

**LAKELAND HOUSING
AUTHORITY**

Lakeland, Florida

**Basic
Financial Statements and
Supplementary
Information**

December 31, 2021



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INDEPENDENT AUDITOR'S REPORT

Board of Commissioners
Lakeland Housing Authority
Lakeland, Florida

Report on the Audit of the Financial Statements

Opinion

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, 2021, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Authority's business-type activities as of December 31, 2021, and the 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 ("GAAP").

Basis for Opinion

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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Authority and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with GAAP; and for 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.

Responsibilities of Management for the Financial Statements (continued)

In preparing the financial statements, management is required to evaluate whether there are conditions or events considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit for the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgement made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risk. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

GAAP requires that management's discussion and analysis as listed in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management, 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.

Supplementary 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 accompanying financial data schedule and schedule of program costs and advances are presented for purposes of additional analysis as required by U.S. Department of Housing and Urban Development, and are not a required part of the basic financial statements of the Authority. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The 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 supplementary information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 30, 2022 on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Authority's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control and compliance.

September 30, 2022
Melbourne, Florida

Berman Hopkins Wright & LaHam
CPAs and Associates, LLP

Management's Discussion and Analysis

As management of the Lakeland Housing Authority (the "Authority"), we offer the readers of the Authority's financial statements this narrative overview and analysis of the financial activities for the year ended December 31, 2021. 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, Lakeland Housing Authority, 430 Hartsell Avenue, Lakeland, Florida 33815.

Financial Highlights

- The assets of the Authority exceeded its liabilities as of December 31, 2021, by \$26,064,230 (net position), a decrease of \$1,623,507 from the previous year.
- The Authority had revenue from the U.S. Department of Housing and Urban Development ("HUD") of \$15,067,256, which includes funds for capital asset activities.
- The Authority's cash balance as of December 31, 2021, was \$4,802,503 a decrease of \$868,330 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 Statements (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>2021</u>	<u>2020</u>	<u>Net Change</u>
Current assets	\$ 5,557,808	\$ 6,439,949	\$ (882,141)
Capital assets, net	18,957,512	19,794,395	(836,883)
Other noncurrent assets	5,520,406	5,590,761	(70,355)
Total assets	30,035,726	31,825,105	(1,789,379)
Current liabilities	1,137,806	1,096,463	41,343
Long-term debt	2,382,553	2,430,271	(47,718)
Other noncurrent liabilities	451,137	610,634	(159,497)
Total liabilities	3,971,496	4,137,368	(165,872)
Net investment in capital assets	16,526,459	17,716,773	(1,190,314)
Restricted	4,915,645	7,666,735	(2,751,090)
Unrestricted	4,622,126	2,304,229	2,317,897
Total net position	\$ 26,064,230	\$ 27,687,737	\$ (1,623,507)

Current Assets decreased by \$882,141 due to the timing of cash inflows and outflows for operations.

Capital Assets decreased by \$836,883 primarily due to current year depreciation offset by additions.

Other Noncurrent Assets decreased by \$70,355 primarily due to changes in notes receivable and related accrued interest.

Total liabilities reflect a decrease of \$165,872 primarily due to overall increases in FSS escrows liability.

Financial Analysis (continued)

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

1. Net investment in capital assets - the Authority's investment in capital assets, net of accumulated depreciation and related debt, is due to capital asset and long-term debt activity.
2. Restricted - the Authority's net position whose use is subject to constraints imposed by law or agreement. As of December 31, 2021, the Authority had \$4,915,645 of restricted net position which consisted primarily of \$1,874,780 of notes receivable and \$682,233 of related accrued interest, and \$6,291 of developer fee receivable, which are restricted in their future availability for operations (see Note B-4) and \$2,352,341 restricted for reserve escrow.
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's unrestricted component of net position is designated for housing-related purposes.

Financial Analysis (continued)

	<u>Changes in Net Position</u>		
	<u>2021</u>	<u>2020</u>	<u>Net Change</u>
Operating revenues			
HUD revenues	\$ 14,963,948	\$ 14,994,147	\$ (30,199)
Other revenues	4,017,592	3,904,341	113,251
Total operating revenues	<u>18,981,540</u>	<u>18,898,488</u>	<u>83,052</u>
Operating expenses			
Administrative	3,541,411	3,979,425	(438,014)
Tenant services	185,400	681,556	(496,156)
Utilities	290,720	279,348	11,372
Maintenance	1,896,938	1,963,007	(66,069)
General	1,469,746	1,259,262	210,484
Depreciation	942,671	965,123	(22,452)
Housing assistance payments	12,432,358	10,676,135	1,756,223
Total operating expenses	<u>20,759,244</u>	<u>19,803,856</u>	<u>955,388</u>
Operating loss	<u>(1,777,704)</u>	<u>(905,368)</u>	<u>(872,336)</u>
Nonoperating revenues (expenses)			
Gain (loss) on sale of assets	(12,668)	(50,916)	38,248
Interest income	162,511	214,251	(51,740)
Interest expense	(98,954)	(176,870)	77,916
Total nonoperating revenues (expenses)	<u>50,889</u>	<u>(13,535)</u>	<u>64,424</u>
Change in net position before capital contributions.	(1,726,815)	(918,903)	(807,912)
Capital contributions	103,308	-	103,308
Transfers in of blended component units	-	7,025,330	(7,025,330)
Change in net position	<u>(1,623,507)</u>	<u>6,106,427</u>	<u>(7,729,934)</u>
Total net position - beginning	<u>27,687,737</u>	<u>21,581,310</u>	<u>6,106,427</u>
Total net position - ending	<u>\$ 26,064,230</u>	<u>\$ 27,687,737</u>	<u>\$ (1,623,507)</u>

Total Operating Revenue increased by \$83,052 due to an increase of tenant revenue of \$101,688 offset by decrease of \$30,199 in HUD operating revenues.

Total Operating Expenses increased by \$955,388 during 2021 as compared to 2020. This is primarily the result of the increase in housing assistance payments due to increased FMR costs resulting in increased payment standards. This increase was offset by decreases in administrative and tenant services expenses due to increased costs in the prior year related to the COVID-19 pandemic.

Capital Contributions increased by \$103,308 due to funds being utilized for capital costs in 2021. There were no capital contributions in 2020 due to the COVID-19 pandemic.

Capital Asset and Debt Activity

At the end of fiscal year 2021, the Authority's net capital assets decreased by \$836,883. The net change was due to depreciation expense of \$942,671 offset by current year additions of \$105,788. The accompanying financial statements include a detailed roll forward of capital assets in Note B-3.

At the end of the fiscal year 2021, the Authority had debt of \$2,431,053, which includes \$48,500 represented as a current liability for the payment on the TD bank loan.

Factors Affecting Next Year's Budget

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

Economic Factors

Significant economic factors affecting the Authority are as follows:

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

Lakeland Housing Authority

STATEMENT OF NET POSITION

December 31, 2021

ASSETS

CURRENT ASSETS

Cash - unrestricted	\$ 1,979,412
Cash - restricted	2,558,616
Receivables, net	362,757
Due from HUD	134,182
Assets held for sale	137,673
Prepaid expenses	385,168
Total current assets	5,557,808

NONCURRENT ASSETS

Cash - restricted	264,475
Capital assets, net	18,957,512
Leased vehicles, net	156,677
Other assets, net	1,382,635
Accrued interest receivable from related parties - restricted	682,233
Developer fee receivable from related parties - restricted	6,291
Notes receivable from related parties - restricted	1,874,780
Other notes and loans receivable	1,153,315
Total noncurrent assets	24,477,918
Total assets	30,035,726

LIABILITIES

CURRENT LIABILITIES

Current portion of vehicle lease	48,728
Current portion of long term debt	48,500
Accounts payable	482,196
Accrued salaries and benefits	118,729
Accrued compensated absences	51,581
Tenant security deposits	106,356
Family self-sufficiency escrow	22,602
Unearned revenue	103,105
Other current liabilities	156,009
Total current liabilities	1,137,806

NONCURRENT LIABILITIES

Long-term debt	2,382,553
Vehicle lease	90,905
Accrued compensated absences	95,757
Family self-sufficiency escrow	264,475
Total noncurrent liabilities	2,833,690
Total liabilities	3,971,496

NET POSITION

Net investment in capital assets	16,526,459
Restricted	4,915,645
Unrestricted	4,622,126
Total net position	\$ 26,064,230

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

Lakeland Housing Authority

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

For the year ended December 31, 2021

OPERATING REVENUES	
HUD operating revenues	\$ 14,963,948
Other government operating grants	374,385
Tenant revenue, net	2,068,881
Other operating revenue	1,574,326
Total operating revenues	<u>18,981,540</u>
OPERATING EXPENSES	
Administrative	3,541,411
Tenant services	185,400
Utilities	290,720
Maintenance	1,896,938
General	1,469,746
Depreciation	942,671
Housing assistance payments	12,432,358
Total operating expenses	<u>20,759,244</u>
OPERATING LOSS	<u>(1,777,704)</u>
NONOPERATING REVENUES (EXPENSES)	
Loss on disposal of capital assets	(12,668)
Interest income	162,511
Interest expense	(98,954)
Total nonoperating revenues (expenses)	<u>50,889</u>
Change in net position before contributions	(1,726,815)
HUD CAPITAL CONTRIBUTIONS	<u>103,308</u>
CHANGE IN NET POSITION	(1,623,507)
Total net position - beginning of year	<u>27,687,737</u>
Total net position - end of year	<u><u>\$ 26,064,230</u></u>

