



Paul D. Joyce, CPA  
State Examiner

## INDIANA STATE BOARD OF ACCOUNTS

302 WEST WASHINGTON STREET  
ROOM E418  
INDIANAPOLIS, INDIANA 46204-2769  
Telephone: (317) 232-2513  
Fax: (317) 232-4711  
[www.in.gov/sboa](http://www.in.gov/sboa)

April 21, 2025

Board of Directors  
Housing Authority of the City of Hammond  
Lake County, Indiana

We have reviewed the audit report of the Housing Authority of the City of Hammond, which was opined upon by Novogradac & Company LLP, Independent Public Accountants, for the period January 1, 2023 to December 31, 2023. Per the *Independent Auditor's Report*, the financial statements included in the report present fairly the financial condition of the Housing Authority of the City of Hammond, as of December 31, 2023 and the results of its operations for the period then ended, on the basis of accounting described in the report.

We call your attention to the finding included in the report on page 44. Please see the Schedule of Findings and Questioned Costs for complete details related to the finding. The Authority's Response appears at the end of the finding.

The audit report is filed with this letter in our office as a matter of public record.

Tammy R. White, CPA  
Deputy State Examiner

**HOUSING AUTHORITY OF THE CITY OF HAMMOND, INDIANA**

**FINANCIAL STATEMENTS AND  
SUPPLEMENTARY INFORMATION**

**FOR THE YEAR ENDED DECEMBER 31, 2023**

**WITH  
REPORT OF INDEPENDENT AUDITORS**

**HOUSING AUTHORITY OF THE CITY OF HAMMOND, INDIANA**  
**TABLE OF CONTENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2023**

<u>Contents</u>	<u>Page</u>
Report of Independent Auditors	1-3
Management's Discussion and Analysis	4-9
Financial Statements:	
Statement of Net Position	10-11
Statement of Revenues, Expenses, and Changes in Net Position	12
Statement of Cash Flows	13-14
Discretely Presented Component Units:	
Combining Statement of Net Position	15-16
Combining Statement of Revenues, Expenses and Changes in Net Position	17
Notes to Financial Statements	18-34
Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	35-36
Independent Auditors' Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance	37-39
Supplementary Information:	
Schedule of Expenditures of Federal Awards	40
Notes to Schedule of Expenditures of Federal Awards	41-42
Schedule of Findings and Questioned Costs	43-44
Financial Data Schedule	45-54

**REPORT OF INDEPENDENT AUDITORS**

To the Board of Commissioners  
Housing Authority of the City of Hammond, Indiana:

***Opinions***

We have audited the accompanying financial statements of the business-type activities (primary government) and the aggregate discretely presented component units of the Housing Authority of the City of Hammond, Indiana (the "Authority") as of and for the year ended December 31, 2023, 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, based on our audit and the reports of the other auditors, the financial statements referred to above present fairly, in all material respects, the financial position of the primary government and the aggregate discretely presented component units of the Authority as of as of December 31, 2023, and the changes in their net position and where applicable, their cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of the discretely presented component units. Those statements, which were prepared in accordance with the accounting standards issued by the Financial Accounting Standards Board, were audited by other auditors whose reports have been furnished to us. We have applied audit procedures on the conversion adjustments to the financial statements of the discretely presented component units, to conform those financial statements to present in accordance with the accounting standards issued by the Governmental Accounting Standards Board. Our opinions, as they relate to the amounts included for the discretely presented component units, prior to these conversion adjustments, are based solely on the reports of the other auditors

***Basis for Opinions***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America ("GAAS") and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. The audits of the discretely presented component units were not audited in accordance with Government Auditing Standards. Our responsibilities under those standards are further described in the Auditors' Responsibility 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 opinions.

## ***Emphasis of Matter***

### *Correction of Error*

As discussed in Note 11 to the financial statements, an error that resulted in understatements of amounts previously reported for noncurrent liabilities as of December 31, 2022, was discovered. Accordingly, net position as of January 1, 2023 has been restated to correct this error. Our opinion is not modified with respect to this matter.

## ***Responsibilities of Management for the Financial Statements***

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

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 within one year after the date that the financial statements are available to be issued.

## ***Auditors' Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. 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 GAAS 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, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS 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 risks. 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, no such opinion is expressed.
- 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 a 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.

## **Other Matters**

### *Required Supplementary Information*

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

### *Other Information*

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Authority's basic financial statements. The schedule of expenditures of federal awards is presented for the purpose 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 not a required part of the basic financial statements. The accompanying financial data schedule is also not a required part of the basic financial statements and is presented for the purposes of additional analysis as required by the U.S. Department of Housing and Urban Development.

The schedule of expenditures of federal awards and financial data schedule are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America.

In our opinion, the schedule of expenditures of federal awards and financial data schedule are fairly stated, in all material respects, in relation to the financial statements as a whole.

## **Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated September 18, 2024 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 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance.

*Novogradac & Company LLP*

Toms River, New Jersey  
September 18, 2024

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

**HOUSING AUTHORITY OF THE CITY OF HAMMOND, INDIANA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
DECEMBER 31, 2023**

As management of the Housing Authority of the City of Hammond, Indiana (the "Authority"), we offer the readers of the Authority's financial statements this narrative overview and analysis of the financial activities of the Authority for the year ended December 31, 2023. We encourage readers to consider the information presented here in conjunction with the Authority's financial statements.

**Contacting the Authority** - This financial report is designed to provide a general overview of the Authority's finances for all those with an interest. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Maria Carmen Paniagua, Executive Director, Housing Authority of the City of Hammond, Indiana 1402 173rd Street, Hammond, Indiana 46324 or call (219) 989-3260.

**Special Conditions and Economic Factors** - Management is not aware of any facts, decisions, or conditions that would have a significant effect on the future operation of the Authority.

***Overview of the Financial Statements***

The financial statements included in this annual audit report are those of a special-purpose government engaged in a business-type activity. The following information is included:

**The Statement of Net Position**

This statement reports all financial and capital resources for the Authority. The statement is presented in the format where assets minus liabilities, equals "Net Position", formerly known as equity. Assets and liabilities are presented in order of liquidity, and are classified as "Current" (convertible into cash within one year), and "Non-current".

**Net Investment in Capital Assets**

This component of Net Position consists of all Capital Assets, reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

**Restricted Net Position:**

This component of Net Position consists of restricted assets, when constraints are placed on the asset by creditors (such as debt covenants), grantors, contributors, laws, regulations, etc.

**Unrestricted Net Position:**

Consists of Net Position that does not meet the definition of "Net Investment in Capital Assets", or "Restricted Net Position".

**Statement of Revenues, Expenses, and Change in Net Position**

Reports the Authority's operating and non-operating revenue, by major sources, along with operating and non-operating expenses and capital contributions.

This Statement includes Operating Revenues, such as rental income, Operating Expenses, such as administrative, utilities, and maintenance, and depreciation, and Non-Operating Revenues and Expenses, such as grant revenue, investment income and interest expense.

**Statement of Cash Flows**

Presents information on the effects changes in assets and liabilities have on cash during the course of the fiscal year.

**HOUSING AUTHORITY OF THE CITY OF HAMMOND, INDIANA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
DECEMBER 31, 2023**

Notes to the Financial Statements

Provide additional information that is essential to a full understanding of the data provided in the financial statements.

Our overall analysis of the Authority as a whole begins on the following pages. The most important question asked about the Authority's finances is "Is the Authority as a whole better or worse off as a result of the year's activities?"

The attached analysis of net position, revenues, and expenses is provided to assist with answering the above question. This analysis includes all assets and liabilities using the accrual basis of accounting. Accrual accounting is similar to the accounting used by most private sector companies. Accrual accounting recognizes revenues and expenses when earned or incurred regardless of when cash is received or paid.

Our analysis also presents the Authority's net position and changes in it. One can think of the Authority's net position as the difference between what the Authority owns (assets) to what the Authority owes (liabilities). The change in net position analysis will assist the reader with measuring the health or financial position of the Authority. Over time, significant changes in the Authority's net position are an 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 the Authority's capital assets.

To fully understand the financial statements of the Authority, one must start with an understanding of what the Authority actually does. The following is a brief description of the programs and services that the Authority provides for the residents of the City of Hammond, Indiana:

***Public and Indian Housing (LIPH)***

The Authority has 196 units in its Public Housing inventory. The Authority is responsible for the management, maintenance, and utilities costs for all units. The units must be maintained in accordance with HUD established housing quality standards. An annual inspection of each unit must be performed by the Housing Authority to assure that they meet or exceed these standards. Each Authority Public Housing building, and the units that comprise those buildings, are subject to random third-party inspections as directed by HUD. In addition, the Authority must annually recertify each of the tenants' family composition and their respective household income.

On an annual basis, the Authority submits a request for funding known as the Calculation of Operating Fund Subsidy. The basic concept of the Calculation of Operating Fund Subsidy is that the Authority has a Project Expense Level (PEL). The PEL reflects estimated allowable operating expenditures and is calculated by HUD in accordance with the results of the Harvard Cost Study which was performed for HUD. HUD funds the difference between these allowable costs incurred for all units leased and the actual tenant revenue generated. Tenant rent is based on 30% of their adjusted household income. Actual funding received from HUD is made by the results of this formula calculation, subject to pro-ration in accordance with total funds actually appropriated by Congress. Actual funding is made by HUD, by formula, in accordance with total funds appropriated by Congress.

**HOUSING AUTHORITY OF THE CITY OF HAMMOND, INDIANA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
DECEMBER 31, 2023**

***Section 8 Housing Choice Vouchers (HCV)***

HUD has contracted with the Housing Authority to provide support for the Section 8 Housing Choice Vouchers Program. The Authority pays housing assistance payments to landlords for low income tenants. The housing assistance payment matches the difference between the total rent that the landlord can charge, at or below a fair market rent amount supplied by HUD, and the amount that the tenant can pay based on 30% of their respective adjusted income.

In 2023, there were 8,230 unit months of voucher payments, compared to 6,162 in 2022. The average voucher payment in 2023 was \$656, compared to \$771 in 2022.

For each unit that the Authority administers, HUD pays the Authority an administrative fee. The Authority is not responsible for the upkeep and maintenance of the units and properties associated with this program. However, they are responsible for annually inspecting the units to assure that they meet or exceed HUD established housing quality standards.

***Capital Fund Program***

Tenant Revenues generated by the Authority are supplemented by operating subsidy from HUD. These two amounts combined are intended to cover only day to day routine expenses. This leaves the Authority with little funding for modernizing of the structures and/or for the completion of non-routine maintenance. The purpose of the Capital Fund grants is to give funds to the Authority for improvement of the sites, to complete non-routine maintenance, and to assist with the improvement of the management of the Authority. This grant program is awarded by HUD, by formula allocation, on an annual basis.

The Authority generally has two years to obligate the funds from these capital fund grants, and three to four years to fully expend them. As formal contracts are awarded from this program, funds are requisitioned from HUD to pay periodic requests from the contractors. Work completed under this grant program is temporarily charged to construction in process. When all of the funds allocated to a specific grant have been fully expended, approved by HUD, and audited, the work items are moved from construction in process and placed into the Capital Assets. Depreciation begins at this point.

***Analysis of Net Position (Statements of Net Position) as of December 31, 2023***

**Total Net Position** for FY 2023 was \$25,275,167 and for FY 2022 the amount was \$20,860,444. This represents an overall net increase of \$4,414,723 or 21.2%.

**Cash and Cash Equivalents (excluding restricted cash)** increased from \$3,672,368 in FY 2022 to \$4,114,535 FY 2023, or by \$442,167 or 12.0%. The change in the Authority's cash balance is primarily due to the Authority generating cash from operations.

**Restricted Cash** decreased from \$282,126 in FY 2022 to \$118,621 in FY 2023, or by \$163,865 or 58.1%. The change was primarily due to decreases in the amount of FSS escrows in 2023.

**Capital Assets, net** increased to \$2,053,524 in FY 2023 from \$1,684,271 in FY 2022, or by \$369,253 or 21.9%. This increase was primarily due to capital asset acquisitions in the amount of \$528,342 exceeding depreciation expense of \$159,089.

**Current liabilities** decreased to \$231,552 in FY 2023 from \$358,642 in FY 2022, or by \$127,090 or 35.4%. This increase was due to a decrease in accounts payable as of December 31, 2023.

