

**LAKELAND HOUSING  
AUTHORITY**

**Lakeland, Florida**

**Basic  
Financial Statements and  
Supplementary  
Information**

**Year ended  
December 31, 2019**



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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, 2019, 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 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, 2019 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. The financial data schedule and schedules of actual 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 actual 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 actual 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 August 12, 2020 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.

August 12, 2020  
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, 2019. 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, 2019, by \$17,533,282 (net position), a decrease of \$3,848,799 from the previous year.
- The Authority had revenue from the U.S. Department of Housing and Urban Development ("HUD") of \$12,140,857, which includes funds for capital asset activities.
- The Authority's cash balance as of December 31, 2019, was \$2,272,470 a decrease of \$275,024 from the previous year.

### **Overview of Financial Statements**

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

- Statement of Net Position - reports the Authority's assets, liabilities and net position at the end of the fiscal year. You can think of the Authority's net position as the difference between the Authority's rights (assets and deferred outflows of resources) and the Authority's obligations (liabilities and deferred inflows of resources).
- Statement of Revenues, Expenses, and Changes in Net Position - this statement presents information showing how the Authority's net position increased or decreased during the current fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of when cash is received or paid. Thus, revenues and expenses are reported in this statement for some items that will result in cash inflows and cash outflows in prior or future periods.
- Statement of Cash Flows - this statement presents information showing the total cash receipts and cash disbursements of the Authority during the current fiscal year. The statement 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>2019</u>	<u>2018</u>	<u>Net Change</u>
Current assets	\$ 4,601,487	\$ 4,210,177	\$ 391,310
Capital assets, net	2,569,089	6,532,199	(3,963,110)
Other noncurrent assets	11,773,990	11,738,744	35,246
Total assets	<u>18,944,566</u>	<u>22,481,120</u>	<u>(3,536,554)</u>
Current liabilities	777,153	628,474	148,679
Long-term debt	303,000	303,000	-
Other noncurrent liabilities	331,131	167,565	163,566
Total liabilities	<u>1,411,284</u>	<u>1,099,039</u>	<u>312,245</u>
Net investment in capital assets	2,425,696	6,532,198	(4,106,502)
Restricted	11,545,281	11,554,122	(8,841)
Unrestricted	3,562,305	3,295,761	266,544
Total net position	<u>\$ 17,533,282</u>	<u>\$ 21,382,081</u>	<u>\$ (3,848,799)</u>

**Current Assets** increased by \$391,310 due to the timing of cash inflows and outflows for operations.

**Net Capital Assets** decreased by \$3,963,110 primarily due to the transfer of capital assets to an affiliate as well as current year depreciation and disposals offset by current year additions (see Note B-3).

**Total liabilities** reflect an increase of \$312,245 primarily due to the timing of payments near year end, as well as the addition of a lease for vehicles obtained during fiscal year 2019 (see Note B-5-b).

**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 decrease in this component of net position of \$4,106,502 as a result of the capital asset and vehicle lease activity discussed above.

## **Financial Analysis (continued)**

2. **Restricted** - the Authority's net position whose use is subject to constraints imposed by law or agreement. As of December 31, 2019, the Authority had \$11,545,281 of restricted net position which consisted primarily of \$9,875,094 of notes receivable and related accrued interest, and \$1,670,187 of developer fee receivable, which are restricted in their future availability for operations (see Note B-4).
  
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 \$3,562,305 in unrestricted net position. The Authority's unrestricted component of net position is designated for housing-related purposes.

	<u>Changes in Net Position</u>		
	<u>2019</u>	<u>2018</u>	<u>Net Change</u>
Operating revenues			
HUD revenues	\$ 12,011,683	\$ 11,240,284	\$ 771,399
Other revenues	1,831,978	3,038,713	(1,206,735)
Total operating revenues	<u>13,843,661</u>	<u>14,278,997</u>	<u>(435,336)</u>
Operating expenses			
Administrative	2,267,218	2,477,188	(209,970)
Tenant services	357,853	312,715	45,138
Utilities	148,833	147,960	873
Maintenance	664,067	721,402	(57,335)
General	909,217	2,356,774	(1,447,557)
Depreciation	131,634	158,678	(27,044)
Housing assistance payments	9,677,281	9,503,617	173,664
Total operating expenses	<u>14,156,103</u>	<u>15,678,334</u>	<u>(1,522,231)</u>
Operating income (loss)	<u>(312,442)</u>	<u>(1,399,337)</u>	<u>1,086,895</u>
Nonoperating revenues (expenses)			
Gain (loss) on sale of assets	(5,024)	(51,342)	46,318
Interest income	387,821	331,739	56,082
Interest expense	(300)	-	(300)
Total nonoperating revenues (expenses)	<u>382,497</u>	<u>280,397</u>	<u>102,100</u>
Change in net position before capital contributions and transfers	70,055	(1,118,940)	1,188,995
Capital contributions	129,174	985,503	(856,329)
Transfers to related party	(4,048,028)	-	(4,048,028)
Change in net position	(3,848,799)	(133,437)	(3,715,362)
Total net position - beginning	<u>21,382,081</u>	<u>21,515,518</u>	<u>(133,437)</u>
Total net position - ending	<u>\$ 17,533,282</u>	<u>\$ 21,382,081</u>	<u>\$ (3,848,799)</u>



## **Financial Analysis (continued)**

**Total Operating Revenue** decreased by \$435,336 due to a decrease of \$1,206,735 in other revenues which was partially offset by an increase of \$771,399 in HUD revenues. The decrease 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** decreased by \$1,522,231 during 2019 as compared to 2018. This is primarily the result of the decrease in general expenses. General expenses decreased by \$1,447,557 primarily as a result of prior year soft costs (non-capital) expenses from the development project - Micro Cottages at Williamstown, which did not occur during 2019.

**Capital Contributions** decreased by \$856,329 primarily due to multi-year grants being fully spent in the prior year.

**Transfers** for the current year of \$4,048,028 consisted entirely of capital assets that were HUD approved for transfer to Williamstown, LLLP (see Note A-1 and Note B-3).

## **Capital Asset and Debt Activity**

At the end of fiscal year 2019, the Authority's net capital assets decreased by \$3,963,110. The net change was due to the transfer of \$4,048,028 of capital assets relating to the Cottages of Williamstown, net disposals of \$103,194, and depreciation expense of \$131,634. These decreases were offset by current year additions of \$319,746 primarily for the seven maintenance vehicles financed with the vehicle lease. The accompanying financial statements include a detailed roll forward of capital assets in Note B-3.

At the end of the fiscal year 2019, the Authority had debt of \$303,000, of which the entire balance is classified as noncurrent.

## **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, 2019

**ASSETS**

**CURRENT ASSETS**

Cash - unrestricted	\$ 2,083,020
Cash - restricted	37,050
Receivables, net	1,585,093
Due from HUD	258,615
Assets held for sale	538,431
Prepaid expenses	99,278
Total current assets	<u>4,601,487</u>

**NONCURRENT ASSETS**

Cash - restricted	152,400
Capital assets, net	2,569,089
Other assets, net	76,309
Accrued interest receivable from related parties - restricted	2,094,607
Developer fee receivable from related parties - restricted	1,670,187
Notes receivable from related parties - restricted	6,705,248
Other notes and loans receivable - restricted	1,075,239
Total noncurrent assets	<u>14,343,079</u>
Total assets	<u>18,944,566</u>

**LIABILITIES**

**CURRENT LIABILITIES**

Current portion of vehicle lease	29,677
Accounts payable	63,826
Accrued salaries and benefits	63,108
Accrued compensated absences	35,007
Tenant security deposits	37,050
Unearned revenue	26,710
Other current liabilities	521,775
Total current liabilities	<u>777,153</u>

**NONCURRENT LIABILITIES**

Long-term debt	303,000
Vehicle lease	113,716
Accrued compensated absences	65,015
Family self-sufficiency escrow	152,400
Total noncurrent liabilities	<u>634,131</u>
Total liabilities	<u>1,411,284</u>

**NET POSITION**

Net investment in capital assets	2,425,696
Restricted	11,545,281
Unrestricted	3,562,305
Total net position	<u>\$ 17,533,282</u>

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

**Lakeland Housing Authority**

**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION**

**Year ended December 31, 2019**

<b>OPERATING REVENUES</b>	
HUD operating revenues	\$ 12,011,683
Other government operating grants	483,083
Tenant revenue, net	298,977
Other operating revenue	1,049,918
Total operating revenues	<u>13,843,661</u>
<b>OPERATING EXPENSES</b>	
Administrative	2,267,218
Tenant services	357,853
Utilities	148,833
Maintenance	664,067
General	909,217
Depreciation	131,634
Housing assistance payments	9,677,281
Total operating expenses	<u>14,156,103</u>
<b>OPERATING LOSS</b>	<u>(312,442)</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>	
Loss on sale of capital assets	(5,024)
Interest income - unrestricted	154,322
Interest income - restricted	233,499
Interest expense	(300)
Total nonoperating revenues (expenses)	<u>382,497</u>
Change in net position before capital contributions and transfers	70,055
<b>HUD CAPITAL CONTRIBUTIONS</b>	129,174
<b>TRANSFERS TO RELATED PARTY (Note B-3)</b>	<u>(4,048,028)</u>
<b>CHANGE IN NET POSITION</b>	<u>(3,848,799)</u>
Total net position - beginning of year	<u>21,382,081</u>
Total net position - end of year	<u><u>\$ 17,533,282</u></u>

