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November 24, 2020

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

We have reviewed the audit report of the Housing Authority of the City of Hammond, which was opined upon by Cohn Reznick LLP, Independent Public Accountant, for the period January 1, 2019 to December 31, 2019. 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, 2019 and the results of its operations for the period then ended, on the basis of accounting described in the report.

In our opinion, Cohn Reznick LLP prepared the audit report in accordance with the guidelines established by the State Board of Accounts.

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, 2019

Housing Authority of the City of Hammond, Indiana

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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, 2019, and the related notes to the financial statements, which collectively comprise 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. The financial statements of the discretely presented component units were not audited in accordance with *Governmental Auditing Standards*.

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Housing Authority of the City of Hammond, Indiana and its discretely presented component units as of December 31, 2019, and the respective changes in financial position and, where applicable, cash flows thereof 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 basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming an opinion on the 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 is presented for purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is not a required part of the basic financial statements.

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 25, 2020 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 that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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.



Charlotte, North Carolina
September 25, 2020

Housing Authority of the City of Hammond, Indiana

Management's Discussion and Analysis (MD&A) (Unaudited) December 31, 2019

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, 2019. 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, 2019. 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 \$25.2 million at December 31, 2019, and decreased by \$393 thousand from \$25.6 million at December 31, 2018.
- Net capital assets were \$2.8 million at December 31, 2019, and had a decrease of \$435 thousand from \$3.2 million at December 31, 2018. This was primarily due to depreciation of assets.
- Total liabilities increased by \$193 thousand to \$3.4 million at December 31, 2019, from \$3.2 million at December 31, 2018.
- Total net position was \$21.7 million at December 31, 2019, a decrease of about \$587 thousand from prior year balance of \$22.3 million.
- Total revenue was \$8.4 million at December 31, 2019, a decrease of \$284 thousand from the December 31, 2018, balance of \$8.7 million.
- Total expenses increased by \$875 thousand to \$9.0 million at December 31, 2019 from \$8.3 million at December 31, 2018.

Housing Authority of the City of Hammond, Indiana

Management's Discussion and Analysis (MD&A) (Unaudited) December 31, 2019

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 giving 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)
(Unaudited)
December 31, 2019**

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 Public 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 Authority's 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 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)
(Unaudited)
December 31, 2019**

Statement of Net Position

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

	2019	2018	Change	Percent Change
Assets				
Current assets	\$ 3,698,502	\$ 3,773,590	\$ (75,088)	-2.0%
Restricted assets	252,688	144,986	107,702	42.6%
Capital assets, net	2,774,289	3,209,003	(434,714)	-15.7%
Noncurrent assets	18,442,691	18,434,005	8,686	0.0%
Total assets	\$ 25,168,170	\$ 25,561,584	\$ (393,414)	-1.6%
Liabilities				
Current liabilities	\$ 163,329	\$ 136,209	\$ 27,120	16.6%
Noncurrent liabilities	3,277,983	3,111,631	166,352	5.1%
Total liabilities	3,441,312	3,247,840	193,472	5.6%
Net Position				
Net investment in capital assets	2,774,289	3,209,003	(434,714)	-15.7%
Restricted	96,127	52,421	43,706	45.5%
Unrestricted	18,856,442	19,052,320	(195,878)	-1.0%
Total net position	21,726,858	22,313,744	(586,886)	-2.7%
Total liabilities and net position	\$ 25,168,170	\$ 25,561,584	\$ (393,414)	-1.6%

The Authority's total net position at December 31, 2019 was approximately \$21.7 million, a 3.0% decrease from the December 31, 2018 balance of \$22.3 million.

Capital Assets

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

	2019	2018
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	14,839
Accumulated depreciation	(11,320,653)	(10,885,939)
Total	\$ 2,774,289	\$ 3,209,003

Depreciation expense was \$434,714. Construction in progress totaled \$14,839, and capital additions totaled \$0. There were no disposals for 2019. 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 \$2,800,989.

Housing Authority of the City of Hammond, Indiana

**Management's Discussion and Analysis (MD&A)
(Unaudited)
December 31, 2019**

Total liabilities increased by \$193 thousand or 5.6% to \$3.4 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.

	2019	2018	Change	Percent Change
Operating revenues and expenses				
Operating revenues	\$ 1,320,563	\$ 2,357,212	\$ (1,036,649)	-78.5%
Governmental operating revenues	7,069,834	6,335,850	733,984	10.4%
Depreciation expense	(434,714)	(434,714)	-	0.0%
Other operating expenses	<u>(8,296,674)</u>	<u>(7,824,425)</u>	<u>(472,249)</u>	<u>5.7%</u>
Operating income (loss)	<u>(340,991)</u>	<u>433,923</u>	<u>(774,914)</u>	<u>227.3%</u>
Non-operating revenues and expenses				
Interest revenue	44,787	26,384	18,403	-100.0%
Other non-routine revenues/(expenses)	<u>(290,682)</u>	<u>112,276</u>	<u>(402,958)</u>	<u>138.6%</u>
Change in net position	(586,886)	572,583	(1,159,469)	197.6%
Net Position, beginning	<u>22,313,744</u>	<u>21,741,161</u>	<u>572,583</u>	<u>2.6%</u>
Net Position	<u>\$ 21,726,858</u>	<u>\$ 22,313,744</u>	<u>\$ (586,886)</u>	<u>-2.7%</u>

The Authority's total operating revenues decreased to \$8.4 million by \$302 thousand or 1.9 percent for the year ended December 31, 2019.

Total operating expenses, including depreciation increased by \$472 thousand or 5.4 percent for a total balance of \$8.7 million for the year ended December 31, 2019. Changes are shown in the table below:

	Year ended December 31, 2019	2018	Change	Percent Change
Expenses				
Administrative	\$ 1,515,673	\$ 1,524,091	\$ (8,418)	-0.6%
Tenant services	64,679	42,491	22,188	34.3%
Utilities	182,225	193,807	(11,582)	-6.4%
Maintenance and operations	1,262,812	658,449	604,363	47.9%
Protective services	106,701	39,744	66,957	62.8%
General	649,032	684,178	(35,146)	-5.4%
Housing assistance payments	4,515,552	4,681,665	(166,113)	-3.7%
Depreciation	<u>434,714</u>	<u>434,714</u>	<u>-</u>	<u>0.0%</u>
Total operating expenses	<u>\$ 8,731,388</u>	<u>\$ 8,259,139</u>	<u>\$ 472,249</u>	<u>5.4%</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) (Unaudited) December 31, 2019

The Authority prepares annual five-year budgets for its capital grants and project budgets 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 \$11,051 through fraud recovery efforts, half of which the department was able to keep for operating expenses. The Public Housing Assessments System rating for 2019 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, 2019**

Assets

	Primary Government	Discrete Component Units	Total Reporting Entity
Current Assets			
Cash and cash equivalents - unrestricted	\$ 1,607,976	\$ 944,961	\$ 2,552,937
Investments - unrestricted	1,793,626	-	1,793,626
Accounts receivable - tenants (net of allowance)	15,179	31,037	46,216
Accounts receivable - other	188,067	344,698	532,765
Inventories	30,896	-	30,896
Prepaid expenses	62,758	61,626	124,384
Total Current Assets	<u>3,698,502</u>	<u>1,382,322</u>	<u>5,080,824</u>
Restricted Assets			
Cash and cash equivalents - restricted	252,688	662,686	915,374
Investments - restricted	-	1,731,524	1,731,524
Total Restricted Assets	<u>252,688</u>	<u>2,394,210</u>	<u>2,646,898</u>
Capital Assets			
Land	391,963	1,138,757	1,530,720
Buildings and improvements	12,929,453	54,443,289	67,372,742
Furniture, equipment and machinery	758,687	1,493,526	2,252,213
Construction in progress	14,839	36,760	51,599
	14,094,942	57,112,332	71,207,274
Less accumulated depreciation	<u>(11,320,653)</u>	<u>(13,611,656)</u>	<u>(24,932,309)</u>
Total Capital Assets	<u>2,774,289</u>	<u>43,500,676</u>	<u>46,274,965</u>
Noncurrent Assets			
Notes receivable - discrete component units	14,839,394	-	14,839,394
Investments in joint ventures	146,154	-	146,154
Other assets	3,457,143	552,862	4,010,005
Total Noncurrent Assets	<u>18,442,691</u>	<u>552,862</u>	<u>18,995,553</u>
Total Assets	<u>\$ 25,168,170</u>	<u>\$ 47,830,070</u>	<u>\$ 72,998,240</u>