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

Lakeland Housing Authority

STATEMENT OF CASH FLOWS

For the year ended December 31, 2021

CASH FLOWS FROM OPERATING ACTIVITIES

HUD operating grants received	\$ 14,839,688
Other government operating grants received	374,385
Collections from tenants	2,223,976
Collections from other sources	1,198,772
Payments to employees	(3,353,116)
Payments to suppliers	(4,135,175)
Housing assistance payments	<u>(12,258,460)</u>
Net cash used in operating activities	<u>(1,109,930)</u>

CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES

Proceeds from the sale of assets held for sale	105,132
HUD capital grants received	103,308
Payments on vehicle lease	(55,850)
Principal payments on long term debt	(46,331)
Interest paid	(98,954)
Purchase of property and equipment	<u>(105,788)</u>
Net cash used in capital and related financing activities	<u>(98,483)</u>

CASH FLOWS FROM INVESTING ACTIVITIES

Interest received	86,770
Collection of notes receivable	315,970
Investment in notes receivable	<u>(62,657)</u>
Net cash provided by investing activities	<u>340,083</u>

NET DECREASE IN CASH (868,330)

CASH AT BEGINNING OF YEAR 5,670,833

CASH AT END OF YEAR \$ 4,802,503

RECONCILIATION TO STATEMENT OF NET POSITION

Cash - unrestricted	\$ 1,979,412
Cash - restricted current	2,558,616
Cash - restricted noncurrent	<u>264,475</u>
	<u><u>\$ 4,802,503</u></u>

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

Lakeland Housing Authority

STATEMENT OF CASH FLOWS (continued)

For the year ended December 31, 2021

RECONCILIATION OF OPERATING LOSS TO NET

CASH USED IN OPERATING ACTIVITIES

Operating loss	\$ (1,777,704)
Adjustments to reconcile operating loss to net cash used in operating activities	
Depreciation	942,671
Amortization of leased vehicles	38,568
Change in provision for uncollectible accounts	17,984
(Increase) decrease in assets:	
Receivables, net	(6,031)
Due from HUD	(124,260)
Prepaid expenses	(129,010)
Other assets, net	(283,112)
Increase (decrease) in liabilities:	
Accounts payable	280,844
Accrued salaries and benefits	5,001
Accrued compensated absences	17,331
Tenant security deposits	(11,552)
Family self-sufficiency escrow	173,898
Unearned revenue	44,268
Other current liabilities	<u>(298,826)</u>
Net cash used in operating activities	<u>\$ (1,109,930)</u>

SUPPLEMENTAL DISCLOSURE OF NON-CASH INFORMATION

Forgiveness of developer fee receivable for investment in West Bartow	<u>\$ 1,336,693</u>
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The accompanying notes are an integral part of these financial statements.

Lakeland Housing Authority

NOTES TO BASIC FINANCIAL STATEMENTS

For the year ended December 31, 2021

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1. Reporting entity

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

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

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

Blended component units

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

- Polk County Housing Developers, Inc. ("PCHD")
- West Lake Management, LLC.
- Renaissance at Washington Ridge Master Association, Inc. (limited activity in fiscal year 2021)
- Bonnet Shores GP, Inc. (limited activity in fiscal year 2021)
- Polk County Housing, Inc. (limited activity in fiscal year 2021)
- West Lake Realty, Inc. (limited activity in fiscal year 2021)
- Arbor Manor LTD, LLLP (limited activity in fiscal year 2021)
- Heritage Oaks at Renaissance Development, LLC (no activity in fiscal year 2021)
- West Bartow GP, Inc. (no activity in fiscal year 2021)
- Dakota GP, Inc. (no activity in fiscal year 2021)

Lakeland Housing Authority

NOTES TO BASIC FINANCIAL STATEMENTS

For the year ended December 31, 2021

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

1. Reporting entity (continued)

Blended component units (continued)

- Lakeland - Polk Housing Corporation (“LPHC”) and subsidiaries
 - Dakota Park Limited Partnership, LLLP (“Dakota Park”)
 - Renaissance at Washington Ridge LTD, LLLP (“Renaissance”)
 - Williamstown, LLLP (“Williamstown”)
 - LPHC 2, Inc

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

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

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

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

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

Lakeland Housing Authority

NOTES TO BASIC FINANCIAL STATEMENTS

For the year ended December 31, 2021

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-9 for activity associated with these entities.

The Authority is related to the following organizations:

West Bartow Partnership LTD, LLLP ("West Bartow") - a Florida Limited Liability Limited Partnership formed on March 27, 2007 to be a low income elderly housing provider. The General Partner of West Bartow is LPHC. The Special Limited Partner is West Bartow GP, Inc. (a blended component unit). The initial Limited Partner was the Authority, who was previously replaced by SunAmerica Housing Fund, the Equity Investor (Syndicator). The developer is Polk County Housing Developers, Inc. (a blended component unit). The Executive Director of the Authority, as President of the General Partner, manages the operations of West Bartow. The Authority provides certain operational and administrative support functions for West Bartow on a cost reimbursement basis.

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

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

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

The Authority provides all operational and administrative support functions for Bonnet Shores on a cost reimbursement basis. The Authority has a note receivable of \$1,009,877 and accrued interest of \$682,233 from Bonnet Shores at December 31, 2021.

Lakeland Housing Authority

NOTES TO BASIC FINANCIAL STATEMENTS

For the year ended December 31, 2021

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

1. Reporting entity (continued)

Related organizations (continued)

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

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

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

The Authority provides all operational and administrative support functions for Colton Meadow on a cost reimbursement basis. In addition, the Authority has provided a portion of their earned developer fees to fund an operating deficit reserve as well as to cover various development expenses over time. As a result of this activity, the Authority has notes receivable from Colton Meadow in the amount of \$813,746 at December 31, 2021.

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

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

2. Government-wide and fund financial statements

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

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

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

Lakeland Housing Authority

NOTES TO BASIC FINANCIAL STATEMENTS

For the year ended December 31, 2021

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 \$17,984.

Lakeland Housing Authority

NOTES TO BASIC FINANCIAL STATEMENTS

For the year ended December 31, 2021

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, 2021.

Lakeland Housing Authority

NOTES TO BASIC FINANCIAL STATEMENTS

For the year ended December 31, 2021

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, 2021. 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 one single family home which was part of the Authority's HOME Ownership program with a total cost of \$137,673. Qualifying residents are able to purchase this 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-k-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	5 - 7 years
Infrastructure	40 years

Lakeland Housing Authority

NOTES TO BASIC FINANCIAL STATEMENTS

For the year ended December 31, 2021

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

5. Assets, liabilities and net position (continued)

f. Impairment of long-lived assets

The Authority evaluates events or changes in circumstances affecting long-lived assets to determine whether an impairment of its assets has occurred. If the Authority determines that a long-lived asset is impaired, and that the impairment is significant and other-than-temporary, then an impairment loss will be recorded in the Authority's financial statements. Management has determined that there were no impairments as of December 31, 2021.

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, 2021, unearned revenue consists of \$8,859 of prepaid rents and \$94,246 of grant advances.

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, 2021, the interprogram receivables and payables net to zero and \$1,788,581 are eliminated for the presentation of the Authority as a whole.

Lakeland Housing Authority

NOTES TO BASIC FINANCIAL STATEMENTS

For the year ended December 31, 2021

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

5. Assets, liabilities and net position (continued)

j. Eliminations (continued)

i). Interprogram due to/from (continued)

In addition, primarily involving the Authority's blended component units, \$3,206,610 of internal loans and receivables and accrued interest payable and receivable of \$719,116 have been eliminated.

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 \$879,156 of fees for service have been eliminated for the year ended December 31, 2021.

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 \$4,915,645 of restricted net position which consists of the following:

- \$1,874,780 of mortgage notes receivable and \$682,233 of accrued interest associated with the loans (see Note B-4);
- \$2,352,341 in restricted cash for reserves; and
- \$6,291 of developer fee receivable from related parties.

Lakeland Housing Authority

NOTES TO BASIC FINANCIAL STATEMENTS

For the year ended December 31, 2021

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

5. Assets, liabilities and net position (continued)

k. *Net position (continued)*

iii). *Unrestricted net position*

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

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, 2021, 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 2018 through 2021.

Lakeland Housing Authority

NOTES TO BASIC FINANCIAL STATEMENTS

For the year ended December 31, 2021

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

8. Leasing activities

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

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

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

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

9. Use of estimates

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

10. Impact of recently issued accounting principles

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

In May 2020, the GASB issued Statement No. 96, *Subscription-Based Information Technology Arrangements*. This statement is effective for the Authority's December 31, 2023 fiscal year end. Management is currently evaluating the impact of the adoption of these statements on the Authority's financial statements.

Lakeland Housing Authority

NOTES TO BASIC FINANCIAL STATEMENTS

For the year ended December 31, 2021

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

10. Impact of recently issued accounting principles (continued)

In June 2022, the GASB issued Statement No. 101, *Compensated Absences*. This statement is effective for the Authority's December 31, 2024 fiscal year end. Management is currently evaluating the impact of the adoption of these statements on the Authority's financial statements.

NOTE B - DETAILED NOTES

1. Deposits

As of December 31, 2021, the Authority's cash consists of deposits with a book balance of \$4,802,503.

