



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

B53611

STATE BOARD OF ACCOUNTS
302 WEST WASHINGTON STREET
ROOM E418
INDIANAPOLIS, INDIANA 46204-2765

Telephone: (317) 232-2513
Fax: (317) 232-4711
Web Site: www.in.gov/sboa

October 29, 2019

Board of Directors
Housing Authority of the City of Hammond
1402 173rd St.
Hammond, IN 46324

We have reviewed the audit report prepared by Cohn Reznick, Independent Public Accountant, for the period January 1, 2018 to December 31, 2018. 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, 2018 and the results of its operations for the period then ended, on the basis of accounting described in the report.

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

Paul D. Joyce
Paul D. Joyce, CPA
State Examiner

**Housing Authority of the
City of Hammond, Indiana**

**Financial Statements
(With Supplementary Information)
and Independent Auditor's Report**

December 31, 2018

Housing Authority of the City of Hammond, Indiana

Index

	<u>Page</u>
Independent Auditor's Report	2
Management Discussion and Analysis	4
Financial Statements	
Statement of Net Position	10
Statement of Revenue, Expenses and Changes in Net Position	12
Statement of Cash Flows	13
Notes to Financial Statements	15
Independent Auditor's Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	27
Independent Auditor's Report on Compliance for the Major Federal Program and on Internal Control over Compliance Required by the Uniform Guidance	29
Schedule of Findings and Questioned Costs	31
Schedule of Prior Year Audit Findings	32
Supplementary Information	
Financial Data Schedule	34
Schedule of Expenditures of Federal Awards	46
Notes to Schedule of Expenditures of Federal Awards	47

Independent Auditor's Report

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

Report on the Financial Statements

We have audited the accompanying financial statements of the Housing Authority of the City of Hammond, Indiana and its discretely presented component units, as of December 31, 2018 and the related notes to the financial statements, which collectively comprise of the Housing Authority of the City of Hammond, Indiana's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Governmental Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinion

In our opinion, based on our audit, the financial statements referred to above present fairly, in all material respects, the financial position of the Housing Authority of the City of Hammond, Indiana as of December 31, 2018, and the changes in its financial position and cash flows for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 to 9 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Auditing Standards Board, who considers it to be an essential part of the financial reporting for placing the 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 consists of inquiries of management about the methods for preparing the information and comparing the information for consistency with management's responses to our inquiries, the basis 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 basic financial statements as a whole. The HUD financial data schedule is presented for purposes of additional analysis and is not a required part of the basic financial statements. The accompanying schedule of expenditures of federal awards and accompanying notes are presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is not a required part of the basic financial statements.

The HUD financial data schedule and schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the HUD financial data schedule and schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic 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 19, 2019 on our consideration of the Housing Authority of the City of Hammond, Indiana's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreement, and other matters. The purpose of the report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Housing Authority of the City of Hammond, Indiana's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Housing Authority of the City of Hammond, Indiana's internal control over financial reporting and compliance.

CohnReznick LLP

Charlotte, North Carolina
September 19, 2019

Housing Authority of the City of Hammond, Indiana

Management's Discussion and Analysis (MD&A)

December 31, 2018

This section of the Housing Authority of the City of Hammond, Indiana's (the "Authority") annual financial report presents management's discussion and analysis of the Authority's financial performance during the fiscal year that ended on December 31, 2018. The management's discussion and analysis includes information on the past, present and future events that have been enacted, adopted, agreed upon, and/or contracted by the Authority. It focuses on analysis of the financial statements and the improvements in the Authority's management.

We are pleased to submit the financial statements of the Authority for the year ended December 31, 2018. The accuracy of the data presented in the financial statements, as well as its completeness and fairness of presentation, is the responsibility of management. All necessary disclosures to enable the reader to gain an understanding of the Authority's financial affairs have been included in the footnotes accompanying the general purpose financial statements. The purpose of the financial statements is to provide complete and accurate financial information that complies with reporting requirements of the U.S. Department of Housing and Urban Development ("HUD") and the Governmental Accounting Standards Board. The Authority's financial statements are prepared in conformity with accounting principles generally accepted in the United States of America ("GAAP") as applied to government units.

Financial highlights

- Total assets were \$25.6 million at December 31, 2018, and increased by \$703 thousand from \$24.9 million at December 31, 2017.
- Net capital assets were \$3.2 million at December 31, 2018, and had a decrease of \$420 thousand from \$3.6 million at December 31, 2017. This was primarily due to depreciation of assets.
- Total liabilities increased by \$87 thousand to \$3.2 million at December 31, 2018 from \$3.1 million at December 31, 2017.
- Total net position was \$22.3 million at December 31, 2018, an increase of about \$572 thousand from prior year balance of \$21.7 million.
- Total revenue was \$8.7 million at December 31, 2018, an increase of \$2.2 million from the December 31, 2017, balance of \$6.4 million.
- Total expenses increased by \$55 thousand to \$8.3 million at December 31, 2018 from \$8.2 million at December 31, 2017.

Housing Authority of the City of Hammond, Indiana

Management's Discussion and Analysis (MD&A)

December 31, 2018

Using this report

The financial statements are designed to provide readers with a broad overview of the Authority's finances in a manner similar to a private sector business.

The *Statement of Net Position* presents information on all of the Authority's assets and liabilities, with the difference between the two reported as net position. Over time, increases and decreases in net position may serve as a useful indicator of whether the financial position of the Authority is improving or deteriorating, or otherwise changing in a dramatic manner. Net Position is reported in three broad categories:

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 Position Invested in Capital Assets, Net of Related Debt", or "Restricted Net Position."

The *Statement of Revenues, Expenses, and Changes in Net Position* presents information detailing how the Authority's net position changed during the fiscal year. All changes in the net position are reported as soon as the underlying event given rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., depreciation and earned but unused vacation leave).

The *Statement of Cash Flows* provides information about the Authority's cash receipts and cash payments during the reporting period. The statement reports cash receipts, cash payments, and net changes in cash resulting from operations, investing, and capital and related financing activities.

- These financial statements report on the functions of the Authority that are principally supported by intergovernmental revenues. The Authority's function is to provide decent, safe, and sanitary housing to low-income and special needs populations, which is primarily funded with grant revenue received from HUD.
- Overview of the financial statements
- The Authority's basic financial statements are presented as an enterprise fund consisting of the primary government and discretely presented component units.

Fund Financial Statements are groupings of accounts used to maintain control over resources segregated for specific activities or objectives. The Authority, like other state, local, or quasi-governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The Authority's funds only consisted of a **Proprietary Fund**.

The Authority's **Proprietary Fund** is comprised of enterprise funds with "business-type" activities intended to recover all or a portion of their costs through fees and charges for services. Since the

Housing Authority of the City of Hammond, Indiana

Management's Discussion and Analysis (MD&A)

December 31, 2018

Authority maintains its activities in enterprise funds, its Proprietary Fund financial statements provide information about the activities of the Authority as a whole.

Low-Rent Public Housing - Under the Low Rent Housing Program, the Authority rents units it owns to low-income families. The Low Rent Public Housing Program is operated under an annual contribution contract (ACC) with HUD, and HUD provides an operating subsidy to enable the Authority to provide housing at a rent that is based upon 30% of a family's adjusted gross household income.

Capital Fund Program (CFP) - The Low Rent Public Housing Program also includes the CFP, which is the primary funding source for physical management improvements to the Authority's properties. CFP funding is based on a formula allocation that takes into consideration the size and age of the authorities housing stock.

Section 8 Housing Choice Vouchers - The Housing Choice Voucher is the federal government's programs for assisting low-income families, the elderly, and the disabled to afford decent, safe, and sanitary housing in the private market. The programs are administered locally by public housing authorities (PHAs). The PHAs receive funds from HUD to administer the programs. A housing subsidy is paid to the landlord directly by the PHA on behalf of the participating family. The family then pays the difference between the actual rent charged by the landlord and the amount subsidized by the program.

Component Units - The Authority has oversight responsibility including financial accountability, appointment of voting majority, imposition of will, financial benefit to or burden on a primary organization, financial accountability as a result of fiscal dependency, potential for dual inclusion, and organizations included in the reporting entity although the primary organization is not financially accountable. Based upon the application of these criteria, the Authority includes all component units of which the Authority appointed a voting majority of the units' board; the Authority is either able to impose its will on the unit or a financial benefit or burden relationship exists.

Discretely Presented Component Units - Discretely presented component units are separate legal entities that meet the component unit criteria described above, but do not meet the criteria for blending. The Authority has included as discretely presented component units the activity for: Flagstone Village LLC, American Heartland Homes One LLC, American Heartland Homes Two, LLC, Golden Manor, L.P., and Saxony Townhomes, LP. These entities are shown as a discretely presented component units because the Authority is financially accountable for it, but does not have the same board as the entity.

Housing Authority of the City of Hammond, Indiana

**Management's Discussion and Analysis (MD&A)
December 31, 2018**

Statement of Net Position

The following table reflects the condensed Statement of Net Position compared to the prior year.

	December 31,		Change	Percent Change
	2018	2017		
Assets				
Current assets	\$ 3,773,590	\$ 2,903,739	\$ 869,851	23.1%
Restricted assets	144,986	106,883	38,103	26.3%
Capital assets, net	3,209,003	3,628,878	(419,875)	-13.1%
Noncurrent assets	18,434,005	18,262,296	171,709	0.9%
Total assets	\$ 25,561,584	\$ 24,901,796	\$ 659,788	2.6%
Liabilities				
Current liabilities	\$ 136,209	\$ 190,372	\$ (54,163)	-39.8%
Noncurrent liabilities	3,111,631	2,970,263	141,368	4.5%
Total liabilities	3,247,840	3,160,635	87,205	2.7%
Net Position				
Net investment in capital assets	3,209,003	3,628,878	(419,875)	-13.1%
Restricted	52,421	3,061,638	(3,009,217)	-5740.5%
Unrestricted	19,052,320	15,050,645	4,001,675	21.0%
Total net position	22,313,744	21,741,161	572,583	2.6%
Total liabilities and net position	\$ 25,561,584	\$ 24,901,796	\$ 659,788	2.6%

The Authority's total net position at December 31, 2018 was approximately \$22.3 million, a 2.6% increase from the December 31, 2017 balance of \$21.7 million.

Capital Assets

The following table reflects the condensed activity of capital assets compared to the prior year.

	2018	2017
Land	\$ 391,963	\$ 391,963
Buildings and improvements	12,929,453	12,929,453
Furniture, equipment, and machinery	758,687	758,687
Construction in progress	14,839	-
Accumulated depreciation	(10,885,939)	(10,451,225)
Total	\$ 3,209,003	\$ 3,628,878

Depreciation expense was \$434,714. Construction in progress totaled \$14,839, and capital additions totaled \$0. There were no disposals for 2018. Additional information can be found in the Notes to Financial Statements.

Notes and Accrued Interest Receivable

The Authority has several notes receivable outstanding, which total \$14,839,394, as a result of funds loaned to its mixed income developers. These are long-term notes that will mature in 2035, 2051, and 2065. Interest payments are accumulated and are not required to be paid until the developments generate positive cash flow per HUD regulations. Accumulated interest as of year end totaled \$2,394,695.