Housing Authority of the City of Hammond, Indiana

**Statement of Net Position
December 31, 2019**

Liabilities and Net Position

	Primary Government	Discrete Component Units	Total Reporting Entity
Current Liabilities			
Accounts payable	\$ 19,469	\$ 1,581	\$ 21,050
Current portion of long-term debt - capital projects	-	24,180	24,180
Accrued wages and payroll taxes payable	36,163	-	36,163
Tenant security deposits	104,983	189,852	294,835
Unearned revenues	2,696	18,603	21,299
Other current liabilities	18	671,112	671,130
Accrued liabilities - other	-	189,074	189,074
Total Current Liabilities	<u>163,329</u>	<u>1,094,402</u>	<u>1,257,731</u>
Noncurrent Liabilities			
Other noncurrent liabilities	3,277,983	3,349,981	6,627,964
Long-term debt, net of current - capital projects	-	16,275,986	16,275,986
Total Noncurrent Liabilities	<u>3,277,983</u>	<u>19,625,967</u>	<u>22,903,950</u>
Total Liabilities	<u>3,441,312</u>	<u>20,720,369</u>	<u>24,161,681</u>
Net Position			
Net investment in capital assets	2,774,289	43,500,676	46,274,965
Restricted	96,127	2,204,358	2,300,485
Unrestricted net position	18,856,442	(18,595,333)	261,109
Total Net Position	<u>21,726,858</u>	<u>27,109,701</u>	<u>48,836,559</u>
Total Liabilities and Net Position	<u>\$ 25,168,170</u>	<u>\$ 47,830,070</u>	<u>\$ 72,998,240</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, 2019**

	Primary Government	Discrete Component Units	Total Reporting Entity
Operating Revenue			
Net tenant rental revenue	\$ 494,006	\$ 3,154,613	\$ 3,648,619
HUD operating grants	7,069,834	-	7,069,834
Other revenue	826,557	260,156	1,086,713
Total Operating Revenue	<u>8,390,397</u>	<u>3,414,769</u>	<u>11,805,166</u>
Operating Expenses			
Administrative	1,515,673	1,182,741	2,698,414
Tenant services	64,679	-	64,679
Utilities	182,225	312,244	494,469
Maintenance and operations	1,262,812	544,071	1,806,883
Protective services	106,701	-	106,701
General	649,032	300,044	949,076
Housing assistance payments	4,515,552	-	4,515,552
Amortization	-	31,001	31,001
Depreciation	434,714	1,815,514	2,250,228
Total Operating Expense	<u>8,731,388</u>	<u>4,185,615</u>	<u>12,917,003</u>
Operating Income (Loss)	<u>(340,991)</u>	<u>(770,846)</u>	<u>(1,111,837)</u>
Non-Operating Revenue (Expenses)			
Loss on impairment of capital assets			
Other revenue (expenses)	(342,525)	180,100	(162,425)
Interest expense	-	(546,097)	(546,097)
Notes receivable interest income	51,843	-	51,843
Interest income - unrestricted	44,787	721	45,508
Total Non-Operating Revenue (Expenses)	<u>(245,895)</u>	<u>(365,276)</u>	<u>(611,171)</u>
Change in Net Position	<u>(586,886)</u>	<u>(1,136,122)</u>	<u>(1,723,008)</u>
Net Position - Beginning	22,313,744	28,245,823	50,559,567
Net Position - Beginning, as restated	<u>22,313,744</u>	<u>28,245,823</u>	<u>50,559,567</u>
Net Position - Ending	<u>\$ 21,726,858</u>	<u>\$ 27,109,701</u>	<u>\$ 48,836,559</u>

See Notes to Financial Statements.

Housing Authority of the City of Hammond, Indiana

**Statement of Cash Flows
Year Ended December 31, 2019**

	<u>Primary Government</u>
Cash flows from operating activities	
Dwelling rent receipts	\$ 480,221
Operating subsidy and grant receipts	7,069,834
Other income receipts	<u>1,016,919</u>
Total receipts	<u>8,566,974</u>
Payments to vendors	(2,606,502)
Payments to employees	(1,170,739)
Housing assistance payments	<u>(4,515,552)</u>
Total disbursements	<u>(8,292,793)</u>
Net cash provided by operating activities	<u>274,181</u>
Cash flows from investing activities	
Investment income	44,787
Interest received on notes receivable	51,843
Decrease in other assets	157,666
Decrease in investments	<u>82,355</u>
Net cash provided by investing activities	<u>336,651</u>
Cash flows from capital and related financing activities	
Non-operating expenses	<u>(342,525)</u>
Net cash used by capital and related financing activities	<u>(342,525)</u>
Net increase in cash and cash equivalents	268,307
Cash and cash equivalents, beginning	<u>1,592,357</u>
Cash and cash equivalents, ending	<u><u>\$ 1,860,664</u></u>
Reconciliation to Statement of Net Position:	
Cash and cash equivalents - unrestricted	\$ 1,607,976
Cash and cash equivalents - restricted	<u>252,688</u>
Total	<u><u>\$ 1,860,664</u></u>

Housing Authority of the City of Hammond, Indiana

Statement of Cash Flows
Year Ended December 31, 2019

	<u>Primary Government</u>
Reconciliation of operating income (loss) to net cash provided by operating activities	
Operating income (loss)	\$ (340,991)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities	
Depreciation	434,714
Changes in asset and liability accounts	
(Increase) decrease in assets	
Accounts receivable - tenants	(15,179)
Accounts receivable - other	190,362
Prepaid expenses	(21,845)
Increase (decrease) in liabilities	
Accounts payable	15,617
Security deposits payable	(275)
Accrued wages and payroll taxes payable	14,017
Other current liabilities	(3,908)
Unearned revenues	1,669
Total adjustments	<u>615,172</u>
Net cash provided by operating activities	<u>\$ 274,181</u>

See Notes to Financial Statements.

Housing Authority of the City of Hammond, Indiana

Notes to Financial Statements December 31, 2019

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, 2019

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, 2019**

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 receivable 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, 2019

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, 2019.

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 2019, salary deferral could not exceed \$19,000.

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, 2019

Use of restricted assets

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

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.