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

**Lakeland Housing Authority**

**STATEMENT OF CASH FLOWS**

**Year ended December 31, 2019**

**CASH FLOWS FROM OPERATING ACTIVITIES**

HUD operating grants received	\$ 11,833,049
Other government operating grants received	475,524
Collections from tenants	299,324
Collections from other sources	1,297,877
Payments to employees	(2,285,054)
Payments to suppliers	(1,883,914)
Housing assistance payments	(9,615,777)
	<hr/>
Net cash provided by operating activities	121,029

**CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES**

HUD capital grants received	129,174
Purchase of property and equipment	(196,649)
Proceeds from the sale of capital assets	98,170
Payments on vehicle lease	(6,049)
Interest paid	(300)
	<hr/>
Net cash provided by capital and related financing activities	24,346

**CASH FLOWS FROM INVESTING ACTIVITIES**

Interest received	154,322
Interest received on notes receivable - restricted	1,966
Investment in notes receivable	(26,639)
	<hr/>
Net cash provided by investing activities	129,649

**NET INCREASE IN CASH**

275,024

**CASH AT BEGINNING OF YEAR**

1,997,446

**CASH AT END OF YEAR**

\$ 2,272,470

**RECONCILIATION TO STATEMENT OF NET POSITION**

Cash - unrestricted	\$ 2,083,020
Cash - restricted current	37,050
Cash - restricted noncurrent	152,400
	<hr/>
	<u>\$ 2,272,470</u>

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

**Lakeland Housing Authority**

**STATEMENT OF CASH FLOWS (continued)**

**Year ended December 31, 2019**

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

Operating loss	\$ (312,442)
Adjustments to reconcile operating loss to net cash provided by operating activities	
Depreciation	131,634
Change in provision for uncollectible accounts	21,289
(Increase) decrease in assets:	
Receivables, net	(66,057)
Due from HUD	(178,058)
Prepaid expenses	45,036
Other assets, net	17,417
Developer fee receivable from related parties - restricted	267,013
Increase (decrease) in liabilities:	
Accounts payable	(87,238)
Accrued salaries and benefits	15,264
Accrued compensated absences	(17,931)
Due to HUD	(576)
Tenant security deposits	(14,613)
Unearned revenue	(5,591)
Other current liabilities	244,378
Family self-sufficiency escrow	61,504
Net cash provided by operating activities	<u>\$ 121,029</u>

**SUPPLEMENTAL DISCLOSURE OF NON-CASH INFORMATION**

During the year, the Authority transferred capital assets with a cost of \$4,048,028 to a related party (see Note B-3).

During the year, the Authority entered into a lease agreement for maintenance vehicles for \$149,442 (see Note B-5-b).

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

**Lakeland Housing Authority**

**NOTES TO BASIC FINANCIAL STATEMENTS**

**Year Ended December 31, 2019**

**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 ten (10) 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 2019)
- West Lake Realty, Inc. (limited activity in fiscal year 2019)
- Arbor Manor LTD, LLLP (limited activity in fiscal year 2019)
- Heritage Oaks at Renaissance Development, LLC (no activity in fiscal year 2019)
- West Bartow GP, Inc. (no activity in fiscal year 2019)
- Dakota GP, Inc. (no activity in fiscal year 2019)

**Lakeland Housing Authority**

**NOTES TO BASIC FINANCIAL STATEMENTS**

**Year Ended December 31, 2019**

**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:

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 Authority provides all operational and administrative support functions for LPHC on a cost reimbursement basis, as well as other operational advances to LPHC. As a result of this activity, the Authority has \$1,484,454 in notes receivable and \$1,233,201 in receivable outstanding from LPHC at December 31, 2019. Additionally, LPHC provided funds to the Authority in prior years to facilitate second and third mortgages to homebuyers at the Magnolia Pointe and Lake Ridge developments (see Notes B-4-g and B-4-h). There was a \$303,000 note payable outstanding to LPHC at December 31, 2019.

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.



**Lakeland Housing Authority**

**NOTES TO BASIC FINANCIAL STATEMENTS**

**Year Ended December 31, 2019**

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

1. Reporting entity (continued)

***Related organizations (continued)***

LPHC 2, Inc. (continued)

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.

The Authority provides all operational and administrative support functions for LPHC 2, Inc. on a cost reimbursement basis. There was no receivable outstanding from LPHC 2, nor was there a payable outstanding to LPHC 2 at December 31, 2019.

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.

The Authority provides certain operational and administrative support functions for Renaissance on a cost reimbursement basis. The Authority has a promissory notes receivable from Renaissance of \$381,200, a mortgage note of \$2,200,000, accrued interest of \$925,769, and no payable outstanding to Renaissance at December 31, 2019.

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 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 and no payable outstanding to West Bartow at December 31, 2019.

**Lakeland Housing Authority**

**NOTES TO BASIC FINANCIAL STATEMENTS**

**Year Ended December 31, 2019**

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

1. Reporting entity (continued)

***Related organizations (continued)***

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.

The Authority provides certain operational and administrative support functions for Dakota Park on a cost reimbursement basis. The Authority has a promissory note of \$101,380, a mortgage note of \$714,591 outstanding and accrued interest of \$638,087 from Dakota Park at December 31, 2019.

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 notes receivable of \$1,009,877 and accrued interest of \$530,751 from Bonnet Shores and no payable to Bonnet Shores at December 31, 2019.

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, 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, a developer fee receivable of \$5,382 and a payable outstanding to Colton Meadow in the amount of \$101,152 at December 31, 2019.

**Lakeland Housing Authority**

**NOTES TO BASIC FINANCIAL STATEMENTS**

**Year Ended December 31, 2019**

**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 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. The Authority has no receivable outstanding from Colton Meadow GP and a payable outstanding of \$1,370 to Colton Meadow GP at December 31, 2019.

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. The Authority has no receivable outstanding as of December 31, 2019 and no payable outstanding to Williamstown at December 31, 2019. During the year ended December 31, 2019, the Authority transferred \$4,048,028 of capital assets related to the Cottages of Williamstown (see Note B-3).

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**

**Year Ended December 31, 2019**

**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 \$21,289.

**Lakeland Housing Authority**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**Year Ended December 31, 2019**

**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, 2019.

Lakeland Housing Authority

NOTES TO BASIC FINANCIAL STATEMENTS

Year Ended December 31, 2019

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, 2019. 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 four single family homes which were part of the Authority's HOME Ownership program with a total cost of \$538,431. 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**  
**Year Ended December 31, 2019**

**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. In the current year, the Authority did not recognize any loss on impairment related to its long-lived assets.

*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, 2019, unearned revenue consists of \$6,999 of prepaid rents and \$19,711 of prepaid subsidy for various grants.

*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, 2019, the interprogram receivables and payables net to zero and \$2,280,503 are eliminated for the presentation of the Authority as a whole.

**Lakeland Housing Authority**

**NOTES TO BASIC FINANCIAL STATEMENTS**

**Year Ended December 31, 2019**

**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 \$718,481 of fees for service have been eliminated for the year ended December 31, 2019.

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 \$11,545,281 of restricted net position which consists of the following:

- \$7,780,487 of mortgage notes receivable and \$2,094,607 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).
- \$1,670,187 of developer fee receivable from related parties.

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**

**Year Ended December 31, 2019**

**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, 2019, 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 2016 through 2019.

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 a related party, Renaissance at Washington Ridge LTD, LLLP, 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**

**Year Ended December 31, 2019**

**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 related party, LPHC. The ground lease is for 99 years. LPHC will have a 99.99% financial interest in the property with the Authority having a 0.01% financial interest.

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, 2021 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, 2019, the Authority's cash consists of deposits with a book balance of \$2,272,470.

The Authority's deposits and investments 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. 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:

**Lakeland Housing Authority**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**Year Ended December 31, 2019**

**NOTE B - DETAILED NOTES (continued)**

1. Deposits (continued)

*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, 2019, 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, 2019, none of the Authority's total balances held in banks and financial institutions were exposed to custodial credit risk, as all were either fully insured or collateralized.

