

**LAKELAND HOUSING
AUTHORITY**

Lakeland, Florida

**Basic
Financial Statements and
Supplementary
Information**

December 31, 2020



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INDEPENDENT AUDITOR'S REPORT

Board of Commissioners
Lakeland Housing Authority
Lakeland, Florida

Report on the Financial Statements

We have audited the accompanying financial statements of the business-type activities of the Lakeland Housing Authority (the "Authority"), as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We did not audit the financial statements of Dakota Park Limited Partnership, LLLP or Renaissance at Washington Ridge LTD, LLLP (the "Company" or "Dakota Park" and "Renaissance"), a blended component unit of the Authority which represents 48%, 63%, and 34%, respectively, of the total assets, liabilities and net position as of and for the year ended December 31, 2020. Those financial statements were audited by other auditors whose reports have been furnished to us and our opinion, insofar as it relates to the amounts included for the Company included in the blended component units, is based solely on the reports of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Authority's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Authority's business-type activities as of December 31, 2020 and the respective changes in financial position, and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that management's discussion and analysis be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Authority's basic financial statements as a whole. The financial data schedule and schedules of program costs and advances are presented for purposes of additional analysis as required by the U. S. Department of Housing and Urban Development, and are not a required part of the basic financial statements of the Authority. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is not a required part of the basic financial statements of the Authority.

The financial data schedule, schedules of program costs and advances, and schedule of expenditures of federal awards are the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the financial data schedule, schedules of program costs and advances, and schedule of expenditures of federal awards are fairly stated in all material respects in relation to the financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 31, 2022 on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Authority's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance.

March 31, 2022
Melbourne, Florida

Berman Hopkins Wright & LaHam
CPAs and Associates, LLP

Management's Discussion and Analysis

As management of the Lakeland Housing Authority (the "Authority"), we offer the readers of the Authority's financial statements this narrative overview and analysis of the financial activities for the year ended December 31, 2020. We encourage readers to consider the information presented here in conjunction with the Authority's financial statements.

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

Financial Highlights

- The assets of the Authority exceeded its liabilities as of December 31, 2020, by \$27,687,737 (net position), an increase of \$6,106,427 from the previous year.
- The Authority had revenue from the U.S. Department of Housing and Urban Development ("HUD") of \$14,994,147, which includes funds for capital asset activities.
- The Authority's cash balance as of December 31, 2020, was \$5,670,833 an increase of \$3,398,363 from the previous year.
- During 2020, Management determined that LPHC met the criteria for blending as a component unit, resulting in a transfer in of net position of \$7,025,330.

Overview of Financial Statements

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

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

Overview of Financial Statement (continued)

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

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

Financial Analysis

	<u>Statements of Net Position</u>		
	<u>2020</u>	<u>2019</u>	<u>Net Change</u>
Current assets	\$ 6,439,949	\$ 4,601,487	\$ 1,838,462
Capital assets, net	19,925,259	2,569,089	17,356,170
Other noncurrent assets	5,459,897	15,822,018	(10,362,121)
Total assets	<u>31,825,105</u>	<u>22,992,594</u>	<u>8,832,511</u>
Current liabilities	1,096,463	777,153	319,310
Long-term debt	2,430,271	303,000	2,127,271
Other noncurrent liabilities	610,634	331,131	279,503
Total liabilities	<u>4,137,368</u>	<u>1,411,284</u>	<u>2,726,084</u>
Net investment in capital assets	17,716,773	2,425,696	15,291,077
Restricted	7,666,735	11,545,281	(3,878,546)
Unrestricted	2,304,229	7,610,333	(5,306,104)
Total net position	<u>\$ 27,687,737</u>	<u>\$ 21,581,310</u>	<u>\$ 6,106,427</u>

Current Assets increased by \$1,838,462 due to the blending in of Lakeland Polk Housing Corporation and its fully owned affiliates ("LPHC") along with the timing of cash inflows and outflows for operations.

Capital Assets increased by \$17,356,170 primarily due to blending in LPHC in the current year where they were not included in the prior year.

Other Noncurrent Assets decreased by \$10,362,121 primarily due to the decrease in investment in joint venture from capital asset transfer to an affiliate (see Note B-3), as a portion of those were eliminated through blending in LPHC.

Total liabilities reflect an increase of \$2,726,084 primarily due to the blending of LPHC which increase the long term debt along with the timing of payments near year end.

Financial Analysis (continued)

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

1. Net investment in capital assets - the Authority's investment in capital assets, net of accumulated depreciation and related debt, is due to capital asset and long-term debt activity. The Authority had a current year increase in this component of net position of \$15,291,077 as a result of blending in LPHC and including its capital assets along with current year additions.
2. Restricted - the Authority's net position whose use is subject to constraints imposed by law or agreement. As of December 31, 2020, the Authority had \$7,666,735 of restricted net position which consisted primarily of \$3,887,900 of notes receivable and related accrued interest, and \$1,342,984 of developer fee receivable, which are restricted in their future availability for operations (see Note B-4), \$2,123,567 restricted for reserve escrow, \$194,876 for other reserves, and \$117,408 of voucher HAP reserves.
3. Unrestricted - the Authority's net position that is neither invested in capital assets nor restricted, which increase principally due to operations. These resources are available to meet the Authority's ongoing obligations to its residents and creditors. The Authority has \$2,304,229 in unrestricted net position. The Authority's unrestricted component of net position is designated for housing-related purposes.

Financial Analysis (continued)

	<u>Changes in Net Position</u>		
	<u>2020</u>	<u>2019</u>	<u>Net Change</u>
Operating revenues			
HUD revenues	\$ 14,994,147	\$ 12,011,683	\$ 2,982,464
Other revenues	3,904,341	1,843,649	2,060,692
Total operating revenues	<u>18,898,488</u>	<u>13,855,332</u>	<u>5,043,156</u>
Operating expenses			
Administrative	3,979,425	2,278,889	1,700,536
Tenant services	681,556	357,853	323,703
Utilities	279,348	148,833	130,515
Maintenance	1,963,007	664,067	1,298,940
General	1,259,262	909,217	350,045
Depreciation	965,123	131,634	833,489
Housing assistance payments	10,676,135	9,677,281	998,854
Total operating expenses	<u>19,803,856</u>	<u>14,167,774</u>	<u>5,636,082</u>
Operating loss	<u>(905,368)</u>	<u>(312,442)</u>	<u>(592,926)</u>
Nonoperating revenues (expenses)			
Gain (loss) on sale of assets	(50,916)	(5,024)	(45,892)
Interest income	214,251	387,821	(173,570)
Interest expense	(176,870)	(300)	(176,570)
Total nonoperating revenues (expenses)	<u>(13,535)</u>	<u>382,497</u>	<u>(396,032)</u>
Change in net position before capital contributions.	(918,903)	70,055	(988,958)
Capital contributions	-	129,174	(129,174)
Transfers in of blended component units	7,025,330	-	7,025,330
Change in net position	<u>6,106,427</u>	<u>199,229</u>	<u>5,907,198</u>
Total net position - beginning	<u>21,581,310</u>	<u>21,382,081</u>	<u>199,229</u>
Total net position - ending	<u>\$ 27,687,737</u>	<u>\$ 21,581,310</u>	<u>\$ 6,106,427</u>

Financial Analysis (continued)

Total Operating Revenue increased by \$5,043,156 due to an increase of \$2,060,692 in other revenues and an increase of \$2,982,464 in HUD revenues. The increase in other revenue was primarily due to developer fees the Authority earned in the prior year. The increase in HUD revenues was primarily due to an increase in assisted families in the Housing Choice Voucher program.

Total Operating Expenses increased by \$5,636,082 during 2020 as compared to 2019. This is primarily the result of the increase in housing assistance payments, maintenance, administrative, and depreciation expenses. These increases were mainly driven by including LPHC as a blended component unit in 2020.

Interest Income decreased by \$176,570 primarily due to closing of HOPE VI, and associated notes receivables.

Capital Contributions decreased by \$129,174 primarily due to multi-year grants being fully spent in the prior year.

Capital Asset and Debt Activity

At the end of fiscal year 2020, the Authority's net capital assets increased by \$17,356,170. The net change was due to the transfer of \$17,858,137 of capital assets from blending LPHC, along with current year additions of \$463,155. These additions were offset by depreciation expense of \$965,123. The accompanying financial statements include a detailed roll forward of capital assets in Note B-3.

At the end of the fiscal year 2020, the Authority had debt of \$2,499,084, of which the entire balance is classified as noncurrent except for \$81,698 of the vehicle lease and TD bank loan.

Factors Affecting Next Year's Budget

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

Economic Factors

Significant economic factors affecting the Authority are as follows:

- Federal funding provided by Congress to the Department of Housing and Urban Development;
- Local labor supply and demand, which can affect salary and wage rates;
- Local inflationary, recessionary and employment trends, which can affect resident incomes and therefore the amount of rental income as well as housing assistance payments to landlords;
- Inflationary pressure on utility rates, housing costs, supplies and other costs;
- Current trends in the housing market; and
- The recent COVID 19 pandemic may affect the future rental market.

Lakeland Housing Authority

STATEMENT OF NET POSITION

December 31, 2020

ASSETS

CURRENT ASSETS

Cash - unrestricted	\$ 2,899,454
Cash - restricted	2,644,232
Receivables, net	374,710
Due from HUD	9,922
Assets held for sale	255,473
Prepaid expenses	256,158
Total current assets	6,439,949

NONCURRENT ASSETS

Cash - restricted	127,147
Capital assets, net	19,925,259
Other assets, net	101,866
Accrued interest receivable from related parties - restricted	606,492
Developer fee receivable from related parties - restricted	1,342,984
Notes receivable from related parties - restricted	2,539,593
Other notes and loans receivable - restricted	741,815
Total noncurrent assets	25,385,156
Total assets	31,825,105

LIABILITIES

CURRENT LIABILITIES

Current portion of vehicle lease	34,585
Current portion of long term debt	47,113
Accounts payable	201,352
Accrued salaries and benefits	113,728
Accrued compensated absences	45,503
Tenant security deposits	117,908
Family self-sufficiency escrow	26,337
Unearned revenue	58,837
Other current liabilities	451,100
Total current liabilities	1,096,463

NONCURRENT LIABILITIES

Long-term debt	2,430,271
Vehicle lease	96,517
Accrued compensated absences	84,504
Family self-sufficiency escrow	154,800
Other noncurrent liabilities	274,813
Total noncurrent liabilities	3,040,905
Total liabilities	4,137,368

NET POSITION

Net investment in capital assets	17,716,773
Restricted	7,666,735
Unrestricted	2,304,229
Total net position	\$ 27,687,737

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

Lakeland Housing Authority

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

For the year ended December 31, 2020

OPERATING REVENUES	
HUD operating revenues	\$ 14,994,147
Other government operating grants	451,474
Tenant revenue, net	1,967,193
Other operating revenue	1,485,674
Total operating revenues	<u>18,898,488</u>
OPERATING EXPENSES	
Administrative	3,979,425
Tenant services	681,556
Utilities	279,348
Maintenance	1,963,007
General	1,259,262
Depreciation	965,123
Housing assistance payments	10,676,135
Total operating expenses	<u>19,803,856</u>
OPERATING LOSS	<u>(905,368)</u>
NONOPERATING REVENUES (EXPENSES)	
Loss on disposal of capital assets	(50,916)
Interest income	214,251
Interest expense	(176,870)
Total nonoperating revenues (expenses)	<u>(13,535)</u>
Change in net position before transfer	(918,903)
CHANGE IN PRESENTATION	
Transfer in of blended component units (Note B-14)	<u>7,025,330</u>
CHANGE IN NET POSITION	6,106,427
Total net position - beginning of year	<u>21,581,310</u>
Total net position - end of year	<u><u>\$ 27,687,737</u></u>

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

Lakeland Housing Authority

STATEMENT OF CASH FLOWS

For the year ended December 31, 2020

CASH FLOWS FROM OPERATING ACTIVITIES

HUD operating grants received	\$ 15,242,840
Other government operating grants received	613,725
Collections from tenants	1,981,119
Collections from other sources	3,647,146
Payments to employees	(2,961,764)
Payments to suppliers	(5,273,004)
Housing assistance payments	<u>(10,737,958)</u>
Net cash provided by operating activities	<u>2,512,104</u>

CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES

Purchase of property and equipment	(450,601)
Other activity	382,801
Proceeds from the sale of capital assets	232,042
Payments on vehicle lease	(33,991)
Interest paid	<u>(176,870)</u>
Net cash provided by capital and related financing activities	<u>(46,619)</u>

CASH FLOWS FROM INVESTING ACTIVITIES

Interest received	4,825
Interest received on notes receivable - restricted	209,427
Transfer in of Blended Component Units (Note B-14)	716,322
Collection of notes receivable	22,011
Investment in notes receivable	<u>(19,707)</u>
Net cash provided by investing activities	<u>932,878</u>

NET INCREASE IN CASH 3,398,363

CASH AT BEGINNING OF YEAR 2,272,470

CASH AT END OF YEAR \$ 5,670,833

RECONCILIATION TO STATEMENT OF NET POSITION

Cash - unrestricted	\$ 2,899,454
Cash - restricted current	2,644,232
Cash - restricted noncurrent	<u>127,147</u>
	<u><u>\$ 5,670,833</u></u>

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

Lakeland Housing Authority

STATEMENT OF CASH FLOWS (continued)

For the year ended December 31, 2020

**RECONCILIATION OF OPERATING LOSS TO NET
CASH PROVIDED BY OPERATING ACTIVITIES**

Operating loss	\$ (905,368)
Adjustments to reconcile operating loss to net cash provided by operating activities	
Depreciation	965,123
Change in provision for uncollectible accounts	19,269
(Increase) decrease in assets:	
Receivables, net	1,191,114
Due from HUD	248,693
Prepaid expenses	(156,880)
Other assets, net	304,638
Developer fee receivable from related parties - restricted	594,216
Increase (decrease) in liabilities:	
Accounts payable	137,525
Accrued salaries and benefits	50,620
Accrued compensated absences	29,985
Tenant security deposits	80,858
Unearned revenue	32,127
Other current liabilities	(17,993)
Family self-sufficiency escrow	(61,823)
Net cash provided by operating activities	<u>\$ 2,512,104</u>

SUPPLEMENTAL DISCLOSURE OF NON-CASH INFORMATION

Transfer in of non-cash balance sheet accounts from blended component units (see Note B-14)	<u>\$ 6,309,007</u>
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The accompanying notes are an integral part of these financial statements.

Lakeland Housing Authority

NOTES TO BASIC FINANCIAL STATEMENTS

For the year ended December 31, 2020

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1. Reporting entity

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

The Authority is a related organization of the City of Lakeland, Florida (the "City") since the Board of Commissioners (the "Board") of the Authority consists of seven members who are appointed by the Mayor of the City with the approval of the City Commission. However, for financial reporting purposes, the Authority is not a component unit of the City, as defined in Governmental Accounting Standards Board's *Codification of Governmental Accounting and Financial Reporting Standards* ("GASB Codification"), *Section 2100, Defining the Financial Reporting Entity*, as the Board independently oversees the Authority's operations.

The definition of the reporting entity as defined by GASB Codification Section 2100 is based primarily on the notion of financial accountability. A primary government is financially accountable for the organizations that make up its legal entity. It is also financially accountable for legally separate organizations if its officials appoint a voting majority of an organization's governing body and it is able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits to, or to impose specific financial burdens on, the primary government.

Blended component units

Some component units, despite being legally separate from the primary government, are so integrated with the primary government that they are in substance part of the primary government and are therefore blended with the primary government. The Authority's operations include eleven (11) blended component units, which are included in the basic financial statements and consist of legally separate entities for which the Authority is financially accountable and that have the same governing board as the Authority. The blended component units are as follows:

- Polk County Housing Developers, Inc.
- West Lake Management, LLC.
- Renaissance at Washington Ridge Master Association, Inc.
- Bonnet Shores GP, Inc.
- Polk County Housing, Inc. (limited activity in fiscal year 2020).
- West Lake Realty, Inc. (limited activity in fiscal year 2020).
- Arbor Manor LTD, LLLP (limited activity in fiscal year 2020).
- Heritage Oaks at Renaissance Development, LLC (no activity in fiscal year 2020).
- West Bartow GP, Inc. (no activity in fiscal year 2020).
- Dakota GP, Inc. (no activity in fiscal year 2020).

Lakeland Housing Authority

NOTES TO BASIC FINANCIAL STATEMENTS

For the year ended December 31, 2020

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

1. Reporting entity (continued)

Blended component units (continued)

- Lakeland - Polk Housing Corporation (“LPHC”) and subsidiaries
 - Dakota Park Limited Partnership, LLLP (“Dakota Park”).
 - Renaissance at Washington Ridge LTD, LLLP (“Renaissance”).
 - Williamstown, LLLP (“Williamstown”).
 - LPHC 2, Inc (limited activity in fiscal year 2020).

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

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

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

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

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

Lakeland Housing Authority

NOTES TO BASIC FINANCIAL STATEMENTS

For the year ended December 31, 2020

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

1. Reporting entity (continued)

Blended component units (continued)

All of the above component units are related Florida Corporations, except for Arbor Manor LTD, LLLP which is a Florida Limited Liability Limited Partnership. These entities were created as instrumentalities of the Authority for the purpose of providing and developing affordable housing opportunities or implementing housing policies and programs.

Related organizations

In accordance with GASB Codification Section 2100, the following entities are not considered to be component units of the Authority because they are regulated by a partnership agreement or have independent governing boards, and the Authority is not financially accountable for their activities. See Notes B-4 and B-8 for activity associated with these entities.

The Authority is related to the following organizations:

West Bartow Partnership LTD, LLLP ("West Bartow") - a Florida Limited Liability Limited Partnership formed on March 27, 2007 to be a low income elderly housing provider. The General Partner of West Bartow is LPHC. The Special Limited Partner is West Bartow GP, Inc. (a blended component unit). The initial Limited Partner was the Authority, who was previously replaced by SunAmerica Housing Fund, the Equity Investor (Syndicator). The developer is Polk County Housing Developers, Inc. (a blended component unit).

The Executive Director of the Authority, as President of the General Partner, manages the operations of West Bartow.

The Authority provides certain operational and administrative support functions for West Bartow on a cost reimbursement basis. The Authority has a developer fee receivable of \$1,336,693 outstanding from West Bartow at December 31, 2020.

Lakeland Housing Authority

NOTES TO BASIC FINANCIAL STATEMENTS

For the year ended December 31, 2020

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

1. Reporting entity (continued)

Related organizations (continued)

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

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

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

The Authority provides all operational and administrative support functions for Bonnet Shores on a cost reimbursement basis. The Authority has a note receivable of \$1,009,877 and accrued interest of \$606,492 from Bonnet Shores at December 31, 2020.

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

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

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

The Authority provides all operational and administrative support functions for Colton Meadow on a cost reimbursement basis. In addition, the Authority has provided a portion of their earned developer fees to fund an operating deficit reserve as well as to cover various development expenses over time. As a result of this activity, the Authority has notes receivable from Colton Meadow in the amount of \$813,746 at December 31, 2020.

Lakeland Housing Authority

NOTES TO BASIC FINANCIAL STATEMENTS

For the year ended December 31, 2020

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

1. Reporting entity (continued)

Related organizations (continued)

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

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

2. Government-wide and fund financial statements

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

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

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

Lakeland Housing Authority

NOTES TO BASIC FINANCIAL STATEMENTS

For the year ended December 31, 2020

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

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

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

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

3. Measurement focus and basis of accounting

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

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

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

As provided by GASB Codification Section P80.115, *Proprietary Fund Accounting and Financial Reporting: Defining Operating Expenses*, and related guidance, tenant revenue is reported net of bad debt expense of \$19,269.

Lakeland Housing Authority

NOTES TO BASIC FINANCIAL STATEMENTS

For the year ended December 31, 2020

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4. Summary of programs

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

Low Rent Public Housing Programs

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

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

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

Central Office Cost Center

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

Housing Assistance Payments (“HAP”) Programs

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

5. Assets, liabilities and net position

a. *Cash and cash equivalents*

For purposes of the statement of cash flows, the Authority considers all unrestricted highly liquid investments with original maturities of three months or less to be cash equivalents. Accordingly, the Authority does not have any cash equivalents as of December 31, 2020.

Lakeland Housing Authority

NOTES TO BASIC FINANCIAL STATEMENTS

For the year ended December 31, 2020

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

5. Assets, liabilities and net position (continued)

b. *Receivables*

Receivables consist of revenues earned and not yet received, such as revenue from tenants, management fees and development activities. Amounts due from HUD represent reimbursable expenses or grant subsidies earned that have not been collected as of December 31, 2020. Allowances are determined by management based on the specific accounts and prior experience (see Note B-2).

c. *Assets held for sale*

Assets held for sale consists of two single family homes which were part of the Authority's HOME Ownership program with a total cost of \$255,473. Qualifying residents are able to purchase these homes, and will receive other financial incentives such as a forgivable second mortgage, after completing the ten year occupancy test.

d. *Notes receivable, restricted*

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

e. *Capital assets*

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

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

Buildings and improvements	15 - 40 years
Equipment - dwelling and administrative	5 - 7 years
Infrastructure	40 years

Lakeland Housing Authority

NOTES TO BASIC FINANCIAL STATEMENTS

For the year ended December 31, 2020

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

5. Assets, liabilities and net position (continued)

f. Impairment of long-lived assets

The Authority evaluates events or changes in circumstances affecting long-lived assets to determine whether an impairment of its assets has occurred. If the Authority determines that a long-lived asset is impaired, and that the impairment is significant and other-than-temporary, then an impairment loss will be recorded in the Authority's financial statements. Management has determined that there were no impairments as of December 31, 2020.

g. Tenant security deposits

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

h. Accrued compensated absences

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

i. Unearned revenue

Unearned revenue includes amounts collected before revenue recognition criteria are met. As of December 31, 2020, unearned revenue consists of \$22,354 of prepaid rents and \$36,483 of prepaid subsidy for CARES Act funding.

j. Eliminations

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

i). Interprogram due to/from

In the normal course of operations, certain programs pay for operating shortfalls of other programs as well as common costs which creates interprogram receivables or payables. As of December 31, 2020, the interprogram receivables and payables net to zero and \$371,896 are eliminated for the presentation of the Authority as a whole.

Lakeland Housing Authority

NOTES TO BASIC FINANCIAL STATEMENTS

For the year ended December 31, 2020

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

5. Assets, liabilities and net position (continued)

j. *Eliminations (continued)*

ii). *Fees for service*

The Authority's COCC internally charges fees to the AMPs and programs of the Authority for services rendered. These charges include management, book-keeping, and asset management fees. For financial reporting purposes \$582,330 of fees for service have been eliminated for the year ended December 31, 2020.

iii). *Eliminations for the blending LPHC*

The Authority presented LPHC and its fully owned partnerships as a blended component unit for the current year. The transactions between the Authority at large and the new blended component unit were eliminated for presentation purposes. These eliminations consisted of:

- \$303,000 of accounts receivable - PHA projects
- \$65,458 of account receivable
- \$2,207,111 of non-current notes, loans, and mortgages receivable
- \$1,168,484 of other assets
- \$634,120 of loan liabilities
- \$1,912,762 of accrued liabilities
- \$1,197,171 of noncurrent liabilities

iv). *Other fees*

\$508,435 of other fees and revenues were eliminated.

v). *Eliminations for the HOPE VI closeout*

\$4,519,180 was transferred from HOPE VI to the housing authority projects as part of the program closeout.