Housing Authority of the City of Hammond, Indiana

**Notes to Financial Statements
December 31, 2019**

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, 2019, 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	\$ 1,860,664	\$ 2,041,739	\$ 541,010	\$ 1,500,729
Investment account	1,793,626	1,793,626	-	1,793,626
	<u>\$ 3,654,290</u>	<u>\$ 3,835,365</u>	<u>\$ 541,010</u>	<u>\$ 3,294,355</u>

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

Cash and cash equivalents - unrestricted	\$ 1,607,976
Cash and cash equivalents - restricted	252,688
Investments - unrestricted	<u>1,793,626</u>
Total	<u>\$ 3,654,290</u>

Housing Authority of the City of Hammond, Indiana

Notes to Financial Statements
December 31, 2019

Note 3 - Restricted cash and investments

Restricted cash and investments as of December 31, 2019 for the primary government consisted of the following:

Tenant security deposits	\$ 50,232
FSS escrow	<u>202,456</u>
Total restricted cash	<u>\$ 252,688</u>

Restricted cash and investments as of December 31, 2019 for the discrete component units consisted of the following:

Tenant security deposits	\$ 187,723
Mortgage escrows	474,963
Project reserves	<u>1,731,524</u>
Total restricted cash and investments	<u>\$ 2,394,210</u>

Note 4 - Accounts receivable

At December 31, 2019, accounts receivable for the primary government totaled \$203,246 and consisted of the following:

Accounts receivable - tenants, net of allowance of \$0	\$ 15,179
Accounts receivable - PHAs	58,271
Accounts receivable - DCUs	<u>129,796</u>
	<u>\$ 203,246</u>

The Authority reviews the accounts receivable periodically. In fiscal year 2019, 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 which are included in other assets on the accompanying statement of net position at December 31, 2019 were as follows:

Saxony Townhome	\$ 43,830
Flagstone	<u>258,365</u>
	<u>\$ 302,195</u>

Housing Authority of the City of Hammond, Indiana

Notes to Financial Statements December 31, 2019

HEH has entered into 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, 2019, the outstanding development consulting fees payable totaled \$372,475, 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, 2019, the mortgage receivable was \$846,000 with accrued interest of \$416,314.
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, 2019, \$6,664,766 was outstanding with accrued interest of \$932,569.
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, 2019, the mortgage receivable was \$3,313,941 with accrued interest of \$672,215.
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, 2019 \$3,630,000 was outstanding with accrued interest of \$636,312.
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, 2019, Golden Manor owed HEH \$134,687 with accrued interest of \$113,132.

Housing Authority of the City of Hammond, Indiana

**Notes to Financial Statements
December 31, 2019**

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 31, 2065. As of December 31, 2019, AHH1 owed HEH \$250,000 with accrued interest of \$30,447.

	Note	Accrued Interest
American Heartland Homes One	\$ 846,000	\$ 416,314
American Heartland Homes One	6,664,766	932,569
American Heartland Homes Two	3,313,941	672,215
Flagstone Village	3,630,000	636,312
Golden Manor	134,687	113,132
American Heartland Homes One	250,000	30,447
	\$ 14,839,394	\$ 2,800,989

The Authority recognizes interest income from the notes receivable when cash payments are received. During the year ended December 31, 2019, the Authority recognized interest income of \$51,843. Accrued but unpaid interest under the terms of the loan agreements totaled \$2,800,989 at December 31, 2019, 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, 2019 and the year then ended are as follows:

	Balance December 31, 2018	Additions	Transfers, Reclassifications and Deletions	Balance December 31, 2019
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
	14,094,942	-	-	14,094,942
Accumulated depreciation	(10,885,939)	(434,714)	-	(11,320,653)
Total capital assets	\$ 3,209,003	\$ (434,714)	\$ -	\$ 2,774,289

Housing Authority of the City of Hammond, Indiana

**Notes to Financial Statements
December 31, 2019**

Summaries of the discretely presented component units' capital asset balances and activity as of December 31, 2019 and the year then ended are as follows:

	Balance December 31, 2018	Additions	Transfers, Reclassifications and Deletions	Balance December 31, 2019
Non-depreciable				
Land	\$ 1,138,757	\$ -	\$ -	1,138,757
Construction in process	-	36,760	-	36,760
Depreciable				
Buildings and improvements	54,434,811	8,478	-	54,443,289
Furniture and equipment	1,480,680	12,846	-	1,493,526
	<u>57,054,248</u>	<u>58,084</u>	<u>-</u>	<u>57,112,332</u>
Accumulated depreciation	<u>(11,796,142)</u>	<u>(1,815,514)</u>	<u>-</u>	<u>(13,611,656)</u>
Total capital assets	<u>\$ 45,258,106</u>	<u>\$ (1,757,430)</u>	<u>\$ -</u>	<u>\$ 43,500,676</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 balance as of December 31, 2019 was \$1,460,772.

Note 9 - Condensed financial statements - Discrete Component Units

	AHH1	AHH2	Flagstone	Golden Manor	Saxony	Total
Assets						
Current assets	\$ 1,198,984	\$ 820,185	\$ 771,724	\$ 511,560	\$ 474,079	\$ 3,776,532
Noncurrent assets	85,766	53,378	372,117	12,562	29,039	552,862
Capital assets, net	<u>10,994,706</u>	<u>7,894,305</u>	<u>13,003,179</u>	<u>5,426,963</u>	<u>6,181,523</u>	<u>43,500,676</u>
Total assets	<u>\$ 12,279,456</u>	<u>\$ 8,767,868</u>	<u>\$ 14,147,020</u>	<u>\$ 5,951,085</u>	<u>\$ 6,684,641</u>	<u>\$ 47,830,070</u>
Liabilities						
Current liabilities	\$ 142,368	\$ 319,600	\$ 194,911	\$ 249,756	\$ 187,767	\$ 1,094,402
Noncurrent liabilities	<u>9,310,755</u>	<u>3,986,156</u>	<u>4,493,437</u>	<u>134,687</u>	<u>1,700,932</u>	<u>19,625,967</u>
Total liabilities	<u>9,453,123</u>	<u>4,305,756</u>	<u>4,688,348</u>	<u>384,443</u>	<u>1,888,699</u>	<u>20,720,369</u>
Net position						
Net investment in capital assets	10,994,706	7,894,305	13,003,179	5,426,963	6,181,523	43,500,676
Restricted	652,668	562,888	390,610	309,865	288,327	2,204,358
Unrestricted	<u>(8,821,041)</u>	<u>(3,995,081)</u>	<u>(3,935,117)</u>	<u>(170,186)</u>	<u>(1,673,908)</u>	<u>(18,595,333)</u>
Total net position	<u>2,826,333</u>	<u>4,462,112</u>	<u>9,458,672</u>	<u>5,566,642</u>	<u>4,795,942</u>	<u>27,109,701</u>
Total liabilities and net position	<u>\$ 12,279,456</u>	<u>\$ 8,767,868</u>	<u>\$ 14,147,020</u>	<u>\$ 5,951,085</u>	<u>\$ 6,684,641</u>	<u>\$ 47,830,070</u>

Housing Authority of the City of Hammond, Indiana

Notes to Financial Statements December 31, 2019

	AHH1	AHH2	Flagstone	Golden Manor	Saxony	Total
Operating Revenues:						
Dwelling rent	\$ 914,157	\$ 522,641	\$ 614,343	\$ 521,881	\$ 581,591	\$ 3,154,613
Total operating revenues	914,157	522,641	614,343	521,881	581,591	3,154,613
Operating expenses						
Administration	321,529	224,397	242,271	177,220	217,324	1,182,741
Utility services	92,423	44,421	59,211	73,547	42,642	312,244
Ordinary maintenance	136,353	67,550	132,907	109,055	98,206	544,071
General	84,816	61,943	79,344	37,618	36,323	300,044
Depreciation and amortization	388,505	297,959	644,599	214,058	301,394	1,846,515
Total operating expenses	1,023,626	696,270	1,158,332	611,498	695,889	4,185,615
Operating income (loss)	(109,469)	(173,629)	(543,989)	(89,617)	(114,298)	(1,031,002)
Non-operating revenues (expenses)						
Interest revenue	-	-	-	350	371	721
Interest expense	(152,299)	(119,553)	(180,796)	(11,576)	(81,873)	(546,097)
Other non-operating revenues (expenses)	219,314	96,061	(22,273)	146,154	1,000	440,256
Total non-operating revenues (expenses)	67,015	(23,492)	(203,069)	134,928	(80,502)	(105,120)
Changed in net position	(42,454)	(197,121)	(747,058)	45,311	(194,800)	(1,136,122)
Net position, beginning	2,868,787	4,659,233	10,205,730	5,521,331	4,990,742	28,245,823
Net position, ending	\$ 2,826,333	\$ 4,462,112	\$ 9,458,672	\$ 5,566,642	\$ 4,795,942	\$ 27,109,701

Note 10 - Condensed financial statements - Blended Component Unit

	HEH
Assets	
Current assets	\$ 711,411
Noncurrent assets	1,330,574
Total assets	<u>\$ 2,041,985</u>
Liabilities	
Current liabilities	\$ 2,542
Noncurrent liabilities	514,040
Total liabilities	<u>516,582</u>
Net position	
Unrestricted	<u>1,525,403</u>
Total net position	<u>1,525,403</u>
Total liabilities and net position	<u>\$ 2,041,985</u>

Housing Authority of the City of Hammond, Indiana

**Notes to Financial Statements
December 31, 2019**

	<u>HEH</u>
Operating expenses	
Administration	\$ 143,882
General	<u>15,095</u>
Total operating expenses	<u>158,977</u>
Operating income (loss)	<u>(158,977)</u>
Non-operating revenues (expenses)	
Interest revenue	123
Other non-operating revenues (expenses):	<u>(4,615)</u>
Total non-operating revenues (expenses)	<u>(4,492)</u>
Changed in net position	(163,469)
Net position, beginning	<u>1,688,872</u>
Net position, ending	<u>\$ 1,525,403</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 83% 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 25, 2020 (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, except as disclosed below.