**HOUSING AUTHORITY OF THE CITY OF HAMMOND, INDIANA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
DECEMBER 31, 2023**

**Analysis of Net Position (Statement of Net Position) as of December 31, 2023 (continued)**

	<u>2023</u>	<u>2022</u>	<u>Net Change</u>	<u>Percent Variance</u>
Current assets	\$ 5,219,781	\$ 4,071,385	\$ 1,148,396	28.2%
Restricted assets	118,621	282,126	(163,505)	-58.0%
Capital Assets, net	2,053,524	1,684,271	369,253	21.9%
Non-current assets	18,165,964	19,071,450	(905,486)	-4.7%
<b>Total Assets</b>	<b>\$ 25,557,890</b>	<b>\$ 25,109,232</b>	<b>\$ 448,658</b>	1.8%
Current Liabilities	231,552	358,642	(127,090)	-35.4%
Non Current Liabilities	51,171	3,586,512	(3,535,341)	-98.6%
<b>Total Liabilities</b>	<b>282,723</b>	<b>3,945,154</b>	<b>(3,662,431)</b>	-92.8%
Deferred Inflow of Resources	-	303,634	(303,634)	100.0%
<b>Total Liabilities</b>	<b>-</b>	<b>303,634</b>	<b>(303,634)</b>	100.0%
Net Investment in Capital Assets	2,053,524	1,684,271	369,253	21.9%
Restricted Net Position	71,224	95,103	(23,879)	-25.1%
Unrestricted Net Position	23,150,419	19,081,070	4,069,349	21.3%
<b>Total Net Position</b>	<b>25,275,167</b>	<b>20,860,444</b>	<b>4,414,723</b>	21.2%
<b>Total Liabilities and Net Position</b>	<b>\$ 25,557,890</b>	<b>\$ 25,109,232</b>	<b>\$ 448,658</b>	1.8%

**Analysis of Program Revenues for the year ended December 31, 2023**

The Authority administers the following programs and revenue generated during FY 2023 was, as follows:

Program	Revenues Generated
Public and Indian Housing (LIPH)	\$ 1,426,587
Public Housing Capital Fund Program (CFP)	819,621
Central Office Cost Center (COCC)	724,490
Section 8 Housing Choice Vouchers (S8HCV)	6,134,696
PIH Family Self Sufficiency (FSS)	48,097
Component unit blended	173,173
<b>Total Revenue</b>	<b>\$ 9,326,664</b>

**HOUSING AUTHORITY OF THE CITY OF HAMMOND, INDIANA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
DECEMBER 31, 2023**

**Analysis of Operating Revenues for the year ended December 31, 2023**

Total operating revenues for Fiscal Year 2023 were \$8,773,712 as compared to \$7,828,305 of total revenues for Fiscal Year 2022. Comparatively, FY 2023 revenues exceeded FY 2022 revenues by \$945,407 or by 12.1%.

	<u>2023</u>	<u>2022</u>	<u>Net Change</u>	<u>Pct. Change</u>
Total Tenant Revenue	\$ 757,855	\$ 718,680	\$ 39,175	5.5%
HUD & Other Grants	7,579,390	6,709,880	869,510	13.0%
Other Revenue	436,467	399,745	36,722	9.2%
Total Revenue	<u>\$ 8,773,712</u>	<u>\$ 7,828,305</u>	<u>\$ 945,407</u>	12.1%

**Analysis of Entity Wide Expenditures for the year ended December 31, 2023**

**Total Operating Expenses** for FY 2023 were \$8,073,876 as compared to the \$8,539,940 of total operating expenses for FY 2022. This represents an overall decrease of \$466,064, or 5.46%.

**Administrative Expense** for 2023 totaled \$1,233,574 as compared to \$1,304,251 in FY 2022. This represents a decrease of \$70,677 or 5.42%, which was primarily due to decreases in other administrative expenses during FY 2023.

**Housing Assistance Payments** for FY 2022 were \$4,751,909 as compared to \$5,401,823 for FY 2023. This represents an increase of \$649,914 or 13.68%. The Authority had 2,068 more unit months under lease during FY 2023.

**Depreciation expense** decreased to \$159,089 in FY 2023 from \$317,704 in FY 2022, or by \$158,615 or 49.93%. The decrease is primarily due to fixed assets being fully depreciated during FY 2023.

The table below illustrates our analysis:

	<u>2023</u>	<u>2022</u>	<u>Net Change</u>	<u>Pct. Change</u>
Administrative	\$ 1,233,574	\$ 1,304,251	\$ (70,677)	-5.42%
Tenant services	52,836	37,410	15,426	41.23%
Utilities	308,472	273,068	35,404	12.97%
Maintenance	460,503	741,058	(280,555)	-37.86%
Insurance & General	340,626	1,020,938	(680,312)	-66.64%
Protective Services	116,953	93,602	23,351	24.95%
Housing Assistance Payments	5,401,823	4,751,909	649,914	13.68%
Depreciation	159,089	317,704	(158,615)	-49.93%
<b>Total Operating Expenses</b>	<u>\$ 8,073,876</u>	<u>\$ 8,539,940</u>	<u>\$ (466,064)</u>	<b>-5.46%</b>

**HOUSING AUTHORITY OF THE CITY OF HAMMOND, INDIANA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
DECEMBER 31, 2023**

**ANALYSIS OF CAPITAL ASSET ACTIVITY AND LONG-TERM DEBT**

The table below illustrates the changes in Capital Assets throughout the fiscal year:

	<u>2023</u>	<u>2022</u>	<u>Net Change</u>	<u>Percent Variance</u>
Land	\$ 374,408	\$ 374,408	\$ -	0.0%
Buildings	13,010,232	12,957,036	53,196	0.4%
Furniture, Equip., & Mach. - Dwelling	636,484	544,649	91,835	16.9%
Construction in Process	383,311	-	383,311	100.0%
Total Capital Assets	14,404,435	13,876,093	528,342	3.8%
Accumulated Depreciation	12,350,911	12,191,822	159,089	1.3%
Net Capital Assets	<u>\$ 2,053,524</u>	<u>\$ 1,684,271</u>	<u>\$ 369,253</u>	21.9%

During 2023, the Authority acquired capital assets totaling \$528,342 of which \$2,400 was made from the Authority's capital fund program with the remainder coming from the Authority's non-federal properties.

Fixed asset additions in the amount of \$528,342 were partially offset by depreciation expense of \$159,089 for the year, resulting in an overall net increase in fixed assets of \$369,253 or 21.9%.

**ECONOMIC FACTORS AND NEXT YEARS' BUDGET AND RATES**

The Authority is primarily dependent upon HUD for the funding of operations; therefore, the Authority is affected more by the federal budget than by local economic conditions. Therefore, funding of programs could be significantly affected by cuts to federal budgets. However, local economic conditions affect the ability of Section 8 Housing Choice Voucher clients to find suitable housing that meets program guidelines.

## **FINANCIAL STATEMENTS**

**HOUSING AUTHORITY OF THE CITY OF HAMMOND, INDIANA**  
**STATEMENT OF NET POSITION**  
**AS OF DECEMBER 31, 2023**

ASSETS

	Primary Government	Discretely Presented Component Units	Total Reporting Entity (Memorandum Only)
Current assets:			
Cash and cash equivalents	\$ 4,114,535	\$ 1,871,953	\$ 5,986,488
Tenant security deposits	48,786	188,718	237,504
Accounts receivable, net	929,679	217,987	1,147,666
Prepaid expenses	95,885	174,077	269,962
Inventory	30,896	-	-
Total current assets	<u>5,219,781</u>	<u>2,452,735</u>	<u>7,672,516</u>
Non-current assets:			
Restricted cash	118,621	2,651,599	2,770,220
Notes receivable	14,876,894	-	14,876,894
Accrued interest receivable	3,285,883	-	3,285,883
Other assets	3,187	433,828	437,015
Right-of-use asset	-	296,753	296,753
Capital assets, net	2,053,524	36,742,381	38,795,905
Total non-current assets	<u>20,338,109</u>	<u>40,124,561</u>	<u>60,462,670</u>
Total assets	<u>\$ 25,557,890</u>	<u>\$ 42,577,296</u>	<u>\$ 68,135,186</u>

See accompanying notes to financial statements

**HOUSING AUTHORITY OF THE CITY OF HAMMOND, INDIANA**  
**STATEMENT OF NET POSITION (continued)**  
**AS OF DECEMBER 31, 2023**

LIABILITIES

	Primary Government	Discretely Presented Component Units	Total Reporting Entity (Memorandum Only)
Current liabilities:			
Accounts payable	\$ 111,596	\$ 1,006,888	\$ 1,118,484
Accrued expenses	16,230	561,207	577,437
Tenant security deposits	46,306	172,112	218,418
Prepaid rent	6,956	49,448	56,404
Current portion of long-term debt	-	24,180	24,180
Accrued interest payable	-	3,300,413	3,300,413
Other current liabilities	50,464	187,555	238,019
Total current liabilities	231,552	5,301,803	5,533,355
Non-current liabilities:			
Lease liability	-	301,653	301,653
Long-term debt, excluding current portion	-	16,063,739	16,063,739
Other non-current liabilities	51,171	238,886	290,057
Total non-current liabilities	51,171	16,604,278	16,655,449
Total liabilities	282,723	21,906,081	22,188,804
NET POSITION			
Net position:			
Net investment in capital assets	2,053,524	20,826,649	22,880,173
Restricted	71,224	2,651,599	2,722,823
Unrestricted	23,150,419	(2,807,033)	20,343,386
Total net position	25,275,167	20,671,215	45,946,382
Total liabilities and net position	\$ 25,557,890	\$ 42,577,296	\$ 68,135,186

**HOUSING AUTHORITY OF THE CITY OF HAMMOND, INDIANA**  
**STATEMENT OF REVENUES, EXPENSES**  
**AND CHANGES IN NET POSITION**  
**FOR THE YEAR ENDED DECEMBER 31, 2023**

	<u>Primary Government</u>	<u>Discretely Presented Component Units</u>	<u>Total Reporting Entity (Memorandum Only)</u>
Operating revenues:			
Tenant revenue	\$ 757,855	\$ 3,650,356	\$ 4,408,211
HUD operating grants	7,584,027	-	7,584,027
Other revenues	<u>436,467</u>	<u>149,543</u>	<u>586,010</u>
Total operating revenues	<u>8,778,349</u>	<u>3,799,899</u>	<u>12,578,248</u>
Operating expenses:			
Administrative	1,233,574	973,983	2,207,557
Tenant services	52,836	-	52,836
Utilities	308,472	414,146	722,618
Ordinary repairs and maintenance	460,503	585,308	1,045,811
Protective services	116,953	-	116,953
Insurance	114,668	399,773	514,441
General expenses	225,958	649,578	875,536
Housing assistance payments	5,401,823	-	5,401,823
Depreciation	<u>159,089</u>	<u>1,770,702</u>	<u>1,929,791</u>
Total operating expenses	<u>8,073,876</u>	<u>4,793,490</u>	<u>12,867,366</u>
Operating income (loss)	<u>704,473</u>	<u>(993,591)</u>	<u>(289,118)</u>
Non-operating revenues (expenses):			
Investment income	53,018	-	53,018
Mortgage interest income	497,534	-	497,534
Interest expense	<u>(261,627)</u>	<u>(652,440)</u>	<u>(914,067)</u>
Net non-operating revenues (expenses)	<u>288,925</u>	<u>(652,440)</u>	<u>(363,515)</u>
Income (loss) before capital grants	993,398	(1,646,031)	(652,633)
Capital grants	<u>2,400</u>	<u>-</u>	<u>2,400</u>
Change in net position	995,798	(1,646,031)	(650,233)
Net position, beginning of year (as originally reported)	<u>20,860,454</u>	<u>22,317,246</u>	<u>43,177,700</u>
Prior period adjustment - correction of error	<u>3,418,915</u>	<u>-</u>	<u>3,418,915</u>
Net position, beginning of year (as restated)	<u>24,279,369</u>	<u>22,317,246</u>	<u>46,596,615</u>
Net position, end of year	<u>\$ 25,275,167</u>	<u>\$ 20,671,215</u>	<u>\$ 45,946,382</u>

See accompanying notes to financial statements

**HOUSING AUTHORITY OF THE CITY OF HAMMOND, INDIANA  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED DECEMBER 31, 2023**

	<u>Primary Government</u>
Cash Flows from Operating Activities:	
Cash received from tenants and others	\$ 841,207
Cash received from grantors	7,579,390
Cash paid to employees	(1,345,684)
Cash paid to vendors and suppliers	<u>(6,747,748)</u>
Net cash provided by operating activities	<u>327,165</u>
Cash Flows from Capital and Related Financing Activities:	
Interest paid on long term debt	(261,627)
Proceeds from capital grants	2,400
Purchase of capital assets	<u>(528,342)</u>
Net cash used in capital and related financing activities	<u>(787,569)</u>
Cash Flows from Investing Activities:	
Investment income	587,692
Collection of notes receivable	<u>200,160</u>
Net cash provided by investing activities	<u>787,852</u>
Net increase in cash, cash equivalents, and restricted cash	327,448
Cash, cash equivalents, and restricted cash, beginning of year	<u>3,954,494</u>
Cash, cash equivalents, and restricted cash, end of year	<u>\$ 4,281,942</u>
Reconciliation of cash, cash equivalents, and restricted cash to the Statement of Net Position is as follows:	
Cash and cash equivalents	\$ 4,114,535
Tenant security deposits	48,786
Restricted cash	<u>118,621</u>
Total cash, cash equivalents, and restricted cash	<u>\$ 4,281,942</u>