Housing Authority of the City of Hammond, Indiana

**Management's Discussion and Analysis (MD&A)
December 31, 2018**

Total liabilities increased by \$87 thousand or 2.7% to \$3.2 million. Additional information can be found in the Notes to Financial Statements.

Statement of Revenues, Expenses, and Changes in Net Position

The following table reflects the condensed Statement of Revenues, Expenses, and Changes in Net Position compared to the prior year.

	Year ended December 31,		Change	Percent Change
	2018	2017		
Operating revenues and expenses				
Operating revenues	\$ 2,357,212	\$ 992,942	\$ 1,364,270	57.9%
Governmental operating revenues	6,335,850	5,435,332	900,518	14.2%
Depreciation expense	(434,714)	(460,289)	25,575	-5.9%
Other operating expenses	(7,824,425)	(7,743,828)	(80,597)	1.0%
Operating income (loss)	<u>433,923</u>	<u>(1,775,843)</u>	<u>2,209,766</u>	<u>509.3%</u>
Non-operating revenues and expenses				
Interest revenue	26,384	-	26,384	-100.0%
Other non-routine revenues/(expenses)	112,276	-	112,276	100.0%
Change in net position	572,583	(1,775,843)	2,348,426	410.1%
Net Position, beginning	<u>21,741,161</u>	<u>23,517,004</u>	<u>(1,775,843)</u>	<u>-8.2%</u>
Net Position	<u>\$ 22,313,744</u>	<u>\$ 21,741,161</u>	<u>\$ 572,583</u>	<u>2.6%</u>

The Authority's total operating revenues increased to \$8.7 million by \$2.3 million or 34.3 percent for the year ended December 31, 2018.

Total operating expenses, including depreciation increased by \$55 thousand or 0.7 percent for a total balance of \$8.3 million for the year ended December 31, 2018. Changes are shown in the table below:

	Year ended December 31,		Change	Percent Change
	2018	2017		
Expenses				
Administrative	\$ 1,524,091	\$ 2,018,107	\$ (494,016)	-32.4%
Tenant services	42,491	-	42,491	100.0%
Utilities	193,807	158,336	35,471	18.3%
Maintenance and operations	658,449	544,823	113,626	17.3%
Protective services	39,744	40,401	(657)	-1.7%
General	684,178	386,348	297,830	43.5%
Housing assistance payments	4,681,665	4,595,813	85,852	1.8%
Depreciation	434,714	460,289	(25,575)	-5.9%
Total operating expenses	<u>\$ 8,259,139</u>	<u>\$ 8,204,117</u>	<u>\$ 55,022</u>	<u>0.7%</u>

Expenses primarily increased in maintenance expenses, general, and housing assistance payments.

Budgetary control

For the operating budget, management submits a proposed budget for revenues and expenses for all programs, functions, activities, or objectives for the following fiscal year to the governing body ("Board"). The Board reviews, approves and adopts the budget. Operating monies are determined by rents and operating subsidies provided by HUD, as established by Congress. Full funding of the operating subsidy is dependent on the availability of federal funds.

Housing Authority of the City of Hammond, Indiana

Management's Discussion and Analysis (MD&A)

December 31, 2018

The Authority prepares annual five-year budgets for its capital grants and project budget for other grants. Capital project budgets are approved and are adopted for five years by the Board and HUD based on Federal funding. They are then annualized to strengthen monitoring and completion benchmarks. Budgeted and actual costs are compared to the five-year plan and are monitored by the Authority and HUD. Line item variances are resolved and approved by HUD.

Major initiatives

Current Year: The Hammond Housing Authority continues to provide comprehensive service in the City of Hammond to assure the existence of affordable housing for low- to moderate-income individuals, families, senior citizens, handicapped and disabled individuals. Under the leadership of a dedicated Board of Commissioners, and the hard work of true professionals in the field of affordable housing, the Authority continues to thrive, considering the various challenges for federally subsidized housing providers. Improvements have included working hard to enhance our operations internally and seeking external funds to support our residents whenever possible. Below are some of our accomplishments.

The year moved onto the historical pages of the Hammond Housing Authority, with the ongoing Revitalization Master Plan for Columbia Center and ongoing capital improvements for Turner Park. Words like Plans, Projections, Progress, Persistence, Prevailing, Productivity, Performance and Pride can define all of the activities that encompassed the year.

Homestead Enterprise Housing, Inc., (HEH), an instrumentality of the Housing Authority was awarded Low-Income Tax Credits in 2015. With this award the final Phase of Revitalization Master Plan for Columbia Center is complete. This phase is named "Flagstone Village". This development marks the third Mixed Income Development for the Hammond Housing. The development merged Federal Capital Funds and the State Tax Credits. The development has low-income tax credit units, Section 9 (federally subsidized units) and Project Based Vouchers (PBV). Construction started October 2015, and the project was completed and occupied by January 2017.

At Turner Park, 80 townhomes units that are homes to families were upgraded to on-demand hot water tanks. This energy efficient system will have money to the residents and the housing authority reducing the cost of the water that is kept hot when not in use.

The Rental Assistance Department (Housing Choice Voucher Program), staff recaptured \$10,747 through fraud recovery efforts, half of which the department was able to keep for operating expenses. The Public Housing Assessments System rating for 2018 was 77, standard performer.

Contacting the Authority's Financial Management

This Authority's financial report is designed to provide a general overview of the Authority's finances for all those with an interest and to demonstrate the Authority's accountability for the money it receives. 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.

Housing Authority of the City of Hammond, Indiana

**Statement of Net Position
December 31, 2018**

Assets

	Primary Government	Discrete Component Units	Total Reporting Entity
Current Assets			
Cash and cash equivalents - unrestricted	\$ 1,447,371	\$ 1,056,703	\$ 2,504,074
Investments - unrestricted	1,875,981	-	1,875,981
Accounts receivable - tenants (net of allowance)	-	14,920	14,920
Accounts receivable - other	378,429	196,360	574,789
Inventories	30,896	-	30,896
Prepaid expenses	40,913	47,141	88,054
Total Current Assets	3,773,590	1,315,124	5,088,714
Restricted Assets			
Cash and cash equivalents - restricted	144,986	525,949	670,935
Investments - restricted	-	1,548,718	1,548,718
Total Restricted Assets	144,986	2,074,667	2,219,653
Capital Assets			
Land	391,963	1,138,757	1,530,720
Buildings and improvements	12,929,453	54,434,811	67,364,264
Furniture, equipment and machinery	758,687	1,480,680	2,239,367
Construction in progress	14,839	-	14,839
	14,094,942	57,054,248	71,149,190
Less accumulated depreciation	(10,885,939)	(11,796,142)	(22,682,081)
Total Capital Assets	3,209,003	45,258,106	48,467,109
Noncurrent Assets			
Notes receivable - discrete component units	14,839,394	-	14,839,394
Other assets	3,594,611	591,828	4,186,439
Total Noncurrent Assets	18,434,005	591,828	19,025,833
Total Assets	\$ 25,561,584	\$ 49,239,725	\$ 74,801,309

Housing Authority of the City of Hammond, Indiana

**Statement of Net Position
December 31, 2018**

Liabilities and Net Position

	Primary Government	Discrete Component Units	Total Reporting Entity
Current Liabilities			
Accounts payable	\$ 3,852	\$ 3,591	\$ 7,443
Current portion of long-term debt - capital projects	-	60,180	60,180
Accrued wages and payroll taxes payable	22,146	-	22,146
Tenant security deposits	105,258	210,176	315,434
Unearned revenues	1,027	22,537	23,564
Other current liabilities	82	609,994	610,076
Accrued liabilities - other	3,844	159,440	163,284
Total Current Liabilities	<u>136,209</u>	<u>1,065,918</u>	<u>1,202,127</u>
Noncurrent Liabilities			
Other noncurrent liabilities	3,111,631	3,612,506	6,724,137
Long-term debt, net of current - capital projects	-	16,315,478	16,315,478
Total Noncurrent Liabilities	<u>3,111,631</u>	<u>19,927,984</u>	<u>23,039,615</u>
Total Liabilities	<u>3,247,840</u>	<u>20,993,902</u>	<u>24,241,742</u>
Net Position			
Net investment in capital assets	3,209,003	45,258,106	48,467,109
Restricted	52,421	1,864,491	1,916,912
Unrestricted net position	19,052,320	(18,876,774)	175,546
Total Net Position	<u>22,313,744</u>	<u>28,245,823</u>	<u>50,559,567</u>
Total Liabilities and Net Position	<u>\$ 25,561,584</u>	<u>\$ 49,239,725</u>	<u>\$ 74,801,309</u>

See Notes to Financial Statements.

Housing Authority of the City of Hammond, Indiana

**Statement of Revenue, Expenses and Changes in Net Position
Year Ended December 31, 2018**

	Primary Government	Discrete Component Units	Total Reporting Entity
Operating Revenue			
Net tenant rental revenue	\$ 499,021	\$ 3,081,491	\$ 3,580,512
HUD operating grants	6,335,850	-	6,335,850
Other revenue	1,858,191	757,600	2,615,791
Total Operating Revenue	<u>8,693,062</u>	<u>3,839,091</u>	<u>12,532,153</u>
Operating Expenses			
Administrative	1,524,091	1,199,485	2,723,576
Tenant services	42,491	-	42,491
Utilities	193,807	263,922	457,729
Maintenance and operations	658,449	523,511	1,181,960
Protective services	39,744	-	39,744
General	684,178	293,114	977,292
Housing assistance payments	4,681,665	-	4,681,665
Amortization	-	31,001	31,001
Depreciation	434,714	1,875,731	2,310,445
Total Operating Expense	<u>8,259,139</u>	<u>4,186,764</u>	<u>12,445,903</u>
Operating Income (Loss)	<u>433,923</u>	<u>(347,673)</u>	<u>86,250</u>
Non-Operating Revenue (Expenses)			
Interest expense	-	(686,266)	(686,266)
Notes receivable interest income	112,276	-	112,276
Interest income - unrestricted	26,384	1,119	27,503
Total Non-Operating Revenue (Expenses)	<u>138,660</u>	<u>(685,147)</u>	<u>(546,487)</u>
Change in Net Position	572,583	(1,032,820)	(460,237)
Net Position - Beginning	<u>21,741,161</u>	<u>29,278,643</u>	<u>51,019,804</u>
Net Position - Ending	<u>\$ 22,313,744</u>	<u>\$ 28,245,823</u>	<u>\$ 50,559,567</u>

See Notes to Financial Statements.