Lakeland Housing Authority

NOTES TO BASIC FINANCIAL STATEMENTS

For the year ended December 31, 2020

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

5. Assets, liabilities and net position (continued)

k. *Net position*

In accordance with GASB Codification Section 1800.155, *Reporting Net Position in Government-Wide Financial Statements*, total equity is classified into three components of net position:

i). *Net investment in capital assets*

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

ii). *Restricted net position*

This category consists of net position restricted in its use by (1) external groups such as grantors, creditors or laws and regulations of other governments; or (2) law through constitutional provisions or enabling legislation. The statement of net position of the Authority reports \$7,666,735 of restricted net position which consists of the following:

- \$3,281,408 of mortgage notes receivable and \$606,492 of accrued interest associated with the loans. The loans were originally funded with HOPE VI funds and are considered restricted upon repayment by HUD guidelines (see Note B-4);
- \$2,318,443 in restricted cash for the following items:
 - Reserve replacement \$68,937
 - Renaissance Reserve Escrow \$2,123,567
 - Other restricted cash \$125,939
- \$1,342,984 of developer fee receivable from related parties; and
- \$117,408 of voucher HAP reserves.

iii). *Unrestricted net position*

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

Lakeland Housing Authority

NOTES TO BASIC FINANCIAL STATEMENTS

For the year ended December 31, 2020

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

6. Budgets

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

7. Income taxes

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

The Authority's blended component units account for income taxes in accordance with Financial Accounting Standards Board Accounting Standards Codification ("FASB ASC") 740, *Income Taxes*, which clarifies the accounting and disclosure requirements for uncertainty in tax positions. It requires a two-step approach to evaluate tax positions and determine if they should be recognized in the financial statements. The two-step approach involves recognizing any tax positions that are "more likely than not" to occur and then measuring those positions to determine if they are recognizable in the financial statements. Management regularly reviews and analyzes all tax positions and has determined no aggressive tax positions have been taken.

For the fiscal year ended December 31, 2020, the blended component units did not have any outstanding income taxes paid or outstanding. The income tax filings of the Authority's blended component units are subject to audit by various taxing authorities. The open audit periods for these entities are 2017 through 2020.

8. Leasing activities

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

Revenues associated with these leases are recorded in the accompanying basic financial statements and related schedules within tenant revenue.

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

Lakeland Housing Authority

NOTES TO BASIC FINANCIAL STATEMENTS

For the year ended December 31, 2020

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

8. Leasing activities (continued)

In addition, the Authority is the lessor under a ground lease to a to the blended component unit, Williamstown. The ground lease is for 99 years. The lease provides for annual rent of \$1. In addition, the Partnership is to pay all operating costs, including taxes and insurance, of the property.

9. Use of estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

10. Impact of recently issued accounting principles

In June 2017, the GASB issued Statement No. 87, *Leases*, which establishes a single model for lease accounting. This statement is effective for the Authority's December 31, 2022 fiscal year end. Management has early implemented this GASB Statement (see Note B-5-b).

NOTE B - DETAILED NOTES

1. Deposits

As of December 31, 2020, the Authority's cash consists of deposits with a book balance of \$2,799,869.

The Authority's deposits are insured by the Federal Depository Insurance Corporation ("FDIC") for up to \$250,000. Monies invested in amounts greater than the insurance coverage are secured by the qualified public depositories pledging securities with the State Treasurer in such amounts required by the Florida Security for Public Deposits Act. In the event of a default or insolvency of a qualified public depositor, the State Treasurer will implement procedures for payment of losses according to the validated claims of the Authority pursuant to Section 280.08, Florida Statutes.

Lakeland Housing Authority

NOTES TO BASIC FINANCIAL STATEMENTS

For the year ended December 31, 2020

NOTE B - DETAILED NOTES (continued)

1. Deposits (continued)

Financial institutions must meet the criteria of being a Qualified Public Depository as described in the Florida Security for Public Deposits Act, under Chapter 280, Florida Statutes, before any investments are made with those institutions.

In accordance with GASB Codification Section C20, *Cash Deposits with Financial Institutions*, the Authority's exposure to risk is disclosed as follows:

Credit Risk - is the risk that an issuer or other counterparty will fail to meet its obligations in accordance with agreed terms. It is the Authority's policy to follow the HUD regulations by only having direct investments and investments through mutual funds to direct obligations, guaranteed obligations, or obligations of the agencies in the United States of America. As of December 31, 2020, the Authority mitigated their exposure to credit risk by following HUD regulations.

Custodial Credit Risk - is the risk that in the event of a bank failure, the Authority's deposits may not be returned. The Authority's deposit policy for custodial credit risk requires collateral to be held in the Authority's name by its agent or by the bank's trust department. The Authority's deposits are also insured by the Federal Depository Insurance Corporation up to \$250,000 per financial institution, per depositor. As of December 31, 2020, none of the Authority's total balances held in banks and financial institutions were exposed to custodial credit risk, as all were either fully insured or collateralized.

Lakeland Housing Authority

NOTES TO BASIC FINANCIAL STATEMENTS

For the year ended December 31, 2020

NOTE B - DETAILED NOTES (continued)

1. Deposits (continued)

Restricted cash

Cash was restricted for the following purposes at December 31, 2020:

Current:	
LPHC maintenance reserves	\$ 2,151,220
LPHC reserves	167,223
Voucher HAP reserves	117,408
Security deposits	117,908
HCV Cares Act	36,483
HCV Family Self-Sufficiency escrows	26,337
Total current restricted cash	2,616,579
Noncurrent:	
HCV Family Self-Sufficiency escrows	86,208
LPHC Family Self-Sufficiency escrows	27,653
Public Housing Family Self-Sufficiency escrows	40,939
Total noncurrent restricted cash	154,800
Total restricted cash	\$ 2,771,379

2. Receivables

As of December 31, 2020, receivables, net consist of:

Fraud receivables	\$ 26,881
Tenant receivables	381,082
Portability receivables	28,407
Due from HUD other projects	9,922
Miscellaneous receivables	195,206
Total receivables	641,498
Allowance for doubtful accounts - tenants	(256,866)
	\$ 384,632

Lakeland Housing Authority

NOTES TO BASIC FINANCIAL STATEMENTS

For the year ended December 31, 2020

NOTE B - DETAILED NOTES (continued)

3. Capital assets

A summary of changes in capital assets is as follows:

	Balance at January 1, 2020	Transfers in/ Additions	Transfers out/ Deletions	Balance at December 31, 2020
Non-depreciable:				
Land	\$ 1,466,869	\$ 331,359	\$ -	\$ 1,798,228
Construction in progress	47,893	-	-	47,893
Total non-depreciable	<u>1,514,762</u>	<u>331,359</u>	<u>-</u>	<u>1,846,121</u>
Depreciated:				
Buildings and improvements	10,323,822	22,035,100	-	32,358,922
Equipment - administration	1,169,993	728,801	(49,460)	1,849,334
Equipment - dwelling	26,718	160,283	-	187,001
Infrastructure	663,360	6,365,842	-	7,029,202
Total depreciated	<u>12,183,893</u>	<u>29,290,026</u>	<u>(49,460)</u>	<u>41,424,459</u>
Total capital assets	<u>13,698,655</u>	<u>29,621,385</u>	<u>(49,460)</u>	<u>43,270,580</u>
Less accumulated depreciation				
Buildings and improvements	(9,713,096)	(9,339,870)	-	(19,052,966)
Equipment - administration	(807,673)	(871,111)	49,460	(1,629,324)
Equipment - dwelling	(26,718)	-	-	(26,718)
Infrastructure	(582,079)	(2,054,234)	-	(2,636,313)
Total accumulated depreciation	<u>(11,129,566)</u>	<u>(12,265,215)</u>	<u>49,460</u>	<u>(23,345,321)</u>
Capital assets, net	<u>\$ 2,569,089</u>	<u>\$ 17,356,170</u>	<u>\$ -</u>	<u>\$ 19,925,259</u>

During the year LPHC was blended into the Authority. As part of this transaction \$11,300,090 of accumulated depreciation and \$29,181,138 of fixed assets were added in the current year see (Note B-14).

4. Notes, accrued interest and developer fees receivable

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

Lakeland Housing Authority

NOTES TO BASIC FINANCIAL STATEMENTS

For the year ended December 31, 2020

NOTE B - DETAILED NOTES (continued)

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

When the notes are paid back they will be considered restricted program income to be used for similar project developments in the future. As of December 31, 2020, all of the notes receivable, associated interest, and developer fees are classified as restricted. The following is a summary of the changes in the notes receivable for the year ended December 31, 2020:

	Balance at January 1, 2020	Additions	Payments/ Deletions	Balance at December 31, 2020
Amounts due from related parties:				
LPHC promissory note	315,970	-	-	315,970
Renaissance mortgage note - HOPE VI	2,200,000	-	(2,200,000)	-
Renaissance accrued interest - HOPE VI	925,769	-	(925,769)	-
Villas at Lake Bonnet mortgage note	1,009,877	-	-	1,009,877
Villas at Lake Bonnet accrued interest	530,751	75,741	-	606,492
Colton Meadow mortgage note	450,845	-	-	450,845
Colton Meadow developer fee	5,382	-	(5,382)	-
Colton Meadow promissory note	362,901	-	-	362,901
West Bartow developer fee	1,336,693	-	-	1,336,693
West Bartow CRA note	400,000	-	-	400,000
Twin Lakes Estates developer fee	328,112	-	(321,821)	6,291
Subtotal of amounts due from related parties	<u>7,866,300</u>	<u>75,741</u>	<u>(3,452,972)</u>	<u>4,489,069</u>
Other notes and loans receivable:				
Second mortgages	493,119	19,707	(22,011)	490,815
Third mortgages	251,000	-	-	251,000
Subtotal of other	<u>744,119</u>	<u>19,707</u>	<u>(22,011)</u>	<u>741,815</u>
Total	<u>\$ 8,610,419</u>	<u>\$ 95,448</u>	<u>\$ (3,474,983)</u>	<u>\$ 5,230,884</u>
Total by category:				
Notes receivable from related parties - restricted	\$ 4,739,593	\$ -	\$ (2,200,000)	\$ 2,539,593
Other notes and loans receivable - restricted	744,119	19,707	(22,011)	741,815
Accrued interest - restricted	1,456,520	75,741	(925,769)	606,492
Developer fee - restricted	1,670,187	-	(327,203)	1,342,984
Total	<u>\$ 8,610,419</u>	<u>\$ 95,448</u>	<u>\$ (3,474,983)</u>	<u>\$ 5,230,884</u>

Lakeland Housing Authority

NOTES TO BASIC FINANCIAL STATEMENTS

For the year ended December 31, 2020

NOTE B - DETAILED NOTES (continued)

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

a. *LPHC*

As part of an agreement with LPHC, the Authority has advanced funds to LPHC in prior years in the amount of \$315,970 to fund operations, this note is noninterest bearing with no repayment terms. As of December 31, 2020, the amount outstanding was \$315,970.

b. *Renaissance at Washington Ridge LTD, LLLP ("Renaissance")*

As part of a mixed finance arrangement, the Authority has executed a mortgage note with Renaissance whereby the Authority has loaned the partnership \$2,200,000 in order to enable the partnership to rehabilitate, develop and equip the Washington Park Apartments and Lake Ridge Apartments. The full balance of this mortgage note and its associated accrued interest receivable was forgiven as of at December 31, 2020.

c. *Bonnet Shores, LLLP ("Bonnet Shores")*

On May 27, 2010, as part of a mixed finance arrangement, the Authority has executed a mortgage note with Bonnet Shores whereby the Authority is lending the partnership a maximum of \$2,200,000 in order to enable the partnership to rehabilitate, develop and equip the Lake Bonnet Apartments. The Authority has an outstanding balance from Bonnet Shores of \$1,009,877 as of December 31, 2020. The mortgage is subordinated to a first mortgage held by a bank. The mortgage bears interest at 7.5% per annum. Commencing on July 1, 2010, and continuing on the first of each month thereafter until the date of the fourth installment of the Investment Limited Partner's capital contribution, interest only payments are to be paid. After the fourth installment, payments of interest and principal shall be paid out of available cash flow with a maturity date 30 years after the date of the fourth installment. As of December 31, 2020, there was \$606,492 of unpaid accrued interest receivable related to this mortgage.

Lakeland Housing Authority

NOTES TO BASIC FINANCIAL STATEMENTS

For the year ended December 31, 2020

NOTE B - DETAILED NOTES (continued)

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

d. *Colton Meadow, LLLP ("Colton Meadow")*

On April 28, 2010, as part of a mixed finance arrangement, the Authority has executed a mortgage note with Colton Meadow whereby the Authority is lending the Partnership a maximum of \$1,113,378 in order to enable the Partnership to rehabilitate, develop and equip the Colton Meadow Villas. The Authority has an outstanding balance from Colton Meadow of \$450,845 as of December 31, 2020. The mortgage bears interest at 7.5% per annum. Commencing on the first of the month following the date that Colton Meadow meets stabilization, as established by Florida Housing Finance Corporation in connection with its tax credit assistance program loan, and continuing until the maturity date, installments of principal and interest shall be due monthly in the amount of \$7,785.

