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February 3, 2023

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

We have reviewed the audit report of the Housing Authority of the City of Hammond, which was opined upon by CohnReznick LLP, Independent Public Accountants, for the period January 1, 2021 to December 31, 2021. 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, 2021, and the results of its operations for the period then ended, on the basis of accounting described in the report.

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

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

A handwritten signature in cursive script that reads "Tammy R. White".

Tammy R. White, CPA
Deputy State Examiner

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

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

December 31, 2021

Housing Authority of the City of Hammond, Indiana

Table of Contents

	<u>Page</u>
Independent Auditor's Report	2
Management's Discussion and Analysis (MD&A) (Unaudited)	5
Basic Financial Statements	
Statement of Net Position	11
Statement of Revenue, Expenses and Changes in Net Position	13
Statement of Cash Flows	14
Notes to Financial Statements	16
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 <i>Government Auditing Standards</i>	31
Independent Auditor's Report on Compliance for the Major Federal Program and Report on Internal Control over Compliance in Accordance with the Uniform Guidance	33
Schedule of Findings and Questioned Costs	36
Supplementary Information	
Financial Data Schedule	38
Schedule of Expenditures of Federal Awards	50
Notes to Schedule of Expenditures of Federal Awards	51

Independent Auditor's Report

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

Report on the Audit of the Financial Statements

Opinions

We have audited 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, as of and for the year ended December 31, 2021, 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.

In our opinion, the accompanying financial statements 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, 2021, 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.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America ("GAAS") and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Housing Authority of the City of Hammond, Indiana and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions. The financial statements of the aggregate discretely presented component units were not audited in accordance with *Government Auditing Standards*.

Responsibilities of Management for the Financial Statements

The Housing Authority of the City of Hammond, Indiana's management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Housing Authority of the City of Hammond, Indiana's ability to continue as a going concern for 12 months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Housing Authority of the City of Hammond, Indiana's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Housing Authority of the City of Hammond, Indiana's ability to continue as a going concern for a reasonable period of time.

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

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 is the responsibility of management, and although not a part of the basic financial statements, is required by the *Governmental Accounting Standards* Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our

inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Housing Authority of the City of Hammond, Indiana's basic financial statements. The accompanying HUD financial data schedule is presented for purposes of additional analysis and is not a required part of the basic financial statements. The 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 21, 2022 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.

CohnReznick LLP

Charlotte, North Carolina
September 21, 2022

Housing Authority of the City of Hammond, Indiana

Management's Discussion and Analysis (MD&A) (Unaudited) December 31, 2021

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, 2021. 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, 2021. 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 \$24.9 million at December 31, 2021, and increased by \$124 thousand from \$24.7 million at December 31, 2020.
- Net capital assets were \$2.0 million at December 31, 2021, and had a decrease of \$322 thousand from \$2.3 million at December 31, 2020. This was primarily due to depreciation of assets.
- Total liabilities decreased by \$199 thousand to \$3.8 million at December 31, 2021, from \$4.0 million at December 31, 2020.
- Total net position was \$21.0 million at December 31, 2021, an increase of \$323 thousand from prior year balance of \$20.7 million.
- Total revenue was \$8.4 million at December 31, 2021, a decrease of \$963 thousand from the December 31, 2020 balance of \$9.2 million.
- Total expenses decreased by \$2.1 million to \$8.1 million at December 31, 2021 from \$10.2 million at 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:

Housing Authority of the City of Hammond, Indiana

Management's Discussion and Analysis (MD&A) (Unaudited) December 31, 2021

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

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

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

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 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.

Housing Authority of the City of Hammond, Indiana

Management's Discussion and Analysis (MD&A) (Unaudited) December 31, 2021

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.

Statement of Net Position

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

	2021	2020	Change	Percent Change
Assets				
Current assets	\$ 4,207,866	\$ 3,612,938	\$ 594,928	14.1%
Restricted assets	169,181	332,767	(163,586)	-96.7%
Capital assets, net	2,001,975	2,323,878	(321,903)	-16.1%
Noncurrent assets	18,480,771	18,466,213	14,558	0.1%
Total assets	\$ 24,859,793	\$ 24,735,796	\$ 123,997	0.5%
Liabilities				
Current liabilities	\$ 323,493	\$ 543,315	\$ (219,822)	-68.0%
Noncurrent liabilities	3,516,789	3,495,900	20,889	0.6%
Total liabilities	3,840,282	4,039,215	(198,933)	-5.2%
Net Position				
Net investment in capital assets	2,001,975	2,323,878	(321,903)	-16.1%
Restricted	11,461	10,570	891	7.8%
Unrestricted	19,006,075	18,362,133	643,942	3.4%
Total net position	21,019,511	20,696,581	322,930	1.5%
Total liabilities and net position	\$ 24,859,793	\$ 24,735,796	\$ 123,997	0.5%

The Authority's total net position at December 31, 2021 and 2020 was approximately \$21.0 million.

Housing Authority of the City of Hammond, Indiana

**Management's Discussion and Analysis (MD&A)
(Unaudited)
December 31, 2021**

Capital Assets

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

	<u>2021</u>	<u>2020</u>
Land	\$ 374,408	\$ 374,408
Buildings and improvements	12,957,036	12,957,036
Furniture, equipment, and machinery	544,649	565,598
Accumulated depreciation	<u>(11,874,118)</u>	<u>(11,573,164)</u>
Total	<u>\$ 2,001,975</u>	<u>\$ 2,323,878</u>

Depreciation expense was \$321,903. 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 \$3,225,854.

Total liabilities decreased by \$199 thousand or 5.2% to \$3.8 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.

	<u>2021</u>	<u>2020</u>	<u>Change</u>	<u>Percent Change</u>
Operating revenues and expenses				
Operating revenues	\$ 1,234,503	\$ 1,552,634	\$ (318,131)	-25.8%
Governmental operating revenues	6,572,655	7,385,863	(813,208)	-12.4%
Depreciation expense	(321,903)	(432,855)	110,952	-34.5%
Other operating expenses	<u>(7,762,347)</u>	<u>(9,676,863)</u>	1,914,516	-24.7%
Operating income (loss)	<u>(277,092)</u>	<u>(1,171,221)</u>	894,129	-322.7%
Non-operating revenues and expenses				
Interest revenue	360,263	192,288	167,975	-100.0%
Other non-routine revenues/(expenses)	<u>239,759</u>	<u>(51,344)</u>	291,103	121.4%
Change in net position	322,930	(1,030,277)	1,353,207	419.0%
Net Position, beginning	<u>20,696,581</u>	<u>21,726,858</u>	<u>(1,030,277)</u>	-5.0%
Net Position, end	<u>\$ 21,019,511</u>	<u>\$ 20,696,581</u>	<u>\$ 322,930</u>	1.5%

Housing Authority of the City of Hammond, Indiana

Management's Discussion and Analysis (MD&A) (Unaudited) December 31, 2021

The Authority's total operating revenues decreased to \$7.8 million by \$1.1 million or 12.7 percent for the year ended December 31, 2021.

Total operating expenses, including depreciation decreased by \$2.0 million or 20.0 percent for a total balance of \$8.1 million for the year ended December 31, 2021. Changes are shown in the table below:

	Year ended December 31,		Change	Percent Change
	2021	2020		
Expenses				
Administrative	\$ 1,083,719	\$ 1,690,031	\$ (606,312)	-35.9%
Tenant services	283,002	220,016	62,986	28.6%
Utilities	244,381	226,268	18,113	8.0%
Maintenance and operations	649,236	821,490	(172,254)	-21.0%
Protective services	77,118	217,220	(140,102)	-64.5%
General	847,332	1,884,194	(1,036,862)	-55.0%
Housing assistance payments	4,577,559	4,617,644	(40,085)	-0.9%
Depreciation	321,903	432,855	(110,952)	-25.6%
Total operating expenses	<u>\$ 8,084,250</u>	<u>\$ 10,109,718</u>	<u>\$ (2,025,468)</u>	<u>-20.0%</u>

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.

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 with continuous improvements for the Hammond Housing Authority. Ongoing capital improvements specifically for Turner Park. Another year of continued progress, persistence, productivity and pride can define the activities that encompass the year.