In early 2020, an outbreak of a novel strain of coronavirus (COVID-19) emerged globally. As a result, events have occurred including mandates from federal, state and local authorities leading to an overall decline in economic activity, which could result in a loss of lease revenue and other material adverse effects to the Authority's financial position, results of operations, and cash flows.

Housing Authority of the City of Hammond, Indiana

**Notes to Financial Statements
December 31, 2019**

The Authority is not able to estimate the length or severity of this outbreak and the related financial impact. Management plans to adjust its operations accordingly and will continue to assess and monitor the situation as it evolves. If the length of the outbreak and related effects on the Authority's operations continue for an extended period of time, the Authority may have to seek alternative measures to finance its operations. There is no assurance these measures will be successful. The financial statements do not include any adjustments that might result if the Authority is unable to continue as a going concern.

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, 2019, 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 25, 2020. The financial statements of the discretely presented component units were not audited in accordance with *Government Auditing Standards* and accordingly, this report does not include reporting on internal control over financial reporting or instances of reportable noncompliance associated with the discretely presented component.

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 City of Hammond, Indiana'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 25, 2020

Independent Auditor's Report on Compliance for Each 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 Each 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 each of the Housing Authority of the City of Hammond, Indiana's major federal programs for the year ended December 31, 2019. The Housing Authority of the City of Hammond, Indiana's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

Management is responsible for compliance with 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 programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance"). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the 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 each 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 Each 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 each of its major federal programs for the year ended December 31, 2019.

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 each of the major federal programs to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the 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 25, 2020

Housing Authority of the City of Hammond, Indiana

Schedule of Findings and Questioned Costs
Year Ended December 31, 2019

I. Summary of Auditor's Results

Financial Statements:

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with generally accepted accounting principles:

Unmodified

Internal control over financial reporting:

Material weakness(es) identified? Yes No

Significant deficiency(ies) identified? 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 deficiency(ies) identified? Yes None reported

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

Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? Yes No

Identification of major programs:

- CFDA 14.850 Public and Indian Housing
- CFDA 14.872 Public Housing Capital Fund

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

IV. Status of Prior Year Findings and Questioned Costs

None

Supplementary Information

Housing Authority of the City of Hammond, Indiana

Financial Data Schedule December 31, 2019

Line Item No.	Account Description	Project Totals	Program Totals	Central Office Cost Center	Subtotal	Elimination	Total
111	Cash-unrestricted	\$ 369,366	\$ 1,766,589	\$ 416,982	\$ 2,552,937	\$ -	\$ 2,552,937
113	Cash-other restricted	-	677,419	-	677,419	-	677,419
114	Cash-tenant security deposits	50,232	187,723	-	237,955	-	237,955
100	Total Cash	<u>419,598</u>	<u>2,631,731</u>	<u>416,982</u>	<u>3,468,311</u>	<u>-</u>	<u>3,468,311</u>
121	Accounts receivable - PHA projects	-	58,271	-	58,271	-	58,271
124	Account receivable - other government	-	-	33,200	33,200	-	33,200
125	Account receivable - miscellaneous	-	368,119	465,062	833,181	(391,887)	441,294
126	Accounts receivable - tenants	15,179	42,219	-	57,398	-	57,398
126.1	Allowance for doubtful accounts - tenants	-	(11,182)	-	(11,182)	-	(11,182)
120	Total receivables, net of allowance for doubtful accounts	<u>15,179</u>	<u>457,427</u>	<u>498,262</u>	<u>970,868</u>	<u>(391,887)</u>	<u>578,981</u>
131	Investments - unrestricted	1,676,947	-	116,679	1,793,626	-	1,793,626
132	Investments - restricted	-	1,731,524	-	1,731,524	-	1,731,524
142	Prepaid expenses and other assets	34,101	72,005	18,278	124,384	-	124,384
143	Inventories	30,896	-	-	30,896	-	30,896
144	Inter program - due from	24,535	-	1,124,700	1,149,235	(1,149,235)	-
150	Total Current Assets	<u>2,201,256</u>	<u>4,892,687</u>	<u>2,174,901</u>	<u>9,268,844</u>	<u>(1,541,122)</u>	<u>7,727,722</u>
161	Land	294,336	1,156,312	80,072	1,530,720	-	1,530,720
162	Buildings	956,584	48,375,570	186,948	49,519,102	-	49,519,102
163	Furniture, equipment and machinery - dwellings	-	1,651,519	12,744	1,664,263	-	1,664,263
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	(10,695,840)	(13,812,950)	(423,519)	(24,932,309)	-	(24,932,309)
167	Construction in progress	14,839	36,760	-	51,599	-	51,599
160	Total capital assets, net of accumulated depreciation	<u>2,617,754</u>	<u>43,518,231</u>	<u>138,980</u>	<u>46,274,965</u>	<u>-</u>	<u>46,274,965</u>
171	Notes, Loans, & mortgages receivable – Non-current	-	384,687	14,454,707	14,839,394	-	14,839,394
174	Other assets	-	1,352,595	2,657,410	4,010,005	-	4,010,005
176	Investment in joint venture	-	146,154	-	146,154	-	146,154
180	Total Non-current Assets	<u>2,617,754</u>	<u>45,401,667</u>	<u>17,251,097</u>	<u>65,270,518</u>	<u>-</u>	<u>65,270,518</u>
290	Total Assets and Deferred Outflow of Resources	<u>\$ 4,819,010</u>	<u>\$ 50,294,354</u>	<u>\$ 19,425,998</u>	<u>\$ 74,539,362</u>	<u>\$ (1,541,122)</u>	<u>\$ 72,998,240</u>

Housing Authority of the City of Hammond, Indiana

Financial Data Schedule December 31, 2019

Line Item No.	Account Description	Project Totals	Program Totals	Central Office Cost Center	Subtotal	Elimination	Total
312	Accounts payable <= 90 days	\$ 220	\$ 4,123	\$ 16,707	\$ 21,050	\$ -	\$ 21,050
321	Accrued wage/payroll taxes payable	-	-	36,163	36,163	-	36,163
341	Tenant security deposits	104,983	189,852	-	294,835	-	294,835
342	Unearned revenue	2,696	18,603	-	21,299	-	21,299
345	Other current liabilities	-	1,062,999	18	1,063,017	(391,887)	671,130
346	Accrued liabilities - other	-	189,074	-	189,074	-	189,074
347	Inter program - due to	981,019	168,216	-	1,149,235	(1,149,235)	-
348	Loan liability - current	-	24,180	-	24,180	-	24,180
310	Total Current Liabilities	1,088,918	1,657,047	52,888	2,798,853	(1,541,122)	1,257,731
353	Non-current liabilities - other	-	3,970,350	2,657,614	6,627,964	-	6,627,964
355	Loan liability – Non-current	-	16,275,986	-	16,275,986	-	16,275,986
350	Total Non-Current Liabilities	-	20,246,336	2,657,614	22,903,950	-	22,903,950
300	Total Liabilities	1,088,918	21,903,383	2,710,502	25,702,803	(1,541,122)	24,161,681
508.4	Net investment in capital assets	2,617,754	43,518,231	138,980	46,274,965	-	46,274,965
511.4	Restricted net position	-	2,300,485	-	2,300,485	-	2,300,485
512.4	Unrestricted net position	1,112,338	(17,427,745)	16,576,516	261,109	-	261,109
513	Total Equity - Net Assets/Position	3,730,092	28,390,971	16,715,496	48,836,559	-	48,836,559
600	Total Liabilities, Deferred Inflows of Resources and Equity - Net	\$ 4,819,010	\$ 50,294,354	\$ 19,425,998	\$ 74,539,362	\$ (1,541,122)	\$ 72,998,240