**HOUSING AUTHORITY OF THE CITY OF HAMMOND, INDIANA**  
**STATEMENT OF CASH FLOWS (continued)**  
**FOR THE YEAR ENDED DECEMBER 31, 2023**

	<u>Primary Government</u>
Reconciliation of operating income to net cash provided by operating activities:	
Operating income	\$ 704,473
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation	159,089
Bad debt expense - tenants	27,314
Changes in operating asset and liabilities:	
Accounts receivable, net	(67,452)
Prepaid expenses	(6,926)
Other assets	140,571
Accounts payable	(106,255)
Accrued expenses	1,559
Tenant security deposits liability	(12,995)
Unearned revenue	(2,363)
Other liabilities	<u>(509,850)</u>
Net cash provided by operating activities	<u>\$ 327,165</u>

**HOUSING AUTHORITY OF THE CITY OF HAMMOND, INDIANA**  
**COMBINING STATEMENT OF NET POSITION**  
**DISCRETELY PRESENTED COMPONENT UNITS**  
**AS OF DECEMBER 31, 2023**

ASSETS

	<u>AHH1</u>	<u>AHH2</u>	<u>Flagstone</u>	<u>Golden Manor</u>	<u>Saxony</u>	<u>Total</u>
Current assets:						
Cash and cash equivalents	\$ 401,010	\$ 376,515	\$ 501,211	\$ 79,623	\$ 513,594	\$ 1,871,953
Tenant security deposits	56,671	31,191	37,075	25,960	37,821	188,718
Accounts receivable, net	62,757	67,870	78,575	5,513	3,272	217,987
Prepaid expenses	<u>36,019</u>	<u>26,174</u>	<u>39,834</u>	<u>-</u>	<u>72,050</u>	<u>174,077</u>
Total current assets	<u>556,457</u>	<u>501,750</u>	<u>656,695</u>	<u>111,096</u>	<u>626,737</u>	<u>2,452,735</u>
Non-current assets:						
Restricted cash	867,839	715,935	530,079	223,482	314,264	2,651,599
Other assets	-	157,955	274,005	-	1,868	433,828
Right-of-use asset	-	118,488	178,265	-	-	296,753
Capital assets, net	<u>9,498,295</u>	<u>6,569,701</u>	<u>10,539,511</u>	<u>4,965,237</u>	<u>5,169,637</u>	<u>36,742,381</u>
Total non-current assets	<u>10,366,134</u>	<u>7,562,079</u>	<u>11,521,860</u>	<u>5,188,719</u>	<u>5,485,769</u>	<u>40,124,561</u>
Total assets	<u>\$ 10,922,591</u>	<u>\$ 8,063,829</u>	<u>\$ 12,178,555</u>	<u>\$ 5,299,815</u>	<u>\$ 6,112,506</u>	<u>\$ 42,577,296</u>

**HOUSING AUTHORITY OF THE CITY OF HAMMOND, INDIANA**  
**COMBINING STATEMENT OF NET POSITION (continued)**  
**DISCRETELY PRESENTED COMPONENT UNITS**  
**AS OF DECEMBER 31, 2023**

	<u>AHH1</u>	<u>AHH2</u>	<u>Flagstone</u>	<u>Golden Manor</u>	<u>Saxony</u>	<u>Total</u>
<b>LIABILITIES</b>						
Current liabilities:						
Accounts payable	\$ 133,386	\$ 422,463	\$ 324,004	\$ 25,270	\$ 101,765	\$ 1,006,888
Accrued expenses	33,234	57,920	42,186	118,846	309,021	561,207
Tenant security deposits	56,439	31,071	36,282	20,720	27,600	172,112
Prepaid rent	15,519	11,125	5,747	5,412	11,645	49,448
Current portion of long-term debt	-	-	-	-	24,180	24,180
Accrued interest payable	1,167,420	821,607	1,131,464	165,402	14,520	3,300,413
Other current liabilities	-	-	17,109	170,446	-	187,555
<b>Total current liabilities</b>	<u>1,405,998</u>	<u>1,344,186</u>	<u>1,556,792</u>	<u>506,096</u>	<u>488,731</u>	<u>5,301,803</u>
Non-current liabilities:						
Lease liability	-	123,388	178,265	-	-	301,653
Long-term debt, non-current	7,691,734	3,277,068	3,587,848	172,187	1,334,902	16,063,739
Other non-current liabilities	14,905	-	-	-	223,981	238,886
<b>Total non-current liabilities</b>	<u>7,706,639</u>	<u>3,400,456</u>	<u>3,766,113</u>	<u>172,187</u>	<u>1,558,883</u>	<u>16,604,278</u>
<b>Total liabilities</b>	<u>9,112,637</u>	<u>4,744,642</u>	<u>5,322,905</u>	<u>678,283</u>	<u>2,047,614</u>	<u>21,906,081</u>
<b>NET POSITION</b>						
Net position:						
Net investment in capital assets	1,806,561	3,292,633	6,951,663	4,965,237	3,810,555	20,826,649
Restricted	867,839	715,935	530,079	223,482	314,264	2,651,599
Unrestricted	(864,446)	(689,381)	(626,092)	(567,187)	(59,927)	(2,807,033)
<b>Total net position</b>	<u>1,809,954</u>	<u>3,319,187</u>	<u>6,855,650</u>	<u>4,621,532</u>	<u>4,064,892</u>	<u>20,671,215</u>
Total liabilities, deferred inflows of resources and net position	<u>\$ 10,922,591</u>	<u>\$ 8,063,829</u>	<u>\$ 12,178,555</u>	<u>\$ 5,299,815</u>	<u>\$ 6,112,506</u>	<u>\$ 42,577,296</u>

**HOUSING AUTHORITY OF THE CITY OF HAMMOND, INDIANA  
 COMBINING STATEMENT OF REVENUES, EXPENSES,  
 AND CHANGES IN NET POSITION -  
 DISCRETELY PRESENTED COMPONENT UNITS  
 FOR THE YEAR ENDED DECEMBER 31, 2023**

	<u>AHH1</u>	<u>AHH2</u>	<u>Flagstone</u>	<u>Golden Manor</u>	<u>Saxony</u>	<u>Total</u>
Operating revenues:						
Tenant revenue	\$ 1,060,208	\$ 625,836	\$ 753,153	\$ 557,880	\$ 653,279	\$ 3,650,356
Other revenues	<u>44,236</u>	<u>46,723</u>	<u>42,097</u>	<u>2,247</u>	<u>14,240</u>	<u>149,543</u>
Total operating revenues	<u>1,104,444</u>	<u>672,559</u>	<u>795,250</u>	<u>560,127</u>	<u>667,519</u>	<u>3,799,899</u>
Operating expenses:						
Administrative	270,536	225,076	250,325	119,834	108,212	973,983
Utilities	139,780	71,366	68,354	75,396	59,250	414,146
Ordinary repairs and maintenance	171,213	85,307	87,173	156,483	85,132	585,308
Insurance	77,682	50,957	131,380	77,421	62,333	399,773
General expenses	80,234	45,004	49,127	245,446	229,767	649,578
Depreciation	<u>374,103</u>	<u>283,022</u>	<u>599,749</u>	<u>232,132</u>	<u>281,696</u>	<u>1,770,702</u>
Total operating expenses	<u>1,113,548</u>	<u>760,732</u>	<u>1,186,108</u>	<u>906,712</u>	<u>826,390</u>	<u>4,793,490</u>
Operating loss	<u>(9,104)</u>	<u>(88,173)</u>	<u>(390,858)</u>	<u>(346,585)</u>	<u>(158,871)</u>	<u>(993,591)</u>
Non-operating (expenses):						
Interest expense	<u>(156,359)</u>	<u>(152,784)</u>	<u>(214,665)</u>	<u>(14,026)</u>	<u>(114,606)</u>	<u>(652,440)</u>
Non-operating (expenses)	<u>(156,359)</u>	<u>(152,784)</u>	<u>(214,665)</u>	<u>(14,026)</u>	<u>(114,606)</u>	<u>(652,440)</u>
Change in net position	(165,463)	(240,957)	(605,523)	(360,611)	(273,477)	(1,646,031)
Net position, beginning of year	<u>1,975,417</u>	<u>3,560,144</u>	<u>7,461,173</u>	<u>4,982,143</u>	<u>4,338,369</u>	<u>22,317,246</u>
Net position, end of year	<u>\$ 1,809,954</u>	<u>\$ 3,319,187</u>	<u>\$ 6,855,650</u>	<u>\$ 4,621,532</u>	<u>\$ 4,064,892</u>	<u>\$ 20,671,215</u>

**HOUSING AUTHORITY OF THE CITY OF HAMMOND, INDIANA**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Organization**

The Housing Authority of the City of Hammond, Indiana (the "Authority") is a municipal corporation created and organized under the Housing Authority Act of the State of Indiana which was organized to provide affordable housing for qualified individuals. The Authority is responsible for operating certain low-rent housing programs in the City of Hammond (the "City") under programs administered by the U.S. Department of Housing and Urban Development ("HUD"). These programs provide housing for eligible families under the United States Housing Act of 1937, as amended.

The Authority is governed by a board of commissioners which is essentially autonomous, but is responsible to HUD. An executive director is appointed by the Authority's board of commissioners to manage the day-to-day operations of the Authority.

**B. Basis of Accounting / Financial Statement Presentation**

The Authority's financial statements are prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP"). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations).

The programs of the Authority are organized on a fund basis. Each program is accounted for by a separate set of self-balancing accounts that comprise its assets, deferred outflows of resources, liabilities, deferred inflows of resources, net position (program equity), revenues, and expenses. The individual programs account for the governmental resources allocated to them for the purpose of carrying on specific programs in accordance with laws, regulations, or other restrictions, including those imposed by HUD. The programs of the Authority are combined and considered an enterprise fund. An enterprise fund is used to account for activities that are operated in a manner similar to those found in the private sector.

The Authority's enterprise fund is accounted for using the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, and losses from assets and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

The Authority's financial statements are prepared in accordance with GASB 34, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments* ("GASB 34"), as amended. GASB 34 requires the basic financial statements to be prepared using the economic resources measurement focus and the accrual basis of accounting and requires the presentation of a Statement of Net Position, a Statement of Revenues, Expenses and Changes in Net Position and Statement of Cash Flows. GASB 34 also requires the Authority to include Management's Discussion and Analysis as part of the Required Supplementary Information.

**HOUSING AUTHORITY OF THE CITY OF HAMMOND, INDIANA**  
**NOTES TO FINANCIAL STATEMENTS (continued)**  
**DECEMBER 31, 2023**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**B. Basis of Accounting / Financial Statement Presentation (continued)**

The Authority's primary source of non-exchange revenue relates to grants and subsidies. In accordance with GASB 33, *Accounting and Financial Reporting for Non-exchange Transactions*, ("GASB 33"), grant and subsidy revenue are recognized at the time eligible program expenditures occur and/or the Authority has complied with the grant and subsidy requirements.

On January 30, 2008, HUD issued *PIH Notice 2008-9* which requires that unused housing assistance payments ("HAP") under proprietary fund reporting should be reported as restricted net position, with the associated cash and investments also being reported on HUD's Financial Data Schedule ("FDS") as restricted. Any unused administrative fees should be reported as unrestricted net position, with the associated assets being reported on the FDS as unrestricted.

Both administrative fee and HAP revenue continue to be recognized under the guidelines set forth in GASB 33. Accordingly, both the time and purpose restrictions, as defined by GASB 33, are met when these funds are available and measurable, not when these funds are expended. The Section 8 Housing Choice Vouchers program is no longer a cost reimbursement grant; therefore, the Authority recognizes unspent administrative fee and HAP revenue in the reporting period as revenue for financial statement reporting.

In accordance with 2 CFR 200.305(b)(9), any investment income earned up to \$500 on these funds may be retained by the Authority. Amounts in excess of \$500 must be remitted annually to the Department of Health and Human Services, Payment Management System.

Effective January 1, 2023, the Authority adopted GASB Statement No.96, *Subscription-Based Information Technology Arrangements* ("GASB 96"). GASB 96 improves the financial reporting by establishing a definition for subscription-based information technology arrangements ("SBITA") and providing uniform guidance for accounting and financial reporting for transactions that meet the definition of SBITA. For the year ended December 31, 2023, the adoption of GASB 96 did not have a material effect on the financial statements of the Authority.