*Restricted cash*

Cash was restricted for the following purposes at December 31, 2019:

Current:		
Security deposits	\$	37,050
Noncurrent:		
HCV Family Self-Sufficiency escrows		104,512
Public Housing Family Self-Sufficiency escrows		47,888
Total noncurrent restricted cash		152,400
Total restricted cash	\$	189,450

**Lakeland Housing Authority**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**Year Ended December 31, 2019**

**NOTE B - DETAILED NOTES (continued)**

2. Receivables, net

As of December 31, 2019, receivables, net consist of:

Fraud receivables	\$	12,596
Tenant receivables		7,023
Portability receivables		5,607
Due from other governments		66,093
Due from related parties		1,264,571
Miscellaneous receivables		230,338
Total receivables		1,586,228
Allowance for doubtful accounts - tenants		(1,135)
		\$ 1,585,093

**Lakeland Housing Authority**

**NOTES TO BASIC FINANCIAL STATEMENTS**

**Year Ended December 31, 2019**

**NOTE B - DETAILED NOTES (continued)**

3. Capital assets

A summary of changes in capital assets is as follows:

	Balance at January 1, 2019 <i>Restated</i>	Transfers in/ Additions	Transfers out/ Deletions	Balance at December 31, 2019
<b>Non-depreciable:</b>				
Land	\$ 1,763,556	\$ -	\$ (296,687)	\$ 1,466,869
Construction in progress	3,751,341	47,893	(3,751,341)	47,893
<b>Total non-depreciable</b>	<b>5,514,897</b>	<b>47,893</b>	<b>(4,048,028)</b>	<b>1,514,762</b>
<b>Depreciated:</b>				
Buildings and improvements	10,385,887	41,129	(103,194)	10,323,822
Equipment - administration	1,075,375	149,443	(54,825)	1,169,993
Equipment - dwelling	26,718	-	-	26,718
Infrastructure	582,079	81,281	-	663,360
<b>Total depreciated</b>	<b>12,070,059</b>	<b>271,853</b>	<b>(158,019)</b>	<b>12,183,893</b>
<b>Total capital assets</b>	<b>17,584,956</b>	<b>319,746</b>	<b>(4,206,047)</b>	<b>13,698,655</b>
<b>Less accumulated depreciation</b>				
Buildings and improvements	(9,656,985)	(56,111)	-	(9,713,096)
Equipment - administration	(784,356)	(64,958)	-	(849,314)
Equipment - dwelling	(29,337)	(10,565)	54,825	14,923
Infrastructure	(582,079)	-	-	(582,079)
<b>Total accumulated depreciation</b>	<b>(11,052,757)</b>	<b>(131,634)</b>	<b>54,825</b>	<b>(11,129,566)</b>
<b>Capital assets, net</b>	<b>\$ 6,532,199</b>	<b>\$ 188,112</b>	<b>\$ (4,151,222)</b>	<b>\$ 2,569,089</b>

During the year, the Authority transferred \$4,048,028 of capital assets related to a related party of the Authority, Williamstown (see Note A-1) to establish a mixed finance property called Cottages at Williamstown. Capital asset balance as of January 1, 2019 was restated to remove assets held for sale that was reclassified during 2019 in the amount of \$538,431.

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**

**Year Ended December 31, 2019**

**NOTE B - DETAILED NOTES (continued)**

4. Notes, advances, 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, 2019, \$11,589,212 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, 2019:

	Balance at January 1, 2019	Additions	Payments/ Deletions	Balance at December 31, 2019
Amounts due from related parties:				
Dakota Park mortgage note - HOPE VI	\$ 714,591	\$ -	\$ -	\$ 714,591
Dakota Park accrued interest - HOPE VI	597,355	40,732	-	638,087
Dakota Park promissory note	101,380	-	-	101,380
LPHC promissory note	1,479,826	4,628	-	1,484,454
Renaissance mortgage note - HOPE VI	2,200,000	-	-	2,200,000
Renaissance accrued interest - HOPE VI	810,708	115,061	-	925,769
Renaissance promissory note	381,200	-	-	381,200
Villas at Lake Bonnet mortgage note	1,009,877	-	-	1,009,877
Villas at Lake Bonnet accrued interest	455,011	77,706	(1,966)	530,751
Colton Meadow mortgage note	450,845	-	-	450,845
Colton Meadow developer fee	92,185	-	(86,803)	5,382
Colton Meadow promissory note	362,901	-	-	362,901
West Bartow developer fee	1,336,693	43,931	(43,931)	1,336,693
Twin Lakes Estates developer fee	508,322	-	(180,210)	328,112
Subtotal of amounts due from related parties	<u>10,500,894</u>	<u>282,058</u>	<u>(312,910)</u>	<u>10,470,042</u>
Other notes and loans receivable:				
Second mortgages	802,228	22,011	-	824,239
Third mortgages	251,000	-	-	251,000
Total	<u>\$ 11,554,122</u>	<u>\$ 304,069</u>	<u>\$ (312,910)</u>	<u>\$ 11,545,281</u>
Total by category:				
Notes receivable from related parties - restricted	\$ 6,700,620	\$ 4,628	\$ -	\$ 6,705,248
Other notes and loans receivable - restricted	1,053,228	22,011	-	1,075,239
Accrued interest - restricted	1,863,074	233,499	(1,966)	2,094,607
Developer fee - restricted	1,937,200	43,931	(310,944)	1,670,187
Total	<u>\$ 11,554,122</u>	<u>\$ 304,069</u>	<u>\$ (312,910)</u>	<u>\$ 11,545,281</u>

**Lakeland Housing Authority**

**NOTES TO BASIC FINANCIAL STATEMENTS**

**Year Ended December 31, 2019**

**NOTE B - DETAILED NOTES (continued)**

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

a. *Dakota Park Limited Partnership, LLLP (“Dakota Park”)*

As part of a mixed finance arrangement, the Authority has executed a mortgage note with Dakota Park whereby the Authority has loaned the partnership \$714,591 in order to enable the partnership to rehabilitate, develop and equip the Dakota Park Apartments. The loan is fully outstanding as of December 31, 2019. The mortgage is subordinated to a first mortgage held by a bank.

The mortgage bears interest at the highest AFR rate established by the Internal Revenue Service (2.09% at December 31, 2019). Payment of principal and interest to the extent of available cash flow commenced on April 1, 2003 and is payable annually through the final maturity date of March 25, 2042. Unpaid accrued interest receivable related to this mortgage was \$638,087 at December 31, 2019.

In addition, the Authority has a loan receivable from Dakota Park of \$101,380 at December 31, 2019. The loan is unsecured and bears no interest. The loan is to be repaid from available cash flow after allowable distributions to the Investor Limited Partner and repayment of the mortgage to the Authority.

b. *LPHC*

As part of an agreement with LPHC, the Authority has advanced funds to LPHC in prior years in the amount of \$1,484,454 to fund operations. As of December 31, 2019, the amount outstanding was \$1,484,454.

c. *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 loan is fully outstanding as of December 31, 2019. The mortgage is subordinated to a first mortgage held by a bank. The mortgage bears interest at the highest AFR rate established by the Internal Revenue Service (2.09% at December 31, 2019). Payment of principal and interest to the extent of available cash flow commenced on April 1, 2004 and is payable annually through the final maturity date of December 31, 2052. Unpaid accrued interest receivable related to this mortgage was \$925,769 at December 31, 2019.

**Lakeland Housing Authority**

**NOTES TO BASIC FINANCIAL STATEMENTS**

**Year Ended December 31, 2019**

**NOTE B - DETAILED NOTES (continued)**

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

c. *Renaissance at Washington Ridge LTD, LLLP (“Renaissance”) (continued)*

In addition, the Authority has a loan receivable from Renaissance of \$381,200 at December 31, 2019. The loan is unsecured and bears no interest. The loan is to be repaid from available cash flow after allowable distributions to the Investor Limited Partner, repayment of the mortgage to the Authority and payment of the developer fee.

d. *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, 2019. 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. On the first of the month following the date of the fourth installment, a principal payment in the amount of \$1,258,233 was 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, 2019, there was \$530,751 of unpaid accrued interest receivable related to this mortgage.

e. *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, 2019. The mortgage bears interest at 7.5% per annum. Commencing on the first of the month following the date that Colton Meadow meets stabilization, as established by Florida Housing Finance Corporation in connection with its tax credit assistance program loan, and continuing until the maturity date, installments of principal and interest shall be due monthly in the amount of \$7,785.



**Lakeland Housing Authority**

**NOTES TO BASIC FINANCIAL STATEMENTS**

**Year Ended December 31, 2019**

**NOTE B - DETAILED NOTES (continued)**

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

e. *Colton Meadow, LLLP ("Colton Meadow") (continued)*

The entire outstanding principal sum, together with all accrued and unpaid interest shall be due and payable in full on the date which is 30 years after stabilization. There was no unpaid accrued interest receivable related to this mortgage at December 31, 2019.