Housing Authority of the City of Hammond, Indiana

Financial Data Schedule Year Ended December 31, 2019

Line Item No.	Account Description	Project Totals	Program Totals	Central Office Cost Center	Subtotal	Elimination	Total
70300	Net tenant rental revenue	\$ 490,196	\$ 3,083,040	\$ -	\$ 3,573,236	\$ -	\$ 3,573,236
70400	Tenant revenue - other	3,810	71,573	-	75,383	-	75,383
70500	Total Tenant Revenue	<u>494,006</u>	<u>3,154,613</u>	<u>-</u>	<u>3,648,619</u>	<u>-</u>	<u>3,648,619</u>
70600	HUD PHA operating grants	2,004,226	5,065,608	-	7,069,834	-	7,069,834
70710	Management Fee	-	-	698,158	698,158	(698,158)	-
70720	Asset Management Fee	-	-	33,446	33,446	(33,446)	-
70730	Bookkeeping Fee	-	-	74,115	74,115	(74,115)	-
70750	Other Fees	-	-	751,019	751,019	-	751,019
70700	Total Fee Revenue	<u>-</u>	<u>-</u>	<u>1,556,738</u>	<u>1,556,738</u>	<u>(805,719)</u>	<u>751,019</u>
71100	Investment income - unrestricted	43,125	844	1,539	45,508	-	45,508
71200	Mortgage interest income	-	-	51,843	51,843	-	51,843
71400	Fraud recovery	-	22,126	-	22,126	-	22,126
71500	Other revenue	2,953	260,192	50,423	313,568	-	313,568
70000	Total Revenue	<u>2,544,310</u>	<u>8,503,383</u>	<u>1,660,543</u>	<u>12,708,236</u>	<u>(805,719)</u>	<u>11,902,517</u>
91100	Administrative salaries	105,723	698,026	421,945	1,225,694	-	1,225,694
91200	Auditing fees	24,004	17,066	8,516	49,586	-	49,586
91300	Management Fee	508,105	190,053	-	698,158	(698,158)	-
91310	Bookkeeping Fee	17,235	56,880	-	74,115	(74,115)	-
91400	Advertising and Marketing	13	27	24	64	-	64
91500	Employee benefit contributions - administrative	98,591	101,566	276,052	476,209	-	476,209
91600	Office Expenses	32,998	30,828	24,619	88,445	-	88,445
91700	Legal Expense	3,107	36,453	8,287	47,847	-	47,847
91800	Travel	-	589	2,607	3,196	-	3,196
91900	Other	28,667	766,287	12,419	807,373	-	807,373
91000	Total Operating-Administrative	<u>818,443</u>	<u>1,897,775</u>	<u>754,469</u>	<u>3,470,687</u>	<u>(772,273)</u>	<u>2,698,414</u>
92000	Asset Management Fee	33,446	-	-	33,446	(33,446)	-
92100	Tenant services - salaries	-	41,205	-	41,205	-	41,205
92300	Employee benefit contributions - tenant services	-	22,801	-	22,801	-	22,801
92400	Tenant services - other	673	-	-	673	-	673
92500	Total Tenant Services	<u>34,119</u>	<u>64,006</u>	<u>-</u>	<u>98,125</u>	<u>(33,446)</u>	<u>64,679</u>
93100	Water	24,200	408	692	25,300	-	25,300
93200	Electricity	105,063	313,264	8,846	427,173	-	427,173
93300	Gas	39,015	969	2,012	41,996	-	41,996
93000	Total Utilities	<u>168,278</u>	<u>314,641</u>	<u>11,550</u>	<u>494,469</u>	<u>-</u>	<u>494,469</u>
94100	Ordinary maintenance and operations - labor	92,137	-	176,720	268,857	-	268,857
94200	Ordinary maintenance and operations - materials and other	49,243	544,371	1,232	594,846	-	594,846
94300	Ordinary Maintenance and Operations Contracts	905,552	6,970	30,658	943,180	-	943,180
94000	Total Maintenance	<u>1,046,932</u>	<u>551,341</u>	<u>208,610</u>	<u>1,806,883</u>	<u>-</u>	<u>1,806,883</u>

Housing Authority of the City of Hammond, Indiana

Financial Data Schedule Year Ended December 31, 2019

Line Item No.	Account Description	Project Totals	Program Totals	Central Office Cost Center	Subtotal	Elimination	Total
95100	Protective services - labor	56,868	-	35,081	91,949	-	91,949
95200	Protective services - other contract costs	2,681	139	259	3,079	-	3,079
95300	Protective services - other	11,253	65	355	11,673	-	11,673
95000	Total Protective Services	70,802	204	35,695	106,701	-	106,701
96110	Property Insurance	11,872	234,296	54,145	300,313	-	300,313
96140	All other Insurance	-	1,157	-	1,157	-	1,157
96100	Total Insurance Premiums	11,872	235,453	54,145	301,470	-	301,470
96200	Other general expenses	391,022	79,686	166,749	637,457	-	637,457
96300	Payments in lieu of taxes	10,149	-	-	10,149	-	10,149
96000	Total Other General Expenses	401,171	79,686	166,749	647,606	-	647,606
96710	Interest of Mortgage (or Bonds) Payable	-	546,097	-	546,097	-	546,097
96730	Amortization of Bond Issue Costs	-	31,001	-	31,001	-	31,001
96700	Interest expense and Amortization cost	-	577,098	-	577,098	-	577,098
96900	Total Operating Expenses	2,551,617	3,720,204	1,231,218	7,503,039	(805,719)	6,697,320
97000	Excess Revenue Over Operating Expenses	(7,307)	4,783,179	429,325	5,205,197	-	5,205,197
97300	Housing assistance payments	-	4,515,552	-	4,515,552	-	4,515,552
97400	Depreciation expense	377,066	1,815,514	57,648	2,250,228	-	2,250,228
90000	Total Expenses	2,928,683	10,051,270	1,288,866	14,268,819	(805,719)	13,463,100
10080	Special items, net gain/loss	(501,611)	378,476	(39,290)	(162,425)	-	(162,425)
10100	Total other financing sources (uses)	(501,611)	378,476	(39,290)	(162,425)	-	(162,425)
10000	Excess (Deficiency) of Revenue Over (Under) Expenses	\$ (885,984)	\$ (1,169,411)	\$ 332,387	\$ (1,723,008)	-	\$ (1,723,008)
11030	Beginning equity	4,616,076	29,560,382	16,383,109	50,559,567	-	50,559,567
11170-001	Administrative Fee Equity- Beginning Balance	-	(426,734)	-	(426,734)	-	(426,734)
11170-010	Administrative Fee Revenue	-	453,407	-	453,407	-	453,407
11170-045	Fraud Recovery Revenue	-	11,063	-	11,063	-	11,063
11170-050	Other Revenue	-	203,027	-	203,027	-	203,027
11170-060	Total Admin Fee Revenues	-	667,497	-	667,497	-	667,497
11170-080	Total Operating Expenses	-	581,023	-	581,023	-	581,023
11170-110	Total Expenses	-	581,023	-	581,023	-	581,023
11170-002	Net Administrative Fee	-	86,474	-	86,474	-	86,474
11170-003	Administrative Fee Equity- Ending Balance	-	(340,260)	-	(340,260)	-	(340,260)
11170	Administrative Fee Equity	-	(340,260)	-	(340,260)	-	(340,260)
11180-010	Housing Assistance Payments Equity - Beginning Balance	-	52,421	-	52,421	-	52,421
11180-020	Net Housing Assistance Payments	-	4,548,195	-	4,548,195	-	4,548,195
11180-050	Fraud Recovery Revenue	-	11,063	-	11,063	-	11,063
11180-090	Total Housing Assistance Payments Revenues	-	4,559,258	-	4,559,258	-	4,559,258
11180-100	Housing Assistance Payments	-	4,515,552	-	4,515,552	-	4,515,552
11180-130	Total Housing Assistance Payments Expenses	-	4,515,552	-	4,515,552	-	4,515,552
11180	Housing Assistance Payments Equity	-	96,127	-	96,127	-	96,127
11190	Unit Months Available	3,146	15,180	-	18,326	-	18,326
11210	Unit Months Leased	3,070	10,922	-	13,992	-	13,992