Housing Authority of the City of Hammond, Indiana

Management's Discussion and Analysis (MD&A)

(Unaudited)

December 31, 2021

Economic Outlook

The Hammond Housing Authority is primarily depended upon HUD for the funding of its programs; therefore, the Authority is affected more by the federal budget than by local economic conditions. The funding of programs are always affected by the future federal budget.

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 currently unable to fully determine the extent of COVID-19's impact on its business in future periods. The Authority's performance in future periods will be heavily influenced by the timing, length, and intensity of any business disruptions from COVID-19 and the related effects on the Authority's operations. Management continues to monitor the results of operations to evaluate the actual and potential economic impact on the Authority.

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, 2021**

Assets

	Primary Government	Discrete Component Units	Total Reporting Entity
	<u> </u>	<u> </u>	<u> </u>
Current Assets			
Cash and cash equivalents - unrestricted	\$ 2,377,485	\$ 1,187,725	\$ 3,565,210
Investments - unrestricted	1,561,213	-	1,561,213
Accounts receivable - tenants (net of allowance)	6,649	26,611	33,260
Accounts receivable - other	173,752	174,247	347,999
Inventories	30,896	-	30,896
Prepaid expenses	57,871	95,810	153,681
	<u>4,207,866</u>	<u>1,484,393</u>	<u>5,692,259</u>
 Restricted Assets			
Cash and cash equivalents - restricted	169,181	624,606	793,787
Investments - restricted	-	1,753,798	1,753,798
	<u>169,181</u>	<u>2,378,404</u>	<u>2,547,585</u>
 Capital Assets			
Land	374,408	1,138,757	1,513,165
Buildings and improvements	12,957,036	54,825,875	67,782,911
Furniture, equipment and machinery	544,649	1,618,919	2,163,568
	13,876,093	57,583,551	71,459,644
Less accumulated depreciation	<u>(11,874,118)</u>	<u>(17,177,303)</u>	<u>(29,051,421)</u>
	<u>2,001,975</u>	<u>40,406,248</u>	<u>42,408,223</u>
 Noncurrent Assets			
Notes receivable - discrete component units	14,839,394	-	14,839,394
Investments in joint ventures	146,154	-	146,154
Other assets	3,495,223	485,499	3,980,722
	<u>18,480,771</u>	<u>485,499</u>	<u>18,966,270</u>
 Total Assets	<u>\$ 24,859,793</u>	<u>\$ 44,754,544</u>	<u>\$ 69,614,337</u>

Housing Authority of the City of Hammond, Indiana

**Statement of Net Position
December 31, 2021**

Liabilities and Net Position

	<u>Primary Government</u>	<u>Discrete Component Units</u>	<u>Total Reporting Entity</u>
Current Liabilities			
Accounts payable	\$ 175,019	\$ 26,489	\$ 201,508
Accounts payable - HUD	46	-	46
Accrued interest payable	-	7,000	7,000
Current portion of long-term debt	-	24,180	24,180
Accrued wages and payroll taxes payable	-	4,059	4,059
Tenant security deposits	108,717	186,924	295,641
Unearned revenues	9,782	52,374	62,156
Other current liabilities	26,085	896,246	922,331
Accrued liabilities - other	3,844	240,864	244,708
	<u>323,493</u>	<u>1,438,136</u>	<u>1,761,629</u>
Noncurrent Liabilities			
Other noncurrent liabilities	3,516,789	266,346	3,783,135
Long-term debt, net of current portion	<u>-</u>	<u>19,315,465</u>	<u>19,315,465</u>
	<u>3,516,789</u>	<u>19,581,811</u>	<u>23,098,600</u>
Total Liabilities	<u>3,840,282</u>	<u>21,019,947</u>	<u>24,860,229</u>
Net Position			
Net investment in capital assets	2,001,975	21,083,783	23,085,758
Restricted			
Voucher programs reserve	11,461	2,191,480	2,202,941
Unrestricted net position	<u>19,006,075</u>	<u>459,334</u>	<u>19,465,409</u>
	<u>21,019,511</u>	<u>23,734,597</u>	<u>44,754,108</u>
Total Liabilities and Net Position	<u>\$ 24,859,793</u>	<u>\$ 44,754,544</u>	<u>\$ 69,614,337</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, 2021**

	Primary Government	Discrete Component Units	Total Reporting Entity
Operating Revenue			
Net tenant rental revenue	\$ 615,075	\$ 3,246,048	\$ 3,861,123
HUD operating grants	6,572,655	-	6,572,655
Other revenue	619,428	79,789	699,217
Total Operating Revenue	<u>7,807,158</u>	<u>3,325,837</u>	<u>11,132,995</u>
Operating Expenses			
Administrative	1,083,719	1,226,793	2,310,512
Tenant services	283,002	-	283,002
Utilities	244,381	368,256	612,637
Maintenance and operations	649,236	515,279	1,164,515
Protective services	77,118	-	77,118
General	847,332	411,501	1,258,833
Housing assistance payments	4,577,559	-	4,577,559
Amortization	-	21,783	21,783
Depreciation	321,903	1,789,459	2,111,362
Total Operating Expenses	<u>8,084,250</u>	<u>4,333,071</u>	<u>12,417,321</u>
Operating Income (Loss)	<u>(277,092)</u>	<u>(1,007,234)</u>	<u>(1,284,326)</u>
Non-Operating Revenue (Expenses)			
Other revenue (expenses)	239,759	-	239,759
Interest expense	-	(539,437)	(539,437)
Notes receivable interest income	357,039	-	357,039
Interest income - unrestricted	3,224	1,899	5,123
Total Non-Operating Revenue (Expenses)	<u>600,022</u>	<u>(537,538)</u>	<u>62,484</u>
Change in Net Position	322,930	(1,544,772)	(1,221,842)
Net Position - Beginning	<u>20,696,581</u>	<u>25,279,369</u>	<u>45,975,950</u>
Net Position - End	<u><u>\$ 21,019,511</u></u>	<u><u>\$ 23,734,597</u></u>	<u><u>\$ 44,754,108</u></u>

See Notes to Financial Statements.

Housing Authority of the City of Hammond, Indiana

**Statement of Cash Flows
Year Ended December 31, 2021**

	<u>Primary Government</u>
Cash flows from operating activities	
Dwelling rent receipts	\$ 544,598
Operating subsidy and grant receipts	6,545,850
Other income receipts	<u>518,890</u>
Total receipts	<u>7,609,338</u>
Payments to vendors	(2,446,364)
Payments to employees	(840,638)
Housing assistance payments	<u>(4,577,559)</u>
Total disbursements	<u>(7,864,561)</u>
Net cash used in operating activities	<u>(255,223)</u>
Cash flows from investing activities	
Investment income	3,224
Interest received on notes receivable	357,039
Increase in other assets	(55,798)
Developer fee receipts	112,907
Payment of co-development fees	(50,778)
Proceeds from sales of investments	60,040
Purchases of investments	<u>(3,224)</u>
Net cash provided by investing activities	<u>423,410</u>
Cash flows from capital and related financing activities	
Non-operating revenues	<u>239,759</u>
Net cash provided by capital and related financing activities	<u>239,759</u>
Net increase in cash and cash equivalents	407,946
Cash and cash equivalents, beginning	<u>2,138,720</u>
Cash and cash equivalents, end	<u>\$ 2,546,666</u>
Reconciliation to Statement of Net Position:	
Cash and cash equivalents - unrestricted	\$ 2,377,485
Cash and cash equivalents - restricted	<u>169,181</u>
Total	<u>\$ 2,546,666</u>

Housing Authority of the City of Hammond, Indiana

Statement of Cash Flows
Year Ended December 31, 2021

	<u>Primary Government</u>
Reconciliation of operating income (loss) to net cash used in operating activities	
Operating income (loss)	<u>\$ (277,092)</u>
Adjustments to reconcile operating income (loss) to net cash used in operating activities	
Depreciation	321,903
Bad debt expense	23,633
Changes in asset and liability accounts	
(Increase) decrease in assets	
Accounts receivable - tenants	(3,977)
Accounts receivable - other	(100,538)
Prepaid expenses	670
Increase (decrease) in liabilities	
Accounts payable	(47,067)
Accounts payable - HUD	(26,805)
Tenant security deposits payable	4,066
Accrued wages and payroll taxes payable	(81,902)
Other current liabilities	26,085
Unearned revenues	<u>(94,199)</u>
Total adjustments	<u>21,869</u>
Net cash used in operating activities	<u><u>\$ (255,223)</u></u>

See Notes to Financial Statements.