The Authority also earned a developer fee in prior years in the amount of \$1,749,460 from Colton Meadow, of which \$5,382 is outstanding at December 31, 2019 and which is to be paid from future available cash flow of the project.

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. As of December 31, 2019, the amount outstanding was \$362,901.

f. *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, 2019 and which is to be paid from future available cash flow of the project.

g. *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 \$328,112 is outstanding at December 31, 2019 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.

h. *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**  
**Year Ended December 31, 2019**

**NOTE B - DETAILED NOTES (continued)**

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

*i. 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, 2019:

	Payable at January 1, 2019	Additions	Reductions	Payable at December 31, 2019	Due Within One Year
Lakeland-Polk Housing Corporation loans	\$ 303,000	\$ -	\$ -	\$ 303,000	\$ -
Vehicle lease	-	149,442	(6,049)	143,393	29,677
Compensated absences	117,953	100,022	(117,953)	100,022	35,007
Family self-sufficiency escrows	90,896	80,296	(18,792)	152,400	-
<b>Total noncurrent liabilities</b>	<b>\$ 511,849</b>	<b>\$ 329,760</b>	<b>\$ (142,794)</b>	<b>\$ 698,815</b>	<b>\$ 64,684</b>

*Lakeland-Polk Housing Corporation loans*

In 2006, the Authority entered into a non-interest bearing loan agreement with LPHC, a related party, for the closing costs, deposits, and mortgages on homes sold at the Homes at Lakeridge site. As of December 31, 2019, the total amount outstanding was \$303,000.

**Lakeland Housing Authority**

**NOTES TO BASIC FINANCIAL STATEMENTS**

**Year Ended December 31, 2019**

**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 \$300 related to this lease. The carrying value of the assets was \$149,442 with accumulated amortization of \$6,049 as of December 31, 2019. 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
2020	\$ 29,677	\$ 1,400	\$ 31,077
2021	30,248	829	31,077
2022	30,674	403	31,077
2023	30,949	128	31,077
2024	21,845	10	21,855
Total	\$ 143,393	\$ 2,770	\$ 146,163

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. For all employees hired prior to January 1, 2008, the Authority contributes 6% of the participants' earnings to the plan and the participant contributes 5%. For employees hired on or after January 1, 2008, the Authority contributes 4% of the participants' earnings to the Plan and the participant contributes 3%. The Authority contributed \$74,943 and employees contributed \$88,278 during the year ended December 31, 2019. During 2019, there were \$9,778 of forfeitures.

Lakeland Housing Authority

NOTES TO BASIC FINANCIAL STATEMENTS

Year Ended December 31, 2019

NOTE B - DETAILED NOTES (continued)

7. Risk management

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

8. Commitments and contingencies

a. *Legal*

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

b. *Grants and contracts*

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

c. *Funds awarded*

The Authority receives funding from HUD through grants and programs to help subsidize the cost of project repairs, improvements and certain operating costs. Unspent funded awards as of December 31, 2019 amounted to the following:

Public Housing Capital Fund Program	\$ 2,481,466
Resident Opportunity and Supportive Services	<u>143</u>
Total unspent funded awards	<u>\$ 2,481,609</u>

**Lakeland Housing Authority**

**NOTES TO BASIC FINANCIAL STATEMENTS**

**Year Ended December 31, 2019**

**NOTE B - DETAILED NOTES (continued)**

8. Commitments and contingencies (continued)

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-g) in order for the affiliate to obtain an AHP Loan from the Federal Home Loan Bank in the amount of \$1,200,000. Subsequent to year end, the amount of this guarantee as well as the related loan was amended to \$1,000,000 during permanent financing (see Note B-12).

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, 2019 was \$594,796 of which \$60,229 remained payable.

As of December 31, 2019, 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, 2019, approximately 84% of all revenues and 14% 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.

**Lakeland Housing Authority**

**NOTES TO BASIC FINANCIAL STATEMENTS**

**Year Ended December 31, 2019**

**NOTE B - DETAILED NOTES (continued)**

12. Subsequent events

Management has evaluated subsequent events through August 12, 2020, the date the financial statements were available to be issued and, aside from the items noted below, no additional material events occurred that would require disclosure.

On April 1, 2020, the Federal Home Loan Bank converted the AHP Loan of West Lake I, Ltd, a related party, to be a permanent loan. This conversion resulted in the loan and Authority's guarantee to be decreased to \$1,000,000 (see Note B-8-d).

On January 27, 2020, the Authority forgave the notes receivable of \$2,200,000 and related accrued interest for Renaissance (see Note B-4-c).

Subsequent to year end, the Authority, like most other businesses, was faced with the COVID-19 pandemic. The overall impact and duration of COVID-19 is uncertain as of the date of this report, however with the unemployment rate on the rise, the Authority will be significantly impacted as residents may have a loss of income and related evictions are placed on temporary hold. The Authority has revised operational activities to conform with the current guidelines. As of the date of this report, the Authority has been awarded additional funding under the CARES Act in the amounts of \$157,148 and \$106,806 for Housing Choice Voucher program and Low Rent Public Housing program, respectively, for administrative purposes to conform to the operational changes.

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. Arbor Manor LTD, LLLP, 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, 2019.

**Lakeland Housing Authority**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**Year Ended December 31, 2019**

**NOTE B - DETAILED NOTES (continued)**

13. Condensed blended component unit information (continued)

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.
<b>ASSETS</b>				
Current assets	\$ 108,914	\$ -	\$ 33	\$ 2,946,356
Noncurrent assets	-	76,309	-	2,364,209
<b>TOTAL ASSETS</b>	<b>108,914</b>	<b>76,309</b>	<b>33</b>	<b>5,310,565</b>
<b>LIABILITIES</b>				
Current liabilities	16,055	409,047	-	16,996
Noncurrent liabilities	9,759	-	-	15,773
<b>TOTAL LIABILITIES</b>	<b>25,814</b>	<b>409,047</b>	<b>-</b>	<b>32,769</b>
<b>NET POSITION</b>				
Restricted	-	-	-	2,364,209
Unrestricted	83,100	(332,738)	33	2,913,587
<b>TOTAL NET POSITION</b>	<b>\$ 83,100</b>	<b>\$ (332,738)</b>	<b>\$ 33</b>	<b>\$ 5,277,796</b>

**Lakeland Housing Authority**

**NOTES TO BASIC FINANCIAL STATEMENTS**

**Year Ended December 31, 2019**

**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	Bonnet Shores GP, Inc.	Renaissance at Washington Ridge Master Association, Inc.	Polk County Housing Developers, Inc.
<b>OPERATING REVENUES</b>				
Management fees	\$ 626,909	\$ -	\$ -	\$ -
Other operating revenue	121,476	-	-	-
Total operating revenues	<u>748,385</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>OPERATING EXPENSES</b>				
Administrative	127,999	2,440	-	179,856
Maintenance	298,050	-	21,780	452
General	194,639	12,788	4,004	72,728
Total operating expenses	<u>620,688</u>	<u>15,228</u>	<u>25,784</u>	<u>253,036</u>
<b>OPERATING INCOME (LOSS)</b>	<u>127,697</u>	<u>(15,228)</u>	<u>(25,784)</u>	<u>(253,036)</u>
<b>NONOPERATING REVENUES</b>				
Interest income - unrestricted	173	-	55	-
Interest income - restricted	-	-	-	62,767
Total nonoperating revenues	<u>173</u>	<u>-</u>	<u>55</u>	<u>62,767</u>
Change in net position	127,870	(15,228)	(25,729)	(190,269)
Total net position - beginning of year	<u>(44,770)</u>	<u>(317,510)</u>	<u>25,762</u>	<u>5,468,065</u>
Total net position - ending of year	<u>\$ 83,100</u>	<u>\$ (332,738)</u>	<u>\$ 33</u>	<u>\$ 5,277,796</u>

Condensed Statement of Cash Flows

	West Lake Management, LLC	Bonnet Shores GP, Inc.	Renaissance at Washington Ridge Master Association, Inc.	Polk County Housing Developers, Inc.
<b>NET CASH PROVIDED BY (USED IN):</b>				
Operating activities	\$ 35,212	\$ -	\$ (22,855)	\$ (222,159)
Investing activities	173	-	55	329,779
<b>NET INCREASE (DECREASE)</b>	<u>35,385</u>	<u>-</u>	<u>(22,800)</u>	<u>107,620</u>
Cash at beginning of year	<u>-</u>	<u>-</u>	<u>22,833</u>	<u>101,285</u>
Cash at end of year	<u>\$ 35,385</u>	<u>\$ -</u>	<u>\$ 33</u>	<u>\$ 208,905</u>