**C. Reporting Entity**

In accordance with GASB 61, *The Financial Reporting Entity Omnibus - An Amendment of GASB Statement No. 14 and No. 34*, the Authority's basic financial statements include those of the Authority and any component units. Component units are legally separate organizations whose majority of officials are appointed by the primary government or the organization is fiscally dependent on the primary government and there is a potential for those organizations either to provide specific financial benefits to, or impose specific financial burdens on, the primary government. An organization has a financial benefit or burden relationship with the primary government if any one of the following conditions exist:

1. The primary government (Authority) is legally entitled to or can otherwise access the organization's resources.
2. The primary government is legally obligated or has otherwise assumed the obligation to finance the deficits of, or provide financial support to, the organization.
3. The primary government is obligated in some manner for the debt of the organization.

**HOUSING AUTHORITY OF THE CITY OF HAMMOND, INDIANA**  
**NOTES TO FINANCIAL STATEMENTS (continued)**  
**DECEMBER 31, 2023**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**C. Reporting Entity (continued)**

Based upon the application of these criteria, this report includes the following blended and discretely presented component units:

**Blended component unit:**

Homestead Enterprise Housing, Inc. ("HEH")

HEH is an Indiana nonprofit corporation organized in 1978 by the Authority, under the authority of the Indiana Not for Profit Corporation Act of 1971. HEH's purpose is to issue bonds for private developers to construct federally subsidized low-income housing. HEH also develops and provides affordable housing. HEH acquires, rehabilitates and sells property to low-income families.

**Discretely presented component units:**

Flagstone Village, LLC ("Flagstone")

Flagstone is a limited liability company that was organized in 2012 to develop, construct, own, maintain, and operate a 76-unit rental housing apartment complex for low-income persons.

American Heartland Homes One, LLC ("AHHO")

AHHO is a limited liability company that was organized in 2009 to develop, construct, own, maintain, and operate a 94-unit rental housing apartment complex for low-income persons.

American Heartland Homes Two, LLC ("AHHT")

AHHT is a limited liability company that was organized in 2011 to develop, construct, own, maintain, and operate a 49-unit rental housing apartment complex for low-income persons.

Saxony Townhomes, LP ("ST")

ST is a limited partnership that was organized in 2007 to develop, construct, own, maintain, and operate a 68-unit rental housing apartment complex for low-income persons.

Golden Manor, LP ("GM")

GM is a limited partnership that was organized in 2006 to develop, construct, own, maintain, and operate an 80-unit rental housing apartment complex for senior low-income persons.

The Authority's discretely presented component units are presented as of and for the year ended December 31, 2023. Copies of the separately issued audited financial statements can be obtained by contacting the Authority at 1402 173rd Street, Hammond, IN 46324.

**HOUSING AUTHORITY OF THE CITY OF HAMMOND, INDIANA**  
**NOTES TO FINANCIAL STATEMENTS (continued)**  
**DECEMBER 31, 2023**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**D. Description of Programs**

The Authority maintains its accounting records by program. A summary of the significant programs operated by the Authority is as follows:

Public and Indian Housing Program

The Public and Indian Housing Program is designed to provide low-cost housing within the City. Under this program, HUD provides funding via an annual contributions contract. These funds, combined with the rental income received from tenants, are available solely to meet the operating expenses of the program.

Section 8 Housing Choice Vouchers Program

The Authority administers a program of rental assistance payments to private owners on behalf of eligible low-income households under Section 8 of the Housing and Urban Development Act of 1974. The program provides payments covering the difference between the maximum rental on a dwelling unit, as approved by HUD, and the amount of rent contribution by a participating household.

Family Self-Sufficiency Program ("FSS")

The purpose of the FSS Program is to promote the development of local strategies to coordinate the use of assistance under the Section 8 Housing Choice Vouchers and Public and Indian Housing programs with public and private resources to enable participating families to increase earned income and financial literacy, reduce or eliminate the need for welfare assistance, and make progress toward economic independence and self-sufficiency.

Public Housing Capital Fund Program

The purpose of the Public Housing Capital Fund Program is to provide another source of funding to cover the cost of physical and management improvements and rehabilitation on existing low-income housing and improving the central office facilities. Funding for this program is provided by grants from HUD.

Central Office Cost Center

The Central Office Cost Center is mandated by HUD to account for "centralized" services and functions necessary to the Authority's operations. Funding for the Central Office Cost Center is in the form of fees charged to other Authority programs and activities as well as to affiliate entities. The fees charged include those specified by HUD as management fees, bookkeeping fees, asset management fees and other fees for service. HUD regulates which and how fees may be charged to HUD programs.

**HOUSING AUTHORITY OF THE CITY OF HAMMOND, INDIANA**  
**NOTES TO FINANCIAL STATEMENTS (continued)**  
**DECEMBER 31, 2023**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**E. Use of Management Estimates**

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain 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. Significant estimates include the allowance for doubtful accounts, accrued expenses and other liabilities, depreciable lives of properties and equipment, amortization of leasehold improvements and contingencies. Actual results could differ significantly from these estimates.

**F. Cash and Cash Equivalents**

HUD requires housing authorities to invest excess funds in obligations of the United States, Certificates of Deposit or any other federally insured investment.

HUD also requires that deposits be fully collateralized at all times. Acceptable collateralization includes FDIC insurance and the market value of securities purchased and pledged to the political subdivision. Pursuant to HUD restrictions, obligations of the United States are allowed as security for deposits. Obligations furnished as security must be held by the Authority or with an unaffiliated bank or trust company for the account of the Authority.

For the statement of cash flows, cash and cash equivalents include all cash balances and highly liquid investments with a maturity of three months or less at time of purchase. It is the Authority's policy to maintain collateralization in accordance with HUD requirements.

**G. Accounts Receivable, Net**

Rents are due from tenants on the first day of each month. As a result, tenants receivable balances primarily consist of rents past due and due from vacated tenants. An allowance for doubtful accounts is established to provide for accounts which may not be collected in the future for any reason. Collection losses on accounts receivable are charged against the allowance for doubtful accounts. Also, included in accounts receivable are those amounts that tenants owe the Authority as payment for committing fraud or misrepresentation. These charges usually consist of retroactive rent and other amounts that may be determined by a formal written agreement or by a court order.

The Authority recognizes a receivable from HUD and other governmental agencies for amounts earned and billed but not received and for amounts unbilled, but earned as of year end.

**HOUSING AUTHORITY OF THE CITY OF HAMMOND, INDIANA**  
**NOTES TO FINANCIAL STATEMENTS (continued)**  
**DECEMBER 31, 2023**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**H. Allowance for Doubtful Accounts**

The Authority periodically reviews all accounts receivable to determine the amount, if any, that may be uncollectible. If it is determined that an account or accounts may be uncollectible, the Authority prepares an analysis of such accounts and records an appropriate allowance against such amounts.

**I. Inventories, Net**

Inventory consists of miscellaneous supplies and appliances and are valued at cost using the first in first out (FIFO) method. If inventory falls below cost due to damage, deterioration, or obsolescence, the Authority writes down inventory to its net realizable value through the establishment of an allowance for obsolete inventory. As of December 31, 2023, management estimated that no allowance for obsolete inventory was required.

**J. Notes Receivable**

The Authority has utilized development funds in accordance with HUD guidelines to assist in the construction and redevelopment of numerous public housing developments through the issuance of mortgage notes. When preparing financial statements in accordance with generally accepted accounting principles, management is required to make estimates as to the collectability of such mortgage notes. When estimating collectability, management analyzes the value of the underlying mortgaged property, the property's ability to generate positive cash flow, and current economic trends and conditions. Management utilizes these estimates and judgments in connection with establishing an allowance for uncollectible amounts during an accounting period.

**K. Capital Assets**

Capital assets are stated at cost. Expenditures for repairs and maintenance are charged directly to expense as they are incurred. Expenditures determined to represent additions or betterments are capitalized. Upon the sale or retirement of fixed assets, the cost and related accumulated depreciation are eliminated from the accounts and any related gain or loss is reflected in the Statement of Revenues, Expenses and Changes in Net Position. Depreciation is calculated using the straight-line method based on the estimated useful lives of the following asset groups:

- |                              |            |
|------------------------------|------------|
| • Buildings and Improvements | 5-40 Years |
| • Furniture and Equipment    | 3-7 Years  |

The Authority has established a capitalization threshold of \$5,000.

**L. 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 capital asset is impaired, and that impairment is significant and other-than-temporary, then an impairment loss will be recorded in the Authority's financial statements. During the year ended December 31, 2023, there were no impairment losses incurred.

**HOUSING AUTHORITY OF THE CITY OF HAMMOND, INDIANA**  
**NOTES TO FINANCIAL STATEMENTS (continued)**  
**DECEMBER 31, 2023**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**M. Investment in Limited Partnerships**

Investment in Limited Partnerships is reported using the equity method of accounting. Under the equity method, the Authority's investment consists of equity contributions and an accumulated share of income or loss from the Limited Partnership based on the percentage of the partner's ownership interest.

The Authority regularly assesses its investment in limited partnerships for the existence of impairment. Impairment typically occurs when the carrying value of the Authority's investment in a limited partnership exceeds the estimated value of the investment as determined by management. The estimated value generally consists of remaining future housing tax credits and other tax benefits allocable to, and the estimated residual value if any, of the investment available to the Authority. The residual value is estimated by management based on current economic and capital market conditions, operational results and the terms of the limited partnership's agreements which provide for distributions to the Authority upon the liquidation of the limited partnership or sale or disposition of its assets.

**N. Inter-program Receivables and Payables**

Inter-program receivables and payables are all classified as either current assets or current liabilities, and are the result of the use of a concentrated account depository as the common paymaster for most of the programs of the Authority. Cash settlements are made monthly. All inter-program balances are reconciled, and inter-program receivables and payables balances net to zero. In accordance with GASB 34, inter-program receivables and payables are eliminated for financial statement purposes. Detail balances by program, if any, are found in the Financial Data Schedule of this report.

**O. Accounts Payable and Accrued Expenses**

The Authority recognizes a liability for goods and services received but not paid for as of year-end. The Authority recognizes a liability for wages and fringe benefits related to services performed at year-end but not yet paid to employees or taxing authorities.

**P. Prepaid Rent**

The Authority's prepaid rent primarily consists of the prepayment of rent by residents applicable to future periods.

**Q. Net Position Classifications**

Net position is classified in three components:

Net investment in capital assets - Consists of resources including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction or improvement of those assets.

**HOUSING AUTHORITY OF THE CITY OF HAMMOND, INDIANA**  
**NOTES TO FINANCIAL STATEMENTS (continued)**  
**DECEMBER 31, 2023**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**Q. Net Position Classifications (continued)**

Restricted net position - Consists of resources with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.

Unrestricted net position - All other net position that do not meet the definition of "restricted" or "net investment in capital assets."

**R. Use of Restricted Assets**

When both restricted and unrestricted resources are available for a particular restricted use, it is the Authority's policy to use restricted resources first, and then unrestricted resources as needed.

**S. Operating Revenues and Expenses**

The Authority defines its operating revenues as income derived from charges to residents and others for services provided as well as government subsidies and grants used for operating purposes. The Authority receives annual operating subsidies from HUD, subject to limitations prescribed by HUD. Operating subsidies from HUD are recorded in accordance with GASB 33 and are accounted for as revenue. Other contributions from HUD that are for development and modernization of capital assets are reflected separately in the accompanying financial statements as capital grants. Operating expenses are costs incurred in the operation of its program activities to provide services to residents and others. The Authority classifies all other revenues and expenses as non-operating.

**T. Regulated Leases**

The Authority is a lessor of residential dwelling units under regulated leases as defined by GASB 87 and as such recognizes rental revenue in accordance with the terms of the lease contract. The leases which are twelve months in length are regulated by HUD as to rent, unit size, household composition and tenant income. For the year ended December 31, 2023, rental revenue earned under the aforementioned leases totaled \$757,855 for the primary government and \$3,642,017 for the discretely presented component units.

**U. Taxes**

The Authority is a unit of local government under the State of Indiana law and is exempt from real estate, sales and income taxes by both the federal and state governments. However, the Authority will pay a payment in lieu of taxes to cover municipal services provided by the local government for certain properties owned throughout the City.

**HOUSING AUTHORITY OF THE CITY OF HAMMOND, INDIANA  
NOTES TO FINANCIAL STATEMENTS (continued)  
DECEMBER 31, 2023**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**V. Budgets and Budgetary Accounting**

The Authority adopts annual, appropriated operating budgets for all its programs receiving federal expenditure awards, which are used as a management tool throughout the accounting cycle. All budgets are prepared on a HUD basis, which differs with accounting principles generally accepted in the United States of America. All appropriations lapse at HUD's program year end or at the end of grant periods.

**W. Economic Dependency**

The Section 8 Housing Choice Vouchers and Public and Indian Housing programs of the Authority are economically dependent on grants and subsidies from HUD. The programs operate at a loss prior to receiving the grants.