Housing Authority of the City of Hammond, Indiana

Notes to Financial Statements December 31, 2021

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, 2021

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 an 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, 2021**

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.

Concentration of 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, 2021

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, 2021.

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 Revenues.

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 2021, salary deferral could not exceed \$19,500.

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, 2021

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, 2021**

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. 98, *The Annual Comprehensive Financial Report*. This statement establishes the term *annual comprehensive financial report* and its acronym (ACFR). The new term and acronym replace instance of *comprehensive annual financial report* and its acronym in generally accepted accounting principles for state and local governments. This statement is effective for financial statements with period ending after December 15, 2021. Management is currently evaluating the impact of adopting this standard.

The GASB issued Statement No. 99, *Omnibus 2022*. GASB Statement No. 99 addresses a variety of topics including, among other things, Accounting and Financial Reporting for Derivative Instruments, Leases, Public-Private and Public-Public Partnerships and Availability Payment Arrangements, and Subscription-Based Information Technology Arrangements. This statement is effective for financial statements with periods beginning after June 15, 2021 through June 15, 2023. Management is currently evaluating the impact of adopting this standard.

The GASB issued Statement No. 100, *Accounting Changes and Error Corrections*, effective for financial statements with periods beginning after June 15, 2023. Management is currently evaluating the impact of adopting this standard.

The GASB issued Statement No. 101, *Compensated Absences*, effective for financial statements beginning after December 15, 2023. 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.

Housing Authority of the City of Hammond, Indiana

**Notes to Financial Statements
December 31, 2021**

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 pledged to the political subdivision. Pursuant to HUD restrictions, obligations of the United States are allowed as security for deposits. Obligations furnished as security must be held by the Authority or with an unaffiliated bank or trust company for the account of the Authority.

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, 2021, 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	\$ 2,546,666	\$ 2,588,899	\$ 541,257	\$ 2,047,642
Investment account - money market	1,561,213	1,561,213	-	1,561,213
	<u>\$ 4,107,879</u>	<u>\$ 4,150,112</u>	<u>\$ 541,257</u>	<u>\$ 3,608,855</u>

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

Cash and cash equivalents - unrestricted	\$ 2,377,485
Cash and cash equivalents - restricted	169,181
Investments - unrestricted	<u>1,561,213</u>
Total	<u><u>\$ 4,107,879</u></u>

Housing Authority of the City of Hammond, Indiana

**Notes to Financial Statements
December 31, 2021**

Note 3 - Restricted cash and investments

Restricted cash and investments as of December 31, 2021 for the primary government consisted of the following:

Tenant security deposits	\$ 59,536
HCV reserve	11,461
FSS escrow	98,138
Other restricted cash	<u>46</u>
Total restricted cash	<u><u>\$ 169,181</u></u>

Restricted cash and investments as of December 31, 2021 for the discrete component units consisted of the following:

Tenant security deposits	\$ 195,713
Mortgage escrows	428,893
Project reserves	<u>1,753,798</u>
Total restricted cash and investments	<u><u>\$ 2,378,404</u></u>

Note 4 - Accounts receivable

At December 31, 2021, accounts receivable for the primary government totaled \$180,401 and consisted of the following:

Accounts receivable - tenants, net of allowance of \$0	\$ 6,649
Accounts receivable - DCUs	<u>173,752</u>
	<u><u>\$ 180,401</u></u>

The Authority reviews the accounts receivable periodically. In fiscal year 2021, 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, 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, 2021 were as follows:

Saxony Townhomes	\$ 258,365
Flagstone Village	<u>7,981</u>
	<u><u>\$ 266,346</u></u>

Housing Authority of the City of Hammond, Indiana

Notes to Financial Statements December 31, 2021

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, 2021, the outstanding development consulting fees payable totaled \$189,780, 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, 2021, the mortgage receivable was \$846,000 with accrued interest of \$527,208.
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, 2021, \$6,664,766 was outstanding with accrued interest of \$759,755.
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, 2021, the mortgage receivable was \$3,313,941 with accrued interest of \$758,603.
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, 2021 \$3,630,000 was outstanding with accrued interest of \$1,004,767.
5. HEH entered into an agreement with Golden Manor, LP on June 26, 2010 to loan the partnership 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, 2021, Golden Manor, LP owed HEH \$134,687 with accrued interest of \$138,013.

Housing Authority of the City of Hammond, Indiana

**Notes to Financial Statements
December 31, 2021**

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, 2021, AHH1 owed HEH \$250,000 with accrued interest of \$37,502.

	Note	Accrued Interest
American Heartland Homes One, LLC	\$ 846,000	\$ 527,208
American Heartland Homes One, LLC	6,664,766	759,755
American Heartland Homes Two, LLC	3,313,941	758,603
Flagstone Village, LLC	3,630,000	1,004,767
Golden Manor, LP	134,687	138,013
American Heartland Homes One, LLC	250,000	37,502
	\$ 14,839,394	\$ 3,225,848

The Authority recognizes interest income from the notes receivable when cash payments are received. During the year ended December 31, 2021, the Authority recognized interest income of \$357,039. Accrued but unpaid interest under the terms of the loan agreements totaled \$3,225,848 at December 31, 2021, 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, 2021 and the year then ended are as follows:

	Balance December 31, 2020	Additions	Transfers, Reclassifications and Deletions	Balance December 31, 2021
Non-depreciable				
Land	\$ 374,408	\$ -	\$ -	\$ 374,408
Depreciable				
Buildings and improvements	12,957,036	-	-	12,957,036
Furniture and equipment	565,598	-	(20,949)	544,649
	13,897,042	-	(20,949)	13,876,093
Accumulated depreciation				
Buildings and improvements	(11,007,566)	(321,903)	-	(11,329,469)
Furniture and equipment	(565,598)	-	20,949	(544,649)
Total accumulated depreciation	(11,573,164)	(321,903)	20,949	(11,874,118)
Total capital assets, net	\$ 2,323,878	\$ (321,903)	\$ -	\$ 2,001,975

Housing Authority of the City of Hammond, Indiana

**Notes to Financial Statements
December 31, 2021**

Summaries of the discretely presented component units' capital asset balances and activity as of December 31, 2021 and the year then ended are as follows:

	Balance December 31, 2020	Additions	Transfers, Reclassifications and Deletions	Balance December 31, 2021
Non-depreciable				
Land	\$ 1,138,757	\$ -	\$ -	\$ 1,138,757
Depreciable				
Buildings and improvements	54,622,499	203,376	-	54,825,875
Furniture and equipment	1,543,695	75,224	-	1,618,919
	<u>57,304,951</u>	<u>278,600</u>	<u>-</u>	<u>57,583,551</u>
Accumulated depreciation				
Buildings and improvements	(13,944,392)	(1,734,517)	-	(15,678,909)
Furniture and equipment	(1,443,452)	(54,942)	-	(1,498,394)
	<u>(15,387,844)</u>	<u>(1,789,459)</u>	<u>-</u>	<u>(17,177,303)</u>
Total accumulated depreciation	<u>(15,387,844)</u>	<u>(1,789,459)</u>	<u>-</u>	<u>(17,177,303)</u>
Total capital assets, net	<u>\$ 41,917,107</u>	<u>\$ (1,510,859)</u>	<u>\$ -</u>	<u>\$ 40,406,248</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, 2021 was \$1,412,412.