**SUPPLEMENTAL INFORMATION**

Lakeland Housing Authority

FINANCIAL DATA SCHEDULE

Year ended December 31, 2019

PHA: FL011 FYED: 12/31/2019												
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	Total AMPS
111	Cash - Unrestricted	600,528	-	-	-	-	-	48,696	-	-	-	649,224
113	Cash - other restricted	47,888	-	-	-	-	-	-	-	-	-	47,888
114	Cash - Tenant Security Deposits	34,600	-	-	-	-	-	1,500	-	-	-	36,100
100	Total Cash	683,016	-	-	-	-	-	50,196	-	-	-	733,212
121	Accounts Receivable - PHA Projects	-	-	-	-	-	-	-	-	-	-	-
122	Accounts Receivable - HUD Other Projects	-	-	-	-	-	-	-	-	-	-	-
124	Accounts Receivable - other government	-	-	-	-	-	-	-	-	-	-	-
125	Accounts Receivable - Miscellaneous	757,324	-	-	-	-	-	284,346	-	-	-	1,041,670
126	Accounts Receivable - Tenants - Dwelling Rents	3,857	-	-	-	-	-	-	-	-	-	3,857
126.1	Allowance for Doubtful Accounts - Dwelling Rents	-	-	-	-	-	-	-	-	-	-	-
128	Fraud recovery	11,774	-	-	-	-	-	555	-	-	-	12,329
120	Total Receivables, net of allowances for doubtful accounts	772,955	-	-	-	-	-	284,901	-	-	-	1,057,856
142	Prepaid Expenses and Other Assets	74,712	-	-	-	-	-	3,462	-	-	-	78,174
144	Interprogram due from	-	-	-	-	-	-	-	-	-	-	-
145	Assets held for sale	-	-	-	-	-	-	538,431	-	-	-	538,431
150	Total Current Assets	1,530,683	-	-	-	-	-	876,990	-	-	-	2,407,673
161	Land	1,466,869	-	-	-	-	-	-	-	-	-	1,466,869
162	Buildings	10,281,398	-	-	-	-	-	-	-	-	-	10,281,398
163	Furniture, Equipment & Machinery - Dwellings	26,718	-	-	-	-	-	-	-	-	-	26,718
164	Furniture, Equipment & Machinery - Administration	918,467	-	-	-	-	-	2,249	-	-	-	920,716
166	Accumulated Depreciation	(11,011,434)	-	-	-	-	-	(2,249)	-	-	-	(11,013,683)
167	Construction In Progress	47,893	-	-	-	-	-	-	-	-	-	47,893
168	Infrastructure	663,360	-	-	-	-	-	-	-	-	-	663,360
160	Total Fixed Assets, Net of Accumulated Depreciation	2,393,271	-	-	-	-	-	-	-	-	-	2,393,271
171	Notes, loans, and mortgages receivable - Noncurrent	1,460,722	-	-	-	-	-	362,911	-	-	-	1,823,633
174	Other Assets	833,751	-	-	-	-	-	-	-	-	-	833,751
180	Total Non-Current Assets	4,687,744	-	-	-	-	-	362,911	-	-	-	5,050,655
190	Total Assets	6,218,427	-	-	-	-	-	1,239,901	-	-	-	7,458,328

See independent auditor's report.

Lakeland Housing Authority

FINANCIAL DATA SCHEDULE

Year ended December 31, 2019

PHA: FL011 FYED: 12/31/2019												
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	Total AMPS
312	Accounts Payable <= 90 Days	-	-	-	-	-	-	-	-	-	-	-
321	Accrued Wage/Payroll Taxes Payable	6,346	-	-	-	-	-	376	-	-	-	6,722
322	Accrued Compensated Absences	4,463	-	-	-	-	-	119	-	-	-	4,582
341	Tenant Security Deposits	34,600	-	-	-	-	-	1,500	-	-	-	36,100
342	Unearned Revenues	6,999	-	-	-	-	-	-	-	-	-	6,999
343	Current portion of L-T debt - capital projects	-	-	-	-	-	-	-	-	-	-	-
345	Other current liabilities	-	-	-	-	-	-	-	-	-	-	-
346	Accrued liabilities - other	218,712	-	-	-	-	-	331	-	-	-	219,043
347	Interprogram due to	-	-	-	-	-	-	-	-	-	-	-
310	<b>Total Current Liabilities</b>	<b>271,120</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,326</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>273,446</b>
351	Long-term debt, net of current - capital projects	-	-	-	-	-	-	-	-	-	-	-
353	Noncurrent Liabilities - Other	47,888	-	-	-	-	-	-	-	-	-	47,888
354	Accrued compensated Absences - Non Current	8,288	-	-	-	-	-	221	-	-	-	8,509
355	Loan liability - noncurrent	303,000	-	-	-	-	-	-	-	-	-	303,000
350	<b>Total Noncurrent Liabilities</b>	<b>359,176</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>221</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>359,397</b>
300	<b>Total Liabilities</b>	<b>630,296</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,547</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>632,843</b>
508.4	Net investment in capital assets	2,393,271	-	-	-	-	-	-	-	-	-	2,393,271
511.4	Restricted Net Assets	2,294,473	-	-	-	-	-	362,911	-	-	-	2,657,384
512.4	Unrestricted Net Assets	900,387	-	-	-	-	-	874,443	-	-	-	1,774,830
513	<b>Total Equity</b>	<b>5,588,131</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,237,354</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>6,825,485</b>
<b>600</b>	<b>Total Liabilities and Equity</b>	<b>6,218,427</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,239,901</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>7,458,328</b>
70300	Net Tenant Rental Revenue	280,176	-	-	-	-	-	29,865	-	-	-	310,041
70400	Tenant Revenue - Other	2,325	-	-	-	-	-	100	-	-	-	2,425
70500	<b>Total Tenant Revenue</b>	<b>282,501</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>29,965</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>312,466</b>
70600	HUD PHA Grants	798,747	70,017	95,616	-	375,577	-	8,255	-	115,348	-	1,463,560
70610	HUD PHA Capital Grants	-	129,174	-	-	-	-	-	-	-	-	129,174
70710	Management Fee	-	-	-	-	-	-	-	-	-	-	-
70720	Asset Management Fee	-	-	-	-	-	-	-	-	-	-	-
70730	Bookkeeping Fee	-	-	-	-	-	-	-	-	-	-	-
70750	Other Fees	-	-	-	-	-	-	-	-	-	-	-
70800	Other government grants	-	-	-	-	-	-	-	-	-	-	-
71100	Investment Income - Unrestricted	838	-	-	-	-	-	77	-	-	-	915
71400	Fraud recovery	-	-	-	-	-	-	-	-	-	-	-
71500	Other revenue	40,037	-	-	-	-	-	2,200	-	-	-	42,237
71600	Gain/Loss on Sale of Fixed Assets	14,455	-	-	-	-	-	(19,479)	-	-	-	(5,024)
72000	Investment income - restricted	109,581	-	-	-	-	-	-	-	-	-	109,581
<b>70000</b>	<b>Total Revenue</b>	<b>1,246,159</b>	<b>199,191</b>	<b>95,616</b>	<b>-</b>	<b>375,577</b>	<b>-</b>	<b>21,018</b>	<b>-</b>	<b>115,348</b>	<b>-</b>	<b>2,052,909</b>

See independent auditor's report.

Lakeland Housing Authority

FINANCIAL DATA SCHEDULE

Year ended December 31, 2019

PHA: FL011 FYED: 12/31/2019												
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	Total AMPS
91100	Administrative Salaries	154,786	-	-	-	-	-	14,214	-	-	-	169,000
91200	Auditing Fees	24,758	-	-	-	-	-	1,188	-	-	-	25,946
91300	Management Fee	122,920	60,807	-	-	-	-	3,266	-	-	-	186,993
91310	Bookkeeping Fee	13,763	-	-	-	-	-	397	-	-	-	14,160
91400	Advertising and Marketing	-	-	-	-	-	-	-	-	-	-	-
91500	Employee Benefit Contributions - Administrative	44,900	-	-	-	-	-	6,816	-	-	-	51,716
91600	Office Expenses	79,543	-	-	-	-	-	3,885	-	-	-	83,428
91700	Legal Expenses	26,956	-	-	-	-	-	4,444	-	-	-	31,400
91800	Travel	16,008	6,959	-	-	-	-	-	-	-	-	22,967
91900	Other Administrative Expenses	24,721	-	-	-	-	-	671	-	-	-	25,392
92000	Asset Management Fee	18,600	-	-	-	-	-	530	-	-	-	19,130
92100	Tenant Services - Salaries	-	-	-	-	-	-	-	-	-	-	-
92200	Relocation Costs	-	-	-	-	-	-	-	-	-	-	-
92300	Employee Benefit Contributions - Tenant Services	-	-	-	-	-	-	-	-	-	-	-
92400	Tenant Services - Other	761	-	-	-	-	-	-	-	-	-	761
93100	Water	19,046	-	-	-	-	-	57	-	-	-	19,103
93200	Electricity	30,214	-	-	-	-	-	370	-	-	-	30,584
93600	Sewer	32,886	-	-	-	-	-	-	-	-	-	32,886
93700	Employee benefit contributions - utilities	-	-	-	-	-	-	142	-	-	-	142
93800	Other utilities expense	65,850	-	-	-	-	-	125	-	-	-	65,975
94100	Ordinary Maintenance and Operations - Labor	92,309	-	-	-	-	-	-	-	-	-	92,309
94200	OMO - Materials and Other	33,649	17	-	-	-	-	1,992	-	-	-	35,658
94300	Ordinary Maintenance and Operations - Contract Costs	116,706	2,234	-	-	-	-	10,958	-	-	-	129,898
94500	Employee Benefit Contributions - Ordinary Maintenance	30,710	-	-	-	-	-	62	-	-	-	30,772

See independent auditor's report.