**X. Risk Management**

The Authority is exposed to various risks related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. Significant losses are covered by commercial insurance for all major programs and there have been no significant reductions in insurance coverage. Claims expenditures and liabilities are reported when it is probable that a loss has occurred, the amount of the loss can be reasonably estimated, and said amount exceeds insurance coverage. Settlement amounts have not exceeded insurance coverage for the last three years.

**NOTE 2. CASH AND CASH EQUIVALENTS**

As of December 31, 2023, the primary government had funds on deposit in checking, savings, and money market accounts. The carrying amount of the primary government's cash and cash equivalents (including restricted cash) was \$4,281,942, and the bank balances approximated \$4,296,066.

<u>Cash Category</u>	<u>Primary Government</u>	<u>Discretely Presented Component Units</u>	<u>Total Reporting Entity (Memorandum Only)</u>
Unrestricted	\$ 4,114,535	\$ 1,871,953	\$ 5,986,488
Tenant security deposits	48,786	188,718	237,504
Restricted	<u>118,621</u>	<u>2,651,599</u>	<u>2,770,220</u>
Total cash and cash equivalents	<u>\$ 4,281,942</u>	<u>\$ 4,712,270</u>	<u>\$ 8,994,212</u>

Of the primary government's bank balances, \$518,537 was covered by federal depository insurance and the remaining balance of \$3,777,529 was collateralized with the pledging financial institution as of December 31, 2023.

**HOUSING AUTHORITY OF THE CITY OF HAMMOND, INDIANA**  
**NOTES TO FINANCIAL STATEMENTS (continued)**  
**DECEMBER 31, 2023**

**NOTE 2. CASH AND CASH EQUIVALENTS (continued)**

Custodial credit risk is the risk that, in the event of a bank failure, the government's deposits may not be returned to it. The Authority does not have a formal policy for custodial credit risk. As of December 31, 2023, the Authority's bank balances were not exposed to custodial credit risk.

**NOTE 3. ACCOUNTS RECEIVABLE, NET**

Accounts receivable, net consists of the following at December 31, 2023:

<u>Description</u>	<u>Primary Government</u>	<u>Discretely Presented Component Units</u>	<u>Total Reporting Entity (Memorandum Only)</u>
Accounts receivable - tenants, net	\$ 92,642	\$ 62,299	\$ 154,941
Accounts receivable - other government	-	81,322	81,322
Accounts receivable - miscellaneous	<u>837,037</u>	<u>74,366</u>	<u>911,403</u>
Total accounts receivable, net	<u>\$ 929,679</u>	<u>\$ 217,987</u>	<u>\$ 1,147,666</u>

Accounts Receivable - Tenants, Net

Tenant accounts receivable represents amounts owed to the Authority by tenants for outstanding rent. Management estimates the amounts to be fully collectible and therefore no allowance for doubtful accounts has been established.

Accounts Receivable - Other Government

Accounts receivable - other government represents amounts owed to the Authority by other federal agencies and state and local governments. Management estimates the amounts to be fully collectible and therefore no allowance for doubtful accounts has been established.

Accounts Receivable - Miscellaneous

Accounts receivable - miscellaneous consists of amounts owed for the reimbursement of expenses from affiliate entities. As of December 31, 2023, the Authority established an allowance for doubtful accounts in the amount of \$147,153 for the primary government and \$0 for the discretely presented component units.

**HOUSING AUTHORITY OF THE CITY OF HAMMOND, INDIANA**  
**NOTES TO FINANCIAL STATEMENTS (continued)**  
**DECEMBER 31, 2023**

**NOTE 4. RESTRICTED DEPOSITS**

As of December 31, 2023, restricted deposits consisted of the following:

<u>Cash Category</u>	<u>Primary Government</u>	<u>Discretely Presented Component Units</u>	<u>Total Reporting Entity (Memorandum Only)</u>
Housing assistance payment reserves	\$ 71,224	\$ -	\$ 71,224
FSS escrows	47,397	-	47,397
Reserve for replacement escrows	-	920,856	920,856
Other operating reserves	-	1,730,743	1,730,743
Tenant security deposits	<u>48,786</u>	<u>188,718</u>	<u>237,504</u>
 Total restricted deposits	 <u>\$ 167,407</u>	 <u>\$ 2,840,317</u>	 <u>\$ 3,007,724</u>

Housing assistance payment reserves are restricted for use only in the Section 8 Housing Choice Vouchers Program for future housing assistance payments.

Family Self Sufficiency ("FSS") program escrows are restricted for use in the Section 8 Housing Choice Voucher and Public and Indian Housing Programs by FSS program participants.

Reserve for replacement escrow funds are required to be set aside for future project expenditures in accordance with various regulatory agreements.

Other operating reserves are required to be set aside for future project expenditures such as debt service, insurance, and taxes.

Tenant security deposits represent amounts held by the Authority on behalf of tenants. Upon termination from the program, the tenant is due amounts deposited plus interest earned less any amounts charged for damage to the unit.

**HOUSING AUTHORITY OF THE CITY OF HAMMOND, INDIANA**  
**NOTES TO FINANCIAL STATEMENTS (continued)**  
**DECEMBER 31, 2023**

**NOTE 5. CAPITAL ASSETS, NET**

The following is a summary of the primary government's changes in capital assets during the year ended December 31, 2023:

Description	December 31, 2022	Additions	Dispositions	Transfers	December 31, 2023
<u>Non-depreciable:</u>					
Land	\$ 374,408	\$ -	\$ -	\$ -	\$ 374,408
Construction in progress	<u>-</u>	<u>383,311</u>	<u>-</u>	<u>-</u>	<u>383,311</u>
Total	<u>374,408</u>	<u>383,311</u>	<u>-</u>	<u>-</u>	<u>757,719</u>
<u>Depreciable:</u>					
Building and improvements	12,957,036	53,196	-	-	13,010,232
Furniture and equipment	<u>544,649</u>	<u>91,835</u>	<u>-</u>	<u>-</u>	<u>636,484</u>
Total	<u>13,501,685</u>	<u>145,031</u>	<u>-</u>	<u>-</u>	<u>13,646,716</u>
Less: accumulated depreciation	<u>12,191,822</u>	<u>159,089</u>	<u>-</u>	<u>-</u>	<u>12,350,911</u>
Net capital assets	<u>\$ 1,684,271</u>	<u>\$ 369,253</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,053,524</u>

Depreciation expense for the primary government for the year ended December 31, 2023 amounted to \$159,089.

The following is a summary of the discretely presented component units' changes in capital assets during the year ended December 31, 2023:

Description	December 31, 2022	Additions	Dispositions	Transfers	December 31, 2023
<u>Non-depreciable:</u>					
Land	\$ 949,715	\$ -	\$ -	\$ -	\$ 949,715
Total	<u>949,715</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>949,715</u>
<u>Depreciable:</u>					
Buildings and improvements	\$54,832,493	\$ 5,840	\$ -	\$ -	\$54,838,333
Furniture and equipment	<u>1,655,169</u>	<u>10,809</u>	<u>-</u>	<u>-</u>	<u>1,665,978</u>
Total	<u>56,487,662</u>	<u>16,649</u>	<u>-</u>	<u>-</u>	<u>56,504,311</u>
Less: accumulated depreciation	<u>18,940,943</u>	<u>1,770,702</u>	<u>-</u>	<u>-</u>	<u>20,711,645</u>
Net capital assets	<u>\$38,496,434</u>	<u>\$(1,754,053)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$36,742,381</u>

Depreciation expense for the discretely presented component units for the year ended December 31, 2023 amounted to \$1,770,702.

**HOUSING AUTHORITY OF THE CITY OF HAMMOND, INDIANA**  
**NOTES TO FINANCIAL STATEMENTS (continued)**  
**DECEMBER 31, 2023**

**NOTE 6. NOTES RECEIVABLE**

Outstanding notes receivable for the primary government as of December 31, 2023 consisted of the following:

<u>Description</u>	<u>Amount</u>
<p>The Authority entered into a purchase money mortgage with AHH1 on June 29, 2010 in the amount of \$846,000 at a rate of 4.3%. The mortgage requires base payments in the amount of \$4,187 plus additional annual payments in an amount equal to available net cash flow of the company. No payments have been made. All unpaid principal and interest are due on December 31, 2035. The loan is secured by a mortgage on the property. Accrued interest on the mortgage totaled \$647,842.</p>	<p>\$ 846,000</p>
<p>The Authority entered into a mixed finance agreement with AHH1 on June 29, 2010, to loan the company an amount of \$6,664,766 at a rate of 1.255%. The loan matures on December 31, 2065. The agreement calls for payments in an amount equal to available net cash flow of the company. All unpaid principal and interest are due at maturity. The loan is secured by the property. Accrued interest on the mortgage totaled \$474,845.</p>	<p>6,664,766</p>
<p>The Authority entered into a mixed finance loan agreement with Flagstone on October 20, 2015 in the amount of \$3,630,000 at a rate of 4.4%. The loan matures on December 31, 2055. The agreement calls for payments in annual installments on or before May 1 each year in an amount equal to the amount of available net cash flow. All unpaid principal and interest are due at maturity. The loan is secured by the property. Accrued interest on the mortgage totaled \$821,595.</p>	<p>3,630,000</p>
<p>The Authority entered into a mixed finance loan agreement with AHH2 on August 18, 2011, in the amount of \$3,313,941 at a rate of 3%. The mortgage requires annual payments equal to the amount of available net cash flow of the company. All unpaid principal and accrued interest are due on December 31, 2051. The loan is secured by the property. Accrued interest on the mortgage totaled \$1,131,465.</p>	<p>3,313,941</p>
<p>The Authority entered into a loan agreement with Golden Manor on June 26, 2010 in the amount of \$434,687 at a rate of 1.25%. The loan matures on December 31, 2065. The agreement calls for annual payments in the amount equal to 50 percent of available net cash flow. All unpaid principal and accrued interest are due at maturity. The loan is secured by the property. Accrued interest on the mortgage totaled \$165,402.</p>	<p>134,687</p>

**HOUSING AUTHORITY OF THE CITY OF HAMMOND, INDIANA**  
**NOTES TO FINANCIAL STATEMENTS (continued)**  
**DECEMBER 31, 2023**

**NOTE 6. NOTES RECEIVABLE (continued)**

<u>Description</u>	<u>Amount</u>
The Authority entered into a loan agreement with American AHH1 on June 29, 2010 in the amount of \$250,000 at a rate of 1.25%. The mortgage requires annual payments equal to the amount of one-half of available net cash flow. The loan matures December 31, 2065. All unpaid principal and interest are due on December 31, 2065. The loan is secured by the property. Accrued interest on the mortgage totaled \$44,734.	250,000
During the year ended December 31, 2022, HEH advanced funds to Golden Manor, LP in the amount of \$237,660. These advances are noninterest-bearing, unsecured, and due from available cash flow.	<u>37,500</u>
Total notes receivable	<u>\$ 14,876,894</u>

**NOTE 7. LONG TERM DEBT**

Long-term debt of the discretely presented component units consisted of the following as of December 31, 2023:

<u>Description</u>	<u>Amount</u>
See notes receivable from Note 6	\$ 14,728,837
Saxony Townhomes, LP entered into a mortgage in the amount of \$1,702,000 which bear interest at the lesser of the prime rate or 7.5%. The loans required monthly principal payments totaling \$2,015 plus accrued and unpaid interest. The loan matures on September 30, 2026 and is secured by the real estate held for lease.	<u>1,359,082</u>
Total long-term debt	16,087,919
Less: current portion	<u>24,180</u>
Long-term debt, net of current portion	<u>\$ 16,063,739</u>

Interest expense for the discretely presented component units for the year ended December 31, 2023 totaled \$652,440.

**HOUSING AUTHORITY OF THE CITY OF HAMMOND, INDIANA**  
**NOTES TO FINANCIAL STATEMENTS (continued)**  
**DECEMBER 31, 2023**

**NOTE 8. NON-CURRENT LIABILITIES**

Non-current liabilities of the primary government as of December 31, 2023 consisted of the following:

Description	December 31, 2022	Additions	Payments	December 31, 2023	Amounts due within one year
Developer fee payable	\$ 145,663	\$ -	\$ (145,663)	\$ -	\$ -
FSS escrows	<u>114,071</u>	<u>-</u>	<u>(62,900)</u>	<u>51,171</u>	<u>-</u>
Total non-current liabilities	<u>\$ 259,734</u>	<u>\$ -</u>	<u>\$ (208,563)</u>	<u>\$ 51,171</u>	<u>\$ -</u>

Non-current liabilities of the discretely presented component units as of December 31, 2023 consisted of the following:

Description	December 31, 2022	Additions	Payments	December 31, 2023	Amounts due within one year
Due to related parties	\$ 14,905	\$ -	\$ -	\$ 14,905	\$ -
Deferred developer fee	223,981	-	-	223,981	-
Lease liability	-	301,653	-	301,653	-
Loans payable	<u>16,465,286</u>	<u>-</u>	<u>(377,367)</u>	<u>16,087,919</u>	<u>24,180</u>
Total non-current liabilities	<u>\$ 16,704,172</u>	<u>\$ 301,653</u>	<u>\$ (377,367)</u>	<u>\$ 16,628,458</u>	<u>\$ 24,180</u>

**NOTE 9. RESTRICTED NET POSITION**

Restricted net position consists of the following as of December 31, 2023:

Description	Primary Government	Discretely Presented Component Units	Total Reporting Entity (Memorandum Only)
Housing assistance payment reserves	\$ 71,224	\$ -	\$ 71,224
Operating and replacement reserves	<u>-</u>	<u>2,651,599</u>	<u>2,651,599</u>
Total restricted net position	<u>\$ 71,224</u>	<u>\$ 2,651,599</u>	<u>\$ 2,722,823</u>

At December 31, 2023, restricted net position consisted of the following:

Housing assistance payment reserves are restricted for rent payments to landlords as part of the Section 8 Housing Choice Vouchers Program.