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

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

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

Credit Risk - is the risk that an issuer or other counterparty will fail to meet its obligations in accordance with agreed terms. It is the Authority's policy to follow the HUD regulations by only having direct investments and investments through mutual funds to direct obligations, guaranteed obligations, or obligations of the agencies in the United States of America. As of December 31, 2021, 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, 2021, none of the Authority's total balances held in banks and financial institutions were exposed to custodial credit risk, as all were either fully insured or collateralized.

Lakeland Housing Authority

NOTES TO BASIC FINANCIAL STATEMENTS

For the year ended December 31, 2021

NOTE B - DETAILED NOTES (continued)

1. Deposits (continued)

Restricted cash

Cash was restricted for the following purposes at December 31, 2021

Current:	
Replacement reserves	\$ 2,352,341
Security deposits	106,356
EHV reserves	77,317
HCV Family Self-Sufficiency escrows	22,602
Total current restricted cash	2,558,616
Noncurrent:	
LPHC Family Self-Sufficiency escrows	28,422
HCV Family Self-Sufficiency escrows	49,894
Public Housing Family Self-Sufficiency escrows	186,159
Total noncurrent restricted cash	264,475
Total restricted cash	\$ 2,823,091

2. Receivables, net

As of December 31, 2021, receivables, net consist of:

Fraud receivables	\$ 262,602
Tenant receivables	21,238
Due from landlords	186,587
Due from other governments	43,224
Portability receivables	40
Miscellaneous receivables	97,950
Total receivables	611,641
Allowance for doubtful accounts - fraud	(247,467)
Allowance for doubtful accounts - tenants	(1,417)
	\$ 362,757

Lakeland Housing Authority

NOTES TO BASIC FINANCIAL STATEMENTS

For the year ended December 31, 2021

NOTE B - DETAILED NOTES (continued)

3. Capital assets and leased vehicles, net

A summary of changes in capital assets and leased vehicles is as follows:

	Balance at January 1, 2021	Transfers in/ Additions	Transfers out/ Deletions	Balance at December 31, 2021
Non-depreciable:				
Land	\$ 1,798,228	\$ -	\$ -	\$ 1,798,228
Construction in progress	47,893	103,308	-	151,201
Total non-depreciable	<u>1,846,121</u>	<u>103,308</u>	<u>-</u>	<u>1,949,429</u>
Depreciated:				
Buildings and improvements	32,358,922	-	-	32,358,922
Equipment	1,865,193	2,480	-	1,867,673
Infrastructure	7,029,202	-	-	7,029,202
Total depreciated	<u>41,253,317</u>	<u>2,480</u>	<u>-</u>	<u>41,255,797</u>
Total capital assets	<u>43,099,438</u>	<u>105,788</u>	<u>-</u>	<u>43,205,226</u>
Less accumulated depreciation				
Buildings and improvements	(19,052,965)	(728,720)	-	(19,781,685)
Equipment	(1,615,765)	(94,833)	-	(1,710,598)
Infrastructure	(2,636,313)	(119,118)	-	(2,755,431)
Total accumulated depreciation	<u>(23,305,043)</u>	<u>(942,671)</u>	<u>-</u>	<u>(24,247,714)</u>
Capital assets, net	<u>\$ 19,794,395</u>	<u>\$ (836,883)</u>	<u>\$ -</u>	<u>\$ 18,957,512</u>
	Balance at January 1, 2021	Transfers in/ Additions	Transfers out/ Deletions	Balance at December 31, 2021
Lease vehicles	\$ 1,798,228	\$ -	\$ -	\$ 1,798,228
Lease amortization	(40,278)	(38,568)	-	(78,846)
Leased vehicles, net	<u>\$ 1,757,950</u>	<u>\$ (38,568)</u>	<u>\$ -</u>	<u>\$ 1,719,382</u>

4. Notes, accrued interest and developer fees receivable

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

Lakeland Housing Authority

NOTES TO BASIC FINANCIAL STATEMENTS

For the year ended December 31, 2021

NOTE B - DETAILED NOTES (continued)

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

When the notes are paid back they will be considered restricted program income to be used for similar project developments in the future. As of December 31, 2021, all of the notes receivable, associated interest, and developer fees are classified as restricted. The following is a summary of the changes in the notes receivable for the year ended December 31, 2021:

	Balance at January 1, 2021	Additions	Payments/ Deletions	Balance at December 31, 2021
Amounts due from related parties:				
LPHC promissory note	\$ 315,970	\$ -	\$ (315,970)	\$ -
Villas at Lake Bonnet mortgage note	1,009,877	-	-	1,009,877
Villas at Lake Bonnet accrued interest	606,492	75,741	-	682,233
Colton Meadow mortgage note	450,845	-	-	450,845
Colton Meadow promissory note	362,901	51,157	-	414,058
West Bartow developer fee	1,336,693	-	(1,336,693)	-
West Bartow CRA note	400,000	-	-	400,000
Twin Lakes Estates developer fee	6,291	-	-	6,291
Subtotal of amounts due from related parties	<u>4,489,069</u>	<u>126,898</u>	<u>(1,652,663)</u>	<u>2,963,304</u>
Other notes and loans receivable:				
Second mortgages	490,815	11,500	-	502,315
Third mortgages	251,000	-	-	251,000
Subtotal of other	<u>741,815</u>	<u>11,500</u>	<u>-</u>	<u>753,315</u>
Total	<u>\$ 5,230,884</u>	<u>\$ 138,398</u>	<u>\$ (1,652,663)</u>	<u>\$ 3,716,619</u>
Total by category:				
Notes receivable from related parties - restricted	\$ 2,139,593	\$ 51,157	\$ (315,970)	\$ 1,874,780
Other notes and loans receivable	1,141,815	11,500	-	1,153,315
Accrued interest - restricted	606,492	75,741	-	682,233
Developer fee - restricted	1,342,984	-	(1,336,693)	6,291
Total	<u>\$ 5,230,884</u>	<u>\$ 138,398</u>	<u>\$ (1,652,663)</u>	<u>\$ 3,716,619</u>

Lakeland Housing Authority

NOTES TO BASIC FINANCIAL STATEMENTS

For the year ended December 31, 2021

NOTE B - DETAILED NOTES (continued)

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

a. *LPHC*

As part of an agreement with LPHC, the Authority has advanced funds to LPHC in prior years in the amount of \$315,970 to fund operations, this note is noninterest bearing with no repayment terms. As of December 31, 2021, this amount was paid.

b. *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 mortgage is subordinated to a first mortgage held by a bank. The mortgage bears interest at 7.5% per annum. Commencing on July 1, 2010, and continuing on the first of each month thereafter until the date of the fourth installment of the Investment Limited Partner's capital contribution, interest only payments are to be paid. After the fourth installment, payments of interest and principal shall be paid out of available cash flow with a maturity date 30 years after the date of the fourth installment. As of December 31, 2021, there was \$682,233 of unpaid accrued interest receivable related to this mortgage.

c. *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 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

For the year ended December 31, 2021

NOTE B - DETAILED NOTES (continued)

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

d. *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, 2021.

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

e. *West Bartow LTD., LLLP ("West Bartow")*

The Authority earned a developer fee in prior years in the amount of \$2,161,102 from West Bartow, and as of December 31, 2021, the remaining \$1,336,693 was forgiven. The Authority holds an investment in West Bartow for this forgiven balance.

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

f. *Twin Lakes Estates*

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

Lakeland Housing Authority

NOTES TO BASIC FINANCIAL STATEMENTS

For the year ended December 31, 2021

NOTE B - DETAILED NOTES (continued)

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

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

g. Second mortgages

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

h. Third mortgages

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

5. Noncurrent liabilities

The following is a summary of the changes in noncurrent liabilities for the year ended December 31, 2021:

	Payable at January 1, 2021	Additions	Reductions	Payable at December 31, 2021	Due Within One Year
Notes payable					
Mortgage Payable - TD Bank, N.A	\$ 2,077,384	\$ -	\$ (46,331)	\$ 2,031,053	\$ 48,500
CRA Loan	400,000	-	-	400,000	-
Total notes payable	2,477,384	-	(46,331)	2,431,053	48,500
Vehicle lease	131,102	64,381	(55,850)	139,633	48,728
Compensated absences	130,007	132,433	(115,102)	147,338	51,581
Family self-sufficiency escrows	208,790	204,092	(125,805)	287,077	22,602
Total noncurrent liabilities	<u>\$ 2,947,283</u>	<u>\$ 400,906</u>	<u>\$ (343,088)</u>	<u>\$ 3,005,101</u>	<u>\$ 171,411</u>

Lakeland Housing Authority

NOTES TO BASIC FINANCIAL STATEMENTS

For the year ended December 31, 2021

NOTE B - DETAILED NOTES (continued)

5. Noncurrent liabilities (continued)

a. *Mortgage Payable - TD Bank, N.A.*

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

As of December 31, 2021, the future principal maturities are as follows:

Year-Ended	Principal	Interest	Total Mortgage Payment
2022	\$ 48,500	\$ 54,464	\$ 102,964
2023	49,741	53,223	102,964
2024	50,964	52,000	102,964
2025	52,512	50,452	102,964
2026	54,100	48,864	102,964
2027-2030	1,775,236	159,787	1,935,023
Total	\$ 2,031,053	\$ 418,790	\$ 2,449,843

b. *CRA Loan*

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

Lakeland Housing Authority

NOTES TO BASIC FINANCIAL STATEMENTS

For the year ended December 31, 2021

NOTE B - DETAILED NOTES (continued)

5. Noncurrent liabilities (continued)

c. *Vehicle lease*

On September 26, 2019, the Authority entered into a Vehicle Lease agreement with Enterprise Management Fleet, Inc as lessee for the financing of a fleet of vehicles for the Authority’s operational use. The Authority has implemented GASB Statement No. 87, *Leases*, for accounting purposes and, therefore, this lease agreement has been recorded at present value of fixed minimum lease payments as of the commencement date, October 18, 2019. The lease expires in September 2024 and has an annual interest rate of 1.25%. The accompanying financial statements include the interest expense of \$1,589 related to this lease. The carrying value of the assets was \$235,523 with accumulated amortization of \$78,846 as of December 31, 2021 (see Note B-3). 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
2022	\$ 48,728	\$ 474	\$ 49,202
2023	50,131	154	50,285
2024	40,774	14	40,788
Total	\$ 139,633	\$ 642	\$ 140,275

6. Pension plan

The Authority maintains two single employer defined contribution plans for the benefit of regular full-time employees. The Plans are administered by the Mass Mutual Financial Group. In a defined contribution plan, benefits depend solely on amounts available in the plan. The Authority’s Board of Commissioners is authorized to establish and amend plan provisions. Employees are eligible to participate in the plan after six months of employment and after attaining eighteen years of age. Vesting begins after one year of service and participants become 100% vested after five years. The Authority contributes 4% of the participants’ earnings to the plan. The Authority contributed \$268,561 during the year ended December 31, 2021. During 2021, there were \$14,404 of forfeitures.