Housing Authority of the City of Hammond, Indiana

**Notes to Financial Statements
December 31, 2021**

Note 9 - Condensed financial statements - Discrete Component Units

	<u>AHH1</u>	<u>AHH2</u>	<u>Flagstone</u>	<u>Golden Manor</u>	<u>Saxony</u>	<u>Total</u>
Assets						
Current assets	\$ 1,153,115	\$ 946,049	\$ 941,025	\$ 258,258	\$ 564,350	\$ 3,862,797
Noncurrent assets	75,032	40,767	344,137	5,722	19,841	485,499
Capital assets, net	<u>10,246,501</u>	<u>7,324,787</u>	<u>11,739,009</u>	<u>5,374,578</u>	<u>5,721,373</u>	<u>40,406,248</u>
Total assets	<u>\$ 11,474,648</u>	<u>\$ 8,311,603</u>	<u>\$ 13,024,171</u>	<u>\$ 5,638,558</u>	<u>\$ 6,305,564</u>	<u>\$ 44,754,544</u>
Liabilities						
Current liabilities	\$ 189,246	\$ 407,659	\$ 306,084	\$ 296,659	\$ 238,488	\$ 1,438,136
Noncurrent liabilities	<u>9,085,233</u>	<u>4,072,544</u>	<u>4,642,750</u>	<u>134,687</u>	<u>1,646,597</u>	<u>19,581,811</u>
Total liabilities	<u>9,274,479</u>	<u>4,480,203</u>	<u>4,948,834</u>	<u>431,346</u>	<u>1,885,085</u>	<u>21,019,947</u>
Net position						
Net investment in capital assets	1,161,268	3,252,243	7,104,240	5,239,891	4,326,141	21,083,783
Restricted	771,598	614,056	442,868	93,431	269,527	2,191,480
Unrestricted	<u>267,303</u>	<u>(34,899)</u>	<u>528,229</u>	<u>(126,110)</u>	<u>(175,189)</u>	<u>459,334</u>
Total net position	<u>2,200,169</u>	<u>3,831,400</u>	<u>8,075,337</u>	<u>5,207,212</u>	<u>4,420,479</u>	<u>23,734,597</u>
Total liabilities and net position	<u>\$ 11,474,648</u>	<u>\$ 8,311,603</u>	<u>\$ 13,024,171</u>	<u>\$ 5,638,558</u>	<u>\$ 6,305,564</u>	<u>\$ 44,754,544</u>

Housing Authority of the City of Hammond, Indiana

**Notes to Financial Statements
December 31, 2021**

	<u>AHH1</u>	<u>AHH2</u>	<u>Flagstone</u>	<u>Golden Manor</u>	<u>Saxony</u>	<u>Total</u>
Operating revenues						
Dwelling rent	\$ 960,397	\$ 548,761	\$ 641,425	\$ 492,085	\$ 603,380	\$ 3,246,048
Total operating revenues	<u>960,397</u>	<u>548,761</u>	<u>641,425</u>	<u>492,085</u>	<u>603,380</u>	<u>3,246,048</u>
Operating expenses						
Administration	345,095	222,216	248,642	206,823	211,489	1,234,265
Utility services	123,483	61,664	51,711	73,337	58,061	368,256
Ordinary maintenance	132,004	44,290	122,118	108,580	108,287	515,279
General	97,917	72,645	107,046	65,567	60,854	404,029
Depreciation and amortization	<u>374,103</u>	<u>285,930</u>	<u>644,600</u>	<u>224,765</u>	<u>281,844</u>	<u>1,811,242</u>
Total operating expenses	<u>1,072,602</u>	<u>686,745</u>	<u>1,174,117</u>	<u>679,072</u>	<u>720,535</u>	<u>4,333,071</u>
Operating income (loss)	<u>(112,205)</u>	<u>(137,984)</u>	<u>(532,692)</u>	<u>(186,987)</u>	<u>(117,155)</u>	<u>(1,087,023)</u>
Non-operating revenues (expenses)						
Interest revenue	-	-	-	185	1,714	1,899
Interest expense	(154,824)	(122,377)	(197,969)	(12,738)	(51,529)	(539,437)
Other non-operating revenues (expenses)	<u>34,295</u>	<u>8,033</u>	<u>36,254</u>	<u>617</u>	<u>590</u>	<u>79,789</u>
Total non-operating revenues (expenses)	<u>(120,529)</u>	<u>(114,344)</u>	<u>(161,715)</u>	<u>(11,936)</u>	<u>(49,225)</u>	<u>(457,749)</u>
Change in net position	(232,734)	(252,328)	(694,407)	(198,923)	(166,380)	(1,544,772)
Net position, beginning	<u>2,432,903</u>	<u>4,083,728</u>	<u>8,769,744</u>	<u>5,406,135</u>	<u>4,586,859</u>	<u>25,279,369</u>
Net position, end	<u>\$ 2,200,169</u>	<u>\$ 3,831,400</u>	<u>\$ 8,075,337</u>	<u>\$ 5,207,212</u>	<u>\$ 4,420,479</u>	<u>\$ 23,734,597</u>

Housing Authority of the City of Hammond, Indiana

Notes to Financial Statements
December 31, 2021

Note 10 - Condensed financial statements - Blended Component Unit

	<u>HEH</u>
Assets	
Current assets	\$ 484,439
Noncurrent assets	<u>972,702</u>
Total assets	<u>\$ 1,457,141</u>
Liabilities	
Noncurrent liabilities	<u>\$ 365,295</u>
Total liabilities	<u>365,295</u>
Net position	
Unrestricted	<u>1,091,846</u>
Total net position	<u>1,091,846</u>
Total liabilities and net position	<u>\$ 1,457,141</u>
	<u>HEH</u>
Operating revenues	
Other revenue	<u>\$ 2,021</u>
Total operating revenues	<u>2,021</u>
Operating expenses	
Administration	237,708
Ordinary maintenance	165
General	<u>5,753</u>
Total operating expenses	<u>243,626</u>
Operating income (loss)	<u>(241,605)</u>
Change in net position	(241,605)
Net position, beginning	<u>1,333,451</u>
Net position, end	<u>\$ 1,091,846</u>

Housing Authority of the City of Hammond, Indiana

**Notes to Financial Statements
December 31, 2021**

	<u>HEH</u>
Cash flows from (used in) operating activities	\$ (241,605)
Cash flows from (used by) investing activities	57,875
Cash flows from (used by) capital and related financing activities	<u>-</u>
Net increase (decrease) in cash	(183,730)
Beginning cash	<u>643,028</u>
Ending cash	<u><u>\$ 459,298</u></u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities	
Operating income (loss)	<u>\$ (241,605)</u>
Net cash provided used in operating activities	<u><u>\$ (241,605)</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 currently unable to fully determine the extent of COVID-19's impact on its business in future periods. The Authority's performance in future periods will be heavily influenced by the timing, length, and intensity of any business disruptions from COVID-19 and the related effects on the Authority's operations. Management continues to monitor the results of operations to evaluate the actual and potential economic impact on the Authority.

Note 12 - Economic dependency

The Authority received approximately 89% 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 21, 2022 (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 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, 2021, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated September 21, 2022. The financial statements of the aggregate discretely presented component units were not audited in accordance with *Government Auditing Standards*.

Report on Internal Control over Financial Reporting

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

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

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

Report on 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 21, 2022

Independent Auditor's Report on Compliance for the Major Federal Program and
Report on Internal Control over Compliance in Accordance with the Uniform Guidance

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

Report on Compliance for the Major Federal Program

Opinion on the Major Federal Program

We have audited the Housing Authority of the City of Hammond, Indiana's compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on the Housing Authority of the City of Hammond, Indiana's major federal program for the year ended December 31, 2021. 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.

In our opinion, the Housing Authority of the City of Hammond, Indiana complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended December 31, 2021.

Basis for Opinion on the Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America ("GAAS"); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance"). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Housing Authority of the City of Hammond, Indiana's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting

material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Housing Authority of the City of Hammond, Indiana's compliance with the requirements of the major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Housing Authority of the City of Hammond, Indiana's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Housing Authority of the City of Hammond, Indiana's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Housing Authority of the City of Hammond, Indiana's internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Internal Control over Compliance

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

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

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

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

CohnReznick LLP

Charlotte, North Carolina
September 21, 2022

Housing Authority of the City of Hammond, Indiana

Schedule of Findings and Questioned Costs
Year Ended December 31, 2021

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:

- ALN 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, 2021

Line Item No.	Account Description	Project Totals	Program Totals	Central Office Cost Center	Subtotal	Elimination	Total
111	Cash-unrestricted	\$ 337,348	\$ 1,724,348	\$ 1,503,514	\$ 3,565,210	\$ -	\$ 3,565,210
113	Cash-other restricted	-	538,492	46	538,538	-	538,538
114	Cash-tenant security deposits	59,536	195,713	-	255,249	-	255,249
100	Total Cash	396,884	2,458,553	1,503,560	4,358,997	-	4,358,997
121	Accounts receivable - PHA projects	8,975	-	-	8,975	-	8,975
125	Account receivable - miscellaneous	-	201,463	137,561	339,024	-	339,024
126	Accounts receivable - tenants	6,649	34,061	-	40,710	-	40,710
126.1	Allowance for doubtful accounts - tenants	-	(7,450)	-	(7,450)	-	(7,450)
120	Total receivables, net of allowance for doubtful accounts	15,624	228,074	137,561	381,259	-	381,259
131	Investments - unrestricted	1,443,582	-	117,631	1,561,213	-	1,561,213
132	Investments - restricted	-	1,753,798	-	1,753,798	-	1,753,798
142	Prepaid expenses and other assets	29,555	120,687	3,439	153,681	-	153,681
143	Inventories	30,896	-	-	30,896	-	30,896
144	Inter program - due from	22,680	-	602,883	625,563	(625,563)	-
150	Total Current Assets	1,939,221	4,561,112	2,365,074	8,865,407	(625,563)	8,239,844
161	Land	294,336	1,138,757	80,072	1,513,165	-	1,513,165
162	Buildings	956,584	48,758,156	199,692	49,914,432	-	49,914,432
163	Furniture, equipment and machinery - dwellings	296,894	1,618,919	-	1,915,813	-	1,915,813
164	Furniture, equipment and machinery - administration	-	-	247,755	247,755	-	247,755
165	Leasehold improvements	11,765,780	6,067,719	34,980	17,868,479	-	17,868,479
166	Accumulated depreciation	(11,391,336)	(17,177,303)	(482,782)	(29,051,421)	-	(29,051,421)
160	Total capital assets, net of accumulated depreciation	1,922,258	40,406,248	79,717	42,408,223	-	42,408,223
171	Notes, Loans, & mortgages receivable – Non-current	-	384,687	14,454,707	14,839,394	-	14,839,394
174	Other assets	-	927,360	3,053,362	3,980,722	-	3,980,722
176	Investment in joint venture	-	146,154	-	146,154	-	146,154
180	Total Non-current Assets	1,922,258	41,864,449	17,587,786	61,374,493	-	61,374,493
290	Total Assets and Deferred Outflow of Resources	\$ 3,861,479	\$ 46,425,561	\$ 19,952,860	\$ 70,239,900	\$ (625,563)	\$ 69,614,337

Housing Authority of the City of Hammond, Indiana

Financial Data Schedule December 31, 2021

Line Item No.	Account Description	Project Totals	Program Totals	Central Office Cost Center	Subtotal	Elimination	Total
312	Accounts payable <= 90 days	\$ 173,580	\$ 26,489	\$ 1,439	\$ 201,508	\$ -	\$ 201,508
321	Accrued wage/payroll taxes payable	-	4,059	0	4,059	-	4,059
325	Accrued interest payable	-	7,000	-	7,000	-	7,000
331	Accounts payable - HUD PHA Programs	-	-	46	46	-	46
341	Tenant security deposits	108,717	186,924	-	295,641	-	295,641
342	Unearned revenue	9,782	52,374	-	62,156	-	62,156
345	Other current liabilities	10,543	901,517	10,271	922,331	-	922,331
346	Accrued liabilities - other	3,844	240,864	-	244,708	-	244,708
347	Inter program - due to	74,128	551,149	286	625,563	(625,563)	-
348	Loan liability - current	-	24,180	-	24,180	-	24,180
310	Total Current Liabilities	380,594	1,994,556	12,042	2,387,192	(625,563)	1,761,629
351	Capital Projects/ Mortgage Revenue Bonds	-	19,315,465	-	19,315,465	-	19,315,465
353	Non-current liabilities - other	-	729,779	3,053,356	3,783,135	-	3,783,135
350	Total Non-Current Liabilities	-	20,045,244	3,053,356	23,098,600	-	23,098,600
300	Total Liabilities	380,594	22,039,800	3,065,398	25,485,792	(625,563)	24,860,229
508.4	Net investment in capital assets	1,922,258	21,083,783	79,717	23,085,758	-	23,085,758
511.4	Restricted net position	-	2,202,941	-	2,202,941	-	2,202,941
512.4	Unrestricted net position	1,558,627	1,099,037	16,807,745	19,465,409	-	19,465,409
513	Total Equity - Net Assets/Position	3,480,885	24,385,761	16,887,462	44,754,108	-	44,754,108
600	Total Liabilities, Deferred Inflows of Resources and Equity - Net	\$ 3,861,479	\$ 46,425,561	\$ 19,952,860	\$ 70,239,900	\$ (625,563)	\$ 69,614,337

Housing Authority of the City of Hammond, Indiana

Financial Data Schedule Year Ended December 31, 2021

Line Item No.	Account Description	Project Totals	Program Totals	Central Office Cost Center	Subtotal	Elimination	Total
70300	Net tenant rental revenue	\$ 582,808	\$ 3,182,973	\$ -	\$ 3,765,781	\$ -	\$ 3,765,781
70400	Tenant revenue - other	32,267	63,075	-	95,342	-	95,342
70500	Total Tenant Revenue	615,075	3,246,048	-	3,861,123	-	3,861,123
70600	HUD PHA operating grants	1,239,656	5,332,999	-	6,572,655	-	6,572,655
70710	Management Fee	-	-	353,584	353,584	(221,437)	132,147
70720	Asset Management Fee	-	-	32,800	32,800	(23,630)	9,170
70730	Bookkeeping Fee	-	-	82,608	82,608	(76,468)	6,140
70750	Other Fees	-	-	261,420	261,420	(113,292)	148,128
70700	Total Fee Revenue	-	-	730,412	730,412	(434,827)	295,585
71100	Investment income - unrestricted	3,113	1,899	111	5,123	-	5,123
71200	Mortgage interest income	-	-	357,039	357,039	-	357,039
71400	Fraud recovery	-	22,098	-	22,098	-	22,098
71500	Other revenue	237,105	99,878	44,551	381,534	-	381,534
70000	Total Revenue	2,094,949	8,702,922	1,132,113	11,929,984	(434,827)	11,495,157
91100	Administrative salaries	93,830	643,979	217,280	955,089	-	955,089
91200	Auditing fees	10,543	10,021	5,271	25,835	-	25,835
91300	Management Fee	133,033	201,696	-	334,729	(334,729)	-
91310	Bookkeeping Fee	21,215	55,253	-	76,468	(76,468)	-
91400	Advertising and Marketing	-	58	16	74	-	74
91500	Employee benefit contributions - administrative	90,480	79,300	113,812	283,592	-	283,592
91600	Office Expenses	18,511	49,570	35,071	103,152	-	103,152
91700	Legal Expense	9,602	121,163	5,868	136,633	-	136,633
91900	Other	6,872	799,265	-	806,137	-	806,137
91000	Total Operating-Administrative	384,086	1,960,305	377,318	2,721,709	(411,197)	2,310,512
92000	Asset Management Fee	23,630	-	-	23,630	(23,630)	-
92100	Tenant services - salaries	605	131,402	-	132,007	-	132,007
92300	Employee benefit contributions - tenant services	137	70,195	-	70,332	-	70,332
92400	Tenant services - other	-	80,663	-	80,663	-	80,663
92500	Total Tenant Services	24,372	282,260	-	306,632	(23,630)	283,002
93100	Water	37,286	-	706	37,992	-	37,992
93200	Electricity	111,648	368,256	10,896	490,800	-	490,800
93300	Gas	28,286	-	2,104	30,390	-	30,390
93800	Other utilities expense	53,455	-	-	53,455	-	53,455
93000	Total Utilities	230,675	368,256	13,706	612,637	-	612,637
94100	Ordinary maintenance and operations - labor	87,430	-	48,573	136,003	-	136,003
94200	Ordinary maintenance and operations - materials and other	116,822	516,263	9,505	642,590	-	642,590
94300	Ordinary Maintenance and Operations Contracts	348,299	4,353	33,270	385,922	-	385,922
94000	Total Maintenance	552,551	520,616	91,348	1,164,515	-	1,164,515

