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December 9, 2021

Board of Directors  
Housing Authority of the City of Hammond  
1402 173<sup>rd</sup> 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, 2020 to December 31, 2020. 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, 2020 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, 2020**

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# 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 business-type activities and the aggregate discretely presented component units of the Housing Authority of the City of Hammond, Indiana, as of and for the year ended December 31, 2020, 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 control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

#### *Auditor's Responsibility*

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 opinions.

### *Opinions*

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and the aggregate discretely presented component units of the Housing Authority of the City of Hammond, Indiana as of December 31, 2020, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

### *Other Matters*

#### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 5 to 10 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Housing Authority of the City of Hammond, Indiana's basic financial statements. 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 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 also 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 24, 2021 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 agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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 24, 2021

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

### **Management's Discussion and Analysis (Unaudited) December 31, 2020**

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, 2020. 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, 2020. 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 \$24.7 million at December 31, 2020, and decreased by \$432 thousand from \$25.2 million at December 31, 2019.
- Net capital assets were \$2.3 million at December 31, 2020, and had a decrease of \$450 thousand from \$2.8 million at December 31, 2019. This was primarily due to depreciation of assets.
- Total liabilities increased by \$598 thousand to \$4.0 million at December 31, 2020, from \$3.4 million at December 31, 2019.
- Total net position was \$20.7 million at December 31, 2020, a decrease of about \$1.0 million from prior year balance of \$21.7 million.
- Total revenue was \$9.2 million at December 31, 2020, an increase of \$677 thousand from the December 31, 2019, balance of \$8.5 million.
- Total expenses increased by \$1.1 million to \$10.2 million at December 31, 2020 from \$9.1 million at December 31, 2019.

## Housing Authority of the City of Hammond, Indiana

### Management's Discussion and Analysis (Unaudited) December 31, 2020

#### 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 Revenue, 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 (Unaudited) December 31, 2020

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 unit's 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, LP, 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, 2020

#### Statement of Net Position

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

	2020	2019	Change	Percent Change
<b>Assets</b>				
Current assets	\$ 3,612,938	\$ 3,698,502	\$ (85,564)	-2.4%
Restricted assets	332,767	252,688	80,079	24.1%
Capital assets, net	2,323,878	2,774,289	(450,411)	-19.4%
Noncurrent assets	18,466,213	18,442,691	23,522	0.1%
<b>Total assets</b>	<b>\$ 24,735,796</b>	<b>\$ 25,168,170</b>	<b>\$ (432,374)</b>	<b>-1.7%</b>
<b>Liabilities</b>				
Current liabilities	\$ 543,315	\$ 163,329	\$ 379,986	69.9%
Noncurrent liabilities	3,495,900	3,277,983	217,917	6.2%
<b>Total liabilities</b>	<b>4,039,215</b>	<b>3,441,312</b>	<b>597,903</b>	<b>14.8%</b>
<b>Net Position</b>				
Net investment in capital assets	2,323,878	2,774,289	(450,411)	-19.4%
Restricted	10,570	96,127	(85,557)	-809.4%
Unrestricted	18,362,133	18,856,442	(494,309)	-2.7%
<b>Total net position</b>	<b>20,696,581</b>	<b>21,726,858</b>	<b>(1,030,277)</b>	<b>-5.0%</b>
<b>Total liabilities and net position</b>	<b>\$ 24,735,796</b>	<b>\$ 25,168,170</b>	<b>\$ (432,374)</b>	<b>-1.7%</b>

The Authority's total net position at December 31, 2020 was approximately \$20.7 million, a 5.1% decrease from the December 31, 2019 balance of \$21.7 million.

#### Capital Assets

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

	2020	2019
Land	\$ 374,408	\$ 391,963
Buildings and improvements	12,957,036	12,929,453
Furniture, equipment, and machinery	565,598	758,687
Construction in progress	-	14,839
Accumulated depreciation	(11,573,164)	(11,320,653)
<b>Total</b>	<b>\$ 2,323,878</b>	<b>\$ 2,774,289</b>

Depreciation expense was \$432,855. 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 \$3,101,403.

## Housing Authority of the City of Hammond, Indiana

### Management's Discussion and Analysis (MD&A) (Unaudited) December 31, 2020

Total liabilities increased by \$598 thousand or 14.8% to \$4.0 million. Additional information can be found in the Notes to Financial Statements.

#### Statement of Revenue, Expenses and Changes in Net Position

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

	2020	2019	Change	Percent Change
Operating revenues and expenses				
Operating revenues	\$ 1,552,634	\$ 1,320,563	\$ 232,071	14.9%
Governmental operating revenues	7,385,863	7,069,834	316,029	4.3%
Depreciation expense	(432,855)	(434,714)	1,859	-0.4%
Other operating expenses	(9,676,863)	(8,296,674)	(1,380,189)	14.3%
Operating income (loss)	(1,171,221)	(340,991)	(830,230)	70.9%
Non-operating revenues and expenses				
Interest revenue	192,288	44,787	147,501	-100.0%
Other non-routine revenues/(expenses)	(51,344)	(290,682)	239,338	-466.1%
Change in net position	(1,030,277)	(586,886)	(443,391)	43.0%
Net Position, beginning	21,726,858	22,313,744	(586,886)	-2.7%
Net Position, ending	\$ 20,696,581	\$ 21,726,858	\$ (1,030,277)	-5.0%

The Authority's total operating revenues increased to \$8.9 million by \$548 thousand or 6.5 percent for the year ended December 31, 2020.

Total operating expenses, including depreciation increased by \$1.4 million or 15.8 percent for a total balance of \$10.1 million for the year ended December 31, 2020. Changes are shown in the table below:

	Year ended December 31,			
	2020	2019	Change	Percent Change
Expenses				
Administrative	\$ 1,690,031	\$ 1,515,673	\$ 174,358	11.5%
Tenant services	220,016	64,679	155,337	240.2%
Utilities	226,268	182,225	44,043	24.2%
Maintenance and operations	821,490	1,262,812	(441,322)	-34.9%
Protective services	217,220	106,701	110,519	103.6%
General	1,884,194	649,032	1,235,162	190.3%
Housing assistance payments	4,617,644	4,515,552	102,092	2.3%
Depreciation	432,855	434,714	(1,859)	-0.4%
Total operating expenses	\$ 10,109,718	\$ 8,731,388	\$ 1,378,330	15.8%

Expenses primarily increased in administrative 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, 2020

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 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.

The Rental Assistance Department (Housing Choice Voucher Program) staff recaptured \$16,394 through fraud recovery efforts, half of which the department was able to keep for operating expenses. The SEMAP score for 2020 is 93, high 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, 2020**

Assets

	Primary Government	Discrete Component Units	Total Reporting Entity
<b>Current Assets</b>			
Cash and cash equivalents - unrestricted	\$ 1,805,953	\$ 957,457	\$ 2,763,410
Investments - unrestricted	1,618,029	-	1,618,029
Accounts receivable - tenants (net of allowance)	26,305	49,660	75,965
Accounts receivable - other	73,214	58,024	131,238
Inventories	30,896	-	30,896
Prepaid expenses	58,541	72,771	131,312
<b>Total Current Assets</b>	<b>3,612,938</b>	<b>1,137,912</b>	<b>4,750,850</b>
<b>Restricted Assets</b>			
Cash and cash equivalents - restricted	332,767	799,566	1,132,333
Investments - restricted	-	1,874,738	1,874,738
<b>Total Restricted Assets</b>	<b>332,767</b>	<b>2,674,304</b>	<b>3,007,071</b>
<b>Capital Assets</b>			
Land	374,408	1,138,757	1,513,165
Buildings and improvements	12,957,036	54,622,499	67,579,535
Furniture, equipment and machinery	565,598	1,543,695	2,109,293
	13,897,042	57,304,951	71,201,993
Less accumulated depreciation	(11,573,164)	(15,387,844)	(26,961,008)
<b>Total Capital Assets</b>	<b>2,323,878</b>	<b>41,917,107</b>	<b>44,240,985</b>
<b>Noncurrent Assets</b>			
Notes receivable - discrete component units	14,839,394	-	14,839,394
Investments in joint ventures	146,154	-	146,154
Other assets	3,480,665	515,363	3,996,028
<b>Total Noncurrent Assets</b>	<b>18,466,213</b>	<b>515,363</b>	<b>18,981,576</b>
<b>Total Assets</b>	<b>\$ 24,735,796</b>	<b>\$ 46,244,686</b>	<b>\$ 70,980,482</b>