Lakeland Housing Authority

NOTES TO BASIC FINANCIAL STATEMENTS

For the year ended December 31, 2021

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, 2021 amounted to the following: \$3,189,611 for Capital Fund Program and \$162,404 for Resident Opportunity and Supportive Services Program.

Lakeland Housing Authority

NOTES TO BASIC FINANCIAL STATEMENTS

For the year ended December 31, 2021

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-(f)) in order for the affiliate to obtain an AHP Loan from the Federal Home Loan Bank in the amount of \$1,200,000. In 2019, the amount of this guarantee as well as the related loan was amended to \$1,000,000 during permanent financing.

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, 2021 was \$772,031.

As of December 31, 2021 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, 2021, approximately 78% of all revenues and 27% 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

For the year ended December 31, 2021

NOTE B - DETAILED NOTES (continued)

12. Subsequent events

Management has evaluated subsequent events through September 30, 2022, the date the financial statements were available to be issued and noted no additional material events occurred that would require disclosure.

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.

Condensed Statement of Net Position

	West Lake Management, LLC	PCHD	LPHC and Subsidiaries	Other Blended Component Units	Total
ASSETS					
Current assets	\$ 11,616	\$ 76,535	\$ 2,886,237	\$ -	\$ 2,974,388
Capital assets, net	48,870	-	16,296,154	-	16,345,024
Noncurrent assets	110,317	925,635	82,695	1,336,693	2,455,340
TOTAL ASSETS	170,803	1,002,170	19,265,086	1,336,693	21,774,752
LIABILITIES					
Current liabilities	118,663	2,990	3,380,456	587,486	4,089,595
Noncurrent liabilities	16,756	5,553	3,849,207	-	3,871,516
TOTAL LIABILITIES	135,419	8,543	7,229,663	587,486	7,961,111
NET POSITION					
Net investment in capital assets	48,870	-	13,865,101	-	13,913,971
Restricted	-	-	2,772,690	-	2,772,690
Unrestricted	(13,486)	993,627	(4,602,368)	749,207	(2,873,020)
TOTAL NET POSITION	\$ 35,384	\$ 993,627	\$ 12,035,423	\$ 749,207	\$ 13,813,641

Lakeland Housing Authority

NOTES TO BASIC FINANCIAL STATEMENTS

For the year ended December 31, 2021

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	PCHD	LPHC and Subsidiaries	Other Blended Component Units	Total
OPERATING REVENUES					
Management fees	\$ 479,861	\$ -	\$ -	\$ -	\$ 479,861
Tenant revenue	-	-	1,916,032	-	1,916,032
Other operating revenue	523,929	95,000	205,650	-	824,579
Total operating revenues	<u>1,003,790</u>	<u>95,000</u>	<u>2,121,682</u>	<u>-</u>	<u>3,220,472</u>
OPERATING EXPENSES					
Operating Expenses	1,118,366	135,208	2,186,491	-	3,440,065
Depreciation	13,328	-	812,505	-	825,833
Total operating expenses	<u>1,131,694</u>	<u>135,208</u>	<u>2,998,996</u>	<u>-</u>	<u>4,265,898</u>
OPERATING INCOME (LOSS)	<u>(127,904)</u>	<u>(40,208)</u>	<u>(877,314)</u>	<u>-</u>	<u>(1,045,426)</u>
NONOPERATING REVENUES					
Interest income - unrestricted	-	51,220	1,119	-	52,339
Interest expense	-	-	(97,365)	-	(97,365)
Total nonoperating revenues	<u>-</u>	<u>51,220</u>	<u>(96,246)</u>	<u>-</u>	<u>(45,026)</u>
TRANSFERS					
Transfers in	-	-	-	1,145,802	1,145,802
Transfers out	-	(1,336,451)	(1,145,802)	-	(2,482,253)
Change in net position	<u>(127,904)</u>	<u>(1,325,439)</u>	<u>(2,119,362)</u>	<u>1,145,802</u>	<u>(2,426,903)</u>
Total net position - beginning of year	<u>163,288</u>	<u>2,319,066</u>	<u>14,154,785</u>	<u>(396,595)</u>	<u>16,240,544</u>
Total net position - ending of year	<u>\$ 35,384</u>	<u>\$ 993,627</u>	<u>\$12,035,423</u>	<u>\$ 749,207</u>	<u>\$ 13,813,641</u>

Lakeland Housing Authority

NOTES TO BASIC FINANCIAL STATEMENTS

For the year ended December 31, 2021

NOTE B - DETAILED NOTES (continued)

13. Condensed blended component unit information (continued)

Condensed Statement of Cash Flows

	West Lake Management, LLC	PCHD	LPHC and Subsidiaries	Other Blended Component Units	Total
NET CASH PROVIDED BY (USED IN):					
Operating activities	\$ (69,100)	\$ (139,245)	\$ (239,049)	\$ -	\$ (447,394)
Noncapital financing activities	-	51,220	-	-	51,220
Investing activities	-	-	1,119	-	1,119
NET INCREASE (DECREASE)	(69,100)	(88,025)	(237,930)	-	(395,055)
Cash at beginning of year	69,100	164,560	2,870,964	-	3,104,624
Cash at end of year	<u>\$ -</u>	<u>\$ 76,535</u>	<u>\$ 2,633,034</u>	<u>\$ -</u>	<u>\$ 2,709,569</u>

SUPPLEMENTARY INFORMATION

Lakeland Housing Authority

FINANCIAL DATA SCHEDULE

For the year ended December 31, 2021

PHA: FL011 FYED: 12/31/2021																
Line Item No.	Account Description	AMP 1 Operating (Various Public Housing Sites) 14.850	AMP 1 Capital (Various Public Housing Sites) 14.872	AMP 2 Operating (Dakota Park) 14.850	AMP 2 Capital (Dakota Park) 14.872	AMP 3 Operating (Renaissance at Washington Ridge) 14.850	AMP 3 Capital (Renaissance at Washington Ridge) 14.872	AMP 4 Operating (Hampton Hills) 14.850	AMP 4 Capital (Hampton Hills) 14.872	AMP 5 Operating (Cottages at Williamstown) 14.850	AMP5 Capital (Cottages at Williamstown) 14.872	AMP 6 Operating (Twin Lakes Estates Phase I) 14.850	AMP 6 Capital (Twin Lakes Estates Phase I) 14.872	AMP 7 Operating (Twin Lakes Estates Phase II) 14.850	AMP 7 Capital (Twin Lakes Estates Phase II) 14.872	Total AMPS
111	Cash - Unrestricted	28,115	-	-	-	-	-	328,925	-	-	-	-	-	-	-	357,040
113	Cash - other restricted	49,894	-	-	-	-	-	-	-	-	-	-	-	-	-	49,894
114	Cash - Tenant Security Deposits	19,700	-	-	-	-	-	600	-	-	-	-	-	-	-	20,300
115	Cash - Restricted for payment of current liability	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
100	Total Cash	97,709	-	-	-	-	-	329,525	-	-	-	-	-	-	-	427,234
121	Accounts Receivable - PHA Projects	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
122	Accounts Receivable - HUD Other Projects	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
125	Accounts Receivable - Miscellaneous	30,698	-	-	-	-	-	1,889	-	-	-	-	-	-	-	32,587
126	Accounts Receivable - Tenants - Dwelling Rents	6,684	-	-	-	-	-	-	-	-	-	-	-	-	-	6,684
126.1	Allowance for Doubtful Accounts - Dwelling Rents	(174)	-	-	-	-	-	-	-	-	-	-	-	-	-	(174)
128	Fraud recovery	5,989	-	-	-	-	-	-	-	-	-	-	-	-	-	5,989
128.1	Allowance for doubtful accounts - fraud	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
120	Total Receivables, net of allowances for doubtful accounts	43,197	-	-	-	-	-	1,889	-	-	-	-	-	-	-	45,086
142	Prepaid Expenses and Other Assets	116,913	-	-	-	-	-	1,553	-	-	-	-	-	-	-	118,466
144	Interprogram due from	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
145	Assets held for sale	-	-	-	-	-	-	137,673	-	-	-	-	-	-	-	137,673
150	Total Current Assets	257,819	-	-	-	-	-	470,640	-	-	-	-	-	-	-	728,459
161	Land	1,466,869	-	-	-	-	-	-	-	-	-	-	-	-	-	1,466,869
162	Buildings	6,294,510	-	-	-	-	-	-	-	-	-	-	-	-	-	6,294,510
163	Furniture, Equipment & Machinery - Dwellings	26,718	-	-	-	-	-	-	-	-	-	-	-	-	-	26,718
164	Furniture, Equipment & Machinery - Administration	872,409	-	-	-	-	-	2,249	-	-	-	-	-	-	-	874,658
166	Accumulated Depreciation	(11,177,706)	-	-	-	-	-	(2,249)	-	-	-	-	-	-	-	(11,179,955)
167	Construction In Progress	151,201	-	-	-	-	-	-	-	-	-	-	-	-	-	151,201
168	Infrastructure	4,646,846	-	-	-	-	-	-	-	-	-	-	-	-	-	4,646,846
160	Total Fixed Assets, Net of Accumulated Depreciation	2,280,847	-	-	-	-	-	-	-	-	-	-	-	-	-	2,280,847
171	Notes, loans, and mortgages receivable - Noncurrent	2,445,955	-	1,393,411	-	-	-	372,107	-	-	-	-	-	-	-	4,211,473
174	Other Assets	38,346	-	-	-	-	-	-	-	-	-	-	-	-	-	38,346
180	Total Non-Current Assets	4,765,148	-	1,393,411	-	-	-	372,107	-	-	-	-	-	-	-	6,530,666
190	Total Assets	5,022,967	-	1,393,411	-	-	-	842,747	-	-	-	-	-	-	-	7,259,125