The entire outstanding principal sum, together with all accrued and unpaid interest shall be due and payable in full on the date which is 30 years after stabilization. There was no unpaid accrued interest receivable related to this mortgage at December 31, 2020.

The Authority also earned a developer fee in prior years in the amount of \$1,749,460 from Colton Meadow, and as of December 31, 2020, the remaining \$5,382 was paid out in the current year.

In addition, the Authority advanced funds to Colton Meadow in prior years in the amount of \$1,293,641 to fund operations, pay debt, and fund reserves, this note is noninterest bearing with no repayment terms. As of December 31, 2020, the amount outstanding was \$362,901.

Lakeland Housing Authority

NOTES TO BASIC FINANCIAL STATEMENTS

For the year ended December 31, 2020

NOTE B - DETAILED NOTES (continued)

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

e. West Bartow LTD., LLLP (“West Bartow”)

The Authority earned a developer fee in prior years in the amount of \$2,161,102 from West Bartow which has an outstanding balance of \$1,336,693 at December 31, 2020 and which is to be paid from future available cash flow of the project.

On June 30, 2008, the Authority has executed a mortgage note with West Bartow whereby the Authority is lending the partnership \$400,000 in order to enable the partnership to rehabilitate, develop and equip an apartment complex called the Manor at West Bartow (the “Project”). The Authority has an outstanding balance from West Bartow of \$400,000 as of December 31, 2020. The mortgage is subordinated to a fourth mortgage held by a bank. The mortgage bears interest at 0% per annum. The note is non amortizing. The note is anticipated to be forgiven on June 30, 2028, assuming all obligations under the note are satisfied and the Project has remained in compliance with the Extended Use Agreement.

f. Twin Lakes Estates

The Authority earned a developer fee in the amount of \$508,322 from the Housing Trust Group, LLC for the development of Twin Lakes Estates, of which \$6,291 is outstanding at December 31, 2020 and which is to be paid from future available cash flow of the project.

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

g. Second mortgages

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

Lakeland Housing Authority
NOTES TO BASIC FINANCIAL STATEMENTS
For the year ended December 31, 2020

NOTE B - DETAILED NOTES (continued)

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

h. Third mortgages

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

5. Noncurrent liabilities

The following is a summary of the changes in noncurrent liabilities for the year ended December 31, 2020:

	Payable at January 1, 2020	Additions	Reductions	Payable at December 31, 2020	Due Within One Year
Vehicle lease	\$ 143,393	\$ 21,700	\$ (33,991)	\$ 131,102	\$ 34,585
Due to affiliates	-	190,035	-	190,035	-
Due to TCG Lakeland Associates, LLC ("TCGL")	-	84,778	-	84,778	-
CRA Loan	-	400,000	-	400,000	-
Mortgage Payable - TD Bank, N.A	-	2,077,384	-	2,077,384	47,113
Compensated absences	100,022	117,216	(87,231)	130,007	45,503
Family self-sufficiency escrows	180,053	89,532	(88,448)	181,137	26,337
Total noncurrent liabilities	<u>\$ 423,468</u>	<u>\$ 2,980,645</u>	<u>\$ (209,670)</u>	<u>\$ 3,194,443</u>	<u>\$ 153,538</u>

During the year LPHC was blended into the Authority. As part of this transaction \$2,252,197 of long term liabilities were added in the current year see (Note B-14).

Lakeland Housing Authority

NOTES TO BASIC FINANCIAL STATEMENTS

For the year ended December 31, 2020

NOTE B - DETAILED NOTES (continued)

5. Noncurrent liabilities (continued)

a. *Vehicle lease*

On September 26, 2019, the Authority entered into a Vehicle Lease agreement with Enterprise Management Fleet, Inc as lessee for the financing of a fleet of vehicles for the Authority's operational use. The Authority has implemented GASB Statement No. 87, *Leases*, for accounting purposes and, therefore, this lease agreement has been recorded at present value of fixed minimum lease payments as of the commencement date, October 18, 2019. The lease expires in September 2024 and has an annual interest rate of 1.25%. The accompanying financial statements include the interest expense of \$1,624 related to this lease. The carrying value of the assets was \$165,093 with accumulated amortization of \$33,927 as of December 31, 2020. Amortization of leased equipment recorded under capital assets is included with depreciation expense. The future minimum lease obligations and the net present value of these minimum lease payments as of December 31 are as follows:

Year-Ended	Principal	Interest	Total Lease Payment
2021	\$ 34,585	\$ 967	\$ 35,552
2022	35,078	474	35,552
2023	35,398	154	35,552
2024	26,041	14	26,055
Total	\$ 131,102	\$ 1,609	\$ 132,711

b. *Due to affiliates*

On August 15, 2005, LHA advanced \$44,552 to affiliates in relation to closing costs. The note is unsecured and bears no interest. The note was partially repaid in the amount of \$23,410. As of December 31, 2020, the outstanding balance of the note was \$21,141.

LHA advanced funds to affiliates for operations. These advances are unsecured and do not bear interest. As of December 31, 2020, the outstanding balances due to LHA were \$19,034. Such amounts will be repaid as funds become available.

On December 1, 2018, \$149,860 was advanced to affiliates by LHA. The advance is interest bearing, with an applicable interest rate of 3.5% per annum. All outstanding principal, as well as all accrued and unpaid interest, is payable on November 30, 2019. On June 3, 2020, the note was granted an extension.

Lakeland Housing Authority

NOTES TO BASIC FINANCIAL STATEMENTS

For the year ended December 31, 2020

NOTE B - DETAILED NOTES (continued)

5. Noncurrent liabilities (continued)

b. Due to affiliates (continued)

The note now matures on June 17, 2021. As of December 31, 2020, the outstanding balance on the note was \$149,860, and accrued interest was \$6,118. Interest expense was \$5,245 for the years ended December 31, 2020.

c. Due to TCG Lakeland Associates, LLC ("TCGL")

On August 15, 2005, Dakota Park obtained an unsecured loan in the amount of \$84,778 from TCGL. The note bears no interest. As of December 31, 2020, the outstanding balance was \$84,778.

d. CRA Loan

The CRA Loan dated June 30, 2008, was obtained from the City of Bartow by the Authority. The note bears no interest. The note is nonamortizing. The obligation under the loan will be paid back at the maturity date on June 30, 2028. As of December 31, 2020, the outstanding balance was \$400,000. The Authority then passed through this note to West Bartow (Note B-4(e)).

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

During June 2020, TD Bank, N.A. and Renaissance entered into a land agreement in the maximum principal amount of 2,100,000. Pursuant to the terms of the loan, interest accrues at a fixed rate of 2.717% per annum. Renaissance is to make monthly payments of interest and principal of \$8,580 commencing July 15, 2020, and continuing until the maturity date, June 15, 2030, when any unpaid principal and interest are due. The TB Bank, N.A. loan is secured by the property. As of December 31, 2020, the outstanding principal balance was \$2,077,384.

Year-Ended	Principal	Interest	Total Mortgage Payment
2021	\$ 47,113	\$ 55,851	\$ 102,964
2022	48,410	54,554	102,964
2023	49,741	53,223	102,964
2024	50,964	52,000	102,964
2025	52,512	50,452	102,964
2026-2030	1,828,644	208,651	2,037,295
Total	<u>\$ 2,077,384</u>	<u>\$ 474,731</u>	<u>\$ 2,552,115</u>

Lakeland Housing Authority

NOTES TO BASIC FINANCIAL STATEMENTS

For the year ended December 31, 2020

NOTE B - DETAILED NOTES (continued)

6. Pension plan

The Authority maintains two single employer defined contribution plans for the benefit of regular full-time employees. The Plans are administered by the Mass Mutual Financial Group. In a defined contribution plan, benefits depend solely on amounts available in the plan. The Authority's Board of Commissioners is authorized to establish and amend plan provisions. Employees are eligible to participate in the plan after six months of employment and after attaining eighteen years of age. Vesting begins after one year of service and participants become 100% vested after five years. The Authority contributes 4% of the participants' earnings to the plan and the participant contributes 3%. The Authority contributed \$92,040 and employees contributed \$69,030 during the year ended December 31, 2020. During 2020, there were \$12,088 of forfeitures.

7. Risk management

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

Lakeland Housing Authority

NOTES TO BASIC FINANCIAL STATEMENTS

For the year ended December 31, 2020

NOTE B - DETAILED NOTES (continued)

8. Commitments and contingencies

a. *Legal*

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

b. *Grants and contracts*

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

c. *Funds awarded*

The Authority receives funding from HUD through grants and programs to help subsidize the cost of project repairs, improvements and certain operating costs. Unspent funded awards as of December 31, 2020 amounted to the following:

Public Housing Capital Fund Program	\$ 2,326,536
CARES Act Fund Program	<u>36,483</u>
Total unspent funded awards	<u>\$ 2,363,019</u>

d. *Guarantee*

On March 21, 2018, the Authority guaranteed the note payable of West Lake I, Ltd, a related party that owns and operates Twin Lake Estates (see Note B-4-(f)) in order for the affiliate to obtain an AHP Loan from the Federal Home Loan Bank in the amount of \$1,200,000. In 2019, the amount of this guarantee as well as the related loan was amended to \$1,000,000 during permanent financing.

Lakeland Housing Authority

NOTES TO BASIC FINANCIAL STATEMENTS

For the year ended December 31, 2020

NOTE B - DETAILED NOTES (continued)

9. Related parties

The Authority provides all operational and administrative support to several related organizations on a cost reimbursement basis (see Note A-1), as well as funding certain operational and development shortfalls of these entities. Total operating subsidy passed through to all partnerships during the year ended December 31, 2020 was \$624,924.

As of December 31, 2020, the Authority is reporting several receivables and a payable to related parties as described in Note A-1. The Authority has signed mortgage notes, promissory notes and developer agreements with certain related parties as described in Note B-4.

10. Concentrations

For the year ended December 31, 2020, approximately 75% of all revenues and 3% of all receivables are from HUD.

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

11. Financial data schedule

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

12. Subsequent events

Management has evaluated subsequent events through March 31, 2022, the date the financial statements were available to be issued and noted no additional material events occurred that would require disclosure.

Lakeland Housing Authority

NOTES TO BASIC FINANCIAL STATEMENTS

For the year ended December 31, 2020

NOTE B - DETAILED NOTES (continued)

13. Condensed blended component unit information

Condensed component unit information for the Authority's major blended component units as listed in Note A-1 is presented on the following pages. Polk County Housing, Inc., West Lake Realty, Inc., Heritage Oaks at Renaissance Development, LLC, West Bartow GP, Inc. and Dakota GP, Inc. are included in the reporting entity as blended component units however, these entities incurred little or no activity as of December 31, 2020.