**HOUSING AUTHORITY OF THE CITY OF HAMMOND, INDIANA**  
**NOTES TO FINANCIAL STATEMENTS (continued)**  
**DECEMBER 31, 2023**

**NOTE 9. RESTRICTED NET POSITION (continued)**

Operating and replacement reserves are restricted for future project expenditures, such as rehabilitation, debt service, taxes, and insurance.

**NOTE 10. CONDENSED INFORMATION FOR THE BLENDED COMPONENT UNIT**

	HEH
Assets:	
Current assets	\$ 821,553
Other non-current assets	<u>632,323</u>
Total assets	<u>1,453,876</u>
Liabilities:	
Current	<u>916,747</u>
Total liabilities	<u>916,747</u>
Net Position:	
Unrestricted	<u>537,129</u>
Net position	<u>\$ 537,129</u>
Operating revenue:	
Other revenues	<u>\$ 145,794</u>
Total operating revenues	<u>145,794</u>
Operating expenses:	
Administrative	184,016
Other	<u>150,173</u>
Total operating expenses	<u>334,189</u>
Other income (expense)	
Mortgage interest income	27,379
Interest expense	<u>(261,627)</u>
Total net other (expense)	<u>(234,248)</u>
Transfers	<u>182,757</u>
Change in net position	<u>\$ (239,886)</u>

**HOUSING AUTHORITY OF THE CITY OF HAMMOND, INDIANA**  
**NOTES TO FINANCIAL STATEMENTS (continued)**  
**DECEMBER 31, 2023**

**NOTE 11. CORRECTION OF ERROR**

The Authority's financial statements have been restated as of January 1, 2023 due to the correction of error related to certain noncurrent liabilities. As a result of the correction, net position was increased and unearned revenue was decreased by \$3,418,915.

**NOTE 12. CONTINGENCIES**

The Authority receives financial assistance from HUD in the form of grants and subsidies. Entitlement to the funds is generally conditional upon compliance with terms and conditions of the grant agreements and applicable regulations, including the expenditure of funds for eligible purposes. Substantially all grants, entitlements and cost reimbursements are subject to financial and compliance audits by HUD. As a result of these audits, costs previously reimbursed could be disallowed and require payments to HUD.

As of December 31, 2023, the Authority estimates that no material liabilities will result from such audits.

**NOTE 13. SUBSEQUENT EVENTS**

Events that occur after the financial statement date but before the financial statements were available to be issued must be evaluated for recognition or disclosure. The effects of subsequent events that provide evidence about conditions that existed at the financial statement date are recognized in the accompanying financial statements. Subsequent events which provide evidence about conditions that existed after the financial statement date require disclosure in the accompanying notes to the financial statements. Management evaluated the activity of the Authority through September 18, 2024 (the date the financial statements were available to be issued) and concluded that no subsequent events have occurred that would require recognition in the financial statements or disclosure in the notes to the financial statements.

**INDEPENDENT AUDITORS' 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***

To the Board of Commissioners  
Housing Authority of the City of Hammond, Indiana:

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 (primary government) and the aggregate discretely presented component units of the Housing Authority of the City of Hammond, Indiana (the "Authority") as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the Authority's financial statements, and have issued our report thereon dated September 18, 2024. The financial statements of the discretely presented component units were not audited in accordance with *Government Auditing Standards*, and accordingly, this report does not include reporting on internal control over financial reporting or instances of reportable noncompliance associated with the discretely presented component units.

***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) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion 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. We identified certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as items Finding 2023-001 that we consider to be a material weakness.

***Report on Compliance and Other Matters***

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

### ***Authority's Response to Findings***

*Government Auditing Standards* requires the auditor to perform limited procedures on the Authority's response to the findings identified in our engagement and described in the accompanying schedule of findings and questioned costs. The Authority's response was not subjected to the other auditing procedures applied in the engagement to audit the financial statements and, accordingly, we express no opinion on the response.

### ***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 entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Novogradac & Company LLP*

Toms River, New Jersey  
September 18, 2024

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

To the Board of Commissioners  
Housing Authority of the City of Hammond, Indiana:

***Report on Compliance for Each Major Federal Program***

***Opinion on Each Major Federal Program***

We have audited Housing Authority of the City of Hammond, Indiana's (the "Authority") compliance with the types of compliance requirements described in the OMB *Compliance Supplement* that could have a direct and material effect on each of the Authority's major federal programs for the year ended December 31, 2023. 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, 2023.

***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 Auditors' 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 control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the Authority's federal programs.

## ***Auditors' 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 judgment 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 include 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 a 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.

***Report on Internal Control Over Compliance (continued)***

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' Responsibilities for the 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 have not been identified. Our audit was not designed for the 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.

*Novogrodac & Company LLP*

Toms River, New Jersey  
September 18, 2024

**SUPPLEMENTARY INFORMATION**

**HOUSING AUTHORITY OF THE CITY OF HAMMOND, INDIANA  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED DECEMBER 31, 2023**

<u>Federal Grantor / Program Title</u>	<u>Federal AL Number</u>	<u>Grant Expenditures</u>
U.S. Department of Housing and Urban Development:		
Housing Voucher Cluster:		
Section 8 Housing Choice Vouchers	14.871	\$ <u>6,038,486</u>
Total Housing Voucher Cluster		<u>6,038,486</u>
Public and Indian Housing	14.850	673,312
Public Housing Capital Fund Program	14.872	819,621
PIH Family Self Sufficiency Coordinator	14.896	<u>48,097</u>
Total Expenditures of Federal Awards		\$ <u><u>7,579,516</u></u>

See accompanying notes to schedule of expenditures of federal awards

**HOUSING AUTHORITY OF THE CITY OF HAMMOND, INDIANA  
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED DECEMBER 31, 2023**

**NOTE 1. BASIS OF PRESENTATION**

The accompanying Schedule of Expenditures of Federal Awards (the "Schedule") includes the federal grant activity of the Authority under programs of the federal government for the year ended December 31, 2023. The information in the 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"). Because the Schedule presents only a selected portion of operations of the Authority, it is not intended to and does not present the net position, changes in net position or cash flows of the Authority. Therefore, some amounts presented in the Schedule may differ from amounts presented in, or used in the preparation of the financial statements.

**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the principles contained in the Uniform Guidance wherein certain types of expenditures are not allowable or are limited as to reimbursement. Pass-through entity identifying numbers are presented where available.

**NOTE 3. INDIRECT COST RATE**

The Authority has not elected to use the ten percent de minimis indirect cost rate allowed under the Uniform Guidance.

**HOUSING AUTHORITY OF THE CITY OF HAMMOND, INDIANA**  
**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (continued)**  
**FOR THE YEAR ENDED DECEMBER 31, 2023**

**NOTE 4. SCHEDULE OF CAPITAL FUND COSTS AND ADVANCES**

The total amounts of Capital Fund Program Costs and Advances incurred and earned by the Authority as of and for the year ended December 31, 2023 are provided herein:

	<u>501-19</u>	<u>501-20</u>	<u>501-21</u>	<u>Totals</u>
<u>Budget</u>	<u>\$ 1,216,866</u>	<u>\$ 1,331,673</u>	<u>\$ 1,232,876</u>	<u>\$ 3,781,415</u>
<u>Advances:</u>				
Cumulative through 12/31/22	\$ 169,642	\$ -	\$ -	\$ 169,642
Current Year	<u>524,164</u>	<u>5,000</u>	<u>290,457</u>	<u>819,621</u>
Cumulative through 12/31/23	<u>693,806</u>	<u>5,000</u>	<u>290,457</u>	<u>989,263</u>
<u>Costs:</u>				
Cumulative through 12/31/22	169,642	-	-	169,642
Current Year	<u>524,164</u>	<u>5,000</u>	<u>290,457</u>	<u>819,621</u>
Cumulative through 12/31/23	<u>693,806</u>	<u>5,000</u>	<u>290,457</u>	<u>989,263</u>
Excess / (Deficiency)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**HOUSING AUTHORITY OF THE CITY OF HAMMOND, INDIANA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED DECEMBER 31, 2023**

I. Summary of Auditors' Results

Financial Statement Section

- |    |   |               |
|----|---|---------------|
| 1. | Type of auditors' report issued:                    | Unmodified    |
| 2. | Internal control over financial reporting           |               |
|    | a. Material weakness(es) identified?                | Yes           |
|    | b. Significant deficiency(ies) identified?          | None reported |
| 3. | Noncompliance material to the financial statements? | No            |

Federal Awards Section

- |    |  |               |
|----|--|---------------|
| 1. | Internal Control over compliance:  |               |
|    | a. Material weakness(es) identified?   | No            |
|    | b. Significant deficiency(ies) identified?   | None reported |
| 2. | Type of auditors' report on compliance for major programs:   | Unmodified    |
| 3. | Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? | None reported |

4. Identification of major programs:

<u>AL Number</u>	<u>Name of Federal Program</u>
14.871	Housing Voucher Cluster Section 8 Housing Choice Vouchers

- |    |  |           |
|----|--|-----------|
| 5. | Dollar threshold used to distinguish between Type A and Type B Programs: | \$750,000 |
| 6. | Auditee qualified as low-risk Auditee?                                   | Yes       |

**HOUSING AUTHORITY OF THE CITY OF HAMMOND, INDIANA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (continued)  
FOR THE YEAR ENDED DECEMBER 31, 2023**

II. Financial Statement Findings

**Finding 2023-001**

Statement of condition: The unaudited account balance for noncurrent liabilities was materially misstated.

Criteria: The Authority must ensure that proper internal controls are in place to initiate, authorize, record, process and report financial data reliably in accordance with generally accepted accounting principles.

Condition: There is a reasonable possibility that a misstatement of the Authority's financial statements will not be prevented or detected by the Authority's internal control.

Cause: Controls are not in place to ensure the Authority records and reports financial data reliably in accordance with generally accepted accounting principles.

Recommendation: The Authority should ensure proper internal controls, which include timely monthly reconciliations of account balances, are in place to prevent material weaknesses from occurring.

Authority Response: Auditee agrees with the auditor and management will be responsible for implementing the corrective action plan.

III. Federal Award Findings and Questioned Costs

There were no findings or questioned costs relating to federal awards.

IV. Schedule of Prior Year Federal Audit Findings

None.