Housing Authority of the City of Hammond, Indiana

**Statement of Cash Flows
Year Ended December 31, 2018**

	<u>Primary Government</u>
Cash flows from operating activities	
Dwelling rent receipts	\$ 560,597
Operating subsidy and grant receipts	6,308,260
Other income receipts	<u>1,528,019</u>
Total receipts	<u>8,396,876</u>
Payments to vendors	(2,198,802)
Payments to employees	(1,137,840)
Housing assistance payments	<u>(4,681,665)</u>
Total disbursements	<u>(8,018,307)</u>
Net cash provided by operating activities	<u>378,569</u>
Cash flows from investing activities	
Investment income	26,384
Interest received on notes receivable	112,276
Increase in other assets	83,374
Decrease in investments	<u>173,759</u>
Net cash provided by investing activities	<u>395,793</u>
Cash flows from capital and related financing activities	
Capital asset purchases	<u>(14,839)</u>
Net cash used by capital and related financing activities	<u>(14,839)</u>
Net increase in cash	759,523
Cash and cash equivalents, beginning	<u>832,834</u>
Cash and cash equivalents, ending	<u><u>\$ 1,592,357</u></u>
Reconciliation to Statement of Net Position:	
Cash and cash equivalents - unrestricted	\$ 1,447,371
Cash and cash equivalents - restricted	<u>144,986</u>
Total	<u><u>\$ 1,592,357</u></u>

Housing Authority of the City of Hammond, Indiana

Statement of Cash Flows
Year Ended December 31, 2018

	<u>Primary Government</u>
Reconciliation of operating income (loss) to net cash provided by operating activities	
Operating income (loss)	<u>\$ 433,923</u>
Adjustments to reconcile operating income (loss) to net cash used by operating activities	
Depreciation	434,714
Changes in asset and liability accounts	
(Increase) decrease in assets	
Accounts receivable - HUD	4,968
Accounts receivable - tenants	11,260
Accounts receivable - other	(330,172)
Prepaid expenses	(8,246)
Increase (decrease) in liabilities	
Accounts payable	1,422
Accounts payable - HUD	(32,558)
Security deposits payable	49,289
Accrued wages and payroll taxes payable	2,057
Other current liabilities	(75,400)
Other noncurrent liabilities	(113,715)
Unearned revenues	<u>1,027</u>
Total adjustments	<u>(55,354)</u>
Net cash provided by operating activities	<u><u>\$ 378,569</u></u>

See Notes to Financial Statements.

Housing Authority of the City of Hammond, Indiana

Notes to Financial Statements December 31, 2018

Note 1 - Organization and summary of significant accounting policies

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 in accordance with the rules and regulations prescribed by the Department of Housing and Urban Development ("HUD") and other Federal Agencies.

HUD has direct responsibility for administering housing programs under the United States Housing Act of 1937, as amended. HUD is authorized to enter into contracts with local housing authorities and to provide funds to assist the Public Housing Authorities ("PHAs") in financing the acquisition, construction, and/or leasing of housing units; to make housing assistance payments; and to make annual contributions (subsidies) to PHAs for the purpose of maintaining the low rent character of the local housing program.

Reporting entity

The Authority is governed by a Board of Commissioners appointed by the office of the Mayor, and has governance responsibilities over all activities related to all housing activities within the City of Hammond. The Board of Commissioners has decision making authority and the power to designate management. The Authority's Board elects its own chairperson and each member can only be removed for cause.

The reporting entity for the Authority includes its Enterprises Funds. The Authority is a separate governmental entity created for the purpose of constructing, maintaining, and operating public housing and providing rental assistance to low-income and elderly persons. The majority of funding is provided by HUD. All funds and programs are included in these statements.

Component Units

In determining how to define the reporting entity, management has considered all potential component units. The decision to include a component unit in the reporting entity was made by applying the criteria set forth by the Governmental Account Standards Board. These criteria include manifestation of oversight responsibility including financial accountability, appointment of a voting majority, imposition of will, financial benefit to or burden on a primary organization, financial accountability as a result of fiscal dependency, potential for dual inclusion, and organizations included in the reporting entity although the primary organization is not financially accountable. Based upon the application of these criteria, the reporting entity includes the following component units:

Homestead Enterprise Housing, Inc. ("HEH", a Blended Component Unit) is an Indiana nonprofit corporation organized in 1978 by the Housing Authority of the City of Hammond, Indiana, 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.

Flagstone Village, LLC (Discrete Component Unit) 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.

Housing Authority of the City of Hammond, Indiana

Notes to Financial Statements December 31, 2018

American Heartland Homes One, LLC (*Discrete Component Unit*) 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 Home Two, LLC (*Discrete Component Unit*) 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 (*Discrete Component Unit*) 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 (*Discrete Component Unit*) is a limited partnership that was organized in 2006 to develop, construct, own, maintain, and operate a 80-unit rental housing apartment complex for senior low-income persons.

Additional information concerning these entities can be obtained by contacting the finance department of the Authority at 1402 173rd Street, Hammond, Indiana, 46324.

Basis of presentations and accounting

The financial statements of the Housing Authority have been prepared in conformity with generally accepted accounting principles ("GAAP") as applied to governmental units. The Governmental Accounting Standards Board ("GASB") is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The Authority is a Special Purpose Government engaged only in business-type activities and therefore, presents only the financial statements required for the enterprise fund.

The Authority has multiple programs which are accounted for as a single enterprise fund.

Enterprise Fund - In accordance with the Enterprise Fund Method, activity is recorded using the accrual basis of accounting and the measurement focus is on the flow of economic resources. Under the accrual basis of accounting revenues are recorded when earned and expenses are recorded when incurred. This requires the Housing Authority to account for operations in a manner similar to private business or where the Board has decided that the determination of revenues earned, costs incurred and/or net income is necessary for management accountability.

Cash and cash equivalents

Cash and cash equivalents are defined as short-term, highly-liquid investments that are both: readily convertible to known amounts of cash and so near their maturity that they present insignificant risk of changes in value because of changes in interest rates. This includes all demand deposits, saving accounts and certificates of deposits or short-term investments with a maturity date of three months or less.

Investments

Investments are stated at fair value in accordance with GASB Statement No. 31, Accounting and Financial Reporting for Certain Investments and for External Investment Pools and GASB Statement No. 40 Deposit and Investment Risk Disclosures. Federal statutes authorize investment of excess federal funds in instruments guaranteed by the federal government. The Authority has adopted this policy for all invested funds, whether or not they are federal funds. GASB Statement No. 40 requires general disclosures by investment type with disclosures of the specific risks to

Housing Authority of the City of Hammond, Indiana

**Notes to Financial Statements
December 31, 2018**

which those investments are exposed. Investments exposed to credit risk, custodial credit risk, concentration of credit risk (5% of total net position), interest rate risk, and foreign currency risk must be disclosed, and the government reporting unit is required to describe their deposit or investment policies (or the lack of a policy) that relate to the risks stated above, if they are subject to them.

Credit risk is the risk of loss attributed to the magnitude of an agency's investment in a single user. All investments are insured by governmental securities or registered and held by the Authority or its agent in the Authority's name. The Authority does not have a policy limiting its exposure to concentrations of credit risk.

Credit risk is also the risk that an issuer or other counterparty to a debt investment will not fulfill its obligation. The Authority's statement of investment objectives and guidelines states that investments in non-convertible fixed-income securities other than short-term securities will be restricted to issues with a maximum fixed or expected average maturity of ten years and will be made primarily in (1) securities issued or guaranteed by the U.S. government or its agencies (2) marketable issues of non-nuclear utility companies rated at the time of purchase within the three highest grades assigned by Moody's Investor Services, Inc (AAA, AA or A) or by Standard & Poor's (AAA, AA or A) and (3) bond mutual funds which invest primarily in bonds with rating of A and higher.

Restricted assets

Certain assets may be classified as restricted assets on the statement of net position because their use is restricted by contracts or agreements with outside third parties and lending institutions.

Accounts receivable

Tenant accounts receivables are carried at the amount considered by management to be collectible.

Prepaid items

Prepaid Items consists of payments made to vendors for services that will benefit future periods.

Inventory

Inventories consist of materials and supplies that have not been used or consumed. Inventory is valued at cost and recorded as an expense when it is consumed.

Capital assets

Property and equipment are recorded at cost. Depreciation is computed using the straight-line method over the estimated useful lives of the assets. The costs of maintenance and repairs are expensed, while significant renewals and betterments in excess of \$5,000 are capitalized. Small dollar value minor equipment items are expensed. When buildings and equipment are sold or otherwise disposed of, the asset account and related accumulated depreciation account are relieved, and any gain or loss is included in operations. Depreciation on assets has been expensed in the Statement of Revenues, Expenses and Changes in Net Position. Estimated useful lives are as follows:

Buildings and improvements	40 years
Furniture, equipment and machinery	5 years
Automobiles	5 years

Housing Authority of the City of Hammond, Indiana

Notes to Financial Statements December 31, 2018

Impairment of long-lived assets

Under the provisions of GAAP for governmental entities, prominent events or changes in circumstances affecting capital assets are required to be evaluated to determine whether impairment of a capital asset has occurred. Impaired capital assets that will no longer be used should be reported at the lower of the carrying value or fair value. Impairment of capital assets with physical damage generally should be measured using the restoration cost approach, which uses the estimated cost to restore the capital asset to identify the portion of the historical costs of the capital asset that should be written off. No such impairment loss was recognized during the year ended December 31, 2018.

Unearned revenue

The Authority recognizes revenues as earned. Funds received before the Authority is eligible to apply them are recorded as a liability under Unearned Revenue.

Compensated absences

The Authority allows regular full-time employees to accumulate the following compensated absences. Vacation is accrued based on length of employment, ranging from 10 vacation days per two years of continuous service to 30 vacation days after 20 years of continuous service. Vacations are not allowed to be accumulated from year to year. Sick pay is granted at the rate of one day per month, the days carry over from year to year and are limited to 960 hours.

Net investment in capital assets

Net investment in capital assets is recorded in an amount equal to capital assets, net of accumulated depreciation and reduced by any debt attributable to the acquisition of those assets.

Restricted net position

Net position is reported as restricted when constraints placed on net assets use are either: externally imposed by creditors (such as debt covenants), grantors, contributors, or laws or regulations of other governments, imposed by law through constitutional provisions or enabling legislation.

Retirement plan

The Authority has established a 457(b) deferred compensation plan for its employees in accordance with the Internal Revenue Code Section 501. The plan is administered by a private administrator. All contributions are immediately vested. For calendar year 2018, salary deferral could not exceed \$18,000.

Revenue accounting policies

Dwelling rent income, HUD grants received for operations, other operating grants and miscellaneous operating income are reported as operating revenue. HUD grants received for capital assets and all other revenue are reported as non-operating revenue.

Use of estimates

The financial statements include some amounts that are based on management's best estimates and judgments. The most significant estimates relate to depreciation and useful lives, investment valuations, inventory valuations, account receivable valuations, note receivable valuations, and the net pension liability and related expense. These estimates may be adjusted as more current information becomes available, and any adjustment could be significant.

Housing Authority of the City of Hammond, Indiana

Notes to Financial Statements December 31, 2018

Eliminations

The Authority manages several programs. Many charges are paid by the Authority's various programs to other programs within the Authority. Subsequently, intercompany revenues and expenses have been eliminated.

Risk management

The Housing Authority is exposed to various risks of losses related to torts; thefts of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Authority manages these various risks of loss with the following insurance coverage: worker's compensation, property and equipment, liability, flood and automobile. Management believes such coverage is sufficient to preclude any significant uninsured losses to the Authority. Settled claims have not exceeded this insurance coverage in any of the past three fiscal years.