Lakeland Housing Authority

FINANCIAL DATA SCHEDULE

Year ended December 31, 2019

PHA: FL011 FYED: 12/31/2019												
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	Total AMPS
96110	Property Insurance	49,464	-	-	-	-	-	4,839	-	-	-	54,303
96120	Liability Insurance	17,152	-	-	-	-	-	-	-	-	-	17,152
96130	Workmen's Compensation	9,833	-	-	-	-	-	534	-	-	-	10,367
96200	Other General Expenses	19,053	-	95,616	-	375,577	-	-	-	115,348	-	605,594
96210	Compensated Absences	12,751	-	-	-	-	-	340	-	-	-	13,091
96400	Bad Debt - Tenant Rents	16,130	-	-	-	-	-	1,155	-	-	-	17,285
96710	Interest of Mortgage (or Bonds) Payable	-	-	-	-	-	-	-	-	-	-	-
96900	Total Operating Expenses	1,073,469	70,017	95,616	-	375,577	-	55,985	-	115,348	-	1,786,012
97000	Excess Operating Revenue over Operating Expenses	172,690	129,174	-	-	-	-	(34,967)	-	-	-	266,897
97300	Housing Assistance Payments	18,243	-	-	-	-	-	-	-	-	-	18,243
97350	HAP Portability-in	-	-	-	-	-	-	-	-	-	-	-
97400	Depreciation Expense	119,060	-	-	-	-	-	319	-	-	-	119,379
90000	Total Expenses	1,210,772	70,017	95,616	-	375,577	-	56,304	-	115,348	-	1,923,634
10080	Special items, net gain/loss	(3,751,341)	-	-	-	-	-	-	-	-	-	(3,751,341)
10100	Total other financing sources (Uses)	(3,751,341)	-	-	-	-	-	-	-	-	-	(3,751,341)
<b>10000</b>	<b>Excess (deficiency) of total revenue over (under) total expenses</b>	<b>(3,715,954)</b>	<b>129,174</b>	-	-	-	-	<b>(35,286)</b>	-	-	-	<b>(3,622,066)</b>
11030	Beginning Equity	9,174,911	-	-	-	-	-	1,272,640	-	-	-	10,447,551
11040.1	Transfer CFP hard costs to operations	129,174	(129,174)	-	-	-	-	-	-	-	-	-
11040	Prior Period Adjustments, Equity transfer and correction of errors	129,174	(129,174)	-	-	-	-	-	-	-	-	-
11170	Administrative Fee Equity	-	-	-	-	-	-	-	-	-	-	-
11180	Housing Assistance Payments Equity	-	-	-	-	-	-	-	-	-	-	-
11190	Unit Months Available	1,851	-	-	-	-	-	53	-	-	-	1,904
11210	Number of Unit Months Leased	1,835	-	-	-	-	-	53	-	-	-	1,888
11270	Excess Cash	1,047,507	-	-	-	-	-	328,106	-	(9,612)	-	1,366,001
11610	Land Purchases	-	-	-	-	-	-	-	-	-	-	-
11620	Building Purchases	-	81,281	-	-	-	-	-	-	-	-	81,281
11630	Furniture & Equipment - Dwelling Purchases	-	-	-	-	-	-	-	-	-	-	-
11640	Furniture & Equipment - Administrative Purchases	-	47,893	-	-	-	-	-	-	-	-	47,893
11650	Leasehold Improvements Purchases	-	-	-	-	-	-	-	-	-	-	-
11660	Infrastructure Purchases	-	-	-	-	-	-	-	-	-	-	-
13510	CFFP Debt Service Payments	-	-	-	-	-	-	-	-	-	-	-
13901	Replacement Housing Factor Funds	-	-	-	-	-	-	-	-	-	-	-

See independent auditor's report.

Lakeland Housing Authority

FINANCIAL DATA SCHEDULE

Year ended December 31, 2019

PHA: FL011 FYED: 12/31/2019

Line Item No.	Account Description	Central Office Cost Center	Business Activities	Total Blended Component Units	Revitalization of Severely Distressed Public Housing	Housing Choice Voucher Program	Mainstream Voucher Program	Family Self-Sufficiency Program	ROSS Program	YouthBuild Program	AmeriCorps Grant	Eliminations	Total Primary Government
111	Cash - Unrestricted	136,479	747,244	253,491	14,866	249,953	46,447	14,879	14,879	17,274	94,006	-	2,083,020
113	Cash - other restricted	-	-	-	-	-	104,512	-	-	-	-	-	152,400
114	Cash - Tenant Security Deposits	-	950	-	-	-	-	-	-	-	-	-	37,050
100	Total Cash	136,479	748,194	253,491	249,953	150,959	182	182	14,870	17,274	-	-	2,272,470
121	Accounts Receivable - PHA Projects	-	-	-	-	5,607	-	-	-	-	-	-	5,607
122	Accounts Receivable - HUD Other Projects	-	-	-	-	207,754	-	15,551	35,310	-	-	-	258,615
124	Accounts Receivable - other government	-	-	-	-	-	-	-	-	65,135	958	-	66,093
125	Accounts Receivable - Miscellaneous	-	230,918	141,627	-	79,695	999	-	-	-	-	-	1,494,909
126	Accounts Receivable - Tenants - Dwelling Rents	-	1,898	-	-	-	1,268	-	-	-	-	-	7,023
126.1	Allowance for Doubtful Accounts - Dwelling Rents	-	-	-	-	-	(1,135)	-	-	-	-	-	(1,135)
128	Fraud recovery	-	-	-	-	-	267	-	-	-	-	-	12,596
120	Total Receivables, net of allowances for doubtful accounts	-	232,816	141,627	-	293,056	1,399	15,551	35,310	65,135	958	-	1,843,708
142	Prepaid Expenses and Other Assets	1,328	-	2,000	-	16,998	-	-	-	778	-	-	99,278
144	Interprogram due from	-	-	2,258,990	-	-	21,513	-	-	-	-	(2,280,503)	-
145	Assets held for sale	-	-	-	-	-	-	-	-	-	-	-	538,431
150	Total Current Assets	137,807	981,010	2,656,108	249,953	461,013	22,912	15,733	35,310	65,913	958	(2,280,503)	4,753,887
161	Land	-	-	-	-	-	-	-	-	-	-	-	1,466,869
162	Buildings	-	42,424	-	-	-	-	-	-	-	-	-	10,323,822
163	Furniture, Equipment & Machinery - Dwellings	-	-	-	-	-	-	-	-	-	-	-	26,718
164	Furniture, Equipment & Machinery - Administration	183,211	-	-	-	44,767	-	-	-	21,299	-	-	1,169,993
166	Accumulated Depreciation	(39,818)	(21,214)	-	-	(33,552)	-	-	-	(21,299)	-	-	(11,129,566)
167	Construction In Progress	-	-	-	-	-	-	-	-	-	-	-	47,893
168	Infrastructure	-	-	-	-	-	-	-	-	-	-	-	663,360
160	Total Fixed Assets, Net of Accumulated Depreciation	143,393	21,210	-	-	11,215	-	-	-	-	-	-	2,569,089
171	Notes, loans, and mortgages receivable - Noncurrent	-	2,045,242	694,021	2,914,591	-	-	-	-	-	-	-	7,477,487
174	Other Assets	-	-	1,746,496	1,563,856	-	-	-	-	-	-	-	4,144,103
180	Total Non-Current Assets	143,393	2,066,452	2,440,517	4,478,447	11,215	-	-	-	-	-	-	14,190,679
190	Total Assets	281,200	3,047,462	5,096,625	4,728,400	472,228	22,912	15,733	35,310	65,913	958	(2,280,503)	18,944,566

See independent auditor's report.