Housing Authority of the City of Hammond, Indiana

Financial Data Schedule Year Ended December 31, 2021

Line Item No.	Account Description	Project Totals	Program Totals	Central Office Cost Center	Subtotal	Elimination	Total
95200	Protective services - other contract costs	45,736	-	31,382	77,118	-	77,118
95000	Total Protective Services	45,736	-	31,382	77,118	-	77,118
96110	Property Insurance	8,510	340,457	44	349,011	-	349,011
96120	Liability Insurance	1,342	5,356	1,103	7,801	-	7,801
96140	All other Insurance	7,180	8,088	24,274	39,542	-	39,542
96100	Total Insurance Premiums	17,032	353,901	25,421	396,354	-	396,354
96200	Other general expenses	731,960	94,002	12,884	838,846	-	838,846
96400	Bad debt - tenant rents	23,633	-	-	23,633	-	23,633
96000	Total Other General Expenses	755,593	94,002	12,884	862,479	-	862,479
96710	Interest of Mortgage (or Bonds) Payable	-	539,437	-	539,437	-	539,437
96730	Amortization of Bond Issue Costs	-	21,783	-	21,783	-	21,783
96700	Interest expense and Amortization cost	-	561,220	-	561,220	-	561,220
96900	Total Operating Expenses	2,010,045	4,140,560	552,059	6,702,664	(434,827)	6,267,837
97000	Excess Revenue Over Operating Expenses	84,904	4,562,362	580,054	5,227,320	-	5,227,320
97300	Housing assistance payments	-	4,577,559	-	4,577,559	-	4,577,559
97400	Depreciation expense	318,059	1,789,459	3,844	2,111,362	-	2,111,362
90000	Total Expenses	2,328,104	10,507,578	555,903	13,391,585	(434,827)	12,956,758
10080	Special items, net gain/loss	(65,502)	52,223	253,038	239,759	-	239,759
10100	Total other financing sources (uses)	(65,502)	52,223	253,038	239,759	-	239,759
10000	Excess (Deficiency) of Revenue Over (Under) Expenses	\$ (298,657)	\$ (1,752,433)	\$ 829,248	\$ (1,221,842)	-	\$ (1,221,842)
11030	Beginning equity	3,779,542	26,138,194	16,058,214	45,975,950	-	45,975,950
11170-001	Administrative Fee Equity- Beginning Balance	-	(474,626)	-	(474,626)	-	(474,626)
11170-010	Administrative Fee Revenue	-	472,768	-	472,768	-	472,768
11170-045	Fraud Recovery Revenue	-	11,049	-	11,049	-	11,049
11170-050	Other Revenue	-	18,068	-	18,068	-	18,068
11170-060	Total Admin Fee Revenues	-	501,885	-	501,885	-	501,885
11170-080	Total Operating Expenses	-	531,625	-	531,625	-	531,625
11170-100	Other Expenses	-	(52,223)	-	(52,223)	-	(52,223)
11170-110	Total Expenses	-	479,402	-	479,402	-	479,402
11170-002	Net Administrative Fee	-	22,483	-	22,483	-	22,483
11170-003	Administrative Fee Equity- Ending Balance	-	(452,143)	-	(452,143)	-	(452,143)
11170	Administrative Fee Equity	-	(452,143)	-	(452,143)	-	(452,143)
11180-020	Net Housing Assistance Payments	-	4,577,971	-	4,577,971	-	4,577,971
11180-050	Fraud Recovery Revenue	-	11,049	-	11,049	-	11,049
11180-090	Total Housing Assistance Payments Revenues	-	4,589,020	-	4,589,020	-	4,589,020
11180-100	Housing Assistance Payments	-	4,577,559	-	4,577,559	-	4,577,559
11180-130	Total Housing Assistance Payments Expenses	-	4,577,559	-	4,577,559	-	4,577,559
11180	Housing Assistance Payments Equity	-	11,461	-	11,461	-	11,461
11190	Unit Months Available	3,280	15,180	-	18,460	-	18,460
11210	Unit Months Leased	3,176	10,331	-	13,507	-	13,507

Housing Authority of the City of Hammond, Indiana

Financial Data Schedule December 31, 2021

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	\$ 77,325	\$ -	\$ -	\$ -	\$ 459,298	\$ 1,187,725	\$ 1,724,348
113	Cash-other restricted	109,599	-	-	-	-	428,893	538,492
114	Cash-tenant security deposits	-	-	-	-	-	195,713	195,713
100	Total Cash	<u>186,924</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>459,298</u>	<u>1,812,331</u>	<u>2,458,553</u>
125	Account receivable - miscellaneous	2,075	-	-	-	25,141	174,247	201,463
126	Accounts receivable - tenants	-	-	-	-	-	34,061	34,061
126.1	Allowance for doubtful accounts - tenants	-	-	-	-	-	(7,450)	(7,450)
120	Total receivables, net of allowance for doubtful accounts	<u>2,075</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>25,141</u>	<u>200,858</u>	<u>228,074</u>
132	Investments - restricted	-	-	-	-	-	1,753,798	1,753,798
142	Prepaid expenses and other assets	24,877	-	-	-	-	95,810	120,687
150	Total Current Assets	<u>213,876</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>484,439</u>	<u>3,862,797</u>	<u>4,561,112</u>
161	Land	-	-	-	-	-	1,138,757	1,138,757
162	Buildings	-	-	-	-	-	48,758,156	48,758,156
163	Furniture, equipment and machinery - dwellings	-	-	-	-	-	1,618,919	1,618,919
165	Leasehold improvements	-	-	-	-	-	6,067,719	6,067,719
166	Accumulated depreciation	-	-	-	-	-	(17,177,303)	(17,177,303)
160	Total capital assets, net of accumulated depreciation	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>40,406,248</u>	<u>40,406,248</u>
171	Notes, Loans, & mortgages receivable – Non-current	-	-	-	-	384,687	-	384,687
174	Other assets	-	-	-	-	441,861	485,499	927,360
176	Investment in joint venture	-	-	-	-	146,154	-	146,154
180	Total Non-current Assets	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>972,702</u>	<u>40,891,747</u>	<u>41,864,449</u>
290	Total Assets and Deferred Outflow of Resources	<u>\$ 213,876</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,457,141</u>	<u>\$ 44,754,544</u>	<u>\$ 46,425,561</u>

Housing Authority of the City of Hammond, Indiana

Financial Data Schedule December 31, 2021

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	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 26,489	\$ 26,489
321	Accrued wage/payroll taxes payable	-	-	-	-	-	4,059	4,059
325	Accrued interest payable	-	-	-	-	-	7,000	7,000
341	Tenant security deposits	-	-	-	-	-	186,924	186,924
342	Unearned revenue	-	-	-	-	-	52,374	52,374
345	Other current liabilities	5,271	-	-	-	-	896,246	901,517
346	Accrued liabilities - other	-	-	-	-	-	240,864	240,864
347	Inter program - due to	551,149	-	-	-	-	-	551,149
348	Loan liability - current	-	-	-	-	-	24,180	24,180
310	Total Current Liabilities	556,420	-	-	-	-	1,438,136	1,994,556
351	Capital Projects/ Mortgage Revenue Bonds	-	-	-	-	-	19,315,465	19,315,465
353	Non-current liabilities - other	98,138	-	-	-	365,295	266,346	729,779
350	Total Non-current liabilities	98,138	-	-	-	365,295	19,581,811	20,045,244
300	Total Liabilities	654,558	-	-	-	365,295	21,019,947	22,039,800
508.4	Net investment in capital assets	-	-	-	-	-	21,083,783	21,083,783
511.4	Restricted net position	11,461	-	-	-	-	2,191,480	2,202,941
512.4	Unrestricted net position	(452,143)	-	-	-	1,091,846	459,334	1,099,037
513	Total Equity - Net Assets/Position	(440,682)	-	-	-	1,091,846	23,734,597	24,385,761
600	Total Liabilities, Deferred Inflows of Resources and Equity - Net	\$ 213,876	\$ -	\$ -	\$ -	\$ 1,457,141	\$ 44,754,544	\$ 46,425,561