Programs administered by the Authority

The Authority administers annual contribution contracts to provide low-income housing with primary financial support from HUD. The primary programs administered by the Authority are as follows:

- Low-Income Public Housing - The low rent housing program provides subsidized housing to low-income residents. The Authority is the owner of public housing units located throughout the city. The Authority receives revenue from dwelling rental income and operating subsidies and capital repair funds from HUD. "Capital Funds," provided by HUD, are used to improve the physical condition, management and operation of existing public housing developments.
- Housing Choice Vouchers Program ("HCV") - The Authority participates in the Housing Choice Voucher Program. This program is designed to provide privately owned, decent, safe and sanitary housing to low-income families. The Authority provides assistance to low-income persons seeking decent, safe and sanitary housing by subsidizing rents between such persons and owners of existing private housing. Under the program, the Authority enters into housing assistance payment contracts with eligible landlords. To fund the program, the Authority enters into annual contribution contracts with HUD for the receipt of rental subsidies.

New accounting updates

The GASB issued Statement No. 87, *Leases* effective for financial statements beginning after December 15, 2019. Management is currently evaluating the impact of adopting this standard.

The GASB issued Statement No. 89, *Accounting for Interest Costs Incurred before the End of a Construction Period* effective for financial statements beginning after December 15, 2019. Management is currently evaluating the impact of adopting this standard.

The GASB issued Statement No. 90, *Majority Equity Interest, an amendment of GASB Statements No. 14 and No. 61*. The standard establishes criteria for reporting presentation for a government's majority equity interest in a legally separate organization. This statement is effective for financial statements with periods beginning after December 15, 2018. Management is currently evaluating the impact of adopting this standard.

Housing Authority of the City of Hammond, Indiana

**Notes to Financial Statements
December 31, 2018**

Note 2 - Deposits and investments

Cash and cash equivalents

HUD requires that deposits of HUD program funds be fully collateralized at all times. Acceptable collateralization includes Federal Deposit Insurance Company (FDIC) insurance and the market value of securities purchased and pledges 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.

Risks

Credit Risk - HUD requires housing authorities to invest excess funds in obligations of the United States, certificates of deposit or any other federally-insured investments.

Interest Rate Risk - The Housing Authority's formal investment policy does not limit investment maturities as a means of managing its exposure to fair value losses arising from interest rate volatility.

Custodial Credit Risk - The Housing Authority's policy is to limit credit risk by adherence to the list of HUD permitted investments, which are backed by the full faith and credit of, or a guarantee of principal and interest by the U.S. Government.

As of December 31, 2018, of the Authority's deposits and investments were exposed to this risk because the amounts were in excess of FDIC insurance limits; however, the accounts were collateralized with securities held by the pledging financial institutions in the Authority's name. The following schedule summarizes the custodial credit risk:

	Balance reported on the Authority's Financial Statements	Balance deposited with the Financial Institution	FDIC Insured	Uninsured Amount (fully collateralized)
Bank deposits	\$ 1,592,357	\$ 1,675,908	\$ 540,887	\$ 1,135,021
Investment account	1,875,981	1,875,981	-	1,875,981
	<u>\$ 3,468,338</u>	<u>\$ 3,551,889</u>	<u>\$ 540,887</u>	<u>\$ 3,011,002</u>

Cash and cash equivalents are reported on the statement of net position as follows:

Cash and cash equivalents - unrestricted	\$ 1,447,371
Cash and cash equivalents - restricted	144,986
Investments - unrestricted	<u>1,875,981</u>
Total	<u>\$ 3,468,338</u>

Housing Authority of the City of Hammond, Indiana

**Notes to Financial Statements
December 31, 2018**

Note 3 - Restricted cash and investments

Restricted cash and investments as of December 31, 2018 for the primary government consisted of the following:

Tenant security deposits	\$ 48,466
FSS escrow	<u>96,520</u>
Total restricted cash	<u><u>\$ 144,986</u></u>

Restricted cash and investments as of December 31, 2018 for the discrete component units consisted of the following:

Tenant security deposits	\$ 214,286
Mortgage escrows	311,663
Project reserves	<u>1,548,718</u>
Total restricted cash and investments	<u><u>\$ 2,074,667</u></u>

Note 4 - Accounts receivable

At December 31, 2018, accounts receivable for the primary government totaled \$305,654 and consisted of the following:

Accounts receivable - PHA's	\$ 57,686
Accounts receivable - DCU's	<u>320,743</u>
	<u><u>\$ 378,429</u></u>

The Authority reviews the accounts receivable periodically. In fiscal year 2018, the Authority did not have any write offs of receivables.

Note 5 - Developer fees receivable

HEH was the developer and/or general partner in the development of the Golden Manor and Saxony Townhomes, American Heartland Homes One (AHH1), American Heartland Homes Two (AHH2), and Flagstone Village housing projects. HEH earned a development fee for its services in connection with the development of these projects. Development fees outstanding at December 31, 2018 were as follows:

Golden Manor	\$ 221,823
Saxony Townhome	264,935
American Heartland Homes One	395,966
American Heartland Homes Two	<u>317,192</u>
	<u><u>\$ 1,199,916</u></u>

Housing Authority of the City of Hammond, Indiana

Notes to Financial Statements December 31, 2018

development consulting agreements with unrelated third parties for the management of the construction related to the Golden Manor, Saxony Townhomes, AHH1, AHH2, and Flagstone Village. As of December 31, 2018, the outstanding development consulting fees payable totaled \$672,837, which is included in other noncurrent liabilities on the statement of net position.

Note 6 - Notes receivable

1. The Authority entered into a purchase money mortgage with American Heartland Homes One, LLC (AHH1) on June 29, 2010 to loan the company \$846,000 at a rate of 4.3 percent. The mortgage requires base payments to commence on the first day of the calendar month following completion of the project and on the first day of each calendar month thereafter, in an amount equal to \$4,187. The mortgage also calls for additional annual payments to commence on May 1, 2012 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. As of December 31, 2018, the mortgage receivable was \$846,000 with accrued interest of \$364,272.
2. The Authority entered into a mixed finance agreement with AHH1 on June 29, 2010, to loan the company an amount not to exceed \$11,500,000 at a rate of 1.25 percent. The loan matures on December 31, 2065. The agreement calls for payments to commence on May 1, 2012, in an amount equal to available net cash flow of the company. All unpaid principal and interest are due at maturity. AHH1 repaid a lump sum of \$4,734,785 in September 2012 and has not made additional payments. At December 31, 2018 \$6,664,766 was outstanding with accrued interest totaled \$838,775.
3. The Authority entered into a purchase money mortgage with American Heartland Homes Two, LLC (AHH2) on August 18, 2011, to loan the company \$3,313,941 at a rate of 3 percent. 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. As of December 31, 2018, the mortgage receivable was \$3,313,941 with accrued interest of \$606,249.
4. The Authority entered into an agreement with Flagstone Village LLC (Flagstone) on October 20, 2015 to loan the company an amount not to exceed \$3,630,000 at a rate of 4.4 percent. 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. At December 31, 2018 \$3,630,000 was outstanding with accrued interest totaled \$456,859.
5. HEH entered into an agreement with Golden Manor, LLC on June 26, 2010 to loan the company an amount not to exceed \$750,000 at a rate of 1.25 percent. The loan matures on December 31, 2065. The agreement calls for annual payments to commence on May 1, 2010, in the amount equal to 50 percent of available net cash flow. All unpaid principal and accrued interest are due at maturity. As of December 31, 2018, Golden Manor owed HEH \$134,687 with accrued interest totaled \$101,556.
6. HEH entered into an agreement with American Heartland Homes One, LLC (AHH1) on June 29, 2010 to loan the company \$250,000 at a rate of 1.25 percent. 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

Housing Authority of the City of Hammond, Indiana

**Notes to Financial Statements
December 31, 2018**

31, 2065. As of December 31, 2018, AHH1 owed HEH \$250,000 with accrued interest of \$26,984.

	Note	Accrued Interest
American Heartland Homes One	\$ 846,000	\$ 364,272
American Heartland Homes One	6,664,766	838,775
American Heartland Homes Two	3,313,941	606,249
Flagstone Village	3,630,000	456,859
Golden Manor	134,687	101,556
American Heartland Homes One	250,000	26,984
	\$ 14,839,394	\$ 2,394,695

The Authority recognizes interest income from the notes receivable when cash payments are received. During the year ended December 31, 2018, the Authority recognized interest income of \$112,276. Accrued but unpaid interest under the terms of the loan agreements totaled \$2,394,695 at December 31, 2018, which is included in other noncurrent liabilities on the statement of net position.

Note 7 - Capital assets

Summaries of the primary government's capital asset balances and activity as of December 31, 2018 and the year then ended are as follows:

	Balance December 31, 2017	Additions	Transfers, Reclassifications and Deletions	Balance December 31, 2018
Non-depreciable				
Land	\$ 391,963	\$ -	\$ -	\$ 391,963
Construction in process	-	14,839	-	14,839
Depreciable				
Buildings and improvements	12,929,453	-	-	12,929,453
Furniture and equipment	758,687	-	-	758,687
Leasehold improvements	-	-	-	-
	14,080,103	14,839	-	14,094,942
Accumulated depreciation	(10,451,225)	(434,714)	-	(10,885,939)
Total capital assets	\$ 3,628,878	\$ (419,875)	\$ -	\$ 3,209,003

Housing Authority of the City of Hammond, Indiana

Notes to Financial Statements December 31, 2018

Summaries of the discretely presented component units' capital asset balances and activity as of December 31, 2018 and the year then ended are as follows:

	Balance December 31, 2017	Additions	Transfers, Reclassifications and Deletions	Balance December 31, 2018
Non-depreciable				
Land	\$ 1,138,757	\$ -	\$ -	\$ 1,138,757
Depreciable				
Buildings and improvements	54,429,592	5,219	-	54,434,811
Furniture and equipment	1,472,183	8,497	-	1,480,680
	<u>57,040,532</u>	<u>13,716</u>	<u>-</u>	<u>57,054,248</u>
Accumulated depreciation	<u>(9,920,411)</u>	<u>(1,875,731)</u>	<u>-</u>	<u>(11,796,142)</u>
Total capital assets	<u>\$ 47,120,121</u>	<u>\$ (1,862,015)</u>	<u>\$ -</u>	<u>\$ 45,258,106</u>

Note 8 - Long term debt

The discretely presented component units owe amounts to the Authority as outlined in Note 6 in the amount of \$14,839,394. Additionally, Saxony Townhomes, LP entered into mortgages in the amount of \$2,062,000 which bear interest at the lesser of the prime rate or 7%. The loans required monthly principal payments totaling \$5,015 plus accrued and unpaid interest. The outstanding balances as of December 31, 2018 was \$1,536,264.