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

**Statement of Net Position  
December 31, 2020**

Liabilities and Net Position

	Primary Government	Discrete Component Units	Total Reporting Entity
<b>Current Liabilities</b>			
Accounts payable	\$ 222,086	\$ 25,178	\$ 247,264
Accounts payable - HUD	26,851	-	26,851
Accrued interest payable	-	4,100	4,100
Current portion of long-term debt	-	24,180	24,180
Accrued wages and payroll taxes payable	81,902	29,949	111,851
Tenant security deposits	104,651	188,184	292,835
Unearned revenues	103,981	27,002	130,983
Other current liabilities	-	846,988	846,988
Accrued liabilities - other	3,844	212,545	216,389
	<u>543,315</u>	<u>1,358,126</u>	<u>1,901,441</u>
<b>Total Current Liabilities</b>			
	<u>543,315</u>	<u>1,358,126</u>	<u>1,901,441</u>
<b>Noncurrent Liabilities</b>			
Other noncurrent liabilities	3,495,900	379,253	3,875,153
Long-term debt, net of current	-	19,227,938	19,227,938
	<u>3,495,900</u>	<u>19,607,191</u>	<u>23,103,091</u>
<b>Total Noncurrent Liabilities</b>			
	<u>3,495,900</u>	<u>19,607,191</u>	<u>23,103,091</u>
<b>Total Liabilities</b>	<u>4,039,215</u>	<u>20,965,317</u>	<u>25,004,532</u>
<b>Net Position</b>			
Net investment in capital assets	2,323,878	41,917,107	44,240,985
Restricted			
Voucher programs reserve	10,570	2,486,120	2,496,690
Unrestricted net position	18,362,133	(19,123,858)	(761,725)
	<u>20,696,581</u>	<u>25,279,369</u>	<u>45,975,950</u>
<b>Total Net Position</b>			
	<u>20,696,581</u>	<u>25,279,369</u>	<u>45,975,950</u>
<b>Total Liabilities and Net Position</b>	<u>\$ 24,735,796</u>	<u>\$ 46,244,686</u>	<u>\$ 70,980,482</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, 2020**

	Primary Government	Discrete Component Units	Total Reporting Entity
Operating Revenue			
Net tenant rental revenue	\$ 512,980	\$ 2,795,451	\$ 3,308,431
HUD operating grants	7,385,863	-	7,385,863
Other revenue	1,039,654	105,632	1,145,286
<b>Total Operating Revenue</b>	<b>8,938,497</b>	<b>2,901,083</b>	<b>11,839,580</b>
Operating Expenses			
Administrative	1,690,031	1,131,976	2,822,007
Tenant services	220,016	-	220,016
Utilities	226,268	294,192	520,460
Maintenance and operations	821,490	624,892	1,446,382
Protective services	217,220	-	217,220
General	1,884,194	347,457	2,231,651
Housing assistance payments	4,617,644	-	4,617,644
Amortization	-	29,418	29,418
Depreciation	432,855	1,776,188	2,209,043
<b>Total Operating Expenses</b>	<b>10,109,718</b>	<b>4,204,123</b>	<b>14,313,841</b>
<b>Operating Income (Loss)</b>	<b>(1,171,221)</b>	<b>(1,303,040)</b>	<b>(2,474,261)</b>
Non-Operating Revenue (Expenses)			
Other revenue (expenses)	(84,755)	-	(84,755)
Gain on sale of capital assets	33,411	-	33,411
Interest expense	-	(527,934)	(527,934)
Notes receivable interest income	167,761	-	167,761
Interest income - unrestricted	24,527	642	25,169
<b>Total Non-Operating Revenue (Expenses)</b>	<b>140,944</b>	<b>(527,292)</b>	<b>(386,348)</b>
<b>Change in Net Position</b>	<b>(1,030,277)</b>	<b>(1,830,332)</b>	<b>(2,860,609)</b>
Net Position - Beginning	21,726,858	27,109,701	48,836,559
<b>Net Position - Ending</b>	<b>\$ 20,696,581</b>	<b>\$ 25,279,369</b>	<b>\$ 45,975,950</b>

See Notes to Financial Statements.

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

**Statement of Cash Flows  
Year Ended December 31, 2020**

	<u>Primary Government</u>
Cash flows from operating activities	
Dwelling rent receipts	\$ 602,807
Operating subsidy and grant receipts	7,412,714
Other income receipts	<u>1,154,507</u>
Total receipts	<u>9,170,028</u>
Payments to vendors	(2,953,812)
Payments to employees	(1,849,008)
Housing assistance payments	<u>(4,617,644)</u>
Total disbursements	<u>(9,420,464)</u>
Net cash used in operating activities	<u>(250,436)</u>
Cash flows from investing activities	
Investment income	24,527
Interest received on notes receivable	167,761
Decrease in other assets	49,419
Developer fee receipts	276,893
Payment of co-development fees	(131,917)
Proceeds from sales of investments	200,000
Purchases of investments	<u>(24,403)</u>
Net cash provided by investing activities	<u>562,280</u>
Cash flows from capital and related financing activities	
Non-operating expenses	(84,755)
Proceeds from sale of capital assets	<u>50,967</u>
Net cash used in capital and related financing activities	<u>(33,788)</u>
Net increase in cash and cash equivalents	278,056
Cash and cash equivalents, beginning	<u>1,860,664</u>
Cash and cash equivalents, ending	<u><u>\$ 2,138,720</u></u>
Reconciliation to Statement of Net Position:	
Cash and cash equivalents - unrestricted	\$ 1,805,953
Cash and cash equivalents - restricted	<u>332,767</u>
Total	<u><u>\$ 2,138,720</u></u>

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

**Statement of Cash Flows  
Year Ended December 31, 2020**

	<u>Primary Government</u>
Reconciliation of operating income (loss) to net cash used in operating activities	
Operating income (loss)	<u>\$ (1,171,221)</u>
Adjustments to reconcile operating income (loss) to net cash used in operating activities	
Depreciation	432,855
Bad debt expense	19,094
Changes in asset and liability accounts	
(Increase) decrease in assets	
Accounts receivable - tenants	(30,220)
Accounts receivable - other	114,853
Prepaid expenses	4,217
Increase (decrease) in liabilities	
Accounts payable	202,617
Accounts payable - HUD	26,851
Tenant security deposits payable	(332)
Accrued wages and payroll taxes payable	45,739
Other current liabilities	3,826
Unearned revenues	<u>101,285</u>
Total adjustments	<u>920,785</u>
Net cash used in operating activities	<u><u>\$ (250,436)</u></u>

See Notes to Financial Statements.

## Housing Authority of the City of Hammond, Indiana

### Notes to Financial Statements December 31, 2020

#### 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 Accounting 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, 2020

**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 Homes 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, 2020**

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 securities issued or guaranteed by the U.S government or its agencies 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 Revenue, 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, 2020

#### **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, 2020.

#### **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 2020, 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, 2020

#### 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. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*. GASB Statement No. 94 establishes standards of accounting and financial reporting for Public-Private and Public-Public Partnerships (PPPs) and Availability Payment Arrangements (APAs). This statement is effective for financial statements with periods beginning after June 15, 2022. Management is currently evaluating the impact of adopting this standard.

The GASB issued Statement No. 96, *Subscription-Based Information Technology Arrangements*. GASB Statement No. 96 establishes standards of accounting and financial reporting for subscription-based information technology (SBITAs) for government end users. Under this Statement, a government generally should recognize a right-to-use subscription asset, an intangible asset, and a corresponding subscription liability. This statement is effective for financial statements with periods beginning after June 15, 2022. Management is currently evaluating the impact of adopting this standard.

## Housing Authority of the City of Hammond, Indiana

### Notes to Financial Statements December 31, 2020

The GASB issued Statement No. 97, *Certain Component Unit Criteria*, and Accounting and Financial Reporting for internal Revenue Code Section 457 Deferred Compensation Plans – an Amendment of GASB Statements No. 14 and No. 84, and a Supersession of GASB Statement No. 32. The primary objectives of this Statement are to (1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements; and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans. This statement is effective for financial statements with periods beginning after June 15, 2021. Management is currently evaluating the impact of adopting this standard.

The GASB issued Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*. GASB Statement No. 95 was effective immediately and postponed the effective dates of certain GASB Statements and Implementation Guides for one year from their respective original effective dates to provide relief to governments and other stakeholders in light of the COVID-19 pandemic. The adoption of this Statement provided for early adoption of any of the postponed GASB Statements and Implementation Guides.

The effective dates of certain provisions in the following pronouncements are postponed by one year or 18 months for GASB Statement No. 87:

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 Cost Incurred before the End of a Construction Period* effective for financial statements beginning after December 15, 2019. Management is currently evaluating the impact of adopting this standard.

The GASB issued Statement No. 91, *Conduit Debt Obligations*. The standard provides a single method of reporting conduit debt obligations. This statement is effective for financial statements with periods beginning after December 15, 2020. Management is currently evaluating the impact of adopting this standard.

The GASB issued Statement No. 92, *Omnibus 2020*. GASB Statement No. 92 addresses a variety of topics including, among other things, Leases, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans, Fiduciary Activities, Measurement of liabilities related to AROs. This statement is effective for financial statements with periods beginning after June 15, 2020. Management is currently evaluating the impact of adopting this standard.

The GASB issued Statement No. 93, *Replacement of Interbank Offered Rates*. GASB Statement No. 93 assists state and local governments in the transition away from existing interbank offered rates (IBOR) to other reference rates because of global reference rate reform, wherein the London Interbank Offered Rate (LIBOR) is expected to cease to exist in its current form at the end of 2021. The objective of this Statement is to address implications that result from the replacement of an IBOR in Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments* and Statement No. 87, *Leases* and other accounting and financial

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

**Notes to Financial Statements  
December 31, 2020**

reporting implications. The removal of LIBOR as an appropriate benchmark interest rate in this Statement are effective for financial statements with periods beginning after June 15, 2019. All other requirements of this statement are effective for financial statements with periods beginning after June 15, 2020. Management is currently evaluating the impact of adopting this standard.