Lakeland Housing Authority

FINANCIAL DATA SCHEDULE

Year ended December 31, 2019

PHA: FL011 FYED: 12/31/2019													
Line Item No.	Account Description	Central Office Cost Center	Business Activities	Total Blended Component Units	Revitalization of Severely Distressed Public Housing	Housing Choice Voucher Program	Mainstream Voucher Program	Family Self-Sufficiency Program	ROSS Program	YouthBuild Program	AmeriCorps Grant	Eliminations	Total Primary Government
					14,866	14,871	14,879	14,896	14,870	17,274	94,006		
312	Accounts Payable <= 90 Days	-	-	-	-	33,750	-	-	19,992	9,126	958	-	63,826
321	Accrued Wage/Payroll Taxes Payable	20,749	-	15,328	-	7,655	-	2,176	2,185	8,293	-	-	63,108
322	Accrued Compensated Absences	11,202	-	13,748	-	5,475	-	-	-	-	-	-	35,007
341	Tenant Security Deposits	-	950	-	-	-	-	-	-	-	-	-	37,050
342	Unearned Revenues	-	-	-	-	7,128	-	-	-	12,583	-	-	26,710
343	Current portion of L-T debt - capital projects	29,677	-	-	-	-	-	-	-	-	-	-	29,677
345	Other current liabilities	-	168,712	-	-	33,225	5	-	-	-	-	-	201,942
346	Accrued liabilities - other	69,308	3,328	4,850	-	-	-	-	-	23,304	-	-	319,833
347	Interprogram due to	270,587	1,776,473	-	-	203,574	-	13,557	13,133	3,179	-	(2,280,503)	-
310	<b>Total Current Liabilities</b>	<b>401,523</b>	<b>1,949,463</b>	<b>33,926</b>	<b>-</b>	<b>290,807</b>	<b>5</b>	<b>15,733</b>	<b>35,310</b>	<b>56,485</b>	<b>958</b>	<b>(2,280,503)</b>	<b>777,153</b>
351	Long-term debt, net of current - capital projects	113,716	-	-	-	-	-	-	-	-	-	-	113,716
353	Noncurrent Liabilities - Other	-	-	-	-	104,512	-	-	-	-	-	-	152,400
354	Accrued compensated Absences - Non Current	20,805	-	25,532	-	10,169	-	-	-	-	-	-	65,015
355	Loan liability - noncurrent	-	-	-	-	-	-	-	-	-	-	-	303,000
350	<b>Total Noncurrent Liabilities</b>	<b>134,521</b>	<b>-</b>	<b>25,532</b>	<b>-</b>	<b>114,681</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>634,131</b>
300	<b>Total Liabilities</b>	<b>536,044</b>	<b>1,949,463</b>	<b>59,458</b>	<b>-</b>	<b>405,488</b>	<b>5</b>	<b>15,733</b>	<b>35,310</b>	<b>56,485</b>	<b>958</b>	<b>(2,280,503)</b>	<b>1,411,284</b>
508.4	Net investment in capital assets	-	21,210	-	-	11,215	-	-	-	-	-	-	2,425,696
511.4	Restricted Net Assets	-	2,045,242	2,364,208	4,478,447	-	-	-	-	-	-	-	11,545,281
512.4	Unrestricted Net Assets	(254,844)	(968,453)	2,672,959	249,953	55,525	22,907	-	-	9,428	-	-	3,562,305
513	<b>Total Equity</b>	<b>(254,844)</b>	<b>1,097,999</b>	<b>5,037,167</b>	<b>4,728,400</b>	<b>66,740</b>	<b>22,907</b>	<b>-</b>	<b>-</b>	<b>9,428</b>	<b>-</b>	<b>-</b>	<b>17,533,282</b>
<b>600</b>	<b>Total Liabilities and Equity</b>	<b>281,200</b>	<b>3,047,462</b>	<b>5,096,625</b>	<b>4,728,400</b>	<b>472,228</b>	<b>22,912</b>	<b>15,733</b>	<b>35,310</b>	<b>65,913</b>	<b>958</b>	<b>(2,280,503)</b>	<b>18,944,566</b>
70300	Net Tenant Rental Revenue	-	7,800	-	-	-	-	-	-	-	-	-	317,841
70400	Tenant Revenue - Other	-	-	-	-	-	-	-	-	-	-	-	2,425
70500	<b>Total Tenant Revenue</b>	<b>-</b>	<b>7,800</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>320,266</b>
70600	HUD PHA Grants	-	-	-	-	10,123,806	268,272	72,000	84,045	-	-	-	12,011,683
70610	HUD PHA Capital Grants	-	-	-	-	-	-	-	-	-	-	-	129,174
70710	Management Fee	367,425	-	-	-	-	-	-	-	-	-	(367,425)	-
70720	Asset Management Fee	19,130	-	-	-	-	-	-	-	-	-	(19,130)	-
70730	Bookkeeping Fee	107,363	-	-	-	-	-	-	-	-	-	(107,363)	-
70750	Other Fees	201,846	-	-	-	-	-	-	-	-	-	(201,846)	-
70800	Other government grants	-	-	-	-	-	-	-	-	482,478	605	-	483,083
71100	Investment Income - Unrestricted	665	57,163	63,046	-	575	-	-	-	83	-	-	122,447
71400	Fraud recovery	-	-	-	-	11,897	-	-	-	-	-	-	11,897
71500	Other revenue	6,349	229,625	748,384	-	29,595	-	-	-	4,548	-	(22,717)	1,038,021
71600	Gain/Loss on Sale of Fixed Assets	-	-	-	-	-	-	-	-	-	-	-	(5,024)
72000	Investment income - restricted	-	-	-	155,793	-	-	-	-	-	-	-	265,374
<b>70000</b>	<b>Total Revenue</b>	<b>702,778</b>	<b>294,588</b>	<b>811,430</b>	<b>155,793</b>	<b>10,165,873</b>	<b>268,272</b>	<b>72,000</b>	<b>84,045</b>	<b>487,109</b>	<b>605</b>	<b>(718,481)</b>	<b>14,376,921</b>

See independent auditor's report.

Lakeland Housing Authority

FINANCIAL DATA SCHEDULE

Year ended December 31, 2019

PHA: FL011 FYED: 12/31/2019

Line Item No.	Account Description	Central Office Cost Center	Business Activities	Total Blended Component Units	Revitalization of Severely Distressed Public Housing	Housing Choice Voucher Program	Mainstream Voucher Program	Family Self-Sufficiency Program	ROSS Program	YouthBuild Program	AmeriCorps Grant	Eliminations	Total Primary Government
					14,866	14,871	14,879	14,896	14,870	17,274	94,006		
91100	Administrative Salaries	371,254	55,000	202,959	-	227,037	-	-	59,273	220,323	-	-	1,304,846
91200	Auditing Fees	-	-	2,440	-	-	-	-	-	-	-	-	28,386
91300	Management Fee	-	-	-	-	180,432	-	-	-	-	-	(367,425)	-
91310	Bookkeeping Fee	-	-	-	-	83,573	-	-	-	9,630	-	(107,363)	-
91400	Advertising and Marketing	-	1,658	-	-	-	-	-	-	-	-	-	1,658
91500	Employee Benefit Contributions - Administrative	100,375	4,464	35,104	-	71,138	-	-	12,716	60,785	-	-	336,298
91600	Office Expenses	98,458	3,534	54,067	-	60,800	-	-	-	9,168	-	-	309,455
91700	Legal Expenses	1,706	(11,671)	796	-	9,158	-	-	-	881	-	-	32,270
91800	Travel	40,613	-	7,760	-	20,049	-	-	-	56,955	605	-	148,949
91900	Other Administrative Expenses	12,023	4,124	9,910	-	43,593	22,717	-	10,000	314	-	(22,717)	105,356
92000	Asset Management Fee	-	-	-	-	-	-	-	-	-	-	(19,130)	-
92100	Tenant Services - Salaries	-	-	-	-	-	-	59,395	-	78,108	-	-	137,503
92200	Relocation Costs	-	197,612	-	-	-	-	-	-	-	-	-	197,612
92300	Employee Benefit Contributions - Tenant Services	-	-	-	-	-	-	11,791	-	6,874	-	-	18,665
92400	Tenant Services - Other	-	-	-	-	281	-	-	-	3,031	-	-	4,073
93100	Water	-	-	-	-	-	-	-	-	-	-	-	19,103
93200	Electricity	143	-	-	-	-	-	-	-	-	-	-	30,727
93600	Sewer	-	-	-	-	-	-	-	-	-	-	-	32,886
93700	Employee benefit contributions - utilities	-	-	-	-	-	-	-	-	-	-	-	142
93800	Other utilities expense	-	-	-	-	-	-	-	-	-	-	-	65,975
94100	Ordinary Maintenance and Operations - Labor	-	-	198,456	-	-	-	-	-	-	-	-	290,765
94200	OMO - Materials and Other	7,419	-	25,981	-	2,951	-	-	-	837	-	-	72,846
94300	Ordinary Maintenance and Operations - Contract Costs	4,081	35,588	32,099	-	4,502	-	-	-	-	-	-	206,168
94500	Employee Benefit Contributions - Ordinary Maintenance	-	-	63,516	-	-	-	-	-	-	-	-	94,288

See independent auditor's report.