Note 9 - Condensed financial statements - Discrete Component Units

	AHH1	AHH2	Flagstone	Golden Manor	Saxony	Total
Assets						
Current assets	\$ 957,201	\$ 744,488	\$ 689,555	\$ 516,913	\$ 481,634	\$ 3,389,791
Noncurrent assets	95,101	61,134	385,973	15,982	33,638	591,828
Capital assets, net	<u>11,376,894</u>	<u>8,186,455</u>	<u>13,635,268</u>	<u>5,596,371</u>	<u>6,463,118</u>	<u>45,258,106</u>
Total assets	<u>\$ 12,429,196</u>	<u>\$ 8,992,077</u>	<u>\$ 14,710,796</u>	<u>\$ 6,129,266</u>	<u>\$ 6,978,390</u>	<u>\$ 49,239,725</u>
Liabilities						
Current liabilities	\$ 1,403,677	\$ 1,018,903	\$ 557,873	\$ 251,424	\$ 246,629	\$ 3,478,506
Noncurrent liabilities	<u>8,156,732</u>	<u>3,313,941</u>	<u>3,947,193</u>	<u>356,511</u>	<u>1,741,019</u>	<u>17,515,396</u>
Total liabilities	<u>9,560,409</u>	<u>4,332,844</u>	<u>4,505,066</u>	<u>607,935</u>	<u>1,987,648</u>	<u>20,993,902</u>
Net position						
Net investment in capital assets	11,376,894	8,186,455	13,635,268	5,596,371	6,463,118	45,258,106
Restricted	562,707	506,378	333,318	270,284	191,804	1,864,491
Unrestricted	<u>(9,070,814)</u>	<u>(4,033,600)</u>	<u>(3,762,856)</u>	<u>(345,324)</u>	<u>(1,664,180)</u>	<u>(18,876,774)</u>
Total net position	<u>2,868,787</u>	<u>4,659,233</u>	<u>10,205,730</u>	<u>5,521,331</u>	<u>4,990,742</u>	<u>28,245,823</u>
Total liabilities and net position	<u>\$ 12,429,196</u>	<u>\$ 8,992,077</u>	<u>\$ 14,710,796</u>	<u>\$ 6,129,266</u>	<u>\$ 6,978,390</u>	<u>\$ 49,239,725</u>

Housing Authority of the City of Hammond, Indiana

**Notes to Financial Statements
December 31, 2018**

	AHH1	AHH2	Flagstone	Golden Manor	Saxony	Total
Operating Revenues:						
Dwelling rent	\$ 857,042	\$ 525,698	\$ 614,006	\$ 500,199	\$ 584,546	\$ 3,081,491
Total operating revenues	<u>857,042</u>	<u>525,698</u>	<u>614,006</u>	<u>500,199</u>	<u>584,546</u>	<u>3,081,491</u>
Operating expenses						
Administration	353,396	223,948	187,126	189,989	245,026	1,199,485
Utility services	72,489	41,044	33,806	79,699	36,884	263,922
Ordinary maintenance	137,483	85,751	105,838	99,234	95,205	523,511
General	104,433	54,175	61,840	43,566	29,100	293,114
Depreciation and amortization	390,449	303,608	644,600	253,812	314,263	1,906,732
Total operating expenses	<u>1,058,250</u>	<u>708,526</u>	<u>1,033,210</u>	<u>666,300</u>	<u>720,478</u>	<u>4,186,764</u>
Operating income (loss)	<u>(201,208)</u>	<u>(182,828)</u>	<u>(419,204)</u>	<u>(166,101)</u>	<u>(135,932)</u>	<u>(1,105,273)</u>
Non-operating revenues (expenses)						
Interest revenue	-	-	-	391	728	1,119
Interest expense	(148,935)	(284,305)	(173,233)	-	(79,793)	(686,266)
Other non-operating revenues (expenses)	-	24,666	610,000	61,292	61,642	757,600
Total non-operating revenues (expenses)	<u>(148,935)</u>	<u>(259,639)</u>	<u>436,767</u>	<u>61,683</u>	<u>(17,423)</u>	<u>72,453</u>
Changed in net position	<u>(350,143)</u>	<u>(442,467)</u>	<u>17,563</u>	<u>(104,418)</u>	<u>(153,355)</u>	<u>(1,032,820)</u>
Net position, beginning	<u>3,218,930</u>	<u>5,101,700</u>	<u>10,188,167</u>	<u>5,625,749</u>	<u>5,144,097</u>	<u>29,278,643</u>
Net position, ending	<u>\$ 2,868,787</u>	<u>\$ 4,659,233</u>	<u>\$ 10,205,730</u>	<u>\$ 5,521,331</u>	<u>\$ 4,990,742</u>	<u>\$ 28,245,823</u>

Note 10 - Condensed financial statements - Blended Component Unit

	<u>HEH</u>
Assets	
Current assets	\$ 777,106
Noncurrent assets	<u>1,713,143</u>
Total assets	<u>\$ 2,490,249</u>
Liabilities	
Noncurrent liabilities	\$ 801,377
Total liabilities	<u>801,377</u>
Net position	
Unrestricted	<u>1,688,872</u>
Total net position	<u>1,688,872</u>
Total liabilities and net position	<u>\$ 2,490,249</u>

Housing Authority of the City of Hammond, Indiana

**Notes to Financial Statements
December 31, 2018**

	<u>HEH</u>
Operating revenues	
Other revenue	<u>\$ 981,000</u>
Total operating revenues	<u>981,000</u>
Operating expenses	
Administration	\$ 15,019
General	<u>445,181</u>
Total operating expenses	<u>460,200</u>
Operating income (loss)	<u>520,800</u>
Non-operating revenues (expenses)	
Interest revenue	<u>122</u>
Total non-operating revenues (expenses)	<u>122</u>
Changed in net position	520,922
Net position, beginning	<u>1,167,950</u>
Net position, ending	<u><u>\$ 1,688,872</u></u>

Note 11 - Commitments and contingencies

Amounts received or receivable from HUD are subject to audit and adjustment by grantor agencies. If expenses are disallowed as a result of these audits, the claims for reimbursement to the grantor agency would become a liability of the Authority. In the opinion of management, any such adjustments would not be significant.

Note 12 - Economic dependency

The Authority received approximately 72% of its revenues from the federal government in the fiscal year. If the amount of revenues received from HUD falls below critical levels, the Authority's operating results could be adversely affected.

Note 13 - Subsequent events

Events that occur after the date of the statement of net position 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 date of the statement of net position are recognized in the accompanying financial statements. Subsequent events, which provide evidence about conditions that existed after the date of the statement of net position, require disclosure in the accompanying notes. Management evaluated the activity of the Housing Authority of the City of Hammond, Indiana through September 19, 2019 (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 Auditor's Report on Internal Control over Financial Reporting and
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 auditing standards generally accepted in the United States of America and the standards applicable to the financial audited contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the Housing Authority of the City of Hammond, Indiana (the "Authority"), which comprise the statement of net position as of December 31, 2018, and the related statements of revenues, expenses and changes in net position, and cash flows for the year then ended, and the notes to the financial statements and have issued our report thereon dated September 19, 2019.

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

Compliance and Other Matters

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

Purpose of this Report

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

CohnReznick LLP

Charlotte, North Carolina
September 19, 2019

Independent Auditor's Report on Compliance for the Major Federal 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 the Major Federal Program

We have audited the Housing Authority of the City of Hammond, Indiana's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on Housing Authority of the City of Hammond, Indiana's major federal program for the year ended December 31, 2018. The Housing Authority of the City of Hammond, Indiana's major federal program is identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

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

Auditor's Responsibility

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

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

Opinion on the Major Federal Program

In our opinion, the Authority complied in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended December 31, 2018.

Report on Internal Control over Compliance

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

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

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

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



Charlotte, North Carolina
September 19, 2019

Housing Authority of the City of Hammond, Indiana

Schedule of Findings and Questioned Costs
Year Ended December 31, 2018

I. Summary of Auditor's Results

Financial Statements:

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

Material weakness(es) identified Yes No

Significant deficiencies identified not considered to be material weaknesses Yes None reported

Noncompliance material to financial statement noted Yes No

Federal Awards:

Internal Control over major programs:

Material weakness(es) identified? Yes No

Significant deficiencies identified not considered to be material weaknesses Yes None reported

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

Any audit findings disclosed that are required to be reported in accordance with Section.510(a) of Uniform Guidance Yes No

Identification of major programs:

- CFDA 14.871 Housing Choice Voucher Cluster

Dollar threshold used to distinguish type A and B programs: \$750,000

Auditee qualified as low-risk auditee Yes No

II. Financial Statement Findings

None

III. Federal Award Findings and Questioned Costs

None

Housing Authority of the City of Hammond, Indiana
Schedule of Prior Year Audit Findings and Questioned Costs
December 31, 2018

None.

Supplementary Information

Housing Authority of the City of Hammond, Indiana

Financial Data Schedule December 31, 2018

Line Item No.	Account Description	Project Totals	Program Totals	Central Office Cost Center	Subtotal	Elimination	Total
111	Cash-unrestricted	\$ 320,122	\$ 1,988,817	\$ 195,135	\$ 2,504,074	\$ -	\$ 2,504,074
113	Cash-other restricted	-	408,183	-	408,183	-	408,183
114	Cash-tenant security deposits	48,466	214,286	-	262,752	-	262,752
100	Total Cash	<u>368,588</u>	<u>2,611,286</u>	<u>195,135</u>	<u>3,175,009</u>	<u>-</u>	<u>3,175,009</u>
121	Accounts receivable - PHA projects	-	57,686	-	57,686	-	57,686
125	Account receivable - miscellaneous	8,885	201,555	692,637	903,077	(385,974)	517,103
126	Accounts receivable - tenants	-	25,088	-	25,088	-	25,088
126.1	Allowance for doubtful accounts - tenants	-	(10,168)	-	(10,168)	-	(10,168)
120	Total receivables, net of allowance for doubtful accounts	<u>8,885</u>	<u>274,161</u>	<u>692,637</u>	<u>975,683</u>	<u>(385,974)</u>	<u>589,709</u>
131	Investments - unrestricted	1,760,841	-	115,140	1,875,981	-	1,875,981
132	Investments - restricted	-	1,548,718	-	1,548,718	-	1,548,718
142	Prepaid expenses and other assets	32,103	49,579	6,372	88,054	-	88,054
143	Inventories	30,896	-	-	30,896	-	30,896
144	Inter program - due from	108,462	-	747,090	855,552	(855,552)	-
150	Total Current Assets	<u>2,309,775</u>	<u>4,483,744</u>	<u>1,756,374</u>	<u>8,549,893</u>	<u>(1,241,526)</u>	<u>7,308,367</u>
161	Land	294,336	1,156,312	80,072	1,530,720	-	1,530,720
162	Buildings	956,584	48,367,092	186,948	49,510,624	-	49,510,624
163	Furniture, equipment and machinery - dwellings	-	1,638,673	12,744	1,651,417	-	1,651,417
164	Furniture, equipment and machinery - administration	296,894	43,301	247,755	587,950	-	587,950
165	Leasehold improvements	11,750,941	6,067,719	34,980	17,853,640	-	17,853,640
166	Accumulated depreciation	(10,318,774)	(11,997,436)	(365,871)	(22,682,081)	-	(22,682,081)
167	Construction in progress	14,839	-	-	14,839	-	14,839
160	Total capital assets, net of accumulated depreciation	<u>2,994,820</u>	<u>45,275,661</u>	<u>196,628</u>	<u>48,467,109</u>	<u>-</u>	<u>48,467,109</u>
171	Notes, Loans, & mortgages receivable – Non-current	-	384,687	14,454,707	14,839,394	-	14,839,394
174	Other assets	-	1,920,284	2,266,155	4,186,439	-	4,186,439
180	Total Non-current Assets	<u>2,994,820</u>	<u>47,580,632</u>	<u>16,917,490</u>	<u>67,492,942</u>	<u>-</u>	<u>67,492,942</u>
290	Total Assets and Deferred Outflow of Resources	<u>\$ 5,304,595</u>	<u>\$ 52,064,376</u>	<u>\$ 18,673,864</u>	<u>\$ 76,042,835</u>	<u>\$ (1,241,526)</u>	<u>\$ 74,801,309</u>