**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, 2020, 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	\$ 2,138,720	\$ 2,365,614	\$ 541,133	\$ 1,824,481
Investment account	1,618,029	1,618,029	-	1,618,029
	<u>\$ 3,756,749</u>	<u>\$ 3,983,643</u>	<u>\$ 541,133</u>	<u>\$ 3,442,510</u>

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

Cash and cash equivalents - unrestricted	\$ 1,805,953
Cash and cash equivalents - restricted	332,767
Investments - unrestricted	<u>1,618,029</u>
Total	<u><u>\$ 3,756,749</u></u>

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

**Notes to Financial Statements  
December 31, 2020**

**Note 3 - Restricted cash and investments**

Restricted cash and investments as of December 31, 2020 for the primary government consisted of the following:

Tenant security deposits	\$ 54,297
HCV reserve	10,570
CARES Act fund	96,850
FSS escrow	144,199
Other restricted cash	<u>26,851</u>
Total restricted cash	<u><u>\$ 332,767</u></u>

Restricted cash and investments as of December 31, 2020 for the discrete component units consisted of the following:

Tenant security deposits	\$ 193,575
Mortgage escrows	605,991
Project reserves	<u>1,874,738</u>
Total restricted cash and investments	<u><u>\$ 2,674,304</u></u>

**Note 4 - Accounts receivable**

At December 31, 2020, accounts receivable for the primary government totaled \$99,519 and consisted of the following:

Accounts receivable - tenants, net of allowance of \$0	\$ 26,305
Accounts receivable - DCUs	<u>73,214</u>
	<u><u>\$ 99,519</u></u>

The Authority reviews the accounts receivable periodically. In fiscal year 2020, 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, 2020 were as follows:

Saxony Townhome	\$ 258,365
Flagstone	<u>120,887</u>
	<u><u>\$ 379,252</u></u>

## Housing Authority of the City of Hammond, Indiana

### Notes to Financial Statements December 31, 2020

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, 2020, the outstanding development consulting fees payable totaled \$240,558, 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, 2020, the mortgage receivable was \$846,000 with accrued interest of \$470,594.
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, 2020, \$6,664,766 was outstanding with accrued interest of \$947,335.
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, 2020, the mortgage receivable was \$3,313,941 with accrued interest of \$700,586.
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, 2020 \$3,630,000 was outstanding with accrued interest of \$823,660.
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, 2020, Golden Manor owed HEH \$134,687 with accrued interest of \$125,275.

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

**Notes to Financial Statements  
December 31, 2020**

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, 2020, AHH1 owed HEH \$250,000 with accrued interest of \$33,953.

	Note	Accrued Interest
American Heartland Homes One	\$ 846,000	\$ 470,594
American Heartland Homes One	6,664,766	947,335
American Heartland Homes Two	3,313,941	700,586
Flagstone Village	3,630,000	823,660
Golden Manor	134,687	125,275
American Heartland Homes One	250,000	33,953
	<b>\$ 14,839,394</b>	<b>\$ 3,101,403</b>

The Authority recognizes interest income from the notes receivable when cash payments are received. During the year ended December 31, 2020, the Authority recognized interest income of \$167,761. Accrued but unpaid interest under the terms of the loan agreements totaled \$3,101,403 at December 31, 2020, 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, 2020 and the year then ended are as follows:

	Balance December 31, 2019	Additions	Transfers, Reclassifications and Deletions	Balance December 31, 2020
Non-depreciable				
Land	\$ 391,963	\$ -	\$ (17,555)	\$ 374,408
Construction in process	14,839	-	(14,839)	-
Depreciable				
Buildings and improvements	12,929,453	-	27,583	12,957,036
Furniture and equipment	758,687	-	(193,089)	565,598
	14,094,942	-	(197,900)	13,897,042
Accumulated depreciation	(11,320,653)	(432,855)	180,344	(11,573,164)
Total capital assets	<b>\$ 2,774,289</b>	<b>\$ (432,855)</b>	<b>\$ (17,556)</b>	<b>\$ 2,323,878</b>

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

**Notes to Financial Statements  
December 31, 2020**

Summaries of the discretely presented component units' capital asset balances and activity as of December 31, 2020 and the year then ended are as follows:

	Balance December 31, 2019	Additions	Transfers, Reclassifications and Deletions	Balance December 31, 2020
Non-depreciable				
Land	\$ 1,138,757	\$ -	\$ -	\$ 1,138,757
Construction in process	36,760	-	(36,760)	-
Depreciable				
Buildings and improvements	54,443,289	142,450	36,760	54,622,499
Furniture and equipment	1,493,526	50,169	-	1,543,695
	<u>57,112,332</u>	<u>192,619</u>	<u>-</u>	<u>57,304,951</u>
Accumulated depreciation	<u>(13,611,656)</u>	<u>(1,776,188)</u>	<u>-</u>	<u>(15,387,844)</u>
Total capital assets	<u>\$ 43,500,676</u>	<u>\$ (1,583,569)</u>	<u>\$ -</u>	<u>\$ 41,917,107</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, 2020 was \$1,436,592.

## Housing Authority of the City of Hammond, Indiana

### Notes to Financial Statements December 31, 2020

#### Note 9 - Condensed financial statements - Discrete Component Units

	AHH1	AHH2	Flagstone	Golden Manor	Saxony	Total
<b>Assets</b>						
Current assets	\$ 1,139,248	\$ 820,554	\$ 859,738	\$ 505,623	\$ 487,053	\$ 3,812,216
Noncurrent assets	78,032	45,622	358,127	9,142	24,440	515,363
Capital assets, net	10,620,604	7,607,809	12,371,096	5,363,858	5,953,740	41,917,107
<b>Total assets</b>	<b>\$ 11,837,884</b>	<b>\$ 8,473,985</b>	<b>\$ 13,588,961</b>	<b>\$ 5,878,623</b>	<b>\$ 6,465,233</b>	<b>\$ 46,244,686</b>
<b>Liabilities</b>						
Current liabilities	\$ 192,331	\$ 375,730	\$ 244,667	\$ 337,801	\$ 207,597	\$ 1,358,126
Noncurrent liabilities	9,212,650	4,014,527	4,574,550	134,687	1,670,777	19,607,191
<b>Total liabilities</b>	<b>9,404,981</b>	<b>4,390,257</b>	<b>4,819,217</b>	<b>472,488</b>	<b>1,878,374</b>	<b>20,965,317</b>
<b>Net position</b>						
Net investment in capital assets	10,620,604	7,607,809	12,371,096	5,363,858	5,953,740	41,917,107
Restricted	763,905	589,720	402,155	366,869	363,471	2,486,120
Unrestricted	(8,951,606)	(4,113,801)	(4,003,507)	(324,592)	(1,730,352)	(19,123,858)
<b>Total net position</b>	<b>2,432,903</b>	<b>4,083,728</b>	<b>8,769,744</b>	<b>5,406,135</b>	<b>4,586,859</b>	<b>25,279,369</b>
<b>Total liabilities and net position</b>	<b>\$ 11,837,884</b>	<b>\$ 8,473,985</b>	<b>\$ 13,588,961</b>	<b>\$ 5,878,623</b>	<b>\$ 6,465,233</b>	<b>\$ 46,244,686</b>
<b>Operating revenues</b>						
Dwelling rent	\$ 752,671	\$ 422,164	\$ 610,400	\$ 462,870	\$ 547,346	\$ 2,795,451
<b>Total operating revenues</b>	<b>752,671</b>	<b>422,164</b>	<b>610,400</b>	<b>462,870</b>	<b>547,346</b>	<b>2,795,451</b>
<b>Operating expenses</b>						
Administration	310,712	211,086	232,059	177,924	200,195	1,131,976
Utility services	86,315	45,794	41,909	62,939	57,235	294,192
Ordinary maintenance	178,011	84,838	140,865	102,777	118,401	624,892
General	89,841	63,440	88,543	55,134	50,499	347,457
Depreciation and amortization	378,836	292,305	644,599	213,081	276,785	1,805,606
<b>Total operating expenses</b>	<b>1,043,715</b>	<b>697,463</b>	<b>1,147,975</b>	<b>611,855</b>	<b>703,115</b>	<b>4,204,123</b>
<b>Operating income (loss)</b>	<b>(291,044)</b>	<b>(275,299)</b>	<b>(537,575)</b>	<b>(148,985)</b>	<b>(155,769)</b>	<b>(1,408,672)</b>
<b>Non-operating revenues (expenses)</b>						
Interest revenue	-	-	-	621	21	642
Interest expense	(154,762)	(118,869)	(188,825)	(12,143)	(53,335)	(527,934)
Other non-operating revenues (expenses)	52,376	15,784	37,472	-	-	105,632
<b>Total non-operating revenues (expenses)</b>	<b>(102,386)</b>	<b>(103,085)</b>	<b>(151,353)</b>	<b>(11,522)</b>	<b>(53,314)</b>	<b>(421,660)</b>
<b>Changed in net position</b>	<b>(393,430)</b>	<b>(378,384)</b>	<b>(688,928)</b>	<b>(160,507)</b>	<b>(209,083)</b>	<b>(1,830,332)</b>
<b>Net position, beginning</b>	<b>2,826,333</b>	<b>4,462,112</b>	<b>9,458,672</b>	<b>5,566,642</b>	<b>4,795,942</b>	<b>27,109,701</b>
<b>Net position, ending</b>	<b>\$ 2,432,903</b>	<b>\$ 4,083,728</b>	<b>\$ 8,769,744</b>	<b>\$ 5,406,135</b>	<b>\$ 4,586,859</b>	<b>\$ 25,279,369</b>