Lakeland Housing Authority

FINANCIAL DATA SCHEDULE

Year ended December 31, 2019

PHA: FL011 FYED: 12/31/2019													
Line Item No.	Account Description	Central Office Cost Center	Business Activities	Total Blended Component Units	Revitalization of Severely Distressed Public Housing	Housing Choice Voucher Program	Mainstream Voucher Program	Family Self-Sufficiency Program	ROSS Program	YouthBuild Program	AmeriCorps Grant	Eliminations	Total Primary Government
96110	Property Insurance	8,157	-	-	14,866	132	-	-	-	-	-	-	62,592
96120	Liability Insurance	1,800	-	-	-	1,400	-	-	-	3,648	-	-	24,000
96130	Workmen's Compensation	14,124	1,518	11,942	-	7,737	-	814	2,056	9,959	-	-	58,517
96200	Other General Expenses	175	2,010	185,421	-	2,205	-	-	-	26,596	-	(201,846)	620,155
96210	Compensated Absences	32,007	-	39,280	-	15,644	-	-	-	-	-	-	100,022
96400	Bad Debt - Tenant Rents	-	-	4,004	-	-	-	-	-	-	-	-	21,289
96710	Interest of Mortgage (or Bonds) Payable	300	-	-	-	-	-	-	-	-	-	-	300
96900	Total Operating Expenses	692,635	293,837	917,666	-	730,632	22,717	72,000	84,045	487,109	605	(718,481)	4,368,777
97000	Excess Operating Revenue over Operating Expenses	10,143	751	(106,236)	155,793	9,435,241	245,555	-	-	-	-	-	10,008,144
97300	Housing Assistance Payments	-	-	-	-	9,368,967	290,071	-	-	-	-	-	9,677,281
97350	HAP Portability-in	-	-	-	-	-	-	-	-	-	-	-	-
97400	Depreciation Expense	6,954	2,121	-	-	3,180	-	-	-	-	-	-	131,634
90000	Total Expenses	699,589	295,958	917,666	-	10,102,779	312,788	72,000	84,045	487,109	605	(718,481)	14,177,692
10080	Special items, net gain/loss	-	(296,687)	-	-	-	-	-	-	-	-	-	(4,048,028)
10100	Total other financing sources (Uses)	-	(296,687)	-	-	-	-	-	-	-	-	-	(4,048,028)
<b>10000</b>	<b>Excess (deficiency) of total revenue over (under) total expenses</b>	<b>3,189</b>	<b>(298,057)</b>	<b>(106,236)</b>	<b>155,793</b>	<b>63,094</b>	<b>(44,516)</b>	-	-	-	-	-	<b>(3,848,799)</b>
11030	Beginning Equity	(258,033)	1,396,056	5,143,403	4,572,607	3,646	67,423	-	-	9,428	-	-	21,382,081
11040.1	Transfer CFP hard costs to operations	-	-	-	-	-	-	-	-	-	-	-	-
11040	Prior Period Adjustments, Equity transfer and correction of errors	-	-	-	-	-	-	-	-	-	-	-	-
11170	Administrative Fee Equity	-	-	-	-	66,740	-	-	-	-	-	-	66,740
11180	Housing Assistance Payments Equity	-	-	-	-	-	-	-	-	-	-	-	-
11190	Unit Months Available	-	12	-	-	18,453	540	-	-	-	-	-	20,909
11210	Number of Unit Months Leased	-	12	-	-	15,036	537	-	-	-	-	-	17,473
11270	Excess Cash	-	-	-	-	-	-	-	-	-	-	-	1,366,001
11610	Land Purchases	-	-	-	-	-	-	-	-	-	-	-	-
11620	Building Purchases	-	-	-	-	-	-	-	-	-	-	-	81,281
11630	Furniture & Equipment - Dwelling Purchases	-	-	-	-	-	-	-	-	-	-	-	-
11640	Furniture & Equipment - Administrative Purchases	-	-	-	-	-	-	-	-	-	-	-	47,893
11650	Leasehold Improvements Purchases	-	-	-	-	-	-	-	-	-	-	-	-
11660	Infrastructure Purchases	-	-	-	-	-	-	-	-	-	-	-	-
13510	CFFP Debt Service Payments	-	-	-	-	-	-	-	-	-	-	-	-
13901	Replacement Housing Factor Funds	-	-	-	-	-	-	-	-	-	-	-	-

See independent auditor's report.

Lakeland Housing Authority

SCHEDULE OF ACTUAL CAPITAL FUND PROGRAM COSTS AND ADVANCES

Year ended December 31, 2019

PROGRAM NUMBER	FL14P011 501-15	FL14P011 501-16	FL14P011 501-17	FL14P011 501-18	FL14P011 501-19	Total
<b>BUDGET AMOUNT</b>	\$ 345,575	\$ 358,393	\$ 608,069	\$ 934,727	\$ 971,182	\$ 3,217,946
<b>ADVANCES</b>						
Cash receipts - prior years	\$ 305,349	\$ 231,940	\$ -	\$ -	\$ -	\$ 537,289
Cash receipts - current year	40,226	50,000	108,965	-	-	199,191
Cumulative as of December 31, 2019	345,575	281,940	108,965	-	-	736,480
<b>COSTS</b>						
Prior years	305,349	231,940	-	-	-	537,289
Current year	40,226	50,000	108,965	-	-	199,191
Cumulative as of December 31, 2019	345,575	281,940	108,965	-	-	736,480
<b>RECEIVABLES DUE FROM HUD</b>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>SOFT COSTS</b>						
Prior years	\$ 166,589	\$ 139,892	\$ -	\$ -	\$ -	\$ 306,481
Current year	9,161	-	60,856	-	-	70,017
Cumulative as of December 31, 2019	175,750	139,892	60,856	-	-	376,498
<b>HARD COSTS</b>						
Prior years	138,760	92,048	-	-	-	230,808
Current year	31,065	50,000	48,109	-	-	129,174
Cumulative as of December 31, 2019	169,825	142,048	48,109	-	-	359,982
<b>CUMULATIVE HARD AND SOFT COSTS</b>	\$ 345,575	\$ 281,940	\$ 108,965	\$ -	\$ -	\$ 736,480

See independent auditor's report.

Lakeland Housing Authority

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

Year ended December 31, 2019

PROGRAM NUMBER	ROSS 171038	FSS FL018FSH
<b>BUDGET AMOUNT</b>	\$ 219,185	\$ 72,000
<b>ADVANCES</b>		
Cash receipts - prior years	\$ 126,747	\$ -
Cash receipts - current year	56,985	56,449
Cumulative as of December 31, 2019	183,732	56,449
<b>COSTS</b>		
Prior years	134,997	-
Current year	84,045	72,000
Cumulative as of December 31, 2019	219,042	72,000
<b>RECEIVABLES DUE FROM HUD</b>	\$ 35,310	\$ 15,551

See independent auditor's report.

**SINGLE AUDIT SECTION**

**Lakeland Housing Authority**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

**Year ended December 31, 2019**

Federal Grantor/Pass-Through Grantor/ Program or Cluster Title	CFDA Number	Federal Expenditures
<b><u>U.S. Department of Housing and Urban Development ("HUD"):</u></b>		
<u>Received directly from HUD:</u>		
Public and Indian Housing	14.850	\$ 1,393,543
Resident Opportunity and Supportive Services Housing Voucher Cluster	14.870	84,045
Section 8 Housing Choice Vouchers Program	14.871	\$ 10,123,806
Mainstream Vouchers Program	14.879	<u>268,272</u>
Subtotal Housing Voucher Cluster		10,392,078
Family Self-Sufficiency Program	14.896	72,000
Public Housing Capital Fund Program	14.872	<u>199,191</u>
		12,140,857
<b><u>U.S. Department of Labor:</u></b>		
<u>Pass through from the State of Florida:</u>		
YouthBuild Program	17.274	482,478
<b><u>U.S. Corporation for National and Community Service:</u></b>		
<u>Pass through from the State of Florida:</u>		
AmeriCorps	94.006	<u>605</u>
<b>TOTAL EXPENDITURES OF FEDERAL AWARDS</b>		<b><u><u>\$ 12,623,940</u></u></b>

**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, 2019, 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, 2019.

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, 2019, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated August 12, 2020.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Authority's internal control over financial reporting ("internal control") to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our 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 determination of financial statement amounts. 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.

August 12, 2020  
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, 2019. 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, 2019.

## 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.

August 12, 2020  
Melbourne, Florida

*Berman Hopkins Wright & LaHam*  
*CPAs and Associates, LLP*

Lakeland Housing Authority

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

December 31, 2019

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 and Indian Housing - **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 and Indian Housing - CFDA No. 14.850

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**