Housing Authority of the City of Hammond, Indiana

Financial Data Schedule December 31, 2018

Line Item No.	Account Description	Project Totals	Program Totals	Central Office Cost Center	Subtotal	Elimination	Total
312	Accounts payable <= 90 days	\$ 1,398	\$ 3,591	\$ 2,454	\$ 7,443	\$ -	\$ 7,443
321	Accrued wage/payroll taxes payable	-	-	22,146	22,146	-	22,146
341	Tenant security deposits	105,258	210,176	-	315,434	-	315,434
342	Unearned revenue	1,027	22,537	-	23,564	-	23,564
345	Other current liabilities	162,455	833,595	-	996,050	(385,974)	610,076
346	Accrued liabilities - other	3,844	159,440	-	163,284	-	163,284
347	Inter program - due to	414,537	441,015	-	855,552	(855,552)	-
348	Loan liability - current	-	60,180	-	60,180	-	60,180
310	Total Current Liabilities	688,519	1,730,534	24,600	2,443,653	(1,241,526)	1,202,127
353	Non-current liabilities - other	-	4,457,982	2,266,155	6,724,137	-	6,724,137
355	Loan liability - Non-current	-	16,315,478	-	16,315,478	-	16,315,478
350	Total Non-Current Liabilities	-	20,773,460	2,266,155	23,039,615	-	23,039,615
300	Total Liabilities	688,519	22,503,994	2,290,755	25,483,268	(1,241,526)	24,241,742
508.4	Net investment in capital assets	2,994,820	45,275,661	196,628	48,467,109	-	48,467,109
511.4	Restricted net position	-	1,916,912	-	1,916,912	-	1,916,912
512.4	Unrestricted net position	1,621,256	(17,632,191)	16,186,481	175,546	-	175,546
513	Total Equity - Net Assets/Position	4,616,076	29,560,382	16,383,109	50,559,567	-	50,559,567
600	Total Liabilities, Deferred Inflows of Resources and Equity - Net	\$ 5,304,595	\$ 52,064,376	\$ 18,673,864	\$ 76,042,835	\$ (1,241,526)	\$ 74,801,309

Housing Authority of the City of Hammond, Indiana

Financial Data Schedule Year Ended December 31, 2018

Line Item No.	Account Description	Project Totals	Program Totals	Central Office Cost Center	Subtotal	Elimination	Total
70300	Net tenant rental revenue	\$ 496,244	\$ 2,915,555	\$ -	\$ 3,411,799	\$ -	\$ 3,411,799
70400	Tenant revenue - other	2,777	165,936	-	168,713	-	168,713
70500	Total Tenant Revenue	<u>499,021</u>	<u>3,081,491</u>	<u>-</u>	<u>3,580,512</u>	<u>-</u>	<u>3,580,512</u>
70600	HUD PHA operating grants	1,094,427	5,241,423	-	6,335,850	-	6,335,850
70710	Management Fee	-	-	538,640	538,640	(538,640)	-
70720	Asset Management Fee	-	-	23,560	23,560	(23,560)	-
70730	Bookkeeping Fee	-	-	76,958	76,958	(76,958)	-
70750	Other Fees	-	-	563,574	563,574	-	563,574
70700	Total Fee Revenue	<u>-</u>	<u>-</u>	<u>1,202,732</u>	<u>1,202,732</u>	<u>(639,158)</u>	<u>563,574</u>
71100	Investment income - unrestricted	25,357	1,241	905	27,503	-	27,503
71200	Mortgage interest income	-	-	112,276	112,276	-	112,276
71400	Fraud recovery	-	10,747	-	10,747	-	10,747
71500	Other revenue	2,477	1,915,017	123,976	2,041,470	-	2,041,470
70000	Total Revenue	<u>1,621,282</u>	<u>10,249,919</u>	<u>1,439,889</u>	<u>13,311,090</u>	<u>(639,158)</u>	<u>12,671,932</u>
91100	Administrative salaries	103,651	675,719	402,686	1,182,056	-	1,182,056
91200	Auditing fees	16,750	13,125	13,375	43,250	-	43,250
91300	Management Fee	443,780	94,860	-	538,640	(538,640)	-
91310	Bookkeeping Fee	17,670	59,288	-	76,958	(76,958)	-
91400	Advertising and Marketing	5	-	53	58	-	58
91500	Employee benefit contributions - administrative	105,048	101,248	216,970	423,266	-	423,266
91600	Office Expenses	49,094	33,358	48	82,500	-	82,500
91700	Legal Expense	10,017	13,075	18,306	41,398	-	41,398
91800	Travel	-	725	2,501	3,226	-	3,226
91900	Other	71,823	855,670	20,329	947,822	-	947,822
91000	Total Operating-Administrative	<u>817,838</u>	<u>1,847,068</u>	<u>674,268</u>	<u>3,339,174</u>	<u>(615,598)</u>	<u>2,723,576</u>
92000	Asset Management Fee	23,560	-	-	23,560	(23,560)	-
92100	Tenant services - salaries	-	-	41,598	41,598	-	41,598
92400	Tenant services - other	893	-	-	893	-	893
92500	Total Tenant Services	<u>893</u>	<u>-</u>	<u>41,598</u>	<u>42,491</u>	<u>-</u>	<u>42,491</u>
93100	Water	21,438	391	2,600	24,429	-	24,429
93200	Electricity	118,256	265,162	9,636	393,054	-	393,054
93300	Gas	36,895	1,188	2,163	40,246	-	40,246
93000	Total Utilities	<u>176,589</u>	<u>266,741</u>	<u>14,399</u>	<u>457,729</u>	<u>-</u>	<u>457,729</u>
94100	Ordinary maintenance and operations - labor	105,904	-	155,927	261,831	-	261,831
94200	Ordinary maintenance and operations - materials and other	69,965	523,579	1,516	595,060	-	595,060
94300	Ordinary Maintenance and Operations Contracts	291,271	1,711	25,603	318,585	-	318,585
94000	Total Maintenance	<u>467,140</u>	<u>525,290</u>	<u>183,046</u>	<u>1,175,476</u>	<u>-</u>	<u>1,175,476</u>

Housing Authority of the City of Hammond, Indiana

Financial Data Schedule Year Ended December 31, 2018

Line Item No.	Account Description	Project Totals	Program Totals	Central Office Cost Center	Subtotal	Elimination	Total
95100	Protective services - labor	26,794	-	-	26,794	-	26,794
95200	Protective services - other contract costs	1,367	412	977	2,756	-	2,756
95300	Protective services - other	10,194	-	-	10,194	-	10,194
95000	Total Protective Services	38,355	412	977	39,744	-	39,744
96110	Property Insurance	52,519	179,421	33,065	265,005	-	265,005
96140	All other Insurance	-	1,157	-	1,157	-	1,157
96100	Total Insurance Premiums	52,519	180,578	33,065	266,162	-	266,162
96200	Other general expenses	153,413	557,717	-	711,130	-	711,130
96000	Total Other General Expenses	153,413	557,717	-	711,130	-	711,130
96710	Interest of Mortgage (or Bonds) Payable	-	686,266	-	686,266	-	686,266
96730	Amortization of Bond Issue Costs	-	31,001	-	31,001	-	31,001
96700	Interest expense and Amortization cost	-	717,267	-	717,267	-	717,267
96900	Total Operating Expenses	1,730,307	4,095,073	947,353	6,772,733	(639,158)	6,133,575
97000	Excess Revenue Over Operating Expenses	(109,025)	6,154,846	492,536	6,538,357	-	6,538,357
97100	Extraordinary maintenance	6,354	-	130	6,484	-	6,484
97300	Housing assistance payments	179	4,681,486	-	4,681,665	-	4,681,665
97400	Depreciation expense	377,066	1,875,731	57,648	2,310,445	-	2,310,445
90000	Total Expenses	2,113,906	10,652,290	1,005,131	13,771,327	(639,158)	13,132,169
10000	Excess (Deficiency) of Revenue Over (Under) Expenses	\$ (492,624)	\$ (402,371)	\$ 434,758	\$ (460,237)	-	\$ (460,237)
11030	Beginning equity	5,108,700	29,962,753	15,948,351	51,019,804	-	51,019,804
11170-001	Administrative Fee Equity- Beginning Balance	-	(483,840)	-	(483,840)	-	(483,840)
11170-010	Administrative Fee Revenue	-	449,648	-	449,648	-	449,648
11170-045	Fraud Recovery Revenue	-	5,373	-	5,373	-	5,373
11170-060	Total Admin Fee Revenues	-	642,327	-	642,327	-	642,327
11170-080	Total Operating Expenses	-	585,221	-	585,221	-	585,221
11170-100	Other Expenses	-	-	-	-	-	-
11170-110	Total Expenses	-	585,221	-	585,221	-	585,221
11170-002	Net Administrative Fee	-	57,106	-	57,106	-	57,106
11170-003	Administrative Fee Equity- Ending Balance	-	(426,734)	-	(426,734)	-	(426,734)
11170	Administrative Fee Equity	-	(426,734)	-	(426,734)	-	(426,734)
11180-010	Housing Assistance Payments Equity - Beginning Balance	-	-	-	-	-	-
11180-020	Net Housing Assistance Payments	-	4,739,422	-	4,739,422	-	4,739,422
11180-050	Fraud Recovery Revenue	-	5,374	-	5,374	-	5,374
11180-060	Other Revenue	-	-	-	-	-	-
11180-090	Total Housing Assistance Payments Revenues	-	4,744,796	-	4,744,796	-	4,744,796
11180-100	Housing Assistance Payments	-	4,674,231	-	4,674,231	-	4,674,231
11180-130	Total Housing Assistance Payments Expenses	-	4,692,375	-	4,692,375	-	4,692,375
11180	Housing Assistance Payments Equity	-	52,421	-	52,421	-	52,421
11190	Unit Months Available	3,146	15,180	-	18,326	-	18,326
11210	Unit Months Leased	3,070	12,175	-	15,245	-	15,245