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

**Notes to Financial Statements  
December 31, 2020**

**Note 10 - Condensed financial statements - Blended Component Unit**

	HEH
Assets	
Current assets	\$ 666,449
Noncurrent assets	1,069,330
Total assets	\$ 1,735,779
Liabilities	
Current liabilities	\$ 2,542
Noncurrent liabilities	399,786
Total liabilities	402,328
Net position	
Unrestricted	1,333,451
Total net position	1,333,451
Total liabilities and net position	\$ 1,735,779
	HEH
Operating expenses	
Administration	\$ 74,574
General	116,183
Total operating expenses	190,757
Operating income (loss)	(190,757)
Non-operating revenues (expenses)	
Interest revenue	123
Other non-operating revenues (expenses):	(1,318)
Total non-operating revenues (expenses)	(1,195)
Change in net position	(191,952)
Net position, beginning	1,525,403
Net position, ending	\$ 1,333,451

## Housing Authority of the City of Hammond, Indiana

### Notes to Financial Statements December 31, 2020

	<u>HEH</u>
Cash flows from (used by) operating activities	\$ (190,757)
Cash flows from (used by) investing activities	145,795
Cash flows from (used by) capital and related financing activities	<u>-</u>
Net increase (decrease) in cash	(44,962)
Beginning cash	<u>687,990</u>
Ending cash	<u><u>\$ 643,028</u></u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities	
Operating income (loss)	<u>\$ (190,757)</u>
Net cash provided (used) by operating activities	<u><u>\$ (190,757)</u></u>

#### Note 11 - Commitments and contingencies

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

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. 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.

#### Note 12 - Economic dependency

The Authority received approximately 84% 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 24, 2021 (the date the financial statements were available to be issued) and concluded that no subsequent events have occurred that would require recognition in the financial statements or disclosure in the notes to the financial statements.

Independent Auditor's Report on Internal Control over Financial Reporting and on  
Compliance and Other Matters Based on an Audit of Financial Statements  
Performed in Accordance with *Government Auditing Standards*

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the business-type activities and the aggregate discretely presented component units of the Housing Authority of the City of Hammond, Indiana (the "Authority"), as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated September 24, 2021. The financial statements of the discretely presented component units were not audited in accordance with *Government Auditing Standards* and accordingly, this report does not include reporting on internal control over financial reporting or instances of reportable noncompliance associated with the discretely presented component units.

#### Internal Control over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses 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 from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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

*CohnReznick LLP*

Charlotte, North Carolina  
September 24, 2021

Independent Auditor's Report on Compliance for the Major Federal Program and  
on Internal Control over Compliance Required by the Uniform Guidance

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

Report on Compliance for the Major Federal Program

We have audited the Housing Authority of the City of Hammond, Indiana's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on the Housing Authority of the City of Hammond, Indiana's major federal program for the year ended December 31, 2020. The Housing Authority of the City of Hammond, Indiana's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

*Management's Responsibility*

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

*Auditor's Responsibility*

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

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

*Opinion on the Major Federal Program*

In our opinion, the Housing Authority of the City of Hammond, Indiana complied in all material respects with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended December 31, 2020.

## Report on Internal Control over Compliance

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

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. 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 24, 2021

Housing Authority of the City of Hammond, Indiana

Schedule of Findings and Questioned Costs  
Year Ended December 31, 2020

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 opinion

Internal control over financial reporting:

Material weakness(es) identified?  Yes  No

Significant deficiency(ies) identified?  Yes  None reported

Noncompliance material to financial statements noted  Yes  No

**Federal Awards:**

Internal Control over major federal 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 opinion

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?

Yes  No

Identification of major federal programs:

- CFDA 14.871 Section 8 Housing Choice Vouchers

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

## **Supplementary Information**

## Housing Authority of the City of Hammond, Indiana

### Financial Data Schedule December 31, 2020

Line Item No.	Account Description	Project Totals	Program Totals	Central Office Cost Center	Subtotal	Elimination	Total
111	Cash-unrestricted	\$ 186,278	\$ 1,614,249	962,883	\$ 2,763,410	\$ -	\$ 2,763,410
113	Cash-other restricted	-	857,610	26,851	884,461	-	884,461
114	Cash-tenant security deposits	54,297	193,575	-	247,872	-	247,872
100	<b>Total Cash</b>	<u>240,575</u>	<u>2,665,434</u>	<u>989,734</u>	<u>3,895,743</u>	<u>-</u>	<u>3,895,743</u>
125	Account receivable - miscellaneous	1,734	81,445	514,329	597,508	(466,270)	131,238
126	Accounts receivable - tenants	26,305	55,701	-	82,006	-	82,006
126.1	Allowance for doubtful accounts - tenants	-	(6,041)	-	(6,041)	-	(6,041)
120	<b>Total receivables, net of allowance for doubtful accounts</b>	<u>28,039</u>	<u>131,105</u>	<u>514,329</u>	<u>673,473</u>	<u>(466,270)</u>	<u>207,203</u>
131	Investments - unrestricted	1,500,509	-	117,520	1,618,029	-	1,618,029
132	Investments - restricted	-	1,874,738	-	1,874,738	-	1,874,738
142	Prepaid expenses and other assets	37,069	83,150	11,093	131,312	-	131,312
143	Inventories	30,896	-	-	30,896	-	30,896
144	Inter program - due from	-	-	46,653	46,653	(46,653)	-
150	<b>Total Current Assets</b>	<u>1,837,088</u>	<u>4,754,427</u>	<u>1,679,329</u>	<u>8,270,844</u>	<u>(512,923)</u>	<u>7,757,921</u>
161	Land	294,336	1,138,757	80,072	1,513,165	-	1,513,165
162	Buildings	956,584	48,554,780	199,692	49,711,056	-	49,711,056
163	Furniture, equipment and machinery - dwellings	296,894	1,543,695	-	1,840,589	-	1,840,589
164	Furniture, equipment and machinery - administration	-	20,949	247,755	268,704	-	268,704
165	Leasehold improvements	11,765,780	6,067,719	34,980	17,868,479	-	17,868,479
166	Accumulated depreciation	(11,073,277)	(15,408,793)	(478,938)	(26,961,008)	-	(26,961,008)
160	<b>Total capital assets, net of accumulated depreciation</b>	<u>2,240,317</u>	<u>41,917,107</u>	<u>83,561</u>	<u>44,240,985</u>	<u>-</u>	<u>44,240,985</u>
171	Notes, Loans, & mortgages receivable – Non-current	-	384,687	14,454,707	14,839,394	-	14,839,394
174	Other assets	-	1,053,852	2,942,176	3,996,028	-	3,996,028
176	Investment in joint venture	-	146,154	-	146,154	-	146,154
180	<b>Total Non-current Assets</b>	<u>2,240,317</u>	<u>43,501,800</u>	<u>17,480,444</u>	<u>63,222,561</u>	<u>-</u>	<u>63,222,561</u>
290	<b>Total Assets and Deferred Outflow of Resources</b>	<u>\$ 4,077,405</u>	<u>\$ 48,256,227</u>	<u>\$ 19,159,773</u>	<u>\$ 71,493,405</u>	<u>\$ (512,923)</u>	<u>\$ 70,980,482</u>

## Housing Authority of the City of Hammond, Indiana

### Financial Data Schedule December 31, 2020

Line Item No.	Account Description	Project Totals	Program Totals	Central Office Cost Center	Subtotal	Elimination	Total
312	Accounts payable <= 90 days	\$ 163,581	\$ 33,053	\$ 50,630	\$ 247,264	\$ -	\$ 247,264
321	Accrued wage/payroll taxes payable	-	29,949	81,902	111,851	-	111,851
325	Accrued interest payable	-	4,100	-	4,100	-	4,100
331	Accounts payable - HUD PHA Programs	-	-	26,851	26,851	-	26,851
341	Tenant security deposits	104,651	188,184	-	292,835	-	292,835
342	Unearned revenue	7,131	123,852	-	130,983	-	130,983
345	Other current liabilities	-	1,313,258	-	1,313,258	(466,270)	846,988
346	Accrued liabilities - other	3,844	212,545	-	216,389	-	216,389
347	Inter program - due to	18,656	27,997	-	46,653	(46,653)	-
348	Loan liability - current	-	24,180	-	24,180	-	24,180
310	<b>Total Current Liabilities</b>	<u>297,863</u>	<u>1,957,118</u>	<u>159,383</u>	<u>2,414,364</u>	<u>(512,923)</u>	<u>1,901,441</u>
353	Non-current liabilities - other	-	932,977	2,942,176	3,875,153	-	3,875,153
355	Loan liability - Non-current	-	19,227,938	-	19,227,938	-	19,227,938
350	<b>Total Non-Current Liabilities</b>	<u>-</u>	<u>20,160,915</u>	<u>2,942,176</u>	<u>23,103,091</u>	<u>-</u>	<u>23,103,091</u>
300	<b>Total Liabilities</b>	<u>297,863</u>	<u>22,118,033</u>	<u>3,101,559</u>	<u>25,517,455</u>	<u>(512,923)</u>	<u>25,004,532</u>
508.4	Net investment in capital assets	2,240,317	41,917,107	83,561	44,240,985	-	44,240,985
511.4	Restricted net position	-	2,496,690	-	2,496,690	-	2,496,690
512.4	Unrestricted net position	1,539,225	(18,275,603)	15,974,653	(761,725)	-	(761,725)
513	<b>Total Equity - Net Assets/Position</b>	<u>3,779,542</u>	<u>26,138,194</u>	<u>16,058,214</u>	<u>45,975,950</u>	<u>-</u>	<u>45,975,950</u>
600	<b>Total Liabilities, Deferred Inflows of Resources and Equity - Net</b>	<u>\$ 4,077,405</u>	<u>\$ 48,256,227</u>	<u>\$ 19,159,773</u>	<u>\$ 71,493,405</u>	<u>\$ (512,923)</u>	<u>\$ 70,980,482</u>