Housing Authority of the City of Hammond, Indiana

Financial Data Schedule Year Ended December 31, 2021

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	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,182,973	\$ 3,182,973
70400	Tenant revenue - other	-	-	-	-	-	63,075	63,075
70500	Total Tenant Revenue	-	-	-	-	-	3,246,048	3,246,048
70600	HUD PHA operating grants	5,050,739	54,014	131,396	96,850	-	-	5,332,999
71100	Investment income - unrestricted	-	-	-	-	-	1,899	1,899
71400	Fraud recovery	22,098	-	-	-	-	-	22,098
71500	Other revenue	18,068	-	-	-	2,021	79,789	99,878
70000	Total Revenue	5,090,905	54,014	131,396	96,850	2,021	3,327,736	8,702,922
91100	Administrative salaries	179,616	-	-	-	-	464,363	643,979
91200	Auditing fees	5,271	-	-	-	4,750	-	10,021
91300	Management Fee	88,404	-	-	-	113,292	-	201,696
91310	Bookkeeping Fee	55,253	-	-	-	-	-	55,253
91400	Advertising and Marketing	27	-	-	-	31	-	58
91500	Employee benefit contributions - administrative	79,300	-	-	-	-	-	79,300
91600	Office Expenses	46,828	-	-	-	2,742	-	49,570
91700	Legal Expense	4,270	-	-	-	116,893	-	121,163
91900	Other	36,835	-	-	-	-	762,430	799,265
91000	Total Operating-Administrative	495,804	-	-	-	237,708	1,226,793	1,960,305
92100	Tenant services - salaries	-	37,677	36,048	57,677	-	-	131,402
92300	Employee benefit contributions - tenant services	-	16,337	36,898	16,960	-	-	70,195
92400	Tenant services - other	-	-	58,450	22,213	-	-	80,663
92500	Total Tenant Services	-	54,014	131,396	96,850	-	-	282,260
93200	Electricity	-	-	-	-	-	368,256	368,256
93000	Total Utilities	-	-	-	-	-	368,256	368,256
94200	Ordinary maintenance and operations - materials and other	984	-	-	-	-	515,279	516,263
94300	Ordinary Maintenance and Operations Contracts	4,188	-	-	-	165	-	4,353
94000	Total Maintenance	5,172	-	-	-	165	515,279	520,616

Housing Authority of the City of Hammond, Indiana

Financial Data Schedule Year Ended December 31, 2021

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	-	-	-	-	-	340,457	340,457
96120	Liability Insurance	5,356	-	-	-	-	-	5,356
96140	All other Insurance	6,351	-	-	-	1,737	-	8,088
96100	Total Insurance Premiums	<u>11,707</u>	-	-	-	<u>1,737</u>	<u>340,457</u>	<u>353,901</u>
96200	Other general expenses	18,942	-	-	-	4,016	71,044	94,002
96000	Total Other General Expenses	<u>18,942</u>	-	-	-	<u>4,016</u>	<u>71,044</u>	<u>94,002</u>
96710	Interest of Mortgage (or Bonds) Payable	-	-	-	-	-	539,437	539,437
96730	Amortization of Bond Issue Costs	-	-	-	-	-	21,783	21,783
96700	Interest expense and Amortization cost	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>561,220</u>	<u>561,220</u>
96900	Total Operating Expenses	<u>531,625</u>	<u>54,014</u>	<u>131,396</u>	<u>96,850</u>	<u>243,626</u>	<u>3,083,049</u>	<u>4,140,560</u>
97000	Excess Revenue Over Operating Expenses	<u>4,559,280</u>	-	-	-	(241,605)	244,687	<u>4,562,362</u>
97300	Housing assistance payments	4,577,559	-	-	-	-	-	4,577,559
97400	Depreciation expense	-	-	-	-	-	1,789,459	1,789,459
90000	Total Expenses	<u>5,109,184</u>	<u>54,014</u>	<u>131,396</u>	<u>96,850</u>	<u>243,626</u>	<u>4,872,508</u>	<u>10,507,578</u>
10080	Special items, net gain/loss	52,223	-	-	-	-	-	52,223
10100	Total other financing sources (uses)	<u>52,223</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>52,223</u>
10000	Excess (Deficiency) of Revenue Over (Under) Expenses	<u>\$ 33,944</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (241,605)</u>	<u>\$ (1,544,772)</u>	<u>\$ (1,752,433)</u>
11030	Beginning equity	(474,626)	-	-	-	1,333,451	25,279,369	26,138,194
11170-001	Administrative Fee Equity- Beginning Balance	(474,626)	-	-	-	-	-	(474,626)
11170-010	Administrative Fee Revenue	472,768	-	-	-	-	-	472,768
11170-045	Fraud Recovery Revenue	11,049	-	-	-	-	-	11,049
11170-050	Other Revenue	18,068	-	-	-	-	-	18,068
11170-060	Total Admin Fee Revenues	501,885	-	-	-	-	-	501,885
11170-080	Total Operating Expenses	531,625	-	-	-	-	-	531,625
11170-100	Other expenses	(52,223)	-	-	-	-	-	(52,223)
11170-110	Total Expenses	479,402	-	-	-	-	-	479,402
11170-002	Net Administrative Fee	22,483	-	-	-	-	-	22,483
11170-003	Administrative Fee Equity- Ending Balance	(452,143)	-	-	-	-	-	(452,143)
11170	Administrative Fee Equity	<u>(452,143)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(452,143)</u>
11180-020	Net Housing Assistance Payments	4,577,971	-	-	-	-	-	4,577,971
11180-050	Fraud Recovery Revenue	11,049	-	-	-	-	-	11,049
11180-090	Total Housing Assistance Payments Revenues	4,589,020	-	-	-	-	-	4,589,020
11180-100	Housing Assistance Payments	4,577,559	-	-	-	-	-	4,577,559
11180-130	Total Housing Assistance Payments Expenses	4,577,559	-	-	-	-	-	4,577,559
11180	Housing Assistance Payments Equity	<u>11,461</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>11,461</u>
11190	Unit Months Available	10,776	-	-	-	-	4,404	15,180
11210	Unit Months Leased	6,162	-	-	-	-	4,169	10,331

Housing Authority of the City of Hammond, Indiana

**Financial Data Schedule
December 31, 2021**

Line Item No.	Account Description	AMP 1	AMP 2	AMP 3	AMP 4	AMP 5	Total AMPS
111	Cash-unrestricted	\$ 9,855	\$ 327,493	\$ -	\$ -	\$ -	\$ 337,348
114	Cash-tenant security deposits	-	59,536	-	-	-	59,536
100	Total Cash	<u>9,855</u>	<u>387,029</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>396,884</u>
121	Accounts receivable - PHA projects	-	8,975	-	-	-	8,975
126	Accounts receivable - tenants	-	6,649	-	-	-	6,649
120	Total receivables, net of allowance for doubtful accounts	<u>-</u>	<u>15,624</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>15,624</u>
131	Investments - unrestricted	945,828	497,754	-	-	-	1,443,582
142	Prepaid expenses and other assets	-	29,555	-	-	-	29,555
143	Inventories	-	30,896	-	-	-	30,896
144	Inter program - due from	-	22,680	-	-	-	22,680
150	Total Current Assets	<u>955,683</u>	<u>983,538</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,939,221</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	(64,693)	(11,326,643)	-	-	-	(11,391,336)
160	Total capital assets, net of accumulated depreciation	<u>196,894</u>	<u>1,725,364</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,922,258</u>
180	Total Non-current Assets	<u>196,894</u>	<u>1,725,364</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,922,258</u>
290	Total Assets and Deferred Outflow of Resources	<u>\$ 1,152,577</u>	<u>\$ 2,708,902</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,861,479</u>

Housing Authority of the City of Hammond, Indiana

Financial Data Schedule December 31, 2021

Line Item No.	Account Description	AMP 1	AMP 2	AMP 3	AMP 4	AMP 5	Total AMPS
312	Accounts payable <= 90 days	\$ -	\$ 18,673	\$ 68,393	\$ 38,296	\$ 48,218	\$ 173,580
341	Tenant security deposits	475	108,242	-	-	-	108,717
342	Unearned revenue	-	9,782	-	-	-	9,782
345	Other current liabilities	-	10,543	-	-	-	10,543
346	Accrued liabilities - other	-	3,844	-	-	-	3,844
347	Inter program - due to	6,124	68,004	-	-	-	74,128
310	Total Current Liabilities	<u>6,599</u>	<u>219,088</u>	<u>68,393</u>	<u>38,296</u>	<u>48,218</u>	<u>380,594</u>
300	Total Liabilities	<u>6,599</u>	<u>219,088</u>	<u>68,393</u>	<u>38,296</u>	<u>48,218</u>	<u>380,594</u>
508.4	Net investment in capital assets	196,894	1,725,364	-	-	-	1,922,258
512.4	Unrestricted net position	949,084	764,450	(68,393)	(38,296)	(48,218)	1,558,627
513	Total Equity - Net Assets/Position	<u>1,145,978</u>	<u>2,489,814</u>	<u>(68,393)</u>	<u>(38,296)</u>	<u>(48,218)</u>	<u>3,480,885</u>
600	Total Liabilities, Deferred Inflows of Resources and Equity - Net	<u>\$ 1,152,577</u>	<u>\$ 2,708,902</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,861,479</u>