Housing Authority of the City of Hammond, Indiana

Financial Data Schedule Year Ended December 31, 2018

Line Item No.	Account Description	Section 8 Voucher 14.871	Family Self Sufficiency 14.896	Blended Component Units	Discrete Component Units	Total
111	Cash-unrestricted	\$ 159,529	\$ -	\$ 772,585	\$ 1,056,703	\$ 1,988,817
113	Cash-other restricted	96,520	-	-	311,663	408,183
114	Cash-tenant security deposits	-	-	-	214,286	214,286
100	Total Cash	<u>256,049</u>	<u>-</u>	<u>772,585</u>	<u>1,582,652</u>	<u>2,611,286</u>
121	Accounts receivable - PHA projects	57,686	-	-	-	57,686
125	Account receivable - miscellaneous	674	-	4,521	196,360	201,555
126	Accounts receivable - tenants	-	-	-	25,088	25,088
126.1	Allowance for doubtful accounts - tenants	-	-	-	(10,168)	(10,168)
120	Total receivables, net of allowance for doubtful accounts	<u>58,360</u>	<u>-</u>	<u>4,521</u>	<u>211,280</u>	<u>274,161</u>
132	Investments - restricted	-	-	-	1,548,718	1,548,718
142	Prepaid expenses and other assets	2,438	-	-	47,141	49,579
150	Total Current Assets	<u>316,847</u>	<u>-</u>	<u>777,106</u>	<u>3,389,791</u>	<u>4,483,744</u>
161	Land	17,555	-	-	1,138,757	1,156,312
162	Buildings	-	-	-	48,367,092	48,367,092
163	Furniture, equipment and machinery - dwellings	157,993	-	-	1,480,680	1,638,673
164	Furniture, equipment and machinery - administration	43,301	-	-	-	43,301
165	Leasehold improvements	-	-	-	6,067,719	6,067,719
166	Accumulated depreciation	(201,294)	-	-	(11,796,142)	(11,997,436)
160	Total capital assets, net of accumulated depreciation	<u>17,555</u>	<u>-</u>	<u>-</u>	<u>45,258,106</u>	<u>45,275,661</u>
171	Notes, Loans, & mortgages receivable – Non-current	-	-	384,687	-	384,687
174	Other assets	-	-	1,328,456	591,828	1,920,284
180	Total Non-current Assets	<u>17,555</u>	<u>-</u>	<u>1,713,143</u>	<u>45,849,934</u>	<u>47,580,632</u>
290	Total Assets and Deferred Outflow of Resources	<u>\$ 334,402</u>	<u>\$ -</u>	<u>\$ 2,490,249</u>	<u>\$ 49,239,725</u>	<u>\$ 52,064,376</u>

Housing Authority of the City of Hammond, Indiana

Financial Data Schedule Year Ended December 31, 2018

Line Item No.	Account Description	Section 8 Voucher 14.871	Family Self Sufficiency 14.896	Blended Component Units	Discrete Component Units	Total
312	Accounts payable <= 90 days	\$ -	\$ -	\$ -	\$ 3,591	\$ 3,591
341	Tenant security deposits	-	-	-	210,176	210,176
342	Unearned revenue	-	-	-	22,537	22,537
345	Other current liabilities	223,601	-	-	609,994	833,595
346	Accrued liabilities - other	-	-	-	159,440	159,440
347	Inter program - due to	441,015	-	-	-	441,015
348	Loan liability - current	-	-	-	60,180	60,180
310	Total Current Liabilities	<u>664,616</u>	-	-	1,065,918	1,730,534
353	Non-current liabilities - other	44,099	-	801,377	3,612,506	4,457,982
355	Loan liability – Non-current	-	-	-	16,315,478	16,315,478
350	Total Non-current liabilities	<u>44,099</u>	-	801,377	19,927,984	20,773,460
300	Total Liabilities	<u>708,715</u>	-	801,377	20,993,902	22,503,994
508.4	Net investment in capital assets	17,555	-	-	45,258,106	45,275,661
511.4	Restricted net position	52,421	-	-	1,864,491	1,916,912
512.4	Unrestricted net position	(444,289)	-	1,688,872	(18,876,774)	(17,632,191)
513	Total Equity - Net Assets/Position	<u>(374,313)</u>	-	1,688,872	28,245,823	29,560,382
600	Total Liabilities, Deferred Inflows of Resources and Equity - Net	<u>\$ 334,402</u>	<u>\$ -</u>	<u>\$ 2,490,249</u>	<u>\$ 49,239,725</u>	<u>\$ 52,064,376</u>

Housing Authority of the City of Hammond, Indiana

Financial Data Schedule Year Ended December 31, 2018

Line Item No.	Account Description	Section 8 Voucher 14.871	Family Self Sufficiency 14.896	Blended Component Units	Discrete Component Units	Total
70300	Net tenant rental revenue	\$ -	\$ -	\$ -	\$ 2,915,555	\$ 2,915,555
70400	Tenant revenue - other	-	-	-	165,936	165,936
70500	Total Tenant Revenue	-	-	-	3,081,491	3,081,491
70600	HUD PHA operating grants	5,189,070	52,353	-	-	5,241,423
71100	Investment income - unrestricted	-	-	122	1,119	1,241
71400	Fraud recovery	10,747	-	-	-	10,747
71500	Other revenue	176,417	-	981,000	757,600	1,915,017
70000	Total Revenue	5,376,234	52,353	981,122	3,840,210	10,249,919
91100	Administrative salaries	250,984	52,353	-	372,382	675,719
91200	Auditing fees	8,375	-	4,750	-	13,125
91300	Management Fee	94,860	-	-	-	94,860
91310	Bookkeeping Fee	59,288	-	-	-	59,288
91500	Employee benefit contributions - administrative	101,248	-	-	-	101,248
91600	Office Expenses	31,701	-	1,657	-	33,358
91700	Legal Expense	6,495	-	6,580	-	13,075
91800	Travel	725	-	-	-	725
91900	Other	26,535	-	2,032	827,103	855,670
91000	Total Operating-Administrative	580,211	52,353	15,019	1,199,485	1,847,068
93100	Water	391	-	-	-	391
93200	Electricity	1,240	-	-	263,922	265,162
93300	Gas	1,188	-	-	-	1,188
93000	Total Utilities	2,819	-	-	263,922	266,741
94200	Ordinary maintenance and operations - materials and other	68	-	-	523,511	523,579
94300	Ordinary Maintenance and Operations Contracts	1,711	-	-	-	1,711
94000	Total Maintenance	1,779	-	-	523,511	525,290

Housing Authority of the City of Hammond, Indiana

Financial Data Schedule Year Ended December 31, 2018

Line Item No.	Account Description	Section 8 Voucher 14.871	Family Self Sufficiency 14.896	Blended Component Units	Discrete Component Units	Total
95200	Protective services - other contract costs	412	-	-	-	412
95000	Total Protective Services	<u>412</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>412</u>
96110	Property Insurance	-	-	-	179,421	179,421
96140	All other Insurance	-	-	1,157	-	1,157
96100	Total Insurance Premiums	<u>-</u>	<u>-</u>	<u>1,157</u>	<u>179,421</u>	<u>180,578</u>
96200	Other general expenses	-	-	444,024	113,693	557,717
96000	Total Other General Expenses	<u>-</u>	<u>-</u>	<u>444,024</u>	<u>113,693</u>	<u>557,717</u>
96710	Interest of Mortgage (or Bonds) Payable	-	-	-	686,266	686,266
96730	Amortization of Bond Issue Costs	-	-	-	31,001	31,001
96700	Interest expense and Amortization cost	<u>-</u>	<u>-</u>	<u>-</u>	<u>717,267</u>	<u>717,267</u>
96900	Total Operating Expenses	<u>585,221</u>	<u>52,353</u>	<u>460,200</u>	<u>2,997,299</u>	<u>4,095,073</u>
97000	Excess Revenue Over Operating Expenses	<u>4,791,013</u>	<u>-</u>	<u>520,922</u>	<u>842,911</u>	<u>6,154,846</u>
97300	Housing assistance payments	4,681,486	-	-	-	4,681,486
97400	Depreciation expense	-	-	-	1,875,731	1,875,731
90000	Total Expenses	<u>5,266,707</u>	<u>52,353</u>	<u>460,200</u>	<u>4,873,030</u>	<u>10,652,290</u>
10000	Excess (Deficiency) of Revenue Over (Under) Expenses	<u>\$ 109,527</u>	<u>\$ -</u>	<u>\$ 520,922</u>	<u>\$ (1,032,820)</u>	<u>\$ (402,371)</u>
11030	Beginning equity	(483,840)	-	1,167,950	29,278,643	29,962,753
11170-001	Administrative Fee Equity- Beginning Balance	(483,840)	-	-	-	(483,840)
11170-010	Administrative Fee Revenue	449,648	-	-	-	449,648
11170-045	Fraud Recovery Revenue	5,373	-	-	-	5,373
11170-050	Other Revenue	187,306	-	-	-	187,306
11170-060	Total Admin Fee Revenues	642,327	-	-	-	642,327
11170-080	Total Operating Expenses	585,221	-	-	-	585,221
11170-110	Total Expenses	585,221	-	-	-	585,221
11170-002	Net Administrative Fee	57,106	-	-	-	57,106
11170-003	Administrative Fee Equity- Ending Balance	(426,734)	-	-	-	(426,734)
11170	Administrative Fee Equity	<u>(426,734)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(426,734)</u>
11180-020	Net Housing Assistance Payments	4,739,422	-	-	-	4,739,422
11180-050	Fraud Recovery Revenue	5,374	-	-	-	5,374
11180-090	Total Housing Assistance Payments Revenues	4,744,796	-	-	-	4,744,796
11180-100	Housing Assistance Payments	4,674,231	-	-	-	4,674,231
11180-110	Other Expenses	18,144	-	-	-	18,144
11180-130	Total Housing Assistance Payments Expenses	4,692,375	-	-	-	4,692,375
11180	Housing Assistance Payments Equity	<u>52,421</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>52,421</u>
11190	Unit Months Available	<u>10,776</u>	<u>-</u>	<u>-</u>	<u>4,404</u>	<u>15,180</u>
11210	Unit Months Leased	<u>7,894</u>	<u>-</u>	<u>-</u>	<u>4,281</u>	<u>12,175</u>

Housing Authority of the City of Hammond, Indiana

**Financial Data Schedule
Year Ended December 31, 2018**

Line Item No.	Account Description	AMP 1	AMP 2	AMP 3	AMP 4	AMP 5	Total AMPS
111	Cash-unrestricted	\$ -	\$ 320,122	\$ -	\$ -	\$ -	\$ 320,122
114	Cash-tenant security deposits	-	48,466	-	-	-	48,466
100	Total Cash	-	368,588	-	-	-	368,588
125	Account receivable - miscellaneous	672	8,213	-	-	-	8,885
120	Total receivables, net of allowance for doubtful accounts	672	8,213	-	-	-	8,885
131	Investments - unrestricted	1,041,486	719,355	-	-	-	1,760,841
142	Prepaid expenses and other assets	1,127	30,976	-	-	-	32,103
143	Inventories	-	30,896	-	-	-	30,896
144	Inter program - due from	83,927	-	-	24,535	-	108,462
150	Total Current Assets	1,127,212	1,158,028	-	24,535	-	2,309,775
161	Land	188,609	105,727	-	-	-	294,336
162	Buildings	4,782	951,802	-	-	-	956,584
164	Furniture, equipment and machinery - administration	-	296,894	-	-	-	296,894
165	Leasehold improvements	53,357	11,697,584	-	-	-	11,750,941
166	Accumulated depreciation	(59,592)	(10,259,182)	-	-	-	(10,318,774)
167	Construction in progress	14,839	-	-	-	-	14,839
160	Total capital assets, net of accumulated depreciation	201,995	2,792,825	-	-	-	2,994,820
180	Total Non-current Assets	201,995	2,792,825	-	-	-	2,994,820
290	Total Assets and Deferred Outflow of Resources	\$ 1,329,207	\$ 3,950,853	\$ -	\$ 24,535	\$ -	\$ 5,304,595