## Housing Authority of the City of Hammond, Indiana

### Financial Data Schedule Year Ended December 31, 2020

Line Item No.	Account Description	Project Totals	Program Totals	Central Office Cost Center	Subtotal	Elimination	Total
70300	Net tenant rental revenue	\$ 504,730	\$ 2,741,903	-	\$ 3,246,633	\$ -	\$ 3,246,633
70400	Tenant revenue - other	8,250	53,548	-	61,798	-	61,798
70500	<b>Total Tenant Revenue</b>	<u>512,980</u>	<u>2,795,451</u>	<u>-</u>	<u>3,308,431</u>	<u>-</u>	<u>3,308,431</u>
70600	HUD PHA operating grants	2,231,318	5,154,545	-	7,385,863	-	7,385,863
70710	Management Fee	-	-	360,541	360,541	(360,541)	-
70720	Asset Management Fee	-	-	24,000	24,000	(24,000)	-
70730	Bookkeeping Fee	-	-	74,888	74,888	(74,888)	-
70750	Other Fees	-	-	1,036,176	1,036,176	(422,710)	613,466
70700	<b>Total Fee Revenue</b>	<u>-</u>	<u>-</u>	<u>1,495,605</u>	<u>1,495,605</u>	<u>(882,139)</u>	<u>613,466</u>
71100	Investment income - unrestricted	23,563	765	841	25,169	-	25,169
71200	Mortgage interest income	-	-	167,761	167,761	-	167,761
71400	Fraud recovery	-	16,394	-	16,394	-	16,394
71500	Other revenue	11,843	108,466	395,117	515,426	-	515,426
71600	Gain or loss on sale of capital assets- LOSS	-	33,411	-	33,411	-	33,411
70000	<b>Total Revenue</b>	<u>2,779,704</u>	<u>8,109,032</u>	<u>2,059,324</u>	<u>12,948,060</u>	<u>(882,139)</u>	<u>12,065,921</u>
91100	Administrative salaries	101,021	728,746	759,114	1,588,881	(315,737)	1,273,144
91200	Auditing fees	16,050	10,346	13,025	39,421	-	39,421
91300	Management Fee	268,669	91,872	-	360,541	(360,541)	-
91310	Bookkeeping Fee	17,468	57,420	-	74,888	(74,888)	-
91400	Advertising and Marketing	72	31	46	149	-	149
91500	Employee benefit contributions - administrative	118,833	-	462,597	581,430	-	581,430
91600	Office Expenses	19,302	25,159	59,093	103,554	-	103,554
91700	Legal Expense	6,160	70,909	26,124	103,193	-	103,193
91800	Travel	-	242	1,945	2,187	-	2,187
91900	Other	6,568	700,829	11,532	718,929	-	718,929
91000	<b>Total Operating-Administrative</b>	<u>554,143</u>	<u>1,685,554</u>	<u>1,333,476</u>	<u>3,573,173</u>	<u>(751,166)</u>	<u>2,822,007</u>
92000	Asset Management Fee	24,000	-	-	24,000	(24,000)	-
92100	Tenant services - salaries	19,235	104,887	-	124,122	-	124,122
92300	Employee benefit contributions - tenant services	-	38,917	11,075	49,992	-	49,992
92400	Tenant services - other	17,793	17,943	10,166	45,902	-	45,902
92500	<b>Total Tenant Services</b>	<u>61,028</u>	<u>161,747</u>	<u>21,241</u>	<u>244,016</u>	<u>(24,000)</u>	<u>220,016</u>
93100	Water	28,465	324	954	29,743	-	29,743
93200	Electricity	110,693	295,645	13,945	420,283	-	420,283
93300	Gas	30,839	1,165	3,377	35,381	-	35,381
93800	Other utilities expense	35,053	-	-	35,053	-	35,053
93000	<b>Total Utilities</b>	<u>205,050</u>	<u>297,134</u>	<u>18,276</u>	<u>520,460</u>	<u>-</u>	<u>520,460</u>
94100	Ordinary maintenance and operations - labor	118,227	-	293,792	412,019	-	412,019
94200	Ordinary maintenance and operations - materials and other	55,124	625,932	12,192	693,248	-	693,248
94300	Ordinary Maintenance and Operations Contracts	189,314	32,063	101,468	322,845	-	322,845
94500	Employee benefit contribution - ordinary maintenance	-	-	18,270	18,270	-	18,270
94000	<b>Total Maintenance</b>	<u>362,665</u>	<u>657,995</u>	<u>425,722</u>	<u>1,446,382</u>	<u>-</u>	<u>1,446,382</u>

# Housing Authority of the City of Hammond, Indiana

## Financial Data Schedule Year Ended December 31, 2020

Line Item No.	Account Description	Project Totals	Program Totals	Central Office Cost Center	Subtotal	Elimination	Total
95100	Protective services - labor	62,742	-	154,478	217,220	-	217,220
95000	<b>Total Protective Services</b>	<b>62,742</b>	<b>-</b>	<b>154,478</b>	<b>217,220</b>	<b>-</b>	<b>217,220</b>
96110	Property Insurance	5,728	287,461	157	293,346	-	293,346
96120	Liability Insurance	6,591	7,314	5,000	18,905	-	18,905
96140	All other Insurance	30,503	3,531	53,694	87,728	-	87,728
96100	<b>Total Insurance Premiums</b>	<b>42,822</b>	<b>298,306</b>	<b>58,851</b>	<b>399,979</b>	<b>-</b>	<b>399,979</b>
96200	Other general expenses	1,638,959	247,695	32,897	1,919,551	(106,973)	1,812,578
96400	Bad debt - tenant rents	19,094	-	-	19,094	-	19,094
96000	<b>Total Other General Expenses</b>	<b>1,658,053</b>	<b>247,695</b>	<b>32,897</b>	<b>1,938,645</b>	<b>(106,973)</b>	<b>1,831,672</b>
96710	Interest of Mortgage (or Bonds) Payable	-	527,934	-	527,934	-	527,934
96730	Amortization of Bond Issue Costs	-	29,418	-	29,418	-	29,418
96700	<b>Interest expense and Amortization cost</b>	<b>-</b>	<b>557,352</b>	<b>-</b>	<b>557,352</b>	<b>-</b>	<b>557,352</b>
96900	<b>Total Operating Expenses</b>	<b>2,946,503</b>	<b>3,905,783</b>	<b>2,044,941</b>	<b>8,897,227</b>	<b>(882,139)</b>	<b>8,015,088</b>
97000	<b>Excess Revenue Over Operating Expenses</b>	<b>(166,799)</b>	<b>4,203,249</b>	<b>14,383</b>	<b>4,050,833</b>	<b>-</b>	<b>4,050,833</b>
97300	Housing assistance payments	-	4,617,644	-	4,617,644	-	4,617,644
97400	Depreciation expense	377,437	1,776,188	55,418	2,209,043	-	2,209,043
90000	<b>Total Expenses</b>	<b>3,323,940</b>	<b>10,299,615</b>	<b>2,100,359</b>	<b>15,723,914</b>	<b>(882,139)</b>	<b>14,841,775</b>
10080	Special items, net gain/loss	-	(16,977)	(67,778)	(84,755)	-	(84,755)
10100	<b>Total other financing sources (uses)</b>	<b>-</b>	<b>(16,977)</b>	<b>(67,778)</b>	<b>(84,755)</b>	<b>-</b>	<b>(84,755)</b>
10000	<b>Excess (Deficiency) of Revenue Over (Under) Expenses</b>	<b>\$ (544,236)</b>	<b>\$ (2,207,560)</b>	<b>\$ (108,813)</b>	<b>\$ (2,860,609)</b>	<b>-</b>	<b>\$ (2,860,609)</b>
11030	Beginning equity	3,730,092	28,390,971	16,715,496	48,836,559	-	48,836,559
11040	Prior period adjustments, equity transfers, and correction of errors	593,686	(45,217)	(548,469)	-	-	-
11170-001	Administrative Fee Equity- Beginning Balance	-	(340,260)	-	(340,260)	-	(340,260)
11170-010	Administrative Fee Revenue	-	468,908	-	468,908	-	468,908
11170-045	Fraud Recovery Revenue	-	8,197	-	8,197	-	8,197
11170-050	Other Revenue	-	36,245	-	36,245	-	36,245
11170-060	Total Admin Fee Revenues	-	513,350	-	513,350	-	513,350
11170-080	Total Operating Expenses	-	597,410	-	597,410	-	597,410
11170-100	Other Expenses	-	60,876	-	60,876	-	60,876
11170-110	Total Expenses	-	658,286	-	658,286	-	658,286
11170-002	Net Administrative Fee	-	(144,936)	-	(144,936)	-	(144,936)
11170-003	Administrative Fee Equity- Ending Balance	-	(485,196)	-	(485,196)	-	(485,196)
11170	<b>Administrative Fee Equity</b>	<b>-</b>	<b>(485,196)</b>	<b>-</b>	<b>(485,196)</b>	<b>-</b>	<b>(485,196)</b>
11180-010	Housing Assistance Payments Equity - Beginning Balance	-	96,127	-	96,127	-	96,127
11180-020	Net Housing Assistance Payments	-	4,523,890	-	4,523,890	-	4,523,890
11180-050	Fraud Recovery Revenue	-	8,197	-	8,197	-	8,197
11180-090	Total Housing Assistance Payments Revenues	-	4,532,087	-	4,532,087	-	4,532,087
11180-100	Housing Assistance Payments	-	4,617,644	-	4,617,644	-	4,617,644
11180-130	Total Housing Assistance Payments Expenses	-	4,617,644	-	4,617,644	-	4,617,644
11180	<b>Housing Assistance Payments Equity</b>	<b>-</b>	<b>10,570</b>	<b>-</b>	<b>10,570</b>	<b>-</b>	<b>10,570</b>
11190	<b>Unit Months Available</b>	<b>3,146</b>	<b>15,180</b>	<b>-</b>	<b>18,326</b>	<b>-</b>	<b>18,326</b>
11210	<b>Unit Months Leased</b>	<b>3,009</b>	<b>11,598</b>	<b>-</b>	<b>14,607</b>	<b>-</b>	<b>14,607</b>