Housing Authority of the City of Hammond, Indiana

Financial Data Schedule December 31, 2019

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	\$ 133,638	\$ -	\$ 687,990	\$ 944,961	1,766,589
113	Cash-other restricted	202,456	-	-	474,963	677,419
114	Cash-tenant security deposits	-	-	-	187,723	187,723
100	Total Cash	336,094	-	687,990	1,607,647	2,631,731
121	Accounts receivable - PHA projects	58,271	-	-	-	58,271
125	Account receivable - miscellaneous	-	-	23,421	344,698	368,119
126	Accounts receivable - tenants	-	-	-	42,219	42,219
126.1	Allowance for doubtful accounts - tenants	-	-	-	(11,182)	(11,182)
120	Total receivables, net of allowance for doubtful accounts	58,271	-	23,421	375,735	457,427
132	Investments - restricted	-	-	-	1,731,524	1,731,524
142	Prepaid expenses and other assets	10,379	-	-	61,626	72,005
150	Total Current Assets	404,744	-	711,411	3,776,532	4,892,687
161	Land	17,555	-	-	1,138,757	1,156,312
162	Buildings	-	-	-	48,375,570	48,375,570
163	Furniture, equipment and machinery - dwellings	157,993	-	-	1,493,526	1,651,519
164	Furniture, equipment and machinery - administration	43,301	-	-	-	43,301
165	Leasehold improvements	-	-	-	6,067,719	6,067,719
166	Accumulated depreciation	(201,294)	-	-	(13,611,656)	(13,812,950)
167	Construction in progress	-	-	-	36,760	36,760
160	Total capital assets, net of accumulated depreciation	17,555	-	-	43,500,676	43,518,231
171	Notes, Loans, & mortgages receivable – Non-current	-	-	384,687	-	384,687
174	Other assets	-	-	799,733	552,862	1,352,595
176	Investment in joint venture	-	-	146,154	-	146,154
180	Total Non-current Assets	17,555	-	1,330,574	44,053,538	45,401,667
290	Total Assets and Deferred Outflow of Resources	\$ 422,299	\$ -	\$ 2,041,985	\$ 47,830,070	\$ 50,294,354

Housing Authority of the City of Hammond, Indiana

Financial Data Schedule December 31, 2019

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	\$ -	\$ -	\$ 2,542	\$ 1,581	\$ 4,123
341	Tenant security deposits	-	-	-	189,852	189,852
342	Unearned revenue	-	-	-	18,603	18,603
345	Other current liabilities	391,887	-	-	671,112	1,062,999
346	Accrued liabilities - other	-	-	-	189,074	189,074
347	Inter program - due to	168,216	-	-	-	168,216
348	Loan liability - current	-	-	-	24,180	24,180
310	Total Current Liabilities	560,103	-	2,542	1,094,402	1,657,047
353	Non-current liabilities - other	106,329	-	514,040	3,349,981	3,970,350
355	Loan liability - Non-current	-	-	-	16,275,986	16,275,986
350	Total Non-current liabilities	106,329	-	514,040	19,625,967	20,246,336
300	Total Liabilities	666,432	-	516,582	20,720,369	21,903,383
508.4	Net investment in capital assets	17,555	-	-	43,500,676	43,518,231
511.4	Restricted net position	96,127	-	-	2,204,358	2,300,485
512.4	Unrestricted net position	(357,815)	-	1,525,403	(18,595,333)	(17,427,745)
513	Total Equity - Net Assets/Position	(244,133)	-	1,525,403	27,109,701	28,390,971
600	Total Liabilities, Deferred Inflows of Resources and Equity - Net	\$ 422,299	\$ -	\$ 2,041,985	\$ 47,830,070	\$ 50,294,354

Housing Authority of the City of Hammond, Indiana

Financial Data Schedule Year Ended December 31, 2019

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	\$ -	\$ -	\$ -	\$ 3,083,040	\$ 3,083,040
70400	Tenant revenue - other	-	-	-	71,573	71,573
70500	Total Tenant Revenue	-	-	-	3,154,613	3,154,613
70600	HUD PHA operating grants	5,001,602	64,006	-	-	5,065,608
71100	Investment income - unrestricted	-	-	123	721	844
71400	Fraud recovery	22,126	-	-	-	22,126
71500	Other revenue	36	-	-	260,156	260,192
70000	Total Revenue	5,023,764	64,006	123	3,415,490	8,503,383
91100	Administrative salaries	255,077	-	-	442,949	698,026
91200	Auditing fees	8,516	-	8,550	-	17,066
91300	Management Fee	91,008	-	99,045	-	190,053
91310	Bookkeeping Fee	56,880	-	-	-	56,880
91400	Advertising and Marketing	27	-	-	-	27
91500	Employee benefit contributions - administrative	101,566	-	-	-	101,566
91600	Office Expenses	30,794	-	34	-	30,828
91700	Legal Expense	2,538	-	33,915	-	36,453
91800	Travel	589	-	-	-	589
91900	Other	24,157	-	2,338	739,792	766,287
91000	Total Operating-Administrative	571,152	-	143,882	1,182,741	1,897,775
92100	Tenant services - salaries	-	41,205	-	-	41,205
92300	Employee benefit contributions - tenant services	-	22,801	-	-	22,801
92500	Total Tenant Services	-	64,006	-	-	64,006
93100	Water	408	-	-	-	408
93200	Electricity	1,020	-	-	312,244	313,264
93300	Gas	969	-	-	-	969
93000	Total Utilities	2,397	-	-	312,244	314,641
94200	Ordinary maintenance and operations - materials and other	300	-	-	544,071	544,371
94300	Ordinary Maintenance and Operations Contracts	6,970	-	-	-	6,970
94000	Total Maintenance	7,270	-	-	544,071	551,341