Condensed Statement of Net Position

	West Lake Management, LLC	Bonnet Shores GP, Inc.	Renaissance at Washington Ridge Master Association, Inc.	Polk County Housing Developers, Inc.	West Lake Realty, Inc.	LPHC
ASSETS						
Current assets	168,629	-	33	282,061	4,349	3,447,565
Noncurrent assets	62,199	63,520	-	2,037,005	-	17,508,656
TOTAL ASSETS	230,828	63,520	33	2,319,066	4,349	20,956,221
LIABILITIES						
Current liabilities	60,848	406,107	-	-	58,391	2,532,094
Noncurrent liabilities	6,692	-	-	-	-	4,269,342
TOTAL LIABILITIES	67,540	406,107	-	-	58,391	6,801,436
NET POSITION						
Net investment in capital assets	62,199	-	-	-	-	15,031,272
Restricted	-	-	-	2,037,005	-	2,337,243
Unrestricted	101,089	(342,587)	33	282,061	(54,042)	(3,213,730)
TOTAL NET POSITION	\$ 163,288	\$ (342,587)	\$ 33	\$ 2,319,066	\$ (54,042)	\$ 14,154,785

Lakeland Housing Authority

NOTES TO BASIC FINANCIAL STATEMENTS

For the year ended December 31, 2020

NOTE B - DETAILED NOTES (continued)

13. Condensed blended component unit information (continued)

Condensed Statement of Revenues, Expenses and Changes in Net Position

	West Lake Management, LLC	West Lake Realty, Inc.	Arbor Manor LTD, LLLP	Bonnet Shores GP, Inc.	Renaissance at Washington Ridge Master Association, Inc.	Polk County Housing Developers, Inc.	LPHC
OPERATING REVENUES							
Management fees	\$ 715,466	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 24,720
Tenant revenue	-	-	-	-	-	-	1,760,539
Other operating revenue	-	12,151	-	-	-	58,890	111,377
Total operating revenues	<u>715,466</u>	<u>12,151</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>58,890</u>	<u>1,896,636</u>
OPERATING EXPENSES							
Administrative	185,049	71,303	-	-	-	313,960	981,282
Maintenance	269,185	475	-	-	-	12,516	495,544
General	179,449	3,588	191	12,789	-	52,085	386,545
Depreciation	-	-	-	-	-	-	807,063
Total operating expenses	<u>633,683</u>	<u>75,366</u>	<u>191</u>	<u>12,789</u>	<u>-</u>	<u>378,561</u>	<u>2,670,434</u>
OPERATING INCOME (LOSS)	<u>81,783</u>	<u>(63,215)</u>	<u>(191)</u>	<u>(12,789)</u>	<u>-</u>	<u>(319,671)</u>	<u>(773,798)</u>
NONOPERATING REVENUES	<u>241</u>	<u>6</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TRANSFERS							
Transfers in	-	-	382	2,940	-	-	7,903,253
Transfers out	(1,836)	-	-	-	-	(2,639,059)	-
Change in net position	80,188	(63,209)	191	(9,849)	-	(2,958,730)	7,129,455
Total net position - beginning of year	83,100	9,167	(191)	(332,738)	33	5,277,796	7,025,330
Total net position - ending of year	<u>\$ 163,288</u>	<u>\$ (54,042)</u>	<u>\$ -</u>	<u>\$ (342,587)</u>	<u>\$ 33</u>	<u>\$ 2,319,066</u>	<u>\$ 14,154,785</u>

Lakeland Housing Authority
NOTES TO BASIC FINANCIAL STATEMENTS
For the year ended December 31, 2020

NOTE B - DETAILED NOTES (continued)

13. Condensed blended component unit information (continued)

Condensed Statement of Cash Flows

	West Lake Management, LLC	West Lake Realty, Inc.	Arbor Manor LTD, LLLP	Bonnet Shores GP, Inc.	Renaissance at Washington Ridge Master Association, Inc.	Polk County Housing Developers, Inc.	LPHC
NET CASH PROVIDED BY (USED IN):							
Operating activities	\$ 35,310	\$ (4,824)	\$ (382)	\$ (2,940)	\$ -	\$ 2,594,714	\$ 2,102,340
Noncapital financing activities	(1,836)	-	382	2,940	-	(2,639,059)	-
Investing activities	241	6	-	-	-	-	52,302
NET INCREASE (DECREASE)	33,715	(4,818)	-	-	-	(44,345)	2,154,642
Cash at beginning of year	35,385	9,167	-	-	33	208,905	716,322
Cash at end of year	<u>\$ 69,100</u>	<u>\$ 4,349</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 33</u>	<u>\$ 164,560</u>	<u>\$ 2,870,964</u>

14. Change in Presentation of Blended Component Unit

During the fiscal year 2020, LPHC met the requirements to be considered a blended component unit of the Authority (see Note A-1). The transfer of equity resulted in a net increase to net position of \$7,025,330 as follows:

Fixed assets from new BCU	\$ 29,158,230
Accumulated depreciation from BCU	(11,300,090)
Investment in joint ventures eliminated by including BCU	(4,048,028)
Accrued interest for notes receivable	(1,256,582)
Long-term debt	(2,077,384)
Loan liability eliminated by including BCU	303,000
Notes receivable eliminated by including BCU	<u>(4,470,138)</u>
Non-cash transfer items	6,309,008
LPHC Cash transfer	<u>716,322</u>
Beginning equity of BCU	<u><u>\$ 7,025,330</u></u>

SUPPLEMENTARY INFORMATION

Lakeland Housing Authority

FINANCIAL DATA SCHEDULE

For the year ended December 31, 2020

PHA: FL011 FYED: 12/31/2020														
Line Item No.	Account Description	AMP 1 Operating (Various Public Housing Sites) 14.850	AMP 1 Capital (Various Public Housing Sites) 14.872	AMP 2 Operating (Dakota Park) 14.850	AMP 2 Capital (Dakota Park) 14.872	AMP 3 Operating (Renaissance at Washington Ridge) 14.850	AMP 3 Capital (Renaissance at Washington Ridge) 14.872	AMP 4 Operating (Hampton Hills) 14.850	AMP 4 Capital (Hampton Hills) 14.872	AMP 5 Operating (Cottages at Williamstown) 14.850	AMP5 Capital (Cottages at Williamstown) 14.872	AMP 6 Operating (Twin Lakes Estates Phase I) 14.850	AMP 6 Capital (Twin Lakes Estates Phase I) 14.872	Total AMPS
111	Cash - Unrestricted	291,574	-	-	-	-	-	239,518	-	-	-	-	-	531,092
113	Cash - other restricted	40,939	-	-	-	-	-	-	-	-	-	-	-	40,939
114	Cash - Tenant Security Deposits	27,400	-	-	-	-	-	300	-	-	-	-	-	27,700
115	Cash - Restricted for payment of current liability	-	-	-	-	-	-	-	-	-	-	-	-	-
100	Total Cash	359,913	-	-	-	-	-	239,818	-	-	-	-	-	599,731
121	Accounts Receivable - PHA Projects	-	-	-	-	-	-	-	-	-	-	-	-	-
122	Accounts Receivable - HUD Other Projects	9,922	-	-	-	-	-	-	-	-	-	-	-	9,922
125	Accounts Receivable - Miscellaneous	514	-	-	-	-	-	-	-	-	-	-	-	514
126	Accounts Receivable - Tenants - Dwelling Rents	502	-	-	-	-	-	-	-	-	-	-	-	502
126.1	Allowance for Doubtful Accounts - Dwelling Rents	(502)	-	-	-	-	-	-	-	-	-	-	-	(502)
128	Fraud recovery	20,791	-	-	-	-	-	-	-	-	-	-	-	20,791
120	Total Receivables, net of allowances for doubtful accounts	31,227	-	-	-	-	-	-	-	-	-	-	-	31,227
142	Prepaid Expenses and Other Assets	75,315	-	-	-	-	-	2,023	-	-	-	-	-	77,338
144	Interprogram due from	-	-	-	-	-	-	-	-	-	-	-	-	-
145	Assets held for sale	-	-	-	-	-	-	255,473	-	-	-	-	-	255,473
150	Total Current Assets	466,455	-	-	-	-	-	497,314	-	-	-	-	-	963,769
161	Land	1,466,869	-	-	-	-	-	-	-	-	-	-	-	1,466,869
162	Buildings	6,294,510	-	-	-	-	-	-	-	-	-	-	-	6,294,510
163	Furniture, Equipment & Machinery - Dwellings	26,718	-	-	-	-	-	-	-	-	-	-	-	26,718
164	Furniture, Equipment & Machinery - Administration	872,409	-	-	-	-	-	2,249	-	-	-	-	-	874,658
166	Accumulated Depreciation	(11,072,707)	-	-	-	-	-	(2,249)	-	-	-	-	-	(11,074,956)
167	Construction In Progress	47,893	-	-	-	-	-	-	-	-	-	-	-	47,893
168	Infrastructure	4,646,846	-	-	-	-	-	-	-	-	-	-	-	4,646,846
160	Total Fixed Assets, Net of Accumulated Depreciation	2,282,538	-	-	-	-	-	-	-	-	-	-	-	2,282,538
171	Notes, loans, and mortgages receivable - Noncurrent	2,370,214	-	1,393,411	-	-	-	360,607	-	-	-	-	-	4,124,232
174	Other Assets	38,346	-	-	-	-	-	-	-	-	-	-	-	38,346
180	Total Non-Current Assets	4,691,098	-	1,393,411	-	-	-	360,607	-	-	-	-	-	6,445,116
190	Total Assets	5,157,553	-	1,393,411	-	-	-	857,921	-	-	-	-	-	7,408,885

See independent auditor's report.

Lakeland Housing Authority

FINANCIAL DATA SCHEDULE

For the year ended December 31, 2020

PHA: FL011 FYED: 12/31/2020														
Line Item No.	Account Description	AMP 1 Operating (Various Public Housing Sites) 14.850	AMP 1 Capital (Various Public Housing Sites) 14.872	AMP 2 Operating (Dakota Park) 14.850	AMP 2 Capital (Dakota Park) 14.872	AMP 3 Operating (Renaissance at Washington Ridge) 14.850	AMP 3 Capital (Renaissance at Washington Ridge) 14.872	AMP 4 Operating (Hampton Hills) 14.850	AMP 4 Capital (Hampton Hills) 14.872	AMP 5 Operating (Cottages at Williamstown) 14.850	AMP5 Capital (Cottages at Williamstown) 14.872	AMP 6 Operating (Twin Lakes Estates Phase I) 14.850	AMP 6 Capital (Twin Lakes Estates Phase I) 14.872	Total AMPS
312	Accounts Payable <= 90 Days	36,087	-	-	-	-	-	2,414	-	-	-	-	-	38,501
321	Accrued Wage/Payroll Taxes Payable	9,930	-	-	-	-	-	1,221	-	-	-	-	-	11,151
322	Accrued Compensated Absences	2,996	-	-	-	-	-	805	-	-	-	-	-	3,801
341	Tenant Security Deposits	27,400	-	-	-	-	-	300	-	-	-	-	-	27,700
342	Unearned Revenues	2,204	-	-	-	-	-	-	-	-	-	-	-	2,204
343	Current portion of L-T debt - capital projects	-	-	-	-	-	-	-	-	-	-	-	-	-
345	Other current liabilities	-	-	-	-	-	-	-	-	-	-	-	-	-
346	Accrued liabilities - other	15,620	-	-	-	-	-	314	-	-	-	-	-	15,934
347	Interprogram due to	-	-	-	-	-	-	-	-	-	-	-	-	-
310	Total Current Liabilities	94,237	-	-	-	-	-	5,054	-	-	-	-	-	99,291
351	Long-term debt, net of current - capital projects	-	-	-	-	-	-	-	-	-	-	-	-	-
352	Long-Term debt, net of current - operating borrowings	-	-	-	-	-	-	-	-	-	-	-	-	-
353	Noncurrent Liabilities - Other	40,939	-	-	-	-	-	-	-	-	-	-	-	40,939
354	Accrued compensated Absences - Non Current	5,565	-	-	-	-	-	1,495	-	-	-	-	-	7,060
355	Loan liability - noncurrent	303,000	-	-	-	-	-	-	-	-	-	-	-	303,000
350	Total Noncurrent Liabilities	349,504	-	-	-	-	-	1,495	-	-	-	-	-	350,999
300	Total Liabilities	443,741	-	-	-	-	-	6,549	-	-	-	-	-	450,290
508.4	Net investment in capital assets	2,282,538	-	-	-	-	-	-	-	-	-	-	-	2,282,538
511.4	Restricted Net Assets	2,370,214	-	1,393,411	-	-	-	360,607	-	-	-	-	-	4,124,232
512.4	Unrestricted Net Assets	61,060	-	-	-	-	-	490,765	-	-	-	-	-	551,825
513	Total Equity	4,713,612	-	1,393,411	-	-	-	851,372	-	-	-	-	-	6,958,595
600	Total Liabilities and Equity	5,157,553	-	1,393,411	-	-	-	857,921	-	-	-	-	-	7,408,885
70300	Net Tenant Rental Revenue	176,363	-	-	-	-	-	23,636	-	-	-	-	-	199,999
70400	Tenant Revenue - Other	-	-	-	-	-	-	25	-	-	-	-	-	25
70500	Total Tenant Revenue	176,363	-	-	-	-	-	23,661	-	-	-	-	-	200,024
70600	HUD PHA Grants	678,517	1,262,587	95,085	-	418,502	-	15,532	-	111,137	-	49,836	-	2,631,196
70610	HUD PHA Capital Grants	-	-	-	-	-	-	-	-	-	-	-	-	-
70710	Management Fee	-	-	-	-	-	-	-	-	-	-	-	-	-
70720	Asset Management Fee	-	-	-	-	-	-	-	-	-	-	-	-	-
70730	Bookkeeping Fee	-	-	-	-	-	-	-	-	-	-	-	-	-
70750	Other Fees	-	-	-	-	-	-	-	-	-	-	-	-	-
70800	Other government grants	-	-	-	-	-	-	-	-	-	-	-	-	-
71100	Investment Income - Unrestricted	72	-	-	-	-	-	-	-	-	-	-	-	72
71400	Fraud recovery	-	-	-	-	-	-	-	-	-	-	-	-	-
71500	Other revenue	27,106	-	-	-	-	-	517	-	-	-	-	-	27,623
71600	Gain/Loss on Sale of Fixed Assets	49,459	-	-	-	-	-	(100,375)	-	-	-	-	-	(50,916)
72000	Investment income - restricted	109,557	-	-	-	-	-	-	-	-	-	-	-	109,557
70000	Total Revenue	1,041,074	1,262,587	95,085	-	418,502	-	(60,665)	-	111,137	-	49,836	-	2,917,556

See independent auditor's report.