## Housing Authority of the City of Hammond, Indiana

### Financial Data Schedule December 31, 2020

Line Item No.	Account Description	Section 8 Voucher 14.871	Family Self Sufficiency 14.896	Public Housing Cares Act 14.PHC	HCV Cares Act 14.HCC	Blended Component Units	Discrete Component Units	Total
111	Cash-unrestricted	\$ 13,764	\$ -	\$ -	\$ -	\$ 643,028	\$ 957,457	\$ 1,614,249
113	Cash-other restricted	154,769	-	-	96,850	-	605,991	857,610
114	Cash-tenant security deposits	-	-	-	-	-	193,575	193,575
100	<b>Total Cash</b>	<u>168,533</u>	<u>-</u>	<u>-</u>	<u>96,850</u>	<u>643,028</u>	<u>1,757,023</u>	<u>2,665,434</u>
125	Account receivable - miscellaneous	-	-	-	-	23,421	58,024	81,445
126	Accounts receivable - tenants	-	-	-	-	-	55,701	55,701
126.1	Allowance for doubtful accounts - tenants	-	-	-	-	-	(6,041)	(6,041)
120	<b>Total receivables, net of allowance for doubtful accounts</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>23,421</u>	<u>107,684</u>	<u>131,105</u>
132	Investments - restricted	-	-	-	-	-	1,874,738	1,874,738
142	Prepaid expenses and other assets	10,379	-	-	-	-	72,771	83,150
150	<b>Total Current Assets</b>	<u>178,912</u>	<u>-</u>	<u>-</u>	<u>96,850</u>	<u>666,449</u>	<u>3,812,216</u>	<u>4,754,427</u>
161	Land	-	-	-	-	-	1,138,757	1,138,757
162	Buildings	-	-	-	-	-	48,554,780	48,554,780
163	Furniture, equipment and machinery - dwellings	-	-	-	-	-	1,543,695	1,543,695
164	Furniture, equipment and machinery - administration	-	-	-	-	20,949	-	20,949
165	Leasehold improvements	-	-	-	-	-	6,067,719	6,067,719
166	Accumulated depreciation	-	-	-	-	(20,949)	(15,387,844)	(15,408,793)
160	<b>Total capital assets, net of accumulated depreciation</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>41,917,107</u>	<u>41,917,107</u>
171	Notes, Loans, & mortgages receivable – Non-current	-	-	-	-	384,687	-	384,687
174	Other assets	-	-	-	-	538,489	515,363	1,053,852
176	Investment in joint venture	-	-	-	-	146,154	-	146,154
180	<b>Total Non-current Assets</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,069,330</u>	<u>42,432,470</u>	<u>43,501,800</u>
290	<b>Total Assets and Deferred Outflow of Resources</b>	<u>\$ 178,912</u>	<u>\$ -</u>	<u>\$ -</u>	<u>96,850</u>	<u>\$ 1,735,779</u>	<u>\$ 46,244,686</u>	<u>\$ 48,256,227</u>

## Housing Authority of the City of Hammond, Indiana

### Financial Data Schedule December 31, 2020

Line Item No.	Account Description	Section 8 Voucher 14.871	Family Self Sufficiency 14.896	Public Housing Cares Act 14.PHC	HCV Cares Act 14.HCC	Blended Component Units	Discrete Component Units	Total
312	Accounts payable <= 90 days	\$ 5,333	\$ -	\$ -	\$ -	\$ 2,542	\$ 25,178	\$ 33,053
321	Accrued wage/payroll taxes payable	-	-	-	-	-	29,949	29,949
325	Accrued interest payable	-	-	-	-	-	4,100	\$ 4,100
341	Tenant security deposits	-	-	-	-	-	188,184	188,184
342	Unearned revenue	-	-	-	96,850	-	27,002	123,852
345	Other current liabilities	466,270	-	-	-	-	846,988	1,313,258
346	Accrued liabilities - other	-	-	-	-	-	212,545	212,545
347	Inter program - due to	27,997	-	-	-	-	-	27,997
348	Loan liability - current	-	-	-	-	-	24,180	24,180
<b>310</b>	<b>Total Current Liabilities</b>	<b>499,600</b>	<b>-</b>	<b>-</b>	<b>96,850</b>	<b>2,542</b>	<b>1,358,126</b>	<b>1,957,118</b>
353	Non-current liabilities - other	153,938	-	-	-	399,786	379,253	932,977
355	Loan liability – Non-current	-	-	-	-	-	19,227,938	19,227,938
<b>350</b>	<b>Total Non-current liabilities</b>	<b>153,938</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>399,786</b>	<b>19,607,191</b>	<b>20,160,915</b>
<b>300</b>	<b>Total Liabilities</b>	<b>653,538</b>	<b>-</b>	<b>-</b>	<b>96,850</b>	<b>402,328</b>	<b>20,965,317</b>	<b>22,118,033</b>
508.4	Net investment in capital assets	-	-	-	-	-	41,917,107	41,917,107
511.4	Restricted net position	10,570	-	-	-	-	2,486,120	2,496,690
512.4	Unrestricted net position	(485,196)	-	-	-	1,333,451	(19,123,858)	(18,275,603)
<b>513</b>	<b>Total Equity - Net Assets/Position</b>	<b>(474,626)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,333,451</b>	<b>25,279,369</b>	<b>26,138,194</b>
<b>600</b>	<b>Total Liabilities, Deferred Inflows of Resources and Equity - Net</b>	<b>\$ 178,912</b>	<b>\$ -</b>	<b>\$ -</b>	<b>96,850</b>	<b>\$ 1,735,779</b>	<b>46,244,686</b>	<b>\$ 48,256,227</b>

## Housing Authority of the City of Hammond, Indiana

### Financial Data Schedule Year Ended December 31, 2020

Line Item No.	Account Description	Section 8 Voucher 14.871	Family Self Sufficiency 14.896	Public Housing Cares Act 14.PHC	HCV Cares Act 14.HCC	Blended Component Units	Discrete Component Units	Total
70300	Net tenant rental revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,741,903	\$ 2,741,903
70400	Tenant revenue - other	-	-	-	-	-	53,548	53,548
70500	<b>Total Tenant Revenue</b>	-	-	-	-	-	2,795,451	2,795,451
70600	HUD PHA operating grants	4,992,798	50,800	6,625	104,322	-	-	5,154,545
71100	Investment income - unrestricted	-	-	-	-	123	642	765
71400	Fraud recovery	16,394	-	-	-	-	-	16,394
71500	Other revenue	2,834	-	-	-	-	105,632	108,466
71600	Gain or loss on sale of capital assets	33,411	-	-	-	-	-	33,411
70000	<b>Total Revenue</b>	5,045,437	50,800	6,625	104,322	123	2,901,725	8,109,032
91100	Administrative salaries	281,251	-	-	-	-	447,495	728,746
91200	Auditing fees	8,025	-	-	-	2,321	-	10,346
91300	Management Fee	91,872	-	-	-	-	-	91,872
91310	Bookkeeping Fee	57,420	-	-	-	-	-	57,420
91400	Advertising and Marketing	31	-	-	-	-	-	31
91600	Office Expenses	25,125	-	-	-	34	-	25,159
91700	Legal Expense	1,766	-	-	-	69,143	-	70,909
91800	Travel	242	-	-	-	-	-	242
91900	Other	13,272	-	-	-	3,076	684,481	700,829
91000	<b>Total Operating-Administrative</b>	479,004	-	-	-	74,574	1,131,976	1,685,554
92100	Tenant services - salaries	-	37,782	-	67,105	-	-	104,887
92300	Employee benefit contributions - tenant services	-	13,018	-	25,899	-	-	38,917
92400	Tenant services - other	-	-	6,625	11,318	-	-	17,943
92500	<b>Total Tenant Services</b>	-	50,800	6,625	104,322	-	-	161,747
93100	Water	324	-	-	-	-	-	324
93200	Electricity	1,453	-	-	-	-	294,192	295,645
93300	Gas	1,165	-	-	-	-	-	1,165
93000	<b>Total Utilities</b>	2,942	-	-	-	-	294,192	297,134
94200	Ordinary maintenance and operations - materials and other	1,040	-	-	-	-	624,892	625,932
94300	Ordinary Maintenance and Operations Contracts	32,063	-	-	-	-	-	32,063
94000	<b>Total Maintenance</b>	33,103	-	-	-	-	624,892	657,995