See independent auditor's report.

Lakeland Housing Authority

FINANCIAL DATA SCHEDULE

For the year ended December 31, 2021

PHA: FL011 FYED: 12/31/2021

Line Item No.	Account Description	AMP 1 Operating (Various Public Housing Sites) 14.850	AMP 1 Capital (Various Public Housing Sites) 14.872	AMP 2 Operating (Dakota Park) 14.850	AMP 2 Capital (Dakota Park) 14.872	AMP 3 Operating (Renaissance at Washington Ridge) 14.850	AMP 3 Capital (Renaissance at Washington Ridge) 14.872	AMP 4 Operating (Hampton Hills) 14.850	AMP 4 Capital (Hampton Hills) 14.872	AMP 5 Operating (Cottages at Williamstown) 14.850	AMP5 Capital (Cottages at Williamstown) 14.872	AMP 6 Operating (Twin Lakes Estates Phase I) 14.850	AMP 6 Capital (Twin Lakes Estates Phase I) 14.872	AMP 7 Operating (Twin Lakes Estates Phase II) 14.850	AMP 7 Capital (Twin Lakes Estates Phase II) 14.872	Total AMPS
312	Accounts Payable <= 90 Days	120,820	-	-	-	-	-	1,249	-	-	-	-	-	-	-	122,069
321	Accrued Wage/Payroll Taxes Payable	11,121	-	-	-	-	-	755	-	-	-	-	-	-	-	11,876
322	Accrued Compensated Absences	4,344	-	-	-	-	-	805	-	-	-	-	-	-	-	5,149
325	Accrued interest payable	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
341	Tenant Security Deposits	19,700	-	-	-	-	-	600	-	-	-	-	-	-	-	20,300
342	Unearned Revenues	1,190	-	-	-	-	-	-	-	-	-	-	-	-	-	1,190
343	Current portion of L-T debt - capital projects	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
345	Other current liabilities	303,000	-	-	-	-	-	-	-	-	-	-	-	-	-	303,000
346	Accrued liabilities - other	29,664	-	-	-	-	-	1,203	-	-	-	-	-	-	-	30,867
347	Interprogram due to	114,721	-	-	-	-	-	-	-	-	-	-	-	-	-	114,721
310	Total Current Liabilities	604,560	-	-	-	-	-	4,612	-	-	-	-	-	-	-	609,172
351	Long-term debt, net of current - capital projects	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
353	Noncurrent Liabilities - Other	49,894	-	-	-	-	-	-	-	-	-	-	-	-	-	49,894
354	Accrued compensated Absences - Non Current	8,068	-	-	-	-	-	1,495	-	-	-	-	-	-	-	9,563
355	Loan liability - noncurrent	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
350	Total Noncurrent Liabilities	57,962	-	-	-	-	-	1,495	-	-	-	-	-	-	-	59,457
300	Total Liabilities	662,522	-	-	-	-	-	6,107	-	-	-	-	-	-	-	668,629
508.4	Net investment in capital assets	2,280,847	-	-	-	-	-	-	-	-	-	-	-	-	-	2,280,847
511.4	Restricted Net Assets	2,142,955	-	-	-	-	-	-	-	-	-	-	-	-	-	2,142,955
512.4	Unrestricted Net Assets	(63,357)	-	1,393,411	-	-	-	836,640	-	-	-	-	-	-	-	2,166,694
513	Total Equity	4,360,445	-	1,393,411	-	-	-	836,640	-	-	-	-	-	-	-	6,590,496
600	Total Liabilities and Equity	5,022,967	-	1,393,411	-	-	-	842,747	-	-	-	-	-	-	-	7,259,125
70300	Net Tenant Rental Revenue	150,178	-	-	-	-	-	9,423	-	-	-	-	-	-	-	159,601
70400	Tenant Revenue - Other	40	-	-	-	-	-	-	-	-	-	-	-	-	-	40
70500	Total Tenant Revenue	150,218	-	-	-	-	-	9,423	-	-	-	-	-	-	-	159,641
70600	HUD PHA Grants	587,137	119,580	113,616	-	443,419	-	12,890	-	152,149	-	22,329	-	27,628	-	1,478,748
70610	HUD PHA Capital Grants	-	103,308	-	-	-	-	-	-	-	-	-	-	-	-	103,308
70710	Management Fee	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
70720	Asset Management Fee	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
70730	Bookkeeping Fee	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
70740	Front Line Service Fee	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
70750	Other Fees	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
70800	Other government grants	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
71100	Investment Income - Unrestricted	109,557	-	-	-	-	-	-	-	-	-	-	-	-	-	109,557
71400	Fraud recovery	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
71500	Other revenue	59,787	-	-	-	-	-	-	-	-	-	-	-	-	-	59,787
71600	Gain/Loss on Sale of Fixed Assets	300	-	-	-	-	-	(12,968)	-	-	-	-	-	-	-	(12,668)
70000	Total Revenue	906,999	222,888	113,616	-	443,419	-	9,345	-	152,149	-	22,329	-	27,628	-	1,898,373

See independent auditor's report.

Lakeland Housing Authority

FINANCIAL DATA SCHEDULE

For the year ended December 31, 2021

PHA: FL011 FYED: 12/31/2021

Line Item No.	Account Description	AMP 1 Operating (Various Public Housing Sites) 14.850	AMP 1 Capital (Various Public Housing Sites) 14.872	AMP 2 Operating (Dakota Park) 14.850	AMP 2 Capital (Dakota Park) 14.872	AMP 3 Operating (Renaissance at Washington Ridge) 14.850	AMP 3 Capital (Renaissance at Washington Ridge) 14.872	AMP 4 Operating (Hampton Hills) 14.850	AMP 4 Capital (Hampton Hills) 14.872	AMP 5 Operating (Cottages at Williamstown) 14.850	AMP5 Capital (Cottages at Williamstown) 14.872	AMP 6 Operating (Twin Lakes Estates Phase I) 14.850	AMP 6 Capital (Twin Lakes Estates Phase I) 14.872	AMP 7 Operating (Twin Lakes Estates Phase II) 14.850	AMP 7 Capital (Twin Lakes Estates Phase II) 14.872	Total AMPS
91100	Administrative Salaries	79,782	-	-	-	-	-	5,432	-	-	-	-	-	-	-	85,214
91300	Management Fee	135,897	92,410	-	-	-	-	1,816	-	-	-	-	-	-	-	230,123
91310	Bookkeeping Fee	8,010	-	-	-	-	-	113	-	-	-	-	-	-	-	8,123
91400	Advertising and Marketing	883	-	-	-	-	-	23	-	-	-	-	-	-	-	906
91500	Employee Benefit Contributions - Administrative	34,864	-	-	-	-	-	2,290	-	-	-	-	-	-	-	37,154
91600	Office Expenses	69,717	-	-	-	-	-	2,339	-	-	-	-	-	-	-	72,056
91700	Legal Expenses	13,633	-	-	-	-	-	2,303	-	-	-	-	-	-	-	15,936
91800	Travel	9,497	-	-	-	-	-	-	-	-	-	-	-	-	-	9,497
91900	Other Administrative Expenses	197,471	2,071	-	-	-	-	-	-	-	-	-	-	-	-	199,542
92000	Asset Management Fee	10,680	-	-	-	-	-	150	-	-	-	-	-	-	-	10,830
92100	Tenant Services - Salaries	2,837	-	-	-	-	-	-	-	-	-	-	-	-	-	2,837
92300	Employee Benefit Contributions - Tenant Services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
92400	Tenant Services - Other	6,842	-	-	-	-	-	-	-	-	-	-	-	-	-	6,842
93100	Water	18,328	-	-	-	-	-	4	-	-	-	-	-	-	-	18,332
93200	Electricity	30,121	-	-	-	-	-	18	-	-	-	-	-	-	-	30,139
93600	Sewer	35,034	-	-	-	-	-	9	-	-	-	-	-	-	-	35,043
93800	Other utilities expense	56,888	-	-	-	-	-	4	-	-	-	-	-	-	-	56,892
94100	Ordinary Maintenance and Operations - Labor	99,863	7,402	-	-	-	-	209	-	-	-	-	-	-	-	107,474
94200	OMO - Materials and Other	31,347	7,140	-	-	-	-	720	-	-	-	-	-	-	-	39,207
94300	Ordinary Maintenance and Operations - Contract Costs	191,987	-	-	-	-	-	6,696	-	-	-	-	-	-	-	198,683
94500	Employee Benefit Contributions - Ordinary Maintenance	32,187	7,014	-	-	-	-	-	-	-	-	-	-	-	-	39,201
96110	Property Insurance	30,437	-	-	-	-	-	1,523	-	-	-	-	-	-	-	31,960
96120	Liability Insurance	74,433	-	-	-	-	-	-	-	-	-	-	-	-	-	74,433
96130	Workmen's Compensation	5,382	3,543	-	-	-	-	132	-	-	-	-	-	-	-	9,057
96200	Other General Expenses	59,117	-	113,616	-	443,419	-	-	-	152,149	-	22,329	-	27,628	-	818,258
96210	Compensated Absences	12,411	-	-	-	-	-	-	-	-	-	-	-	-	-	12,411
96400	Bad Debt - Tenant Rents	11,027	-	-	-	-	-	296	-	-	-	-	-	-	-	11,323
96600	Bad Debt - Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
96710	Interest of Mortgage (or Bonds) Payable	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
96900	Total Operating Expenses	1,258,675	119,580	113,616	-	443,419	-	24,077	-	152,149	-	22,329	-	27,628	-	2,161,473
97000	Excess Operating Revenue over Operating Expenses	(351,676)	103,308	-	-	-	-	(14,732)	-	-	-	-	-	-	-	(263,100)