Lakeland Housing Authority

FINANCIAL DATA SCHEDULE

For the year ended December 31, 2020

PHA: FL011 FYED: 12/31/2020														
Line Item No.	Account Description	AMP 1 Operating (Various Public Housing Sites) 14.850	AMP 1 Capital (Various Public Housing Sites) 14.872	AMP 2 Operating (Dakota Park) 14.850	AMP 2 Capital (Dakota Park) 14.872	AMP 3 Operating (Renaissance at Washington Ridge) 14.850	AMP 3 Capital (Renaissance at Washington Ridge) 14.872	AMP 4 Operating (Hampton Hills) 14.850	AMP 4 Capital (Hampton Hills) 14.872	AMP 5 Operating (Cottages at Williamstown) 14.850	AMP5 Capital (Cottages at Williamstown) 14.872	AMP 6 Operating (Twin Lakes Estates Phase I) 14.850	AMP 6 Capital (Twin Lakes Estates Phase I) 14.872	Total AMPS
91100	Administrative Salaries	124,323	-	-	-	-	-	5,559	-	-	-	-	-	129,882
91200	Auditing Fees	45,119	-	-	-	-	-	889	-	-	-	-	-	46,008
91300	Management Fee	108,500	92,410	-	-	-	-	2,342	-	-	-	-	-	203,252
91310	Bookkeeping Fee	8,018	-	-	-	-	-	285	-	-	-	-	-	8,303
91400	Advertising and Marketing	3,292	-	-	-	-	-	-	-	-	-	-	-	3,292
91500	Employee Benefit Contributions - Administrative	49,219	-	-	-	-	-	2,038	-	-	-	-	-	51,257
91600	Office Expenses	66,118	42,119	-	-	-	-	3,457	-	-	-	-	-	111,694
91700	Legal Expenses	13,853	-	-	-	-	-	6,885	-	-	-	-	-	20,738
91800	Travel	2,542	10,563	-	-	-	-	-	-	-	-	-	-	13,105
91900	Other Administrative Expenses	189,957	1,513	-	-	-	-	-	-	-	-	-	-	191,470
92000	Asset Management Fee	10,860	-	-	-	-	-	380	-	-	-	-	-	11,240
92100	Tenant Services - Salaries	-	-	-	-	-	-	-	-	-	-	-	-	-
92300	Employee Benefit Contributions - Tenant Services	-	-	-	-	-	-	-	-	-	-	-	-	-
92400	Tenant Services - Other	458	-	-	-	-	-	-	-	-	-	-	-	458
93100	Water	18,102	-	-	-	-	-	34	-	-	-	-	-	18,136
93200	Electricity	25,094	-	-	-	-	-	106	-	-	-	-	-	25,200
93600	Sewer	28,515	-	-	-	-	-	71	-	-	-	-	-	28,586
93800	Other utilities expense	46,802	-	-	-	-	-	75	-	-	-	-	-	46,877
94100	Ordinary Maintenance and Operations - Labor	86,138	-	-	-	-	-	2,266	-	-	-	-	-	88,404
94200	OMO - Materials and Other	40,648	2,452	-	-	-	-	1,414	-	-	-	-	-	44,514
94300	Ordinary Maintenance and Operations - Contract Costs	127,346	928,711	-	-	-	-	33,252	-	-	-	-	-	1,089,309
94500	Employee Benefit Contributions - Ordinary Maintenance	25,261	-	-	-	-	-	737	-	-	-	-	-	25,998
96110	Property Insurance	16,291	-	-	-	-	-	3,061	-	-	-	-	-	19,352
96120	Liability Insurance	13,975	-	-	-	-	-	-	-	-	-	-	-	13,975
96130	Workmen's Compensation	6,342	-	-	-	-	-	241	-	-	-	-	-	6,583
96140	All Other Insurance	-	-	-	-	-	-	-	-	-	-	-	-	-
96200	Other General Expenses	187,594	-	95,085	-	218,954	-	-	-	111,137	-	49,836	-	662,606
96210	Compensated Absences	8,561	-	-	-	-	-	2,300	-	-	-	-	-	10,861
96300	Payments in Lieu of Taxes	-	-	-	-	-	-	-	-	-	-	-	-	-
96400	Bad Debt - Tenant Rents	92	-	-	-	-	-	1,078	-	-	-	-	-	1,170
96600	Bad Debt - Other	-	-	-	-	-	-	-	-	-	-	-	-	-
96710	Interest of Mortgage (or Bonds) Payable	-	-	-	-	-	-	-	-	-	-	-	-	-
96720	Interest on Notes Payable (Short and Long Term)	-	-	-	-	-	-	-	-	-	-	-	-	-
96900	Total Operating Expenses	1,253,020	1,077,768	95,085	-	218,954	-	66,470	-	111,137	-	49,836	-	2,872,270
97000	Excess Operating Revenue over Operating Expenses	(211,946)	184,819	-	-	199,548	-	(127,135)	-	-	-	-	-	45,286

See independent auditor's report.

Lakeland Housing Authority

FINANCIAL DATA SCHEDULE

For the year ended December 31, 2020

PHA: FL011 FYED: 12/31/2020														
Line Item No.	Account Description	AMP 1 Operating (Various Public Housing Sites) 14.850	AMP 1 Capital (Various Public Housing Sites) 14.872	AMP 2 Operating (Dakota Park) 14.850	AMP 2 Capital (Dakota Park) 14.872	AMP 3 Operating (Renaissance at Washington Ridge) 14.850	AMP 3 Capital (Renaissance at Washington Ridge) 14.872	AMP 4 Operating (Hampton Hills) 14.850	AMP 4 Capital (Hampton Hills) 14.872	AMP 5 Operating (Cottages at Williamstown) 14.850	AMP5 Capital (Cottages at Williamstown) 14.872	AMP 6 Operating (Twin Lakes Estates Phase I) 14.850	AMP 6 Capital (Twin Lakes Estates Phase I) 14.872	Total AMPS
97300	Housing Assistance Payments	-	-	-	-	-	-	-	-	-	-	-	-	-
97400	Depreciation Expense	110,732	-	-	-	-	-	-	-	-	-	-	-	110,732
90000	Total Expenses	1,363,752	1,077,768	95,085	-	218,954	-	66,470	-	111,137	-	49,836	-	2,983,002
10010	Operating transfers in	184,819	-	-	-	-	-	-	-	-	-	-	-	184,819
10020	Operating transfers out	-	(184,819)	-	-	-	-	-	-	-	-	-	-	(184,819)
10040	Operating transfers from/to component unit	(4,463,127)	-	-	-	(3,325,317)	-	(283,521)	-	-	-	-	-	(8,071,965)
10091	Inter Project Excess Cash Transfer In	-	-	-	-	-	-	24,674	-	-	-	-	-	24,674
10092	Inter Project Excess Cash Transfer Out	(24,674)	-	-	-	-	-	-	-	-	-	-	-	(24,674)
10100	Total other financing sources (Uses)	(4,302,982)	(184,819)	-	-	(3,325,317)	-	(258,847)	-	-	-	-	-	(8,071,965)
10000	Excess (deficiency) of total revenue over (under) total expenses	(4,625,660)	-	-	-	(3,125,769)	-	(385,982)	-	-	-	-	-	(8,137,411)
11030	Beginning Equity	9,339,472	-	-	-	-	-	1,237,354	-	-	-	-	-	10,576,826
11040	Prior Period Adjustments, Equity transfer and correction of errors	-	-	1,393,411	-	3,125,769	-	-	-	-	-	-	-	4,519,180
11170	Administrative Fee Equity	-	-	-	-	-	-	-	-	-	-	-	-	-
11180	Housing Assistance Payments Equity	-	-	-	-	-	-	-	-	-	-	-	-	-
11190	Unit Months Available	1,074	-	240	-	1,296	-	40	-	576	-	120	-	3,346
11210	Number of Unit Months Leased	1,069	-	239	-	1,289	-	38	-	574	-	118	-	3,327
11270	Excess Cash	151,546	-	-	-	-	-	229,225	-	-	-	-	-	380,771

See independent auditor's report.

Lakeland Housing Authority

FINANCIAL DATA SCHEDULE

For the year ended December 31, 2020

PHA: FL011 FYED: 12/31/2020																	
Line Item No.	Account Description	Central Office Cost Center	Central Office Cost Center CARES Act Funding	Business Activities	Total Blended Component Units	PHC Public Housing CARES Act Funding	Revitalization of Severely Distressed Public Housing	Housing Choice Voucher Program	Housing Choice Voucher CARES Act Funding	Mainstream Voucher Program	MSCARESstream CARES Act Funding	Family Self-Sufficiency Program	ROSS Program	YouthBuild Program	AmeriCorps Grant	Eliminations	Total Primary Government
111	Cash - Unrestricted	27,395	14.CCC	1,282,350	673,653	-	-	359,158	-	25,355	-	-	-	451	-	-	2,899,454
113	Cash - other restricted	-	-	-	2,346,096	-	-	203,616	36,483	-	-	-	-	-	-	-	2,627,134
114	Cash - Tenant Security Deposits	-	-	950	89,258	-	-	-	-	-	-	-	-	-	-	-	117,908
115	Cash - Restricted for payment of current liability	-	-	-	-	-	-	26,337	-	-	-	-	-	-	-	-	26,337
100	Total Cash	27,395	-	1,283,300	3,109,007	-	-	589,111	36,483	25,355	-	-	-	451	-	-	5,670,833
121	Accounts Receivable - PHA Projects	-	-	-	303,000	-	-	-	-	-	-	-	-	28,407	-	(303,000)	28,407
122	Accounts Receivable - HUD Other Projects	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	9,922
125	Accounts Receivable - Miscellaneous	-	-	55,000	205,150	-	-	-	-	-	-	-	-	-	-	(65,458)	195,206
126	Accounts Receivable - Tenants - Dwelling Rents	-	-	575	38,310	-	-	336,845	-	4,850	-	-	-	-	-	-	381,082
126.1	Allowance for Doubtful Accounts - Dwelling Rents	-	-	-	(25,109)	-	-	(229,720)	-	(1,535)	-	-	-	-	-	-	(256,866)
128	Fraud recovery	-	-	-	471	-	-	5,619	-	-	-	-	-	-	-	-	26,881
120	Total Receivables, net of allowances for doubtful accounts	-	-	55,575	521,822	-	-	112,744	-	3,315	-	-	-	28,407	-	(368,458)	384,632
142	Prepaid Expenses and Other Assets	383	-	-	177,437	-	-	1,000	-	-	-	-	-	-	-	-	256,158
144	Interprogram due from	-	-	371,896	-	-	-	-	-	-	-	-	-	-	-	(371,896)	-
145	Assets held for sale	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	255,473
150	Total Current Assets	27,778	-	1,710,771	3,808,266	-	-	702,855	36,483	28,670	-	-	-	28,858	-	(740,354)	6,567,096
161	Land	-	-	296,687	34,672	-	-	-	-	-	-	-	-	-	-	-	1,798,228
162	Buildings	-	-	42,424	26,021,988	-	-	-	-	-	-	-	-	-	-	-	32,358,922
163	Furniture, Equipment & Machinery - Dwellings	-	-	-	160,283	-	-	-	-	-	-	-	-	-	-	-	187,001
164	Furniture, Equipment & Machinery - Administration	225,449	-	-	683,161	-	-	44,767	-	-	-	-	-	21,299	-	-	1,849,334
166	Accumulated Depreciation	(75,248)	-	(25,457)	(12,111,605)	-	-	(36,756)	-	-	-	-	-	(21,299)	-	-	(23,345,321)
167	Construction In Progress	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	47,893
168	Infrastructure	-	-	-	2,382,356	-	-	-	-	-	-	-	-	-	-	-	7,029,202
160	Total Fixed Assets, Net of Accumulated Depreciation	150,201	-	313,654	17,170,855	-	-	8,011	-	-	-	-	-	-	-	-	19,925,259
171	Notes, loans, and mortgages receivable - Noncurrent	-	-	2,045,242	1,094,021	-	-	-	-	-	-	-	-	-	-	(2,207,111)	5,056,384
174	Other Assets	-	-	-	1,406,504	-	-	-	-	-	-	-	-	-	-	(1,168,484)	276,366
180	Total Non-Current Assets	150,201	-	2,358,896	19,671,380	-	-	8,011	-	-	-	-	-	-	-	(3,375,595)	25,258,009
190	Total Assets	177,979	-	4,069,667	23,479,646	-	-	710,866	36,483	28,670	-	-	-	28,858	-	(4,115,949)	31,825,105