## Housing Authority of the City of Hammond, Indiana

### Financial Data Schedule Year Ended December 31, 2020

Line Item No.	Account Description	Section 8 Voucher 14.871	Family Self Sufficiency 14.896	Public Housing Cares Act 14.PHC	HCV Cares Act 14.HCC	Blended Component Units	Discrete Component Units	Total
96110	Property Insurance	5	-	-	-	-	287,456	287,461
96120	Liability Insurance	7,314	-	-	-	-	-	7,314
96140	All other Insurance	2,000	-	-	-	1,531	-	3,531
96100	<b>Total Insurance Premiums</b>	<u>9,319</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,531</u>	<u>287,456</u>	<u>298,306</u>
96200	Other general expenses	73,042	-	-	-	114,652	60,001	247,695
96000	<b>Total Other General Expenses</b>	<u>73,042</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>114,652</u>	<u>60,001</u>	<u>247,695</u>
96710	Interest of Mortgage (or Bonds) Payable	-	-	-	-	-	527,934	527,934
96730	Amortization of Bond Issue Costs	-	-	-	-	-	29,418	29,418
96700	<b>Interest expense and Amortization cost</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>557,352</u>	<u>557,352</u>
96900	<b>Total Operating Expenses</b>	<u>597,410</u>	<u>50,800</u>	<u>6,625</u>	<u>104,322</u>	<u>190,757</u>	<u>2,955,869</u>	<u>3,905,783</u>
97000	<b>Excess Revenue Over Operating Expenses</b>	<u>4,448,027</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(190,634)</u>	<u>(54,144)</u>	<u>4,203,249</u>
97300	Housing assistance payments	4,617,644	-	-	-	-	-	4,617,644
97400	Depreciation expense	-	-	-	-	-	1,776,188	1,776,188
90000	<b>Total Expenses</b>	<u>5,215,054</u>	<u>50,800</u>	<u>6,625</u>	<u>104,322</u>	<u>190,757</u>	<u>4,732,057</u>	<u>10,299,615</u>
10080	Special items, net gain/loss	(15,659)	-	-	-	(1,318)	-	(16,977)
10100	<b>Total other financing sources (uses)</b>	<u>(15,659)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,318)</u>	<u>-</u>	<u>(16,977)</u>
10000	<b>Excess (Deficiency) of Revenue Over (Under) Expenses</b>	<u>\$ (185,276)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (191,952)</u>	<u>\$ (1,830,332)</u>	<u>\$ (2,207,560)</u>
11020	Required Annual Debt Principal Payments	-	-	-	-	-	-	-
11030	Beginning equity	(244,133)	-	-	-	1,525,403	27,109,701	28,390,971
11040	<b>Prior period adjustments, equity transfers, and correction of errors</b>	<u>(45,217)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(45,217)</u>
11170-001	Administrative Fee Equity- Beginning Balance	(340,260)	-	-	-	-	-	(340,260)
11170-010	Administrative Fee Revenue	468,908	-	-	-	-	-	468,908
11170-045	Fraud Recovery Revenue	8,197	-	-	-	-	-	8,197
11170-050	Other Revenue	36,245	-	-	-	-	-	36,245
11170-060	Total Admin Fee Revenues	513,350	-	-	-	-	-	513,350
11170-080	Total Operating Expenses	597,410	-	-	-	-	-	597,410
11170-100	Other expenses	60,876	-	-	-	-	-	60,876
11170-110	Total Expenses	658,286	-	-	-	-	-	658,286
11170-002	Net Administrative Fee	(144,936)	-	-	-	-	-	(144,936)
11170-003	Administrative Fee Equity- Ending Balance	(485,196)	-	-	-	-	-	(485,196)
11170	<b>Administrative Fee Equity</b>	<u>(485,196)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(485,196)</u>
11180-010	Housing Assistance Payments Equity - Beginning Balance	96,127	-	-	-	-	-	96,127
11180-020	Net Housing Assistance Payments	4,523,890	-	-	-	-	-	4,523,890
11180-050	Fraud Recovery Revenue	8,197	-	-	-	-	-	8,197
11180-090	Total Housing Assistance Payments Revenues	4,532,087	-	-	-	-	-	4,532,087
11180-100	Housing Assistance Payments	4,617,644	-	-	-	-	-	4,617,644
11180-130	Total Housing Assistance Payments Expenses	4,617,644	-	-	-	-	-	4,617,644
11180	<b>Housing Assistance Payments Equity</b>	<u>10,570</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>10,570</u>
11190	<b>Unit Months Available</b>	<u>10,776</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,404</u>	<u>15,180</u>
11210	<b>Unit Months Leased</b>	<u>7,662</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,936</u>	<u>11,598</u>

Housing Authority of the City of Hammond, Indiana

Financial Data Schedule  
December 31, 2020

Line Item No.	Account Description	AMP 1	AMP 2	AMP 3	AMP 4	AMP 5	Total AMPS
111	Cash-unrestricted	1,053	\$ 185,225	\$ -	\$ -	\$ -	\$ 186,278
114	Cash-tenant security deposits	-	54,297	-	-	-	54,297
100	<b>Total Cash</b>	<u>1,053</u>	<u>239,522</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>240,575</u>
125	Account receivable - miscellaneous	-	1,734	-	-	-	1,734
126	Accounts receivable - tenants	-	26,305	-	-	-	26,305
120	<b>Total receivables, net of allowance for doubtful accounts</b>	<u>-</u>	<u>28,039</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>28,039</u>
131	Investments - unrestricted	945,828	554,681	-	-	-	1,500,509
142	Prepaid expenses and other assets	1,438	35,631	-	-	-	37,069
143	Inventories	-	30,896	-	-	-	30,896
150	<b>Total Current Assets</b>	<u>948,319</u>	<u>888,769</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,837,088</u>
161	Land	188,609	105,727	-	-	-	294,336
162	Buildings	4,782	951,802	-	-	-	956,584
163	Furniture, equipment and machinery - dwellings	-	296,894	-	-	-	296,894
165	Leasehold improvements	68,196	11,697,584	-	-	-	11,765,780
166	Accumulated depreciation	(62,869)	(11,010,408)	-	-	-	(11,073,277)
160	<b>Total capital assets, net of accumulated depreciation</b>	<u>198,718</u>	<u>2,041,599</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,240,317</u>
180	<b>Total Non-current Assets</b>	<u>198,718</u>	<u>2,041,599</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,240,317</u>
290	<b>Total Assets and Deferred Outflow of Resources</b>	<u>\$ 1,147,037</u>	<u>\$ 2,930,368</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,077,405</u>

## Housing Authority of the City of Hammond, Indiana

### Financial Data Schedule December 31, 2020

Line Item No.	Account Description	AMP 1	AMP 2	AMP 3	AMP 4	AMP 5	Total AMPS
312	Accounts payable <= 90 days	\$ -	\$ 163,581	\$ -	\$ -	\$ -	\$ 163,581
341	Tenant security deposits	475	104,176	-	-	-	104,651
342	Unearned revenue	-	7,131	-	-	-	7,131
346	Accrued liabilities - other	-	3,844	-	-	-	3,844
347	Inter program - due to	8,816	9,840	-	-	-	18,656
310	<b>Total Current Liabilities</b>	<u>9,291</u>	<u>288,572</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>297,863</u>
300	<b>Total Liabilities</b>	<u>9,291</u>	<u>288,572</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>297,863</u>
508.4	Net investment in capital assets	198,718	2,041,599	-	-	-	2,240,317
512.4	Unrestricted net position	939,028	600,197	-	-	-	1,539,225
513	<b>Total Equity - Net Assets/Position</b>	<u>1,137,746</u>	<u>2,641,796</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,779,542</u>
600	<b>Total Liabilities, Deferred Inflows of Resources and Equity - Net</b>	<u>\$ 1,147,037</u>	<u>\$ 2,930,368</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,077,405</u>