See independent auditor's report.

Lakeland Housing Authority

FINANCIAL DATA SCHEDULE

For the year ended December 31, 2021

PHA: FL011 FYED: 12/31/2021

Line Item No.	Account Description	AMP 1 Operating (Various Public Housing Sites) 14.850	AMP 1 Capital (Various Public Housing Sites) 14.872	AMP 2 Operating (Dakota Park) 14.850	AMP 2 Capital (Dakota Park) 14.872	AMP 3 Operating (Renaissance at Washington Ridge) 14.850	AMP 3 Capital (Renaissance at Washington Ridge) 14.872	AMP 4 Operating (Hampton Hills) 14.850	AMP 4 Capital (Hampton Hills) 14.872	AMP 5 Operating (Cottages at Williamstown) 14.850	AMP5 Capital (Cottages at Williamstown) 14.872	AMP 6 Operating (Twin Lakes Estates Phase I) 14.850	AMP 6 Capital (Twin Lakes Estates Phase I) 14.872	AMP 7 Operating (Twin Lakes Estates Phase II) 14.850	AMP 7 Capital (Twin Lakes Estates Phase II) 14.872	Total AMPS
97300	Housing Assistance Payments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
97350	HAP Portability-in	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
97400	Depreciation Expense	104,999	-	-	-	-	-	-	-	-	-	-	-	-	-	104,999
90000	Total Expenses	1,363,674	119,580	113,616	-	443,419	-	24,077	-	152,149	-	22,329	-	27,628	-	2,266,472
10010	Operating transfers in	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
10020	Operating transfers out	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
10040	Operating transfers from/to component unit	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
10100	Total other financing sources (Uses)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
10000	Excess (deficiency) of total revenue over (under) total expenses	(456,675)	103,308	-	-	-	-	(14,732)	-	-	-	-	-	-	-	(368,099)
11030	Beginning Equity	4,713,812	-	1,393,411	-	-	-	851,372	-	-	-	-	-	-	-	6,958,595
11040.1	Transfer of hard costs to operating.	103,308	(103,308)	-	-	-	-	-	-	-	-	-	-	-	-	-
11040	Prior Period Adjustments, Equity transfer and correction of errors	103,308	(103,308)	-	-	-	-	-	-	-	-	-	-	-	-	-
11170	Administrative Fee Equity	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11180	Housing Assistance Payments Equity	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11190	Unit Months Available	656	-	240	-	1,296	-	14	-	576	-	120	-	168	-	3,070
11210	Number of Unit Months Leased	638	-	236	-	1,282	-	14	-	574	-	120	-	145	-	3,009
11270	Excess Cash	(618,438)	-	-	-	-	-	324,796	-	-	-	-	-	-	-	(293,642)
11620	Building Purchases	-	103,308	-	-	-	-	-	-	-	-	-	-	-	-	103,308

See independent auditor's report.

Lakeland Housing Authority

FINANCIAL DATA SCHEDULE

For the year ended December 31, 2021

PHA: FL011 FYED: 12/31/2021																
Line Item No.	Account Description	Central Office Cost Center	Central Office Cost Center CARES Act Funding 14.CCC	Business Activities	Blended Component Units	PHC Public Housing CARES Act Funding 14.PHC	Housing Choice Voucher CARES Act Funding 14.871	Housing Choice Voucher Program 14.871	Emergency Housing Voucher 14.EHV	Mainstream Voucher Program 14.879	Family Self-Sufficiency Program 14.896	ROSS Program 14.870	YouthBuild Program 17.274	AmeriCorps Grant 94.006	Eliminations	Total Primary Government
111	Cash - Unrestricted	117,507	-	1,121,489	243,700	-	-	124,341	-	-	1,997	-	13,338	-	-	1,979,412
113	Cash - other restricted	-	-	-	2,380,763	-	-	186,159	77,317	-	-	-	-	-	-	2,694,133
114	Cash - Tenant Security Deposits	-	-	950	85,106	-	-	-	-	-	-	-	-	-	-	106,356
115	Cash - Restricted for payment of current liability	-	-	-	-	-	-	22,602	-	-	-	-	-	-	-	22,602
100	Total Cash	117,507	-	1,122,439	2,709,569	-	-	333,102	77,317	-	1,997	-	13,338	-	-	4,802,503
121	Accounts Receivable - PHA Projects	-	-	-	-	-	-	40	-	-	-	-	-	-	-	40
122	Accounts Receivable - HUD Other Projects	-	-	-	-	-	-	97,686	-	-	-	36,496	-	-	-	134,182
125	Accounts Receivable - Miscellaneous	3,383	-	-	58,012	-	-	186,587	-	3,968	-	-	43,224	-	-	327,761
126	Accounts Receivable - Tenants - Dwelling Rents	-	-	1,236	13,318	-	-	-	-	-	-	-	-	-	-	21,238
126.1	Allowance for Doubtful Accounts - Dwelling Rents	-	-	-	(1,243)	-	-	-	-	-	-	-	-	-	-	(1,417)
128	Fraud recovery	-	-	-	-	-	-	255,078	-	1,535	-	-	-	-	-	262,602
128.1	Allowance for doubtful accounts - fraud	-	-	-	-	-	-	(245,932)	-	(1,535)	-	-	-	-	-	(247,467)
120	Total Receivables, net of allowances for doubtful accounts	3,383	-	1,236	70,087	-	-	293,459	-	3,968	-	36,496	43,224	-	-	496,939
142	Prepaid Expenses and Other Assets	2,996	-	-	223,154	-	-	12,859	25,820	-	-	-	1,873	-	-	385,168
144	Interprogram due from	-	-	3,111,288	-	-	-	-	173,282	-	-	-	-	-	(3,284,570)	-
145	Assets held for sale	-	-	-	-	-	-	-	-	-	-	-	-	-	-	137,673
150	Total Current Assets	123,886	-	4,234,963	3,002,810	-	-	639,420	276,419	3,968	1,997	36,496	58,435	-	(3,284,570)	5,822,283
161	Land	-	-	296,687	34,672	-	-	-	-	-	-	-	-	-	-	1,798,228
162	Buildings	-	-	42,424	26,021,988	-	-	-	-	-	-	-	-	-	-	32,358,922
163	Furniture, Equipment & Machinery - Dwellings	-	-	-	4,463	-	-	-	-	-	-	-	-	-	-	31,181
164	Furniture, Equipment & Machinery - Administration	56,784	-	-	838,982	-	-	44,767	-	-	-	-	21,299	-	-	1,836,490
166	Accumulated Depreciation	(39,362)	-	(29,699)	(12,937,437)	-	-	(39,960)	-	-	-	-	(21,299)	-	-	(24,247,712)
167	Construction In Progress	-	-	-	-	-	-	-	-	-	-	-	-	-	-	151,201
168	Infrastructure	-	-	-	2,382,356	-	-	-	-	-	-	-	-	-	-	7,029,202
160	Total Fixed Assets, Net of Accumulated Depreciation	17,422	-	309,412	16,345,024	-	-	4,807	-	-	-	-	-	-	-	18,957,512
171	Notes, loans, and mortgages receivable - Noncurrent	-	-	852,254	985,021	-	-	-	-	-	-	-	-	-	(2,429,737)	3,619,011
174	Other Assets	156,677	-	-	1,441,897	-	-	-	-	-	-	-	-	-	-	1,636,920
180	Total Non-Current Assets	174,099	-	1,161,666	18,771,942	-	-	4,807	-	-	-	-	-	-	(2,429,737)	24,213,443
190	Total Assets	297,985	-	5,396,629	21,774,752	-	-	644,227	276,419	3,968	1,997	36,496	58,435	-	(5,714,307)	30,035,726

See independent auditor's report.