Housing Authority of the City of Hammond (IN010)

Hammond, IN

Submission Type: Audited/Single Audit

Entity Wide Balance Sheet Summary

Fiscal Year End: 12/31/2023

	Project Total	6.1 Component Unit - Discretely Presented	6.2 Component Unit - Blended	14.896 PIH Family Self-Sufficiency Program
111 Cash - Unrestricted	\$1,506,630	\$1,871,953	\$279,212	
112 Cash - Restricted - Modernization and Development				
113 Cash - Other Restricted		\$2,651,599		
114 Cash - Tenant Security Deposits	\$48,786	\$188,718		
115 Cash - Restricted for Payment of Current Liabilities				
100 Total Cash	\$1,555,416	\$4,712,270	\$279,212	\$0
121 Accounts Receivable - PHA Projects		\$0		
122 Accounts Receivable - HUD Other Projects	\$0			\$0
124 Accounts Receivable - Other Government		\$81,322		
125 Accounts Receivable - Miscellaneous	\$0	\$74,366	\$388,994	
126 Accounts Receivable - Tenants	\$30,184	\$62,299		
126.1 Allowance for Doubtful Accounts - Tenants	\$0	\$0		
126.2 Allowance for Doubtful Accounts - Other	\$0	\$0	\$-147,153	
127 Notes, Loans, & Mortgages Receivable - Current				
128 Fraud Recovery				
128.1 Allowance for Doubtful Accounts - Fraud				
129 Accrued Interest Receivable				
120 Total Receivables, Net of Allowances for Doubtful Accounts	\$30,184	\$217,987	\$241,841	\$0
131 Investments - Unrestricted	\$0			
132 Investments - Restricted				
135 Investments - Restricted for Payment of Current Liability				
142 Prepaid Expenses and Other Assets	\$59,264	\$174,077		
143 Inventories	\$30,896			
143.1 Allowance for Obsolete Inventories	\$0			
144 Inter Program Due From	\$16,049		\$300,500	\$0
145 Assets Held for Sale				
150 Total Current Assets	\$1,691,809	\$5,104,334	\$821,553	\$0
161 Land	\$294,336	\$949,715		
162 Buildings	\$956,584	\$48,770,614		
163 Furniture, Equipment & Machinery - Dwellings	\$388,729	\$1,665,978		
164 Furniture, Equipment & Machinery - Administration				
165 Leasehold Improvements	\$11,777,332	\$6,067,719		
166 Accumulated Depreciation	\$-11,862,963	\$-20,711,645		
167 Construction in Progress	\$383,311			
168 Infrastructure				
160 Total Capital Assets, Net of Accumulated Depreciation	\$1,937,329	\$36,742,381	\$0	\$0
171 Notes, Loans and Mortgages Receivable - Non-Current			\$422,187	
172 Notes, Loans, & Mortgages Receivable - Non Current - Past Due	\$0			\$0
173 Grants Receivable - Non Current				
174 Other Assets	\$0	\$730,581	\$210,136	
176 Investments in Joint Ventures	\$3,187	\$0		
180 Total Non-Current Assets	\$1,940,516	\$37,472,962	\$632,323	\$0
200 Deferred Outflow of Resources				
290 Total Assets and Deferred Outflow of Resources	\$3,632,325	\$42,577,296	\$1,453,876	\$0

# Housing Authority of the City of Hammond (IN010)

## Hammond, IN

Submission Type: Audited/Single Audit

### Entity Wide Balance Sheet Summary

Fiscal Year End: 12/31/2023

	Project Total	6.1 Component Unit - Discretely Presented	6.2 Component Unit - Blended	14.896 PIH Family Self-Sufficiency Program
311 Bank Overdraft				
312 Accounts Payable <= 90 Days	\$58,248	\$166,435	\$2,541	
313 Accounts Payable >90 Days Past Due				
321 Accrued Wage/Payroll Taxes Payable				
322 Accrued Compensated Absences - Current Portion				
324 Accrued Contingency Liability				
325 Accrued Interest Payable		\$3,300,413		
331 Accounts Payable - HUD PHA Programs	\$0			
332 Account Payable - PHA Projects				
333 Accounts Payable - Other Government		\$840,453		
341 Tenant Security Deposits	\$46,306	\$172,112		
342 Unearned Revenue	\$6,797	\$49,448		
344 Current Portion of Long-term Debt - Operating Borrowings	\$0	\$24,180		
344 Current Portion of Long-term Debt - Operating Borrowings				
345 Other Current Liabilities	\$8,396	\$187,555	\$7,947	
346 Accrued Liabilities - Other		\$561,207	\$16,500	
347 Inter Program - Due To	\$127,620		\$212,775	
348 Loan Liability - Current	\$0		\$676,984	
310 Total Current Liabilities	\$247,367	\$5,301,803	\$916,747	\$0
351 Long-term Debt, Net of Current - Capital Projects/Mortgage Revenue	\$0	\$15,891,552		
352 Long-term Debt, Net of Current - Operating Borrowings		\$172,187		
353 Non-current Liabilities - Other		\$540,539	\$0	
354 Accrued Compensated Absences - Non Current				
355 Loan Liability - Non Current	\$0			
356 FASB 5 Liabilities				
357 Accrued Pension and OPEB Liabilities	\$0			
350 Total Non-Current Liabilities	\$0	\$16,604,278	\$0	\$0
300 Total Liabilities	\$247,367	\$21,906,081	\$916,747	\$0
400 Deferred Inflow of Resources				
508.4 Net Investment in Capital Assets	\$1,937,329	\$20,826,649		
511.4 Restricted Net Position		\$2,651,599		
512.4 Unrestricted Net Position	\$1,447,629	-\$2,807,033	\$537,129	\$0
513 Total Equity - Net Assets / Position	\$3,384,958	\$20,671,215	\$537,129	\$0
600 Total Liabilities, Deferred Inflows of Resources and Equity - Net	\$3,632,325	\$42,577,296	\$1,453,876	\$0

Housing Authority of the City of Hammond (IN010)

Hammond, IN

Submission Type: Audited/Single Audit

Entity Wide Balance Sheet Summary

Fiscal Year End: 12/31/2023

	14.871 Housing Choice Vouchers	COCC	ELIM	Total
111 Cash - Unrestricted	\$983,642	\$1,345,051		\$5,986,488
112 Cash - Restricted - Modernization and Development				
113 Cash - Other Restricted	\$118,621			\$2,770,220
114 Cash - Tenant Security Deposits				\$237,504
115 Cash - Restricted for Payment of Current Liabilities				
100 Total Cash	\$1,102,263	\$1,345,051	\$0	\$8,994,212
121 Accounts Receivable - PHA Projects				\$0
122 Accounts Receivable - HUD Other Projects				\$0
124 Accounts Receivable - Other Government				\$81,322
125 Accounts Receivable - Miscellaneous		\$595,196		\$1,058,556
126 Accounts Receivable - Tenants	\$62,458			\$154,941
126.1 Allowance for Doubtful Accounts - Tenants	\$0			\$0
126.2 Allowance for Doubtful Accounts - Other		\$0		-\$147,153
127 Notes, Loans, & Mortgages Receivable - Current		\$676,984	-\$676,984	\$0
128 Fraud Recovery				
128.1 Allowance for Doubtful Accounts - Fraud				
129 Accrued Interest Receivable				
120 Total Receivables, Net of Allowances for Doubtful Accounts	\$62,458	\$1,272,180	-\$676,984	\$1,147,666
131 Investments - Unrestricted		\$0		\$0
132 Investments - Restricted				
135 Investments - Restricted for Payment of Current Liability				
142 Prepaid Expenses and Other Assets	\$25,510	\$11,111		\$269,962
143 Inventories				\$30,896
143.1 Allowance for Obsolete Inventories				\$0
144 Inter Program Due From		\$1,562,748	-\$1,879,297	\$0
145 Assets Held for Sale				
150 Total Current Assets	\$1,190,231	\$4,191,090	-\$2,556,281	\$10,442,736
161 Land		\$80,072		\$1,324,123
162 Buildings		\$199,692		\$49,926,890
163 Furniture, Equipment & Machinery - Dwellings				\$2,054,707
164 Furniture, Equipment & Machinery - Administration		\$247,755		\$247,755
165 Leasehold Improvements		\$76,624		\$17,921,675
166 Accumulated Depreciation		-\$487,948		-\$33,062,556
167 Construction in Progress				\$383,311
168 Infrastructure				
160 Total Capital Assets, Net of Accumulated Depreciation	\$0	\$116,195	\$0	\$38,795,905
171 Notes, Loans and Mortgages Receivable - Non-Current		\$14,454,707		\$14,876,894
172 Notes, Loans, & Mortgages Receivable - Non Current - Past Due				\$0
173 Grants Receivable - Non Current				
174 Other Assets		\$3,075,747		\$4,016,464
176 Investments in Joint Ventures				\$3,187
180 Total Non-Current Assets	\$0	\$17,646,649	\$0	\$57,692,450
200 Deferred Outflow of Resources				
290 Total Assets and Deferred Outflow of Resources	\$1,190,231	\$21,837,739	-\$2,556,281	\$68,135,186

Housing Authority of the City of Hammond (IN010)

Hammond, IN

Submission Type: Audited/Single Audit

Entity Wide Balance Sheet Summary

Fiscal Year End: 12/31/2023

	14.871 Housing Choice Vouchers	COCC	ELIM	Total
311 Bank Overdraft				
312 Accounts Payable <= 90 Days		\$50,807		\$278,031
313 Accounts Payable >90 Days Past Due				
321 Accrued Wage/Payroll Taxes Payable		\$16,230		\$16,230
322 Accrued Compensated Absences - Current Portion				
324 Accrued Contingency Liability				
325 Accrued Interest Payable				\$3,300,413
331 Accounts Payable - HUD PHA Programs				\$0
332 Account Payable - PHA Projects				
333 Accounts Payable - Other Government				\$840,453
341 Tenant Security Deposits				\$218,418
342 Unearned Revenue	\$159			\$56,404
344 Current Portion of Long-term Debt - Operating Borrowings				\$24,180
344 Current Portion of Long-term Debt - Operating Borrowings				
345 Other Current Liabilities		\$17,621		\$221,519
346 Accrued Liabilities - Other				\$577,707
347 Inter Program - Due To	\$1,538,134	\$768	-\$1,879,297	\$0
348 Loan Liability - Current			-\$676,984	\$0
310 Total Current Liabilities	\$1,538,293	\$85,426	-\$2,556,281	\$5,533,355
351 Long-term Debt, Net of Current - Capital Projects/Mortgage Revenue				\$15,891,552
352 Long-term Debt, Net of Current - Operating Borrowings				\$172,187
353 Non-current Liabilities - Other	\$51,171	\$0		\$591,710
354 Accrued Compensated Absences - Non Current				
355 Loan Liability - Non Current				\$0
356 FASB 5 Liabilities				
357 Accrued Pension and OPEB Liabilities				\$0
350 Total Non-Current Liabilities	\$51,171	\$0	\$0	\$16,655,449
300 Total Liabilities	\$1,589,464	\$85,426	-\$2,556,281	\$22,188,804
400 Deferred Inflow of Resources				
508.4 Net Investment in Capital Assets	\$0	\$116,195		\$22,880,173
511.4 Restricted Net Position	\$71,224			\$2,722,823
512.4 Unrestricted Net Position	-\$470,457	\$21,636,118		\$20,343,386
513 Total Equity - Net Assets / Position	-\$399,233	\$21,752,313	\$0	\$45,946,382
600 Total Liabilities, Deferred Inflows of Resources and Equity - Net	\$1,190,231	\$21,837,739	-\$2,556,281	\$68,135,186

# Housing Authority of the City of Hammond (IN010)

Hammond, IN

Submission Type: Audited/Single Audit

## Entity Wide Revenue and Expense Summary

Fiscal Year End: 12/31/2023

	Project Total	6.1 Component Unit - Discretely Presented	6.2 Component Unit - Blended	14.896 PIH Family Self-Sufficiency Program
70300 Net Tenant Rental Revenue	\$655,585	\$3,642,017		
70400 Tenant Revenue - Other	\$34,661	\$8,339		
70500 Total Tenant Revenue	\$690,246	\$3,650,356	\$0	\$0
70600 HUD PHA Operating Grants	\$1,490,533			\$52,734
70610 Capital Grants	\$2,400			
70710 Management Fee				
70720 Asset Management Fee				
70730 Book Keeping Fee				
70740 Front Line Service Fee				
70750 Other Fees				
70700 Total Fee Revenue				
70800 Other Government Grants				
71100 Investment Income - Unrestricted	\$53,018			
71200 Mortgage Interest Income	\$0		\$27,379	
71300 Proceeds from Disposition of Assets Held for Sale				
71310 Cost of Sale of Assets				
71400 Fraud Recovery				
71500 Other Revenue	\$10,011	\$149,543	\$145,794	
71600 Gain or Loss on Sale of Capital Assets				
72000 Investment Income - Restricted				
70000 Total Revenue	\$2,246,208	\$3,799,899	\$173,173	\$52,734
91100 Administrative Salaries	\$65,078	\$403,504		
91200 Auditing Fees	\$5,740	\$16,540	\$26,731	
91300 Management Fee	\$150,952	\$201,990	\$113,669	
91310 Book-keeping Fee	\$17,243	\$12,857		
91400 Advertising and Marketing		\$520		
91500 Employee Benefit contributions - Administrative	\$34,615	\$8,151		
91600 Office Expenses	\$62,354	\$32,489	\$8,074	
91700 Legal Expense	\$14,217	\$2,147	\$35,440	
91800 Travel	\$616	\$0		
91810 Allocated Overhead				
91900 Other	\$191,489	\$267,691		
91000 Total Operating - Administrative	\$543,304	\$945,889	\$183,914	\$0
92000 Asset Management Fee	\$23,520	\$28,094		
92100 Tenant Services - Salaries				\$38,285
92200 Relocation Costs				
92300 Employee Benefit Contributions - Tenant Services				\$14,449
92400 Tenant Services - Other			\$102	
92500 Total Tenant Services	\$0	\$0	\$102	\$52,734
93100 Water	\$37,246	\$49,122		
93200 Electricity	\$127,203	\$56,077		
93300 Gas	\$62,292	\$2,084		
93400 Fuel				
93500 Labor				
93600 Sewer		\$11,672		
93700 Employee Benefit Contributions - Utilities				
93800 Other Utilities Expense	\$66,523	\$295,191		
93000 Total Utilities	\$293,264	\$414,146	\$0	\$0