Housing Authority of the City of Hammond, Indiana

Financial Data Schedule Year Ended December 31, 2019

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	\$ 139	\$ -	\$ -	\$ -	\$ 139
95300	Protective services - other	65	-	-	-	65
95000	Total Protective Services	<u>204</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>204</u>
96110	Property Insurance	-	-	-	234,296	234,296
96140	All other Insurance	-	-	1,157	-	1,157
96100	Total Insurance Premiums	<u>-</u>	<u>-</u>	<u>1,157</u>	<u>234,296</u>	<u>235,453</u>
96200	Other general expenses	-	-	13,938	65,748	79,686
96000	Total Other General Expenses	<u>-</u>	<u>-</u>	<u>13,938</u>	<u>65,748</u>	<u>79,686</u>
96710	Interest of Mortgage (or Bonds) Payable	-	-	-	546,097	546,097
96730	Amortization of Bond Issue Costs	-	-	-	31,001	31,001
96700	Interest expense and Amortization cost	<u>-</u>	<u>-</u>	<u>-</u>	<u>577,098</u>	<u>577,098</u>
96900	Total Operating Expenses	<u>581,023</u>	<u>64,006</u>	<u>158,977</u>	<u>2,916,198</u>	<u>3,720,204</u>
97000	Excess Revenue Over Operating Expenses	<u>4,442,741</u>	<u>-</u>	<u>(158,854)</u>	<u>499,292</u>	<u>4,783,179</u>
97300	Housing assistance payments	4,515,552	-	-	-	4,515,552
97400	Depreciation expense	-	-	-	1,815,514	1,815,514
90000	Total Expenses	<u>5,096,575</u>	<u>64,006</u>	<u>158,977</u>	<u>4,731,712</u>	<u>10,051,270</u>
10080	Special items, net gain/loss	202,991	-	(4,615)	180,100	378,476
10100	Total other financing sources (uses)	<u>202,991</u>	<u>-</u>	<u>(4,615)</u>	<u>180,100</u>	<u>378,476</u>
10000	Excess (Deficiency) of Revenue Over (Under) Expenses	<u>\$ 130,180</u>	<u>\$ -</u>	<u>\$ (163,469)</u>	<u>\$ (1,136,122)</u>	<u>\$ (1,169,411)</u>
11030	Beginning equity	(374,313)	-	1,688,872	28,245,823	29,560,382
11170-001	Administrative Fee Equity- Beginning Balance	(426,734)	-	-	-	(426,734)
11170-010	Administrative Fee Revenue	453,407	-	-	-	453,407
11170-045	Fraud Recovery Revenue	11,063	-	-	-	11,063
11170-050	Other Revenue	203,027	-	-	-	203,027
11170-060	Total Admin Fee Revenues	667,497	-	-	-	667,497
11170-080	Total Operating Expenses	581,023	-	-	-	581,023
11170-110	Total Expenses	581,023	-	-	-	581,023
11170-002	Net Administrative Fee	86,474	-	-	-	86,474
11170-003	Administrative Fee Equity- Ending Balance	(340,260)	-	-	-	(340,260)
11170	Administrative Fee Equity	<u>(340,260)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(340,260)</u>
11180-010	Housing Assistance Payments Equity - Beginning Balance	52,421	-	-	-	52,421
11180-020	Net Housing Assistance Payments	4,548,195	-	-	-	4,548,195
11180-050	Fraud Recovery Revenue	11,063	-	-	-	11,063
11180-090	Total Housing Assistance Payments Revenues	4,559,258	-	-	-	4,559,258
11180-100	Housing Assistance Payments	4,515,552	-	-	-	4,515,552
11180-130	Total Housing Assistance Payments Expenses	4,515,552	-	-	-	4,515,552
11180	Housing Assistance Payments Equity	<u>96,127</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>96,127</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>7,584</u>	<u>-</u>	<u>-</u>	<u>3,338</u>	<u>10,922</u>

Housing Authority of the City of Hammond, Indiana

Financial Data Schedule
December 31, 2019

Line Item No.	Account Description	AMP 1	AMP 2	AMP 3	AMP 4	AMP 5	Total AMPS
111	Cash-unrestricted	\$ -	\$ 369,366	\$ -	\$ -	\$ -	\$ 369,366
114	Cash-tenant security deposits	-	50,232	-	-	-	50,232
100	Total Cash	-	419,598	-	-	-	419,598
126	Accounts receivable - tenants	-	15,179	-	-	-	15,179
120	Total receivables, net of allowance for doubtful accounts	-	15,179	-	-	-	15,179
131	Investments - unrestricted	941,449	735,498	-	-	-	1,676,947
142	Prepaid expenses and other assets	1,438	32,663	-	-	-	34,101
143	Inventories	-	30,896	-	-	-	30,896
144	Inter program - due from	-	-	-	24,535	-	24,535
150	Total Current Assets	942,887	1,233,834	-	24,535	-	2,201,256
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	(61,045)	(10,634,795)	-	-	-	(10,695,840)
167	Construction in progress	14,839	-	-	-	-	14,839
160	Total capital assets, net of accumulated depreciation	200,542	2,417,212	-	-	-	2,617,754
180	Total Non-current Assets	200,542	2,417,212	-	-	-	2,617,754
290	Total Assets and Deferred Outflow of Resources	\$ 1,143,429	\$ 3,651,046	\$ -	\$ 24,535	\$ -	\$ 4,819,010

Housing Authority of the City of Hammond, Indiana

Financial Data Schedule
December 31, 2019

Line Item No.	Account Description	AMP 1	AMP 2	AMP 3	AMP 4	AMP 5	Total AMPS
312	Accounts payable <= 90 days	\$ -	\$ 220	\$ -	\$ -	\$ -	\$ 220
341	Tenant security deposits	475	104,508	-	-	-	104,983
342	Unearned revenue	2,696	-	-	-	-	2,696
346	Accrued liabilities - other	-	-	-	-	-	-
347	Inter program - due to	392,010	414,148	174,861	-	-	981,019
310	Total Current Liabilities	<u>395,181</u>	<u>518,876</u>	<u>174,861</u>	-	-	<u>1,088,918</u>
300	Total Liabilities	<u>395,181</u>	<u>518,876</u>	<u>174,861</u>	-	-	<u>1,088,918</u>
508.4	Net investment in capital assets	200,542	2,417,212	-	-	-	2,617,754
512.4	Unrestricted net position	547,706	714,958	(174,861)	24,535	-	1,112,338
513	Total Equity - Net Assets/Position	<u>748,248</u>	<u>3,132,170</u>	<u>(174,861)</u>	<u>24,535</u>	-	<u>3,730,092</u>
600	Total Liabilities, Deferred Inflows of Resources and Equity - Net	<u>\$ 1,143,429</u>	<u>\$ 3,651,046</u>	<u>\$ -</u>	<u>\$ 24,535</u>	<u>\$ -</u>	<u>\$ 4,819,010</u>

