither of these amounts agreed with the HAP expense reported to HUD in VMS. In addition, the Authority could not provide supporting documentation to reconcile the information reported in VMS or on the FDS for unit months leased. Further, as noted in Financial Statements Finding 11-1-i, the Authority could not provide adequate documentation to support the HAP expense recorded in the general ledger; therefore, we could not determine that HAP expense and, therefore, HAP equity are fairly stated in accordance with GAAP.	The Authority should implement internal control procedures to ensure that data submitted to HUD in VMS and the REAC agrees to the general ledger and other supporting documentation. We recommend that management designate an individual to review supporting documentation for VMS data and reconcile the information to data recorded in the general ledger and other management information systems prior to submission to HUD. Further, we recommend that management reconcile internal HAP registers to expenses recorded in the general ledger during each HAP check run to ensure that amounts are properly recorded and paid to landlords.	The Authority has scheduled the services of a consultant who will assist in the reconciliation of HAP expense, Net Restricted Assets and Unrestricted Net Assets per the Authority's general ledger and the amounts reported to HUD in the Voucher Management System ("VMS") and make all necessary adjustments to the general ledger balances and the VMS reported amounts. Review procedures will be established to ensure all future transactions are properly recorded and reconciled so the VMS will be correct. This will include reconciling Section 8 tenant and landlord registers with the general ledger. Under the supervision of Eva Hall, Director of Finance, and Carlos Pizarro, Director of Housing, the VMS reports 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

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Item #	Source Document	Classification	Issue	Action Required or Recommendation	Action Taken	Expected Completion	Status	Responsible Party	Category
68	Forensic Audit Report	Finding 8	The authority does not have documented bank wire transfer procedures. The Finance Manager responded to process description questions, and did not believe the absence of the SOP was an issue based on the small number of wire transfers.	The Finance Department must develop procedures for outgoing wire transfers. The absence of clearly delineated internal control procedures that includes levels of authority, signatures, checks and balances, verification of data, paper trail, financial institution manual or automated authorization procedures, etc. could expose the authority to significant financial losses.	The Finance Department is updating its SOPs and will include written procedures for bank wire transfers. Although there is not a written procedure, strict procedures are required by the banking institutions and all transfers must have approval by authorized staff and/or Commissioners.	3/31/2013 12/31/2013 3/31/14	In Progress	E. Hall w/Finance	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.	12/31/2013	In Progress	E. Hall w/ Finance and C. Pizarro w/Housing	INTERNAL CONTROLS

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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. The necessary actions will be performed under the supervision of Eva Hall, Director of Finance, and will be completed within 90 days. The Authority is currently analyzing pooled cash account activity to developing a realistic methodology to settle internal borrowings and prevent future commingling of program funds. Under the supervision of Eva Hall, Director of Finance, a plan will be formalized and goals established based upon this research. The Authority acknowledges the gravity of this situation and the long term nature of the solution.	Ongoing	In Progress	E. Hall w/Finance	ACCOUNTS

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

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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