# Housing Authority of the City of Hammond, Indiana

## Financial Data Schedule Year Ended December 31, 2020

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	1,168	-	1,168	503,562	-	503,562	-	-	-	-	-	-	-	-	-	\$ 504,730
70400	Tenant revenue - other	-	-	-	8,250	-	8,250	-	-	-	-	-	-	-	-	-	8,250
70500	<b>Total Tenant Revenue</b>	<b>1,168</b>	<b>-</b>	<b>1,168</b>	<b>511,812</b>	<b>-</b>	<b>511,812</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>512,980</b>
70600	HUD PHA operating grants	8,128	-	8,128	665,704	1,259,475	1,925,179	134,702	52,376	187,078	51,448	15,206	66,654	36,856	7,423	44,279	2,231,318
71100	Investment income - unrestricted	14,743	-	14,743	8,820	-	8,820	-	-	-	-	-	-	-	-	-	23,563
71500	Other revenue	10	-	10	11,833	-	11,833	-	-	-	-	-	-	-	-	-	11,843
70000	<b>Total Revenue</b>	<b>24,049</b>	<b>-</b>	<b>24,049</b>	<b>1,198,169</b>	<b>1,259,475</b>	<b>2,457,644</b>	<b>134,702</b>	<b>52,376</b>	<b>187,078</b>	<b>51,448</b>	<b>15,206</b>	<b>66,654</b>	<b>36,856</b>	<b>7,423</b>	<b>44,279</b>	<b>2,779,704</b>
91100	Administrative salaries	-	-	-	101,021	-	101,021	-	-	-	-	-	-	-	-	-	101,021
91200	Auditing fees	8,025	-	8,025	8,025	-	8,025	-	-	-	-	-	-	-	-	-	16,050
91300	Management Fee	189	-	189	146,794	121,686	268,480	-	-	-	-	-	-	-	-	-	268,669
91310	Bookkeeping Fee	23	-	23	17,445	-	17,445	-	-	-	-	-	-	-	-	-	17,468
91400	Advertising and Marketing	-	-	-	72	-	72	-	-	-	-	-	-	-	-	-	72
91500	Employee benefit contributions - administrative	-	-	-	118,833	-	118,833	-	-	-	-	-	-	-	-	-	118,833
91600	Office Expenses	186	-	186	19,116	-	19,116	-	-	-	-	-	-	-	-	-	19,302
91700	Legal Expense	-	-	-	6,160	-	6,160	-	-	-	-	-	-	-	-	-	6,160
91900	Other	-	-	-	6,568	-	6,568	-	-	-	-	-	-	-	-	-	6,568
91000	<b>Total Operating-Administrative</b>	<b>8,423</b>	<b>-</b>	<b>8,423</b>	<b>424,034</b>	<b>121,686</b>	<b>545,720</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>554,143</b>
92000	Asset Management Fee	30	-	30	23,970	-	23,970	-	-	-	-	-	-	-	-	-	24,000
92100	Tenant services - salaries	-	-	-	19,235	-	19,235	-	-	-	-	-	-	-	-	-	19,235
92400	Tenant services - other	-	-	-	17,793	-	17,793	-	-	-	-	-	-	-	-	-	17,793
92500	<b>Total Tenant Services</b>	<b>30</b>	<b>-</b>	<b>30</b>	<b>60,998</b>	<b>-</b>	<b>60,998</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>61,028</b>
93100	Water	-	-	-	28,465	-	28,465	-	-	-	-	-	-	-	-	-	28,465
93200	Electricity	-	-	-	110,693	-	110,693	-	-	-	-	-	-	-	-	-	110,693
93300	Gas	-	-	-	30,839	-	30,839	-	-	-	-	-	-	-	-	-	30,839
93800	Other utilities expense	-	-	-	35,053	-	35,053	-	-	-	-	-	-	-	-	-	35,053
93000	<b>Total Utilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>205,050</b>	<b>-</b>	<b>205,050</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>205,050</b>
94100	Ordinary maintenance and operations - labor	-	-	-	118,227	-	118,227	-	-	-	-	-	-	-	-	-	118,227
94200	Ordinary maintenance and operations - materials and other	7	-	7	55,117	-	55,117	-	-	-	-	-	-	-	-	-	55,124
94300	Ordinary Maintenance and Operations Contracts	689	-	689	188,625	-	188,625	-	-	-	-	-	-	-	-	-	189,314
94000	<b>Total Maintenance</b>	<b>696</b>	<b>-</b>	<b>696</b>	<b>361,969</b>	<b>-</b>	<b>361,969</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>362,665</b>

# Housing Authority of the City of Hammond, Indiana

## Financial Data Schedule Year Ended December 31, 2020

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	-	-	-	62,742	-	62,742	-	-	-	-	-	-	-	-	-	62,742
95000	<b>Total Protective Services</b>	-	-	-	62,742	-	62,742	-	-	-	-	-	-	-	-	-	62,742
96110	Property Insurance	155	-	155	5,573	-	5,573	-	-	-	-	-	-	-	-	-	5,728
96120	Liability Insurance	161	-	161	6,430	-	6,430	-	-	-	-	-	-	-	-	-	6,591
96140	All other Insurance	-	-	-	30,503	-	30,503	-	-	-	-	-	-	-	-	-	30,503
96100	<b>Total Insurance Premiums</b>	316	-	316	42,506	-	42,506	-	-	-	-	-	-	-	-	-	42,822
96200	Other general expenses	8,128	-	8,128	195,031	1,137,789	1,332,820	134,702	52,376	187,078	51,448	15,206	66,654	36,856	7,423	44,279	1,638,959
96400	Bad debt - tenant rents	-	-	-	19,094	-	19,094	-	-	-	-	-	-	-	-	-	19,094
96000	<b>Total Other General Expenses</b>	8,128	-	8,128	214,125	1,137,789	1,351,914	134,702	52,376	187,078	51,448	15,206	66,654	36,856	7,423	44,279	1,658,053
96900	<b>Total Operating Expenses</b>	17,593	-	17,593	1,371,424	1,259,475	2,630,899	134,702	52,376	187,078	51,448	15,206	66,654	36,856	7,423	44,279	2,946,503
97000	<b>Excess Revenue Over Operating Expenses</b>	6,456	-	6,456	(173,255)	-	(173,255)	-	-	-	-	-	-	-	-	-	(166,799)
97400	Depreciation expense	1,824	-	1,824	375,613	-	375,613	-	-	-	-	-	-	-	-	-	377,437
90000	<b>Total Expenses</b>	19,417	-	19,417	1,747,037	1,259,475	3,006,512	134,702	52,376	187,078	51,448	15,206	66,654	36,856	7,423	44,279	3,323,940
10000	<b>Excess (Deficiency) of Revenue Over (Under) Expenses</b>	\$ 4,632	\$ -	\$ 4,632	\$ (548,868)	\$ -	\$ (548,868)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (544,236)
11030	Beginning equity	748,248	-	748,248	3,132,170	-	3,132,170	(174,861)	-	(174,861)	24,535	-	24,535	-	-	-	3,730,092
11040	<b>Prior period adjustments and correction of errors</b>	384,866	-	384,866	58,494	-	58,494	174,861	-	174,861	(24,535)	-	(24,535)	-	-	-	593,686
11190	<b>Unit Months Available</b>	12	-	12	2,234	-	2,234	516	-	516	204	-	204	180	-	180	3,146
11210	<b>Unit Months Leased</b>	12	-	12	2,189	-	2,189	449	-	449	184	-	184	160	-	175	3,009

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

**Schedule of Expenditures of Federal Awards  
Year Ended December 31, 2020**

<u>Federal Grantor/Pass-Through Grantor/Program or Cluster Title</u>	<u>Federal CFDA #</u>	<u>Expenditures</u>	<u>Amounts Passed Through To Subrecipients</u>
Direct Awards			
U.S. Department of Housing & Urban Development:			
Public and Indian Housing	14.850	\$ 896,838	\$ -
COVID-19 Public and Indian Housing	14.850	<u>6,625</u>	<u>-</u>
Total Public and Indian Housing		<u>903,463</u>	<u>-</u>
Public Housing Capital Fund	14.872	1,334,480	-
Family Self Sufficiency Program	14.896	50,800	-
Housing Voucher Cluster			
Section 8 Housing Choice Vouchers	14.871	4,992,798	-
COVID-19 Section 8 Housing Choice Vouchers	14.871	<u>104,322</u>	<u>-</u>
Total Section 8 Housing Choice Vouchers		<u>5,097,120</u>	<u>-</u>
Total Housing Voucher Cluster		<u>5,097,120</u>	<u>-</u>
Total U.S. Department of Housing & Urban Development		<u>7,385,863</u>	<u>-</u>
Total Direct Federal Awards		<u>7,385,863</u>	<u>-</u>
<b>TOTAL FEDERAL AWARDS</b>		<u><u>\$ 7,385,863</u></u>	<u><u>\$ -</u></u>

See Notes to Schedule of Expenditures of Federal Awards

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

**Notes to Schedule of Expenditures of Federal Awards  
December 31, 2020**

**Note 1 - Basis of presentation**

The accompanying schedule of expenditures of federal awards (the "Schedule") 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, 2020. 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 the Housing Authority of the City Hammond, Indiana 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, wherein certain types of expenditures are not allowable or are limited as to reimbursement. 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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