Housing Authority of the City of Hammond, Indiana

Financial Data Schedule
Year Ended December 31, 2018

Line Item No.	Account Description	AMP 1	AMP 2	AMP 3	AMP 4	AMP 5	Total AMPS
312	Accounts payable <= 90 days	\$ -	\$ 1,398	\$ -	\$ -	\$ -	\$ 1,398
341	Tenant security deposits	-	105,258	-	-	-	105,258
342	Unearned revenue	1,027	-	-	-	-	1,027
345	Other current liabilities	82	162,373	-	-	-	162,455
346	Accrued liabilities - other	-	3,844	-	-	-	3,844
347	Inter program - due to	-	239,676	174,861	-	-	414,537
310	Total Current Liabilities	<u>1,109</u>	<u>512,549</u>	<u>174,861</u>	<u>-</u>	<u>-</u>	<u>688,519</u>
300	Total Liabilities	<u>1,109</u>	<u>512,549</u>	<u>174,861</u>	<u>-</u>	<u>-</u>	<u>688,519</u>
508.4	Net investment in capital assets	201,995	2,792,825	-	-	-	2,994,820
512.4	Unrestricted net position	1,126,103	645,479	(174,861)	24,535	-	1,621,256
513	Total Equity - Net Assets/Position	<u>1,328,098</u>	<u>3,438,304</u>	<u>(174,861)</u>	<u>24,535</u>	<u>-</u>	<u>4,616,076</u>
600	Total Liabilities, Deferred Inflows of Resources and Equity - Net	<u>\$ 1,329,207</u>	<u>\$ 3,950,853</u>	<u>\$ -</u>	<u>\$ 24,535</u>	<u>\$ -</u>	<u>\$ 5,304,595</u>

Housing Authority of the City of Hammond, Indiana

Financial Data Schedule Year Ended December 31, 2018

Line Item No.	Account Description	AMP 1 - O	AMP 1 - CFP	AMP 1 - Total	AMP 2 - O	AMP 2 - CFP	AMP 2 - Total	AMP 3 - O	AMP 3 - CFP	AMP 3 - Total	AMP 4 - O	AMP 4 - CFP	AMP 4 - Total	AMP 5 - O	AMP 5 - CFP	AMP 5 - Total	Total AMPs
70300	Net tenant rental revenue	\$ 7,102	\$ -	\$ 7,102	\$ 489,142	\$ -	\$ 489,142	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 496,244
70400	Tenant revenue - other	-	-	-	2,777	-	2,777	-	-	-	-	-	-	-	-	-	2,777
70500	Total Tenant Revenue	7,102	-	7,102	491,919	-	491,919	-	-	-	-	-	-	-	-	-	499,021
70600	HUD PHA operating grants	4,028	-	4,028	607,909	225,545	833,454	126,288	46,654	172,942	22,776	25,999	48,775	4,349	30,879	35,228	1,094,427
71100	Investment income - unrestricted	15,866	-	15,866	9,491	-	9,491	-	-	-	-	-	-	-	-	-	25,357
71500	Other revenue	-	-	-	2,477	-	2,477	-	-	-	-	-	-	-	-	-	2,477
70000	Total Revenue	26,996	-	26,996	1,111,796	225,545	1,337,341	126,288	46,654	172,942	22,776	25,999	48,775	4,349	30,879	35,228	1,621,282
91100	Administrative salaries	3,158	-	3,158	100,493	-	100,493	-	-	-	-	-	-	-	-	-	103,651
91200	Auditing fees	8,375	-	8,375	8,375	-	8,375	-	-	-	-	-	-	-	-	-	16,750
91300	Management Fee	715	-	715	139,702	199,831	339,533	-	46,654	46,654	-	25,999	25,999	-	30,879	30,879	443,780
91310	Bookkeeping Fee	90	-	90	17,580	-	17,580	-	-	-	-	-	-	-	-	-	17,670
91400	Advertising and Marketing	-	-	-	5	-	5	-	-	-	-	-	-	-	-	-	5
91500	Employee benefit contributions - administrative	1,829	-	1,829	103,219	-	103,219	-	-	-	-	-	-	-	-	-	105,048
91600	Office Expenses	4,079	-	4,079	45,015	-	45,015	-	-	-	-	-	-	-	-	-	49,094
91700	Legal Expense	-	-	-	10,017	-	10,017	-	-	-	-	-	-	-	-	-	10,017
91900	Other	595	-	595	71,228	-	71,228	-	-	-	-	-	-	-	-	-	71,823
91000	Total Operating-Administrative	18,841	-	18,841	495,634	199,831	695,465	-	46,654	46,654	-	25,999	25,999	-	30,879	30,879	817,838
92000	Asset Management Fee	120	-	120	23,440	-	23,440	-	-	-	-	-	-	-	-	-	23,560
92400	Tenant services - other	-	-	-	893	-	893	-	-	-	-	-	-	-	-	-	893
92500	Total Tenant Services	-	-	-	893	-	893	-	-	-	-	-	-	-	-	-	893
93100	Water	-	-	-	21,438	-	21,438	-	-	-	-	-	-	-	-	-	21,438
93200	Electricity	-	-	-	118,256	-	118,256	-	-	-	-	-	-	-	-	-	118,256
93300	Gas	-	-	-	36,895	-	36,895	-	-	-	-	-	-	-	-	-	36,895
93000	Total Utilities	-	-	-	176,589	-	176,589	-	-	-	-	-	-	-	-	-	176,589
94100	Ordinary maintenance and operations - labor	-	-	-	105,904	-	105,904	-	-	-	-	-	-	-	-	-	105,904
94200	Ordinary maintenance and operations - materials and other	54	-	54	69,911	-	69,911	-	-	-	-	-	-	-	-	-	69,965
94300	Ordinary Maintenance and Operations Contracts	1,695	-	1,695	289,576	-	289,576	-	-	-	-	-	-	-	-	-	291,271
94000	Total Maintenance	1,749	-	1,749	465,391	-	465,391	-	-	-	-	-	-	-	-	-	467,140

Housing Authority of the City of Hammond, Indiana

Financial Data Schedule Year Ended December 31, 2018

Line Item No.	Account Description	AMP 1 - O	AMP 1 - CFP	AMP 1 - Total	AMP 2 - O	AMP 2 - CFP	AMP 2 - Total	AMP 3 - O	AMP 3 - CFP	AMP 3 - Total	AMP 4 - O	AMP 4 - CFP	AMP 4 - Total	AMP 5 - O	AMP 5 - CFP	AMP 5 - Total	Total AMPs
95100	Protective services - labor	3,341	-	3,341	23,453	-	23,453	-	-	-	-	-	-	-	-	-	26,794
95200	Protective services - other contract costs	-	-	-	1,367	-	1,367	-	-	-	-	-	-	-	-	-	1,367
95300	Protective services - other	5,114	-	5,114	5,080	-	5,080	-	-	-	-	-	-	-	-	-	10,194
95000	Total Protective Services	8,455	-	8,455	29,900	-	29,900	-	-	-	-	-	-	-	-	-	38,355
96110	Property Insurance	-	-	-	52,519	-	52,519	-	-	-	-	-	-	-	-	-	52,519
96100	Total Insurance Premiums	-	-	-	52,519	-	52,519	-	-	-	-	-	-	-	-	-	52,519
96200	Other general expenses	-	-	-	-	-	-	126,288	-	126,288	22,776	-	22,776	4,349	-	4,349	153,413
96000	Total Other General Expenses	-	-	-	-	-	-	126,288	-	126,288	22,776	-	22,776	4,349	-	4,349	153,413
96900	Total Operating Expenses	29,165	-	29,165	1,244,366	199,831	1,444,197	126,288	46,654	172,942	22,776	25,999	48,775	4,349	30,879	35,228	1,730,307
97000	Excess Revenue Over Operating Expenses	(2,169)	-	(2,169)	(132,570)	25,714	(106,856)	-	-	-	-	-	-	-	-	-	(109,025)
97100	Extraordinary maintenance	-	-	-	6,354	-	6,354	-	-	-	-	-	-	-	-	-	6,354
97300	Housing assistance payments	179	-	179	-	-	-	-	-	-	-	-	-	-	-	-	179
97400	Depreciation expense	1,453	-	1,453	375,613	-	375,613	-	-	-	-	-	-	-	-	-	377,066
90000	Total Expenses	30,797	-	30,797	1,626,333	199,831	1,826,164	126,288	46,654	172,942	22,776	25,999	48,775	4,349	30,879	35,228	2,113,906
10010	Operating transfer in	-	-	-	25,714	-	25,714	-	-	-	-	-	-	-	-	-	25,714
10020	Operating transfer out	-	-	-	-	(25,714)	(25,714)	-	-	-	-	-	-	-	-	-	(25,714)
10100	Total other financing sources (uses)	-	-	-	25,714	(25,714)	-	-	-	-	-	-	-	-	-	-	-
10000	Excess (Deficiency) of Revenue Over (Under) Expenses	\$ (3,801)	\$ -	\$ (3,801)	\$ (488,823)	\$ -	\$ (488,823)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (492,624)
11030	Beginning equity	1,331,899	-	1,331,899	3,927,127	-	3,927,127	(174,861)	-	(174,861)	24,535	-	24,535	-	-	-	5,108,700
11190	Unit Months Available	12	-	12	2,234	-	2,234	516	-	516	204	-	204	180	-	180	3,146
11210	Unit Months Leased	12	-	12	2,189	-	2,189	507	-	507	202	-	202	160	-	160	3,070

Housing Authority of the City of Hammond, Indiana

Schedule of Expenditures of Federal Awards
Year Ended December 31, 2018

Federal Grantor/Program Title	Federal CFDA #	Expenditures
Direct Awards		
U.S. Department of Housing & Urban Development:		
Operating Subsidy	14.850	\$ 765,350
Capital Fund Program	14.872	329,077
Family Self Sufficiency Services	14.896	52,353
Housing Choice Vouchers Cluster		
Section 8 Housing Choice Vouchers	14.871	5,189,070
Total Housing Choice Vouchers Cluster		<u>5,189,070</u>
Total HUD		<u>6,335,850</u>
Total Direct Federal Awards		<u>6,335,850</u>
TOTAL FEDERAL AWARDS		<u>\$ 6,335,850</u>

Housing Authority of the City of Hammond, Indiana

**Notes to Schedule of Expenditures of Federal Awards
Year Ended December 31, 2018**

Note 1 - Basis of presentation

The accompanying schedule of expenditures of federal awards includes the federal award activity of the Housing Authority of the City Hammond, Indiana, under programs of the federal government for the year ended December 31, 2018. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of Housing Authority of the City Hammond, it is not intended to and does not present the financial position, changes in net position, or cash flows of the Housing Authority of the City Hammond, Indiana.

Note 2 - Summary of significant accounting policies

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized in accordance with the cost principles contained in the Uniform Guidance. The Housing Authority of the City Hammond, Indiana has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

COHN  REZNICK
ACCOUNTING • TAX • ADVISORY

Independent Member of Nexia International

cohnreznick.com