Lakeland Housing Authority

FINANCIAL DATA SCHEDULE

For the year ended December 31, 2021

PHA: FL011 FYED: 12/31/2021

Line Item No.	Account Description	Central Office Cost Center	Central Office Cost Center CARES Act Funding 14.CCC	Business Activities	Blended Component Units	PHC Public Housing CARES Act Funding 14.PHC	Housing Choice Voucher CARES Act Funding 14.871	Housing Choice Voucher Program 14.871	Emergency Housing Voucher 14.EHV	Mainstream Voucher Program 14.879	Family Self-Sufficiency Program 14.896	ROSS Program 14.870	YouthBuild Program 17.274	AmeriCorps Grant 94.006	Eliminations	Total Primary Government
312	Accounts Payable <= 90 Days	13,287	-	6,017	340,663	-	-	-	-	-	-	-	160	-	-	482,196
321	Accrued Wage/Payroll Taxes Payable	33,268	-	-	54,969	-	-	16,491	-	-	-	2,125	-	-	-	118,729
322	Accrued Compensated Absences	18,288	-	-	22,232	-	-	5,912	-	-	-	-	-	-	-	51,581
325	Accrued interest payable	-	-	-	719,116	-	-	-	-	-	-	-	-	-	(719,116)	-
341	Tenant Security Deposits	-	-	950	85,106	-	-	-	-	-	-	-	-	-	-	106,356
342	Unearned Revenues	-	-	-	7,669	-	-	12,952	77,317	5	-	-	3,972	-	-	103,105
343	Current portion of L-T debt - capital projects	-	-	-	48,500	-	-	-	-	-	-	-	-	-	-	48,500
345	Other current liabilities	139,633	-	-	7,018	-	-	22,602	-	-	-	-	-	-	(291,330)	180,923
346	Accrued liabilities - other	65,458	-	-	40,996	-	-	-	-	-	-	-	-	-	-	137,321
347	Interprogram due to	151,960	-	-	2,763,326	-	-	131,546	-	41,775	1,997	34,371	44,874	-	(3,284,570)	-
310	Total Current Liabilities	421,894	-	6,967	4,089,595	-	-	189,503	77,317	41,780	1,997	36,496	49,006	-	(4,295,016)	1,228,711
351	Long-term debt, net of current - capital projects	-	-	-	2,382,553	-	-	-	-	-	-	-	-	-	-	2,382,553
353	Noncurrent Liabilities - Other	-	-	-	1,066,513	-	-	186,159	-	-	-	-	-	-	(1,038,091)	264,475
354	Accrued compensated Absences - Non Current	33,964	-	-	41,250	-	-	10,980	-	-	-	-	-	-	-	95,757
355	Loan liability - noncurrent	-	-	-	381,200	-	-	-	-	-	-	-	-	-	(381,200)	-
350	Total Noncurrent Liabilities	33,964	-	-	3,871,516	-	-	197,139	-	-	-	-	-	-	(1,419,291)	2,742,785
300	Total Liabilities	455,858	-	6,967	7,961,111	-	-	386,642	77,317	41,780	1,997	36,496	49,006	-	(5,714,307)	3,971,496
508.4	Net investment in capital assets	17,422	-	309,412	13,913,971	-	-	4,907	-	-	-	-	-	-	-	16,526,459
511.4	Restricted Net Assets	-	-	-	2,772,690	-	-	-	-	-	-	-	-	-	-	4,915,645
512.4	Unrestricted Net Assets	(175,295)	-	5,080,250	(2,873,020)	-	-	252,778	199,102	(37,812)	-	-	9,429	-	-	4,622,126
513	Total Equity	(157,873)	-	5,389,662	13,813,641	-	-	257,585	199,102	(37,812)	-	-	9,429	-	-	26,064,230
600	Total Liabilities and Equity	297,985	-	5,396,629	21,774,752	-	-	644,227	276,419	3,968	1,997	36,496	58,435	-	(5,714,307)	30,035,726
70300	Net Tenant Rental Revenue	-	-	11,192	1,891,545	-	-	-	-	-	-	-	-	-	-	2,062,338
70400	Tenant Revenue - Other	-	-	-	24,487	-	-	-	-	-	-	-	-	-	-	24,527
70500	Total Tenant Revenue	-	-	11,192	1,916,032	-	-	-	-	-	-	-	-	-	-	2,086,865
70600	HUD PHA Grants	-	-	-	-	-	36,483	12,776,360	296,134	267,727	72,000	36,496	-	-	-	14,963,948
70610	HUD PHA Capital Grants	-	-	-	-	-	-	-	-	-	-	-	-	-	-	103,308
70710	Management Fee	512,203	-	-	-	-	-	-	-	-	-	-	-	-	(512,203)	-
70720	Asset Management Fee	10,830	-	-	-	-	-	-	-	-	-	-	-	-	(10,830)	-
70730	Bookkeeping Fee	8,123	-	-	-	-	-	-	-	-	-	-	-	-	(8,123)	-
70740	Front Line Service Fee	180,000	-	-	-	-	-	-	-	-	-	-	-	-	(180,000)	-
70750	Other Fees	168,000	-	-	-	-	-	-	-	-	-	-	-	-	(168,000)	-
70800	Other government grants	-	-	-	-	-	-	-	-	-	-	-	374,385	-	-	374,385
71100	Investment Income - Unrestricted	-	-	585	52,339	-	-	30	-	-	-	-	-	-	-	162,511
71400	Fraud recovery	-	-	-	-	-	-	10,433	-	-	-	-	-	-	-	10,433
71500	Other revenue	108,571	-	49,751	1,304,440	-	-	36,432	-	300	-	-	4,612	-	-	1,563,893
71600	Gain/Loss on Sale of Fixed Assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(12,668)
70000	Total Revenue	987,727	-	61,528	3,272,811	-	36,483	12,823,255	296,134	268,027	72,000	36,496	378,997	-	(879,156)	19,252,675

See independent auditor's report.

Lakeland Housing Authority

FINANCIAL DATA SCHEDULE

For the year ended December 31, 2021

PHA: FL011 FYED: 12/31/2021

Line Item No.	Account Description	Central Office Cost Center	Central Office Cost Center CARES Act Funding 14.CCC	Business Activities	Blended Component Units	PHC Public Housing CARES Act Funding 14.PHC	Housing Choice Voucher CARES Act Funding 14.871	Housing Choice Voucher Program 14.871	Emergency Housing Voucher 14.EHV	Mainstream Voucher Program 14.879	Family Self-Sufficiency Program 14.896	ROSS Program 14.870	YouthBuild Program 17.274	AmeriCorps Grant 94.006	Eliminations	Total Primary Government
91100	Administrative Salaries	520,913	-	-	579,077	-	6,171	313,596	31,276	-	-	-	200,855	-	-	1,737,102
91300	Management Fee	-	-	-	-	-	-	282,080	-	-	-	-	-	-	(512,203)	-
91310	Bookkeeping Fee	-	-	-	-	-	-	-	-	-	-	-	-	-	(8,123)	-
91400	Advertising and Marketing	215	-	167	16,489	-	-	2,735	-	-	-	-	-	-	-	20,512
91500	Employee Benefit Contributions - Administrative	139,614	-	-	124,443	-	2,138	90,645	6,909	-	-	-	58,819	-	-	459,722
91600	Office Expenses	123,885	-	9,663	206,902	-	-	76,441	-	-	-	-	9,584	-	-	498,531
91700	Legal Expenses	8,355	-	21,783	46,166	-	-	37,686	165	-	-	-	2,927	-	-	133,018
91800	Travel	24,542	-	-	23,738	-	-	20,284	-	-	-	-	28,584	-	-	106,645
91900	Other Administrative Expenses	60,957	-	11,253	298,429	-	26,001	123,566	1,176	29,444	-	3,383	12,130	-	(180,000)	585,881
92000	Asset Management Fee	-	-	-	-	-	-	-	-	-	-	-	-	-	(10,830)	-
92100	Tenant Services - Salaries	-	-	-	-	-	-	-	-	-	56,855	26,487	45,020	-	-	131,199
92300	Employee Benefit Contributions - Tenant Services	-	-	-	428	-	-	218	-	-	13,332	5,697	4,299	-	-	23,974
92400	Tenant Services - Other	-	-	-	22,698	-	-	-	687	-	-	-	-	-	-	30,227
93100	Water	-	-	-	20,679	-	-	-	-	-	-	-	-	-	-	39,011
93200	Electricity	-	-	-	45,941	-	-	-	-	-	-	-	-	-	-	76,080
93600	Sewer	-	-	-	41,399	-	-	-	-	-	-	-	-	-	-	76,442
93800	Other utilities expense	-	-	-	42,295	-	-	-	-	-	-	-	-	-	-	99,187
94100	Ordinary Maintenance and Operations - Labor	10,058	-	-	566,512	-	-	-	-	-	-	-	-	-	-	684,044
94200	OMO - Materials and Other	8,335	-	924	141,874	-	2,173	8,104	-	-	-	-	1,750	-	-	202,367
94300	Ordinary Maintenance and Operations - Contract Costs	4,604	-	16,739	578,078	-	-	5,449	-	-	-	-	-	-	-	803,553
94500	Employee Benefit Contributions - Ordinary Maintenance	-	-	-	167,773	-	-	-	-	-	-	-	-	-	-	206,974
96110	Property Insurance	6,429	-	-	173,748	-	-	6,914	-	-	-	-	3,224	-	-	222,275
96120	Liability Insurance	-	-	-	11,526	-	-	1,000	-	-	-	-	3,239	-	-	90,198
96130	Workmen's Compensation	16,362	-	-	34,049	-	-	9,979	726	-	1,813	929	8,565	-	-	81,480
96200	Other General Expenses	38,743	-	1,378	236,763	-	-	6	-	-	-	-	-	-	(168,000)	927,148
96210	Compensated Absences	48,732	-	-	54,397	-	-	16,893	-	-	-	-	-	-	-	132,433
96400	Bad Debt - Tenant Rents	-	-	-	6,661	-	-	-	-	-	-	-	-	-	-	17,984
96600	Bad Debt - Other	-	-	-	-	-	-	16,212	-	-	-	-	-	-	-	16,212
96710	Interest of Mortgage (or Bonds) Payable	1,589	-	-	97,365	-	-	-	-	-	-	-	-	-	-	98,954
96900	Total Operating Expenses	1,013,333	-	61,907	3,537,430	-	36,483	1,011,808	40,939	29,444	72,000	36,496	378,996	-	(879,156)	7,501,153
97000	Excess Operating Revenue over Operating Expenses	(25,606)	-	(379)	(264,619)	-	-	11,811,447	255,195	238,583	-	-	1	-	-	11,751,522