Housing Authority of the City of Hammond, Indiana

Financial Data Schedule Year Ended December 31, 2021

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	\$ 9,366	-	\$ 9,366	\$ 573,442	-	\$ 573,442	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 582,808
70400	Tenant revenue - other	-	-	-	32,267	-	32,267	-	-	-	-	-	-	-	-	-	32,267
70500	Total Tenant Revenue	9,366	-	9,366	605,709	-	605,709	-	-	-	-	-	-	-	-	-	615,075
70600	HUD PHA operating grants	-	-	-	730,558	116,520	847,078	189,735	24,945	214,680	98,864	8,965	107,829	65,255	4,814	70,069	1,239,656
71100	Investment income - unrestricted	-	-	-	3,113	-	3,113	-	-	-	-	-	-	-	-	-	3,113
71500	Other revenue	-	-	-	237,105	-	237,105	-	-	-	-	-	-	-	-	-	237,105
70000	Total Revenue	9,366	-	9,366	1,576,485	116,520	1,693,005	189,735	24,945	214,680	98,864	8,965	107,829	65,255	4,814	70,069	2,094,949
91100	Administrative salaries	-	-	-	93,830	-	93,830	-	-	-	-	-	-	-	-	-	93,830
91200	Auditing fees	-	-	-	10,543	-	10,543	-	-	-	-	-	-	-	-	-	10,543
91300	Management Fee	442	-	442	132,591	-	132,591	-	-	-	-	-	-	-	-	-	133,033
91310	Bookkeeping Fee	53	-	53	21,162	-	21,162	-	-	-	-	-	-	-	-	-	21,215
91500	Employee benefit contributions - administrative	-	-	-	90,480	-	90,480	-	-	-	-	-	-	-	-	-	90,480
91600	Office Expenses	140	-	140	18,371	-	18,371	-	-	-	-	-	-	-	-	-	18,511
91700	Legal Expense	-	-	-	9,602	-	9,602	-	-	-	-	-	-	-	-	-	9,602
91900	Other	-	-	-	6,872	-	6,872	-	-	-	-	-	-	-	-	-	6,872
91000	Total Operating-Administrative	635	-	635	383,451	-	383,451	-	-	-	-	-	-	-	-	-	384,086
92000	Asset Management Fee	70	-	70	23,560	-	23,560	-	-	-	-	-	-	-	-	-	23,630
92100	Tenant services - salaries	605	-	605	-	-	-	-	-	-	-	-	-	-	-	-	605
92300	Employee benefit contributions - tenant services	137	-	137	-	-	-	-	-	-	-	-	-	-	-	-	137
92500	Total Tenant Services	812	-	812	23,560	-	23,560	-	-	-	-	-	-	-	-	-	24,372
93100	Water	-	-	-	37,286	-	37,286	-	-	-	-	-	-	-	-	-	37,286
93200	Electricity	-	-	-	111,648	-	111,648	-	-	-	-	-	-	-	-	-	111,648
93300	Gas	-	-	-	28,286	-	28,286	-	-	-	-	-	-	-	-	-	28,286
93800	Other utilities expense	-	-	-	53,455	-	53,455	-	-	-	-	-	-	-	-	-	53,455
93000	Total Utilities	-	-	-	230,675	-	230,675	-	-	-	-	-	-	-	-	-	230,675
94100	Ordinary maintenance and operations - labor	153	-	153	87,277	-	87,277	-	-	-	-	-	-	-	-	-	87,430
94200	Ordinary maintenance and operations - materials and other	2	-	2	116,820	-	116,820	-	-	-	-	-	-	-	-	-	116,822
94300	Ordinary Maintenance and Operations Contracts	1,413	-	1,413	346,886	-	346,886	-	-	-	-	-	-	-	-	-	348,299
94000	Total Maintenance	1,568	-	1,568	550,983	-	550,983	-	-	-	-	-	-	-	-	-	552,551

Housing Authority of the City of Hammond, Indiana

Financial Data Schedule Year Ended December 31, 2021

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
95200	Protective services - other contract costs	580	-	580	45,156	-	45,156	-	-	-	-	-	-	-	-	-	45,736
95000	Total Protective Services	580	-	580	45,156	-	45,156	-	-	-	-	-	-	-	-	-	45,736
96110	Property Insurance	-	-	-	8,510	-	8,510	-	-	-	-	-	-	-	-	-	8,510
96120	Liability Insurance	-	-	-	1,342	-	1,342	-	-	-	-	-	-	-	-	-	1,342
96140	All other Insurance	-	-	-	7,180	-	7,180	-	-	-	-	-	-	-	-	-	7,180
96100	Total Insurance Premiums	-	-	-	17,032	-	17,032	-	-	-	-	-	-	-	-	-	17,032
96200	Other general expenses	-	-	-	67,955	116,520	184,475	258,128	24,945	283,073	137,160	8,965	146,125	113,473	4,814	118,287	731,960
96400	Bad debt - tenant rents	-	-	-	23,633	-	23,633	-	-	-	-	-	-	-	-	-	23,633
96000	Total Other General Expenses	-	-	-	91,588	116,520	208,108	258,128	24,945	283,073	137,160	8,965	146,125	113,473	4,814	118,287	755,593
96900	Total Operating Expenses	3,595	-	3,595	1,342,445	116,520	1,458,965	258,128	24,945	283,073	137,160	8,965	146,125	113,473	4,814	118,287	2,010,045
97000	Excess Revenue Over Operating Expenses	5,771	-	5,771	234,040	-	234,040	(68,393)	-	(68,393)	(38,296)	-	(38,296)	(48,218)	-	(48,218)	84,904
97400	Depreciation expense	1,824	-	1,824	316,235	-	316,235	-	-	-	-	-	-	-	-	-	318,059
90000	Total Expenses	5,419	-	5,419	1,658,680	116,520	1,775,200	258,128	24,945	283,073	137,160	8,965	146,125	113,473	4,814	118,287	2,328,104
10080	Special items, net gain/loss	4,285	-	4,285	(69,787)	-	(69,787)	-	-	-	-	-	-	-	-	-	(65,502)
10100	Total other financing sources (uses)	4,285	-	4,285	(69,787)	-	(69,787)	-	-	-	-	-	-	-	-	-	(65,502)
10000	Excess (Deficiency) of Revenue Over (Under) Expenses	\$ 8,232	\$ -	\$ 8,232	\$ (151,982)	\$ -	\$ (151,982)	\$ (68,393)	\$ -	\$ (68,393)	\$ (38,296)	\$ -	\$ (38,296)	\$ (48,218)	\$ -	\$ (48,218)	\$ (298,657)
11030	Beginning equity	1,137,746	-	1,137,746	2,641,796	-	2,641,796	-	-	-	-	-	-	-	-	-	3,779,542
11190	Unit Months Available	12	-	12	2,368	-	2,368	516	-	516	204	-	204	180	-	180	3,280
11210	Unit Months Leased	12	-	12	2,283	-	2,283	505	-	505	197	-	197	179	-	179	3,176

Housing Authority of the City of Hammond, Indiana

**Schedule of Expenditures of Federal Awards
Year Ended December 31, 2021**

<u>Federal Grantor/Pass-Through Grantor/Program or Cluster Title</u>	<u>Federal ALN</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	\$ 1,084,412	\$ -
COVID-19 Public and Indian Housing	14.850	<u>131,396</u>	<u>-</u>
Total Public and Indian Housing		<u>1,215,808</u>	<u>-</u>
Public Housing Capital Fund	14.872	155,244	-
Family Self Sufficiency Program	14.896	54,014	-
Housing Voucher Cluster			
Section 8 Housing Choice Vouchers	14.871	5,050,739	-
COVID-19 Section 8 Housing Choice Vouchers	14.871	<u>96,850</u>	<u>-</u>
Total Section 8 Housing Choice Vouchers		<u>5,147,589</u>	<u>-</u>
Total Housing Voucher Cluster		<u>5,147,589</u>	<u>-</u>
Total U.S. Department of Housing & Urban Development		<u>6,572,655</u>	<u>-</u>
Total Direct Federal Awards		<u>6,572,655</u>	<u>-</u>
TOTAL FEDERAL AWARDS		<u><u>\$ 6,572,655</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, 2021**

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, 2021. 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.