Housing Authority of the City of Hammond (IN010)

Hammond, IN

Submission Type: Audited/Single Audit

Entity Wide Revenue and Expense Summary

Fiscal Year End: 12/31/2023

	Project Total	6.1 Component Unit - Discretely Presented	6.2 Component Unit - Blended	14.896 PIH Family Self-Sufficiency Program
94100 Ordinary Maintenance and Operations - Labor	\$100,075	\$0		
94200 Ordinary Maintenance and Operations - Materials and Other	\$68,062	\$40,609		
94300 Ordinary Maintenance and Operations Contracts	\$164,612	\$544,699		
94500 Employee Benefit Contributions - Ordinary Maintenance	\$27,019	\$0		
94000 Total Maintenance	\$359,768	\$585,308	\$0	\$0
95100 Protective Services - Labor				
95200 Protective Services - Other Contract Costs	\$60,681	\$0		
95300 Protective Services - Other	\$15,313	\$0		
95500 Employee Benefit Contributions - Protective Services				
95000 Total Protective Services	\$75,994	\$0	\$0	\$0
96110 Property Insurance	\$42,936	\$376,682		
96120 Liability Insurance	\$26,474	\$22,640	\$1,737	
96130 Workmen's Compensation		\$451		
96140 All Other Insurance	\$5,793	\$0		
96100 Total Insurance Premiums	\$75,203	\$399,773	\$1,737	\$0
96200 Other General Expenses	\$12,411	\$340,804	\$1,283	
96210 Compensated Absences				
96300 Payments in Lieu of Taxes		\$279,407		
96400 Bad debt - Tenant Rents	\$27,314	\$28,255		
96500 Bad debt - Mortgages				
96600 Bad debt - Other		\$1,112	\$147,153	
96800 Severance Expense				
96000 Total Other General Expenses	\$39,725	\$649,578	\$148,436	\$0
96710 Interest of Mortgage (or Bonds) Payable		\$652,440	\$261,627	
96720 Interest on Notes Payable (Short and Long Term)				
96730 Amortization of Bond Issue Costs		\$0		
96700 Total Interest Expense and Amortization Cost	\$0	\$652,440	\$261,627	\$0
96900 Total Operating Expenses	\$1,410,778	\$3,675,228	\$595,816	\$52,734
97000 Excess of Operating Revenue over Operating Expenses	\$835,430	\$124,671	-\$422,643	\$0
97100 Extraordinary Maintenance				
97200 Casualty Losses - Non-capitalized				
97300 Housing Assistance Payments				
97350 HAP Portability-In				
97400 Depreciation Expense	\$153,568	\$1,770,702		
97500 Fraud Losses				
97600 Capital Outlays - Governmental Funds				
97700 Debt Principal Payment - Governmental Funds				
97800 Dwelling Units Rent Expense				
90000 Total Expenses	\$1,564,346	\$5,445,930	\$595,816	\$52,734

Housing Authority of the City of Hammond (IN010)

Hammond, IN

Submission Type: Audited/Single Audit

Entity Wide Revenue and Expense Summary

Fiscal Year End: 12/31/2023

	Project Total	6.1 Component Unit - Discretely Presented	6.2 Component Unit - Blended	14.896 PIH Family Self-Sufficiency Program
10010 Operating Transfer In	\$440,924			
10020 Operating transfer Out	-\$817,221			
10030 Operating Transfers from/to Primary Government				
10040 Operating Transfers from/to Component Unit				
10050 Proceeds from Notes, Loans and Bonds				
10060 Proceeds from Property Sales				
10070 Extraordinary Items, Net Gain/Loss				
10080 Special Items (Net Gain/Loss)		\$0		
10091 Inter Project Excess Cash Transfer In	\$0			
10092 Inter Project Excess Cash Transfer Out				
10093 Transfers between Program and Project - In				
10094 Transfers between Project and Program - Out				
10100 Total Other financing Sources (Uses)	-\$376,297	\$0	\$0	\$0
10000 Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	\$305,565	-\$1,646,031	-\$422,643	\$0
11020 Required Annual Debt Principal Payments	\$0	\$0	\$0	\$0
11030 Beginning Equity	\$2,971,392	\$22,317,246	\$777,015	\$0
11040 Prior Period Adjustments, Equity Transfers and Correction of Errors	\$108,001	\$0	\$182,757	\$0
11050 Changes in Compensated Absence Balance				
11060 Changes in Contingent Liability Balance				
11070 Changes in Unrecognized Pension Transition Liability				
11080 Changes in Special Term/Severance Benefits Liability				
11090 Changes in Allowance for Doubtful Accounts - Dwelling Rents				
11100 Changes in Allowance for Doubtful Accounts - Other				
11170 Administrative Fee Equity				
11180 Housing Assistance Payments Equity				
11190 Unit Months Available	2352	4404	0	0
11210 Number of Unit Months Leased	2299	4169	0	0

Housing Authority of the City of Hammond (IN010)

Hammond, IN

Submission Type: Audited/Single Audit

Entity Wide Revenue and Expense Summary

Fiscal Year End: 12/31/2023

	14.871 Housing Choice Vouchers	COCC	ELIM	Total
70300 Net Tenant Rental Revenue				\$4,297,602
70400 Tenant Revenue - Other	\$67,609			\$110,609
70500 Total Tenant Revenue	\$67,609	\$0	\$0	\$4,408,211
70600 HUD PHA Operating Grants	\$6,040,760	\$0		\$7,584,027
70610 Capital Grants		\$0		\$2,400
70710 Management Fee		\$249,652	-\$249,652	\$0
70720 Asset Management Fee		\$23,520	-\$23,520	\$0
70730 Book Keeping Fee		\$78,931	-\$78,931	\$0
70740 Front Line Service Fee				
70750 Other Fees		\$152,189	-\$152,189	\$0
70700 Total Fee Revenue		\$504,292	-\$504,292	\$0
70800 Other Government Grants				
71100 Investment Income - Unrestricted		\$0		\$53,018
71200 Mortgage Interest Income		\$470,155		\$497,534
71300 Proceeds from Disposition of Assets Held for Sale				
71310 Cost of Sale of Assets				
71400 Fraud Recovery	\$26,268			\$26,268
71500 Other Revenue	\$59	\$254,335		\$559,742
71600 Gain or Loss on Sale of Capital Assets				
72000 Investment Income - Restricted				
70000 Total Revenue	\$6,134,696	\$1,228,782	-\$504,292	\$13,131,200
91100 Administrative Salaries	\$213,869	\$239,213		\$921,664
91200 Auditing Fees	\$3,370	\$3,370		\$56,751
91300 Management Fee	\$98,760		-\$363,381	\$201,990
91310 Book-keeping Fee	\$61,725		-\$78,931	\$12,894
91400 Advertising and Marketing				\$520
91500 Employee Benefit contributions - Administrative	\$113,565	\$87,219		\$243,550
91600 Office Expenses	\$73,268	\$33,717		\$209,902
91700 Legal Expense	\$266	\$12,047		\$64,117
91800 Travel	\$7			\$623
91810 Allocated Overhead				
91900 Other	\$38,730	\$8,002	-\$38,460	\$467,452
91000 Total Operating - Administrative	\$603,560	\$383,568	-\$480,772	\$2,179,463
92000 Asset Management Fee			-\$23,520	\$28,094
92100 Tenant Services - Salaries				\$38,285
92200 Relocation Costs				
92300 Employee Benefit Contributions - Tenant Services				\$14,449
92400 Tenant Services - Other				\$102
92500 Total Tenant Services	\$0	\$0	\$0	\$52,836
93100 Water		\$461		\$86,829
93200 Electricity		\$11,508		\$194,788
93300 Gas		\$2,987		\$67,363
93400 Fuel				
93500 Labor				
93600 Sewer				\$11,672
93700 Employee Benefit Contributions - Utilities				
93800 Other Utilities Expense		\$252		\$361,966
93000 Total Utilities	\$0	\$15,208	\$0	\$722,618

Housing Authority of the City of Hammond (IN010)

Hammond, IN

Submission Type: Audited/Single Audit

Entity Wide Revenue and Expense Summary

Fiscal Year End: 12/31/2023

	14.871 Housing Choice Vouchers	COCC	ELIM	Total
94100 Ordinary Maintenance and Operations - Labor		\$46,891		\$146,966
94200 Ordinary Maintenance and Operations - Materials and Other	\$918	\$6,878		\$116,467
94300 Ordinary Maintenance and Operations Contracts		\$30,337		\$739,648
94500 Employee Benefit Contributions - Ordinary Maintenance		\$15,711		\$42,730
94000 Total Maintenance	\$918	\$99,817	\$0	\$1,045,811
95100 Protective Services - Labor				
95200 Protective Services - Other Contract Costs		\$34,832		\$95,513
95300 Protective Services - Other		\$6,127		\$21,440
95500 Employee Benefit Contributions - Protective Services				
95000 Total Protective Services	\$0	\$40,959	\$0	\$116,953
96110 Property Insurance	\$314	\$515		\$420,447
96120 Liability Insurance	\$12,070	\$10,855		\$73,776
96130 Workmen's Compensation				\$451
96140 All Other Insurance	\$4,890	\$9,084		\$19,767
96100 Total Insurance Premiums	\$17,274	\$20,454	\$0	\$514,441
96200 Other General Expenses	\$14,911	\$22,886		\$392,295
96210 Compensated Absences				
96300 Payments in Lieu of Taxes				\$279,407
96400 Bad debt - Tenant Rents				\$55,569
96500 Bad debt - Mortgages				
96600 Bad debt - Other				\$148,265
96800 Severance Expense				
96000 Total Other General Expenses	\$14,911	\$22,886	\$0	\$875,536
96710 Interest of Mortgage (or Bonds) Payable				\$914,067
96720 Interest on Notes Payable (Short and Long Term)				
96730 Amortization of Bond Issue Costs				\$0
96700 Total Interest Expense and Amortization Cost	\$0	\$0	\$0	\$914,067
96900 Total Operating Expenses	\$636,663	\$582,892	-\$504,292	\$6,449,819
97000 Excess of Operating Revenue over Operating Expenses	\$5,498,033	\$645,890	\$0	\$6,681,381
97100 Extraordinary Maintenance				
97200 Casualty Losses - Non-capitalized				
97300 Housing Assistance Payments	\$5,401,823			\$5,401,823
97350 HAP Portability-In				
97400 Depreciation Expense		\$5,521		\$1,929,791
97500 Fraud Losses				
97600 Capital Outlays - Governmental Funds				
97700 Debt Principal Payment - Governmental Funds				
97800 Dwelling Units Rent Expense				
90000 Total Expenses	\$6,038,486	\$588,413	-\$504,292	\$13,781,433

Housing Authority of the City of Hammond (IN010)

Hammond, IN

Submission Type: Audited/Single Audit

Entity Wide Revenue and Expense Summary

Fiscal Year End: 12/31/2023

	14.871 Housing Choice Vouchers	COCC	ELIM	Total
10010 Operating Transfer In		\$376,297	-\$817,221	\$0
10020 Operating transfer Out		\$0	\$817,221	\$0
10030 Operating Transfers from/to Primary Government				
10040 Operating Transfers from/to Component Unit				
10050 Proceeds from Notes, Loans and Bonds				
10060 Proceeds from Property Sales				
10070 Extraordinary Items, Net Gain/Loss				
10080 Special Items (Net Gain/Loss)	\$0			\$0
10091 Inter Project Excess Cash Transfer In			\$0	\$0
10092 Inter Project Excess Cash Transfer Out			\$0	\$0
10093 Transfers between Program and Project - In				
10094 Transfers between Project and Program - Out				
10100 Total Other financing Sources (Uses)	\$0	\$376,297	\$0	\$0
10000 Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	\$96,210	\$1,016,666	\$0	-\$650,233
11020 Required Annual Debt Principal Payments	\$0	\$0		\$0
11030 Beginning Equity	-\$495,443	\$17,607,490		\$43,177,700
11040 Prior Period Adjustments, Equity Transfers and Correction of Errors		\$3,128,157		\$3,418,915
11050 Changes in Compensated Absence Balance				
11060 Changes in Contingent Liability Balance				
11070 Changes in Unrecognized Pension Transition Liability				
11080 Changes in Special Term/Severance Benefits Liability				
11090 Changes in Allowance for Doubtful Accounts - Dwelling Rents				
11100 Changes in Allowance for Doubtful Accounts - Other				
11170 Administrative Fee Equity	-\$470,438			-\$470,438
11180 Housing Assistance Payments Equity	\$71,205			\$71,205
11190 Unit Months Available	10776	0		17532
11210 Number of Unit Months Leased	8230	0		14698