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Lakeland Housing Authority

FINANCIAL DATA SCHEDULE

For the year ended December 31, 2021

PHA: FL011 FYED: 12/31/2021

Line Item No.	Account Description	Central Office Cost Center	Central Office Cost Center CARES Act Funding 14.CCC	Business Activities	Blended Component Units	PHC Public Housing CARES Act Funding 14.PHC	Housing Choice Voucher CARES Act Funding 14.871	Housing Choice Voucher Program 14.871	Emergency Housing Voucher 14.EHV	Mainstream Voucher Program 14.879	Family Self-Sufficiency Program 14.896	ROSS Program 14.870	YouthBuild Program 17.274	AmeriCorps Grant 94.006	Eliminations	Total Primary Government
97300	Housing Assistance Payments	-	-	-	-	-	-	12,057,996	56,093	317,318	-	-	-	-	-	12,431,407
97350	HAP Portability-in	-	-	-	-	-	-	951	-	-	-	-	-	-	-	951
97400	Depreciation Expense	4,393	-	4,242	825,833	-	-	3,204	-	-	-	-	-	-	-	942,671
90000	Total Expenses	1,017,726	-	66,149	4,363,263	-	36,483	13,073,959	97,032	346,762	72,000	36,496	378,996	-	(879,156)	20,876,182
10010	Operating transfers in	-	-	-	-	-	-	-	-	12,258	-	-	-	-	(12,258)	-
10020	Operating transfers out	-	-	-	-	-	-	(12,258)	-	-	-	-	-	-	12,258	-
10040	Operating transfers from/to component unit	-	-	1,336,451	(1,336,451)	-	-	-	-	-	-	-	-	-	-	-
10100	Total other financing sources (Uses)	-	-	1,336,451	(1,336,451)	-	-	(12,258)	-	12,258	-	-	-	-	-	-
10000	Excess (deficiency) of total revenue over (under) total expenses	(29,999)	-	1,331,830	(2,426,903)	-	-	(262,962)	199,102	(66,477)	-	-	1	-	-	(1,623,507)
11030	Beginning Equity	(127,874)	-	4,057,832	16,240,544	-	-	520,547	-	28,665	-	-	9,428	-	-	27,687,737
11040.1	Transfer of hard costs to operating.	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11040	Prior Period Adjustments, Equity transfer and correction of errors	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11170	Administrative Fee Equity	-	-	-	-	-	-	257,585	-	-	-	-	-	-	-	257,585
11180	Housing Assistance Payments Equity	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11190	Unit Months Available	-	-	12	2,112	-	-	19,308	720	523	-	-	-	-	-	25,745
11210	Number of Unit Months Leased	-	-	12	2,092	-	-	16,340	61	494	-	-	-	-	-	22,008
11270	Excess Cash	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(293,642)
11620	Building Purchases	-	-	-	-	-	-	-	-	-	-	-	-	-	-	103,308

See independent auditor's report.

Lakeland Housing Authority

SCHEDULE OF CAPITAL FUND PROGRAM COSTS AND ADVANCES

For the year ended December 31, 2021

PROGRAM NUMBER	FL14P011 501-17	FL14P011 501-18	FL14P011 501-19	FL14P011 501-20	FL14P011 501-21	Total
BUDGET AMOUNT	<u>\$ 608,069</u>	<u>\$ 934,727</u>	<u>\$ 971,182</u>	<u>\$ 1,107,656</u>	<u>\$ 1,085,963</u>	<u>\$ 4,707,597</u>
ADVANCES						
Cash receipts - prior years	\$ 583,259	\$ 705,652	\$ -	\$ -	\$ -	\$ 1,288,911
Cash receipts - current year	-	229,075	-	-	-	229,075
Cumulative as of December 31, 2021	<u>583,259</u>	<u>934,727</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,517,986</u>
COSTS						
Prior years	583,259	711,839	-	-	-	1,295,098
Current year	-	222,888	-	-	-	222,888
Cumulative as of December 31, 2021	<u>583,259</u>	<u>934,727</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,517,986</u>
RECEIVABLES DUE FROM HUD	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
SOFT COSTS						
Prior years	\$ 535,150	\$ 711,839	\$ -	\$ -	\$ -	\$ 1,246,989
Current year	-	119,580	-	-	-	119,580
Cumulative as of December 31, 2021	<u>535,150</u>	<u>831,419</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,366,569</u>
HARD COSTS						
Prior years	48,109	-	-	-	-	48,109
Current year	-	103,308	-	-	-	103,308
Cumulative as of December 31, 2021	<u>48,109</u>	<u>103,308</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>151,417</u>
CUMULATIVE HARD AND SOFT COSTS	<u>\$ 583,259</u>	<u>\$ 934,727</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,517,986</u>

See independent auditor's report.

Lakeland Housing Authority

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

For the year ended December 31, 2021

PROGRAM NUMBER	ROSS 211590	FSS21 FL3695
BUDGET AMOUNT	\$ 198,900	\$ 72,000
ADVANCES		
Cash receipts - prior years	\$ -	\$ -
Cash receipts - current year	-	72,000
Cumulative as of December 31, 2021	-	72,000
COSTS		
Prior years	-	-
Current year	36,496	72,000
Cumulative as of December 31, 2021	36,496	72,000
RECEIVABLES DUE FROM HUD	\$ 36,496	\$ -

See independent auditor's report.

Lakeland Housing Authority

SCHEDULE OF CARES ACT PROGRAM COSTS AND ADVANCES

For the year ended December 31, 2021

PROGRAM NUMBER	HCV CARES
BUDGET AMOUNT	<u>\$ 351,020</u>
ADVANCES	
Cash receipts - prior years	\$ 351,020
Cash receipts - current year	-
Cumulative as of December 31, 2021	<u>351,020</u>
COSTS	
Prior years	314,537
Current year	36,483
Cumulative as of December 31, 2021	<u>351,020</u>
RECEIVABLES DUE FROM HUD	<u>\$ -</u>

See independent auditor's report.

SINGLE AUDIT SECTION

Lakeland Housing Authority

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the year ended December 31, 2021

Federal Grantor/Pass-Through Grantor/ Program or Cluster Title	Assistance Listing ("AL") Number	Federal Expenditures
<u>U.S. Department of Housing and Urban Development ("HUD"):</u>		
<u>Received directly from HUD:</u>		
Public and Indian Housing	14.850	\$ 1,359,168
Resident Opportunity and Supportive Services Housing Voucher Cluster	14.870	36,496
Housing Choice Vouchers Program	14.871	\$ 12,776,360
COVID-19, Housing Choice Vouchers Program	14.871	36,483
Emergency Housing Voucher, Housing Choice Vouchers Program	14.871	296,134
Mainstream Vouchers Program	14.879	<u>267,727</u>
Subtotal Housing Voucher Cluster		13,376,704
Family Self-Sufficiency Program	14.896	72,000
Public Housing Capital Fund Program	14.872	<u>222,888</u>
TOTAL		15,067,256
<u>U.S. Department of Labor:</u>		
<u>Pass through from the State of Florida:</u>		
YouthBuild Program	17.274	<u>374,385</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS		<u>\$ 15,441,641</u>

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, 2021, 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, 2021.

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, 2021, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated September 30, 2022.

Report on Internal Control Over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of this Report

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

September 30, 2022
Melbourne, Florida

Berman Hopkins Wright & LaHam
CPAs and Associates, LLP



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

Board of Commissioners
Lakeland Housing Authority
Lakeland, Florida

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the Lakeland Housing Authority’s (the “Authority”) compliance with the types of compliance requirements identified as subject to audit 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, 2021. 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.

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, 2021.

Basis for Opinion on Each Major Federal Program

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”). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor’s Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Authority and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the Authority’s compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal controls over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the Authority's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Authority's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgement made by a reasonable user of the report on compliance about the Authority's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures including examining, on a test basis, evidence regarding the Authority's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Authority's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances 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 the Authority's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on 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 Auditor's Responsibilities for Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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.

September 30, 2022
Melbourne, Florida

Berman Hopkins Wright & LaHam
CPAs and Associates, LLP

Lakeland Housing Authority

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

December 31, 2021

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**

There were no audit findings 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
 - Housing Choice Vouchers Program - AL No. 14.871
 - Mainstream Vouchers Program - AL No. 14.879

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