See independent auditor's report.

Lakeland Housing Authority

FINANCIAL DATA SCHEDULE

For the year ended December 31, 2020

PHA: FL011 FYED: 12/31/2020																	
Line Item No.	Account Description	Central Office Cost Center	Central Office Cost Center CARES Act Funding	Business Activities	Total Blended Component Units	PHC Public Housing CARES Act Funding	Revitalization of Severely Distressed Public Housing	Housing Choice Voucher Program	Housing Choice Voucher CARES Act Funding	Mainstream Voucher Program	MSCARESstream CARES Act Funding	Family Self-Sufficiency Program	ROSS Program	YouthBuild Program	AmeriCorps Grant	Eliminations	Total Primary Government
312	Accounts Payable <= 90 Days	2,843	14.CCC	-	159,717	-	-	-	-	-	-	-	-	291	-	-	201,352
321	Accrued Wage/Payroll Taxes Payable	35,045	-	-	39,830	-	-	17,148	-	-	-	-	-	10,554	-	-	113,728
322	Accrued Compensated Absences	23,822	-	3,689	8,080	-	-	6,111	-	-	-	-	-	-	-	-	45,503
341	Tenant Security Deposits	-	-	950	89,258	-	-	-	-	-	-	-	-	-	-	-	117,908
342	Unearned Revenues	-	-	345	1,278	-	-	9,942	36,483	-	-	-	-	8,585	-	-	58,837
343	Current portion of L-T debt - capital projects	34,585	-	-	47,113	-	-	-	-	-	-	-	-	-	-	-	81,698
345	Other current liabilities	-	-	-	33,712	-	-	59,562	-	5	-	-	-	-	-	-	93,279
346	Accrued liabilities - other	65,458	-	-	2,215,528	-	-	-	-	-	-	-	-	-	-	(1,912,762)	384,158
347	Interprogram due to	3,343	-	-	368,553	-	-	-	-	-	-	-	-	-	-	-	(371,896)
310	Total Current Liabilities	165,096	-	4,984	2,963,069	-	-	92,763	36,483	5	-	-	-	19,430	-	(2,284,658)	1,096,463
351	Long-term debt, net of current - capital projects	96,517	-	-	2,030,271	-	-	-	-	-	-	-	-	-	-	-	2,126,788
352	Long-Term debt, net of current - operating borrowings	-	-	-	400,000	-	-	-	-	-	-	-	-	-	-	-	400,000
353	Noncurrent Liabilities - Other	-	-	-	1,499,637	-	-	86,208	-	-	-	-	-	-	-	(1,197,171)	429,613
354	Accrued compensated Absences - Non Current	44,240	-	6,851	15,005	-	-	11,348	-	-	-	-	-	-	-	-	84,504
355	Loan liability - noncurrent	-	-	-	331,120	-	-	-	-	-	-	-	-	-	-	(634,120)	-
350	Total Noncurrent Liabilities	140,757	-	6,851	4,276,033	-	-	97,556	-	-	-	-	-	-	-	(1,831,291)	3,040,905
300	Total Liabilities	305,853	-	11,835	7,239,102	-	-	190,319	36,483	5	-	-	-	19,430	-	(4,115,949)	4,137,368
508.4	Net investment in capital assets	19,099	-	313,654	15,093,471	-	-	8,011	-	-	-	-	-	-	-	-	17,716,773
511.4	Restricted Net Assets	-	-	2,045,242	4,755,448	-	-	117,408	-	-	-	-	-	-	-	(3,375,595)	7,666,735
512.4	Unrestricted Net Assets	(146,973)	-	1,698,936	(3,608,375)	-	-	395,128	-	28,665	-	-	-	9,428	-	3375595	2,304,229
513	Total Equity	(127,874)	-	4,057,832	16,240,544	-	-	520,547	-	28,665	-	-	-	9,428	-	-	27,687,737
600	Total Liabilities and Equity	177,979	-	4,069,667	23,479,646	-	-	710,866	36,483	28,670	-	-	-	28,858	-	(4,115,949)	31,825,105
70300	Net Tenant Rental Revenue	-	-	7,800	1,766,412	-	-	-	-	-	-	-	-	-	-	-	1,974,211
70400	Tenant Revenue - Other	-	-	-	12,226	-	-	-	-	-	-	-	-	-	-	-	12,251
70500	Total Tenant Revenue	-	-	7,800	1,778,638	-	-	-	-	-	-	-	-	-	-	-	1,986,462
70600	HUD PHA Grants	-	-	-	-	210,641	-	11,343,813	314,537	409,520	12,297	72,000	143	-	-	-	14,994,147
70610	HUD PHA Capital Grants	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
70710	Management Fee	418,967	-	-	-	-	-	-	-	-	-	-	-	-	-	(418,967)	-
70720	Asset Management Fee	11,240	-	-	-	-	-	-	-	-	-	-	-	-	-	(60,680)	(49,440)
70730	Bookkeeping Fee	127,403	-	-	-	-	-	-	-	-	-	-	-	-	-	(127,403)	-
70750	Other Fees	384,771	-	-	-	-	-	-	-	-	-	-	-	-	-	(384,771)	-
70800	Other government grants	-	-	-	96,158	-	-	-	-	-	-	-	-	451,208	266	(96,158)	451,474
71100	Investment Income - Unrestricted	60	-	4,066	-	-	-	614	-	-	-	-	-	13	-	-	4,825
71400	Fraud recovery	-	-	-	-	-	-	10,856	-	-	-	-	-	-	-	-	10,856
71500	Other revenue	56,722	27,506	306,510	767,556	-	-	332,129	-	-	-	-	-	8,998	-	(2,786)	1,524,258
71600	Gain/Loss on Sale of Fixed Assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(50,916)
72000	Investment income - restricted	-	-	-	59,137	-	40,732	-	-	-	-	-	-	-	-	-	209,426
70000	Total Revenue	999,163	27,506	318,376	2,701,489	210,641	40,732	11,687,412	314,537	409,520	12,297	72,000	143	460,219	266	(1,090,765)	19,081,092

See independent auditor's report.

Lakeland Housing Authority

FINANCIAL DATA SCHEDULE

For the year ended December 31, 2020

PHA: FL011 FYED: 12/31/2020																	
Line Item No.	Account Description	Central Office Cost Center	Central Office Cost Center CARES Act Funding	Business Activities	Total Blended Component Units	PHC Public Housing CARES Act Funding	Revitalization of Severely Distressed Public Housing	Housing Choice Voucher Program	Housing Choice Voucher CARES Act Funding	Mainstream Voucher Program	MSCARESstream CARES Act Funding	Family Self-Sufficiency Program	ROSS Program	YouthBuild Program	AmeriCorps Grant	Eliminations	Total Primary Government
91100	Administrative Salaries	576,466	-	102,274	397,387	-	-	228,937	-	-	-	-	-	241,098	94,006	-	1,676,044
91200	Auditing Fees	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	46,008
91300	Management Fee	-	-	-	-	-	-	215,715	27,506	-	-	-	-	-	-	(446,473)	-
91310	Bookkeeping Fee	-	-	-	-	-	-	119,100	-	-	-	-	-	-	-	(127,403)	-
91400	Advertising and Marketing	-	-	-	8,601	-	-	438	-	-	-	-	-	-	-	-	12,331
91500	Employee Benefit Contributions - Administrative	142,017	-	32,466	57,017	-	-	59,918	-	-	-	-	-	66,031	-	-	408,706
91600	Office Expenses	90,324	-	10,164	67,797	-	-	70,371	-	-	-	-	-	14,535	-	-	364,885
91700	Legal Expenses	2,699	-	18,654	8,198	-	-	13,183	-	-	-	-	-	1,715	-	-	65,187
91800	Travel	8,476	-	455	5,109	-	-	4,393	-	-	-	-	-	37,517	266	-	69,321
91900	Other Administrative Expenses	21,130	-	74,958	1,014,361	-	-	90,750	-	46,613	-	-	143	18,396	-	(120,878)	1,336,943
92000	Asset Management Fee	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(11,240)	-
92100	Tenant Services - Salaries	-	4,300	-	-	82,315	-	-	84,234	-	9,231	64,784	-	57,706	-	-	302,570
92300	Employee Benefit Contributions - Tenant Services	-	145	-	-	24,766	-	-	23,245	-	3,066	5,365	-	4,991	-	-	61,578
92400	Tenant Services - Other	88	23,061	671	10,018	103,560	-	-	179,552	-	-	-	-	-	-	-	317,408
93100	Water	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	18,136
93200	Electricity	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	25,200
93600	Sewer	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	28,586
93800	Other utilities expense	-	-	-	160,549	-	-	-	-	-	-	-	-	-	-	-	207,428
94100	Ordinary Maintenance and Operations - Labor	714	-	43,319	235,209	-	-	-	-	-	-	-	-	-	-	-	367,646
94200	OMO - Materials and Other	7,623	-	295	152,472	-	-	5,453	-	-	-	-	-	588	-	-	210,945
94300	Ordinary Maintenance and Operations - Contract Costs	5,480	-	24,450	169,349	-	-	9,180	-	-	-	-	-	1,100	-	-	1,298,868
94500	Employee Benefit Contributions - Ordinary Maintenance	53	-	12,111	47,386	-	-	-	-	-	-	-	-	-	-	-	85,548
96110	Property Insurance	-	-	-	146,392	-	-	-	-	-	-	-	-	-	-	-	165,744
96120	Liability Insurance	-	-	-	13,550	-	-	1,280	-	-	-	-	-	7,687	-	-	36,492
96130	Workmen's Compensation	17,721	-	4,395	15,208	-	-	7,202	-	-	-	1,851	-	8,855	-	-	61,815
96140	All Other Insurance	-	-	-	7,109	-	-	-	-	-	-	-	-	-	-	-	7,109
96200	Other General Expenses	436	-	16,370	197,509	-	249,952	-	-	-	-	-	-	-	-	(384,771)	742,102
96210	Compensated Absences	68,062	-	10,540	10,294	-	-	17,459	-	-	-	-	-	-	-	-	117,216
96300	Payments in Lieu of Taxes	-	-	-	11,217	-	-	-	-	-	-	-	-	-	-	-	11,217
96400	Bad Debt - Tenant Rents	-	-	-	18,099	-	-	-	-	-	-	-	-	-	-	-	19,269
96600	Bad Debt - Other	-	-	-	49,531	-	-	-	-	68,036	-	-	-	-	-	-	117,567
96710	Interest of Mortgage (or Bonds) Payable	1,624	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,624
96720	Interest on Notes Payable (Short and Long Term)	-	-	-	175,246	-	-	-	-	-	-	-	-	-	-	-	175,246
96900	Total Operating Expenses	942,913	27,506	351,122	2,977,608	210,641	249,952	843,379	314,537	114,649	12,297	72,000	143	460,219	266	(1,090,765)	8,358,737
97000	Excess Operating Revenue over Operating Expenses	56,250	-	(32,746)	(276,119)	-	(209,220)	10,844,033	-	294,871	-	-	-	-	-	-	10,722,355

See independent auditor's report.