Housing Authority of the City of Hammond, Indiana

Financial Data Schedule Year Ended December 31, 2019

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	\$ 7,008	\$ -	\$ 7,008	\$ 483,188	\$ -	\$ 483,188	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 490,196
70400	Tenant revenue - other	-	-	-	3,810	-	3,810	-	-	-	-	-	-	-	-	-	3,810
70500	Total Tenant Revenue	7,008	-	7,008	486,998	-	486,998	-	-	-	-	-	-	-	-	-	494,006
70600	HUD PHA operating grants	1,768	-	1,768	646,654	992,746	1,639,400	204,114	30,992	235,106	73,660	7,496	81,156	42,150	4,646	46,796	2,004,226
71100	Investment income - unrestricted	26,983	-	26,983	16,142	-	16,142	-	-	-	-	-	-	-	-	-	43,125
71500	Other revenue	-	-	-	2,953	-	2,953	-	-	-	-	-	-	-	-	-	2,953
70000	Total Revenue	35,759	-	35,759	1,152,747	992,746	2,145,493	204,114	30,992	235,106	73,660	7,496	81,156	42,150	4,646	46,796	2,544,310
91100	Administrative salaries	3,221	-	3,221	102,502	-	102,502	-	-	-	-	-	-	-	-	-	105,723
91200	Auditing fees	11,386	-	11,386	12,618	-	12,618	-	-	-	-	-	-	-	-	-	24,004
91300	Management Fee	727	-	727	128,782	279,638	408,420	56,813	-	56,813	27,151	-	27,151	14,994	-	14,994	508,105
91310	Bookkeeping Fee	90	-	90	17,145	-	17,145	-	-	-	-	-	-	-	-	-	17,235
91400	Advertising and Marketing	-	-	-	13	-	13	-	-	-	-	-	-	-	-	-	13
91500	Employee benefit contributions - administrative	1,741	-	1,741	96,850	-	96,850	-	-	-	-	-	-	-	-	-	98,591
91600	Office Expenses	7,576	-	7,576	25,422	-	25,422	-	-	-	-	-	-	-	-	-	32,998
91700	Legal Expense	-	-	-	3,107	-	3,107	-	-	-	-	-	-	-	-	-	3,107
91900	Other	4,943	-	4,943	23,724	-	23,724	-	-	-	-	-	-	-	-	-	28,667
91000	Total Operating-Administrative	29,684	-	29,684	410,163	279,638	689,801	56,813	-	56,813	27,151	-	27,151	14,994	-	14,994	818,443
92000	Asset Management Fee	120	-	120	33,326	-	33,326	-	-	-	-	-	-	-	-	-	33,446
92400	Tenant services - other	-	-	-	673	-	673	-	-	-	-	-	-	-	-	-	673
92500	Total Tenant Services	120	-	120	33,999	-	33,999	-	-	-	-	-	-	-	-	-	34,119
93100	Water	-	-	-	24,200	-	24,200	-	-	-	-	-	-	-	-	-	24,200
93200	Electricity	-	-	-	105,063	-	105,063	-	-	-	-	-	-	-	-	-	105,063
93300	Gas	-	-	-	39,015	-	39,015	-	-	-	-	-	-	-	-	-	39,015
93000	Total Utilities	-	-	-	168,278	-	168,278	-	-	-	-	-	-	-	-	-	168,278
94100	Ordinary maintenance and operations - labor	-	-	-	92,137	-	92,137	-	-	-	-	-	-	-	-	-	92,137
94200	Ordinary maintenance and operations - materials and other	239	-	239	49,004	-	49,004	-	-	-	-	-	-	-	-	-	49,243
94300	Ordinary Maintenance and Operations Contracts	2,846	-	2,846	189,598	713,108	902,706	-	-	-	-	-	-	-	-	-	905,552
94000	Total Maintenance	3,085	-	3,085	330,739	713,108	1,043,847	-	-	-	-	-	-	-	-	-	1,046,932

Housing Authority of the City of Hammond, Indiana

Financial Data Schedule Year Ended December 31, 2019

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	3,000	-	3,000	53,868	-	53,868	-	-	-	-	-	-	-	-	-	56,868
95200	Protective services - other contract costs	-	-	-	2,681	-	2,681	-	-	-	-	-	-	-	-	-	2,681
95300	Protective services - other	4,799	-	4,799	6,454	-	6,454	-	-	-	-	-	-	-	-	-	11,253
95000	Total Protective Services	<u>7,799</u>	<u>-</u>	<u>7,799</u>	<u>63,003</u>	<u>-</u>	<u>63,003</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>70,802</u>
96110	Property Insurance	-	-	-	11,872	-	11,872	-	-	-	-	-	-	-	-	-	11,872
96100	Total Insurance Premiums	<u>-</u>	<u>-</u>	<u>-</u>	<u>11,872</u>	<u>-</u>	<u>11,872</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>11,872</u>
96200	Other general expenses	126,922	-	126,922	-	-	-	147,301	30,992	178,293	46,509	7,496	54,005	27,156	4,646	31,802	391,022
96300	Payments in lieu of taxes	210	-	210	9,939	-	9,939	-	-	-	-	-	-	-	-	-	10,149
96000	Total Other General Expenses	<u>127,132</u>	<u>-</u>	<u>127,132</u>	<u>9,939</u>	<u>-</u>	<u>9,939</u>	<u>147,301</u>	<u>30,992</u>	<u>178,293</u>	<u>46,509</u>	<u>7,496</u>	<u>54,005</u>	<u>27,156</u>	<u>4,646</u>	<u>31,802</u>	<u>401,171</u>
96900	Total Operating Expenses	<u>167,820</u>	<u>-</u>	<u>167,820</u>	<u>1,027,993</u>	<u>992,746</u>	<u>2,020,739</u>	<u>204,114</u>	<u>30,992</u>	<u>235,106</u>	<u>73,660</u>	<u>7,496</u>	<u>81,156</u>	<u>42,150</u>	<u>4,646</u>	<u>46,796</u>	<u>2,551,617</u>
97000	Excess Revenue Over Operating Expenses	<u>(132,061)</u>	<u>-</u>	<u>(132,061)</u>	<u>124,754</u>	<u>-</u>	<u>124,754</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(7,307)</u>
97400	Depreciation expense	1,453	-	1,453	375,613	-	375,613	-	-	-	-	-	-	-	-	-	377,066
90000	Total Expenses	<u>169,273</u>	<u>-</u>	<u>169,273</u>	<u>1,403,606</u>	<u>992,746</u>	<u>2,396,352</u>	<u>204,114</u>	<u>30,992</u>	<u>235,106</u>	<u>73,660</u>	<u>7,496</u>	<u>81,156</u>	<u>42,150</u>	<u>4,646</u>	<u>46,796</u>	<u>2,928,683</u>
10080	Special items, net gain/loss	(446,336)	-	(446,336)	(55,275)	-	(55,275)	-	-	-	-	-	-	-	-	-	(501,611)
10100	Total other financing sources (uses)	<u>(446,336)</u>	<u>-</u>	<u>(446,336)</u>	<u>(55,275)</u>	<u>-</u>	<u>(55,275)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(501,611)</u>
10000	Excess (Deficiency) of Revenue Over (Under) Expenses	<u>\$ (579,850)</u>	<u>\$ -</u>	<u>\$ (579,850)</u>	<u>\$ (306,134)</u>	<u>\$ -</u>	<u>\$ (306,134)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (885,984)</u>
11030	Beginning equity	1,328,098	-	1,328,098	3,438,304	-	3,438,304	(174,861)	-	(174,861)	24,535	-	24,535	-	-	-	4,616,076
11190	Unit Months Available	<u>12</u>	<u>-</u>	<u>12</u>	<u>2,234</u>	<u>-</u>	<u>2,234</u>	<u>516</u>	<u>-</u>	<u>516</u>	<u>204</u>	<u>-</u>	<u>204</u>	<u>180</u>	<u>-</u>	<u>180</u>	<u>3,146</u>
11210	Unit Months Leased	<u>12</u>	<u>-</u>	<u>12</u>	<u>2,189</u>	<u>-</u>	<u>2,189</u>	<u>507</u>	<u>-</u>	<u>507</u>	<u>202</u>	<u>-</u>	<u>202</u>	<u>160</u>	<u>-</u>	<u>160</u>	<u>3,070</u>

Housing Authority of the City of Hammond, Indiana

**Schedule of Expenditures of Federal Awards
Year Ended December 31, 2019**

Federal Grantor/Program Title	Federal CFDA #	Expenditures	Amounts Passed Through To Subrecipients
Direct Awards			
U.S. Department of Housing & Urban Development:			
Public and Indian Housing	14.850	\$ 968,346	\$ -
Public Housing Capital Fund	14.872	1,035,880	-
Family Self Sufficiency Services	14.896	64,006	-
Housing Choice Vouchers Cluster			
Section 8 Housing Choice Vouchers	14.871	5,001,602	-
Total Housing Choice Vouchers Cluster		<u>5,001,602</u>	<u>-</u>
Total HUD		<u>7,069,834</u>	<u>-</u>
Total Direct Federal Awards		<u>7,069,834</u>	<u>-</u>
TOTAL FEDERAL AWARDS		<u><u>\$ 7,069,834</u></u>	<u><u>\$ -</u></u>

Housing Authority of the City of Hammond, Indiana

**Notes to Schedule of Expenditures of Federal Awards
Year Ended December 31, 2019**

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, 2019. 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. The financial statements of the discretely presented component units as identified in Note 1 to the Financial Statements were not audited in accordance with *Government Auditing Standards* as they are not subject to the requirements under Uniform Guidance.

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.



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