Lakeland Housing Authority

FINANCIAL DATA SCHEDULE

For the year ended December 31, 2020

PHA: FL011 FYED: 12/31/2020																	
Line Item No.	Account Description	Central Office Cost Center	Central Office Cost Center CARES Act Funding	Business Activities	Total Blended Component Units	PHC Public Housing CARES Act Funding	Revitalization of Severely Distressed Public Housing	Housing Choice Voucher Program	Housing Choice Voucher CARES Act Funding	Mainstream Voucher Program	MSCARESstream CARES Act Funding	Family Self-Sufficiency Program	ROSS Program	YouthBuild Program	AmeriCorps Grant	Eliminations	Total Primary Government
			14.CCC			14.PHC	14.866	14.871	14.HCC	14.879	14.MSC	14.896	14.870	17.274	94.006		
97300	Housing Assistance Payments	-	-	-	-	-	-	10,387,022	-	289,113	-	-	-	-	-	-	10,676,135
97400	Depreciation Expense	35,430	-	4,242	811,515	-	-	3,204	-	-	-	-	-	-	-	-	965,123
90000	Total Expenses	978,343	27,506	355,364	3,789,123	210,641	249,952	11,233,605	314,537	403,762	12,297	72,000	143	460,219	266	(1,090,765)	19,999,995
10010	Operating transfers in	86,636	-	-	-	-	-	-	-	-	-	-	-	-	-	(271,455)	-
10020	Operating transfers out	-	-	(86,636)	-	-	-	-	-	-	-	-	-	-	-	271,455	-
10040	Operating transfers from/to component unit	19,514	-	2,786,770	5,265,681	-	-	-	-	-	-	-	-	-	-	-	-
10091	Inter Project Excess Cash Transfer In	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(24,674)	-
10092	Inter Project Excess Cash Transfer Out	-	-	-	-	-	-	-	-	-	-	-	-	-	-	24,674	-
10100	Total other financing sources (Uses)	106,150	-	2,700,134	5,265,681	-	-	-	-	-	-	-	-	-	-	-	-
10000	Excess (deficiency) of total revenue over (under) total expenses	126,970	-	2,663,146	4,178,047	-	(209,220)	453,807	-	5,758	-	-	-	-	-	-	(918,903)
11030	Beginning Equity	(254,844)	-	1,394,686	5,037,167	-	4,728,400	66,740	-	22,907	-	-	-	9,428	-	-	21,581,310
11040	Prior Period Adjustments, Equity transfer and correction of errors	-	-	-	7,025,330	-	(4,519,180)	-	-	-	-	-	-	-	-	-	7,025,330
11170	Administrative Fee Equity	-	-	-	-	-	-	403,139	-	-	-	-	-	-	-	-	403,139
11180	Housing Assistance Payments Equity	-	-	-	-	-	-	117,408	-	-	-	-	-	-	-	-	117,408
11190	Unit Months Available	-	-	12	2,856	-	-	18,453	-	540	-	-	-	-	-	-	25,207
11210	Number of Unit Months Leased	-	-	12	2,795	-	-	15,815	-	529	-	-	-	-	-	-	22,478
11270	Excess Cash	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	380,771

See independent auditor's report.

Lakeland Housing Authority

SCHEDULE OF CAPITAL FUND PROGRAM COSTS AND ADVANCES

For the year ended December 31, 2020

PROGRAM NUMBER	FL14P011 501-16	FL14P011 501-17	FL14P011 501-18	FL14P011 501-19	FL14P011 501-20	Total
BUDGET AMOUNT	\$ 358,393	\$ 608,069	\$ 934,727	\$ 971,182	\$ 1,107,656	\$ 3,980,027
ADVANCES						
Cash receipts - prior years	\$ 281,939	\$ 108,965	\$ -	\$ -	\$ -	\$ 390,904
Cash receipts - current year	76,454	474,294	705,652	-	-	1,256,400
Cumulative as of December 31, 2020	358,393	583,259	705,652	-	-	1,647,304
COSTS						
Prior years	281,939	108,965	-	-	-	390,904
Current year	76,454	480,481	705,652	-	-	1,262,587
Cumulative as of December 31, 2020	358,393	589,446	705,652	-	-	1,653,491
RECEIVABLES DUE FROM HUD	\$ -	\$ 6,187	\$ -	\$ -	\$ -	\$ 6,187
SOFT COSTS						
Prior years	\$ 139,891	\$ 60,856	\$ -	\$ -	\$ -	\$ 200,747
Current year	76,454	480,481	705,652	-	-	1,262,587
Cumulative as of December 31, 2020	216,345	541,337	705,652	-	-	1,463,334
HARD COSTS						
Prior years	142,048	48,109	-	-	-	190,157
Current year	-	-	-	-	-	-
Cumulative as of December 31, 2020	142,048	48,109	-	-	-	190,157
CUMULATIVE HARD AND SOFT COSTS	\$ 358,393	\$ 589,446	\$ 705,652	\$ -	\$ -	\$ 1,653,491

See independent auditor's report.

Lakeland Housing Authority

SCHEDULE OF FAMILY SELF-SUFFICIENCY AND RESIDENT OPPORTUNITY AND SUPPORTIVE SERVICES PROGRAM COSTS AND ADVANCES

For the year ended December 31, 2020

PROGRAM NUMBER	ROSS 171038	FSS FL018FSH
BUDGET AMOUNT	\$ 219,185	\$ 72,000
ADVANCES		
Cash receipts - prior years	\$ 183,732	\$ -
Cash receipts - current year	35,453	72,000
Cumulative as of December 31, 2020	219,185	72,000
COSTS		
Prior years	219,042	-
Current year	143	72,000
Cumulative as of December 31, 2020	219,185	72,000
RECEIVABLES DUE FROM HUD	\$ -	\$ -

See independent auditor's report.

Lakeland Housing Authority

SCHEDULE OF CARES ACT PROGRAM COSTS AND ADVANCES

For the year ended December 31, 2020

PROGRAM NUMBER	PH CARES	HCV CARES	Mainstream CARES
BUDGET AMOUNT	<u>\$ 210,641</u>	<u>\$ 351,020</u>	<u>\$ 12,297</u>
ADVANCES			
Cash receipts - prior years	\$ -	\$ -	\$ -
Cash receipts - current year	<u>210,641</u>	<u>351,020</u>	<u>12,297</u>
Cumulative as of December 31, 2020	<u>210,641</u>	<u>351,020</u>	<u>12,297</u>
COSTS			
Prior years	-	-	-
Current year	<u>210,641</u>	<u>314,537</u>	<u>12,297</u>
Cumulative as of December 31, 2020	<u>210,641</u>	<u>314,537</u>	<u>12,297</u>
RECEIVABLES DUE FROM HUD	<u>\$ -</u>	<u>\$ (36,483)</u>	<u>\$ -</u>

See independent auditor's report.

SINGLE AUDIT SECTION

Lakeland Housing Authority

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the year ended December 31, 2020

Federal Grantor/Pass-Through Grantor/ Program or Cluster Title	CFDA Number		Federal Expenditures
<u>U.S. Department of Housing and Urban Development ("HUD"):</u>			
<u>Received directly from HUD:</u>			
Public and Indian Housing	14.850	\$ 1,368,609	
COVID-19 Public and Indian Housing	14.850	210,641	
Subtotal Public and Indian Housing			\$ 1,579,250
Resident Opportunity and Supportive Services	14.870		143
Housing Voucher Cluster			
Section 8 Housing Choice Vouchers Program	14.871	11,343,813	
COVID-19 Section 8 Housing Choice Vouchers Program	14.871	314,537	
Mainstream Vouchers Program	14.879	409,520	
COVID-19 Mainstream Vouchers Program	14.879	12,297	
Subtotal Housing Voucher Cluster			12,080,167
Family Self-Sufficiency Program	14.896		72,000
Public Housing Capital Fund Program	14.872		1,262,587
			14,994,147
<u>U.S. Department of Labor:</u>			
<u>Pass through from the State of Florida:</u>			
YouthBuild Program	17.274		451,208
<u>U.S. Corporation for National and Community Service:</u>			
<u>Pass through from the State of Florida:</u>			
AmeriCorps	94.006		266
TOTAL EXPENDITURES OF FEDERAL AWARDS			\$ 15,445,621

NOTE A - BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the Lakeland Housing Authority (the "Authority") and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance"). Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

In accordance with HUD regulations, HUD considers the Annual Budget Authority for the Section 8 Housing Choice Voucher Program ("HCV"), CFDA Number 14.871, to be an expenditure for the purposes of this schedule. Therefore, the amount in this schedule represents the total amount received directly from HUD and not the total expenditures paid by the Authority.

NOTE B - INDIRECT COST RATE

The Authority did not elect to use the 10-percent de minimis indirect cost rate.

NOTE C - SUB-RECIPIENTS

During the year ended December 31, 2020, the Authority had no sub-recipients.

NOTE D - NONCASH ASSISTANCE AND OTHER

The Authority did not receive any noncash assistance, federal loans, or federally funded insurance during the year ended December 31, 2020.

NOTE E - CARES ACT FUNDING

The Authority had \$36,483 CARES Act funding awarded but unspent as of the year ended December 31, 2020.

See independent auditor's report.



**INDEPENDENT AUDITOR’S REPORT ON INTERNAL CONTROL OVER FINANCIAL
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS**

Board of Commissioners
Lakeland Housing Authority
Lakeland, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the business-type activities of the Lakeland Housing Authority (the “Authority”), as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the Authority’s basic financial statements, and have issued our report thereon dated March 31, 2022.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Authority’s internal control over financial reporting (“internal control”) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Authority’s internal control. Accordingly, we do not express an opinion on the effectiveness of the Authority’s internal control.

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Authority's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Authority's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

March 31, 2022
Melbourne, Florida

Berman Hopkins Wright & LaHam
CPAs and Associates, LLP



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

Board of Commissioners
Lakeland Housing Authority
Lakeland, Florida

Report on Compliance for Each Major Federal Program

We have audited the Lakeland Housing Authority's (the "Authority") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Authority's major federal programs for the year ended December 31, 2020. The Authority's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Authority's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance"). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Authority's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the Authority's compliance.

Opinion on Each Major Federal Program

In our opinion, the Authority complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2020.

Report on Internal Control Over Compliance

Management of the Authority is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Authority's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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

March 31, 2022
Melbourne, Florida

Berman Hopkins Wright & LaHam
CPAs and Associates, LLP

Lakeland Housing Authority

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

December 31, 2020

A. SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued: **Unmodified**

Internal control over financial reporting:

Material weaknesses identified? **No**

Significant deficiencies identified? **None Reported**

Noncompliance material to financial statements noted? **No**

Federal Awards

Internal control over major programs:

Material weaknesses identified? **No**

Significant deficiencies identified? **None Reported**

Type of auditor's report issued on compliance for major programs:

- Housing Voucher Cluster - **Unmodified**
- Public Housing Capital Fund Program - **Unmodified**

There were no audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a).

The programs tested as major programs are as follows:

- Housing Voucher Cluster
 - Section 8 Housing Choice Vouchers Program - CFDA No. 14.871
 - Mainstream Vouchers Program - CFDA No. 14.879
- Public Housing Capital Fund Program - CFDA No. 14.872

The threshold for distinguishing types A and B programs was **\$750,000**

Did the auditee qualify as a low-risk auditee? **Yes**

B. FINDINGS - FINANCIAL STATEMENTS AUDIT

None

C. FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS

None

D. SUMMARY OF PRIOR YEAR AUDIT FINDINGS

None