

HAMMOND-TANGIPAHOA HOME
MORTGAGE AUTHORITY

COMPILED FINANCIAL STATEMENTS

AS OF AND FOR THE SIX MONTHS
ENDED DECEMBER 31, 2024

HAMMOND, LOUISIANA

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Independent Accountant's Compilation Report

To the Board of Trustees
Hammond-Tangipahoa Home Mortgage Authority
Hammond, Louisiana

Management is responsible for the accompanying financial statements of the business-type activity of the Hammond-Tangipahoa Home Mortgage Authority (the "Authority") as of and for the six months ended December 31, 2024, which collectively comprise the Authority's basic financial statements as listed in the table of contents, and the related notes to the financial statements in accordance with accounting principles generally accepted in the United States of America. We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the financial statements, nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. We do not express an opinion, a conclusion, nor provide any form of assurance on these financial statements.

Accounting principles generally accepted in the United States of America require that the accompanying management's discussion and analysis (MD&A) on pages 2 through 5 be presented to supplement the basic financial statements. Such information is presented for purposes of additional analysis and, although not a required 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 and for placing the basic financial statements in an appropriate operational, economic, or historical context. Such information is the responsibility of management. The required supplementary information was subjected to our compilation engagement. We have not audited or reviewed the required supplementary information and do not express an opinion, a conclusion, nor provide any assurance on such information.

As discussed in Note 8, the Authority disbursed its remaining residual funds to the City of Hammond in December 2024 and is in the process of dissolving the Authority as of December 31, 2024.

Respectfully submitted,

Hannis T. Bourgeois, LLP

Baton Rouge, Louisiana
January 16, 2025

HAMMOND-TANGIPAHOA HOME MORTGAGE AUTHORITY

MANAGEMENT’S DISCUSSION AND ANALYSIS

DECEMBER 31, 2024

The Management’s Discussion and Analysis of the Hammond-Tangipahoa Home Mortgage Authority’s (the “Authority”) financial performance presents a narrative overview and analysis of the Authority’s financial activities for the six months ended December 31, 2024. This document focuses on the current year’s activities, resulting changes, and currently known facts in comparison with the prior year’s information. Please read this document in conjunction with the Authority’s financial statements, which begin on page 6.

FINANCIAL HIGHLIGHTS

- Total Assets as of December 31, 2024 decreased by \$1,394,459 as compared to an increase of \$16,532 as of June 30, 2024 primarily due to all assets being used in the operations of the Authority, the construction of the pavilion under a cooperative endeavor agreement with the City of Hammond, and disbursing its remaining residual funds to the City of Hammond.
- Total Liabilities as of December 31, 2024 decreased by \$11,743 as compared to an increase of \$8,592 as of June 30, 2024 due to a decrease in accounts payable.
- The Authority’s assets exceeded its liabilities as of December 31, 2024 by \$0, as compared to \$1,382,716 as of June 30, 2024 since all remaining funds were spent during the six months ended December 31, 2024.
- The Authority’s gross revenue for the six months ended December 31, 2024 (exclusive of the “Net Realized and Change in Unrealized Gains (Losses) on Investments” decreased \$48,126 from \$67,389 for the year ended June 30, 2024 to \$19,263 for the six months ended December 31, 2024 due primarily to the decrease of interest earned on investments and cash balances.
- There was a \$1,382,716 negative change in net position for the six months ended December 31, 2024 as compared to a \$7,940 positive change for the year ended June 30, 2024. The negative change in net position was due to the increase in expenses during the six months ended December 31, 2024 mainly in the areas of pavilion expenses and the disbursement of the Authority’s residual funds to the City of Hammond.

OVERVIEW OF THE FINANCIAL STATEMENTS

These basic financial statements consist of two sections - Management’s Discussion and Analysis (this section) and the basic financial statements (including the notes to the financial statements).

Basic Financial Statements

The basic financial statements include information on a combined basis for the Authority as a whole, in a format designed to make the statements easier for the reader to understand. The statements include the Balance Sheet; the Statement of Revenues, Expenses and Changes in Net Position; and the Statement of Cash Flows.

See independent accountant’s compilation report.

The Balance Sheet presents the assets and liabilities separately. The difference between total assets and total liabilities is net position and may provide a useful indicator of whether the financial position of the Authority is improving or deteriorating. The Balance Sheet is on page 6.

The Statement of Revenues, Expenses, and Changes in Net Position presents information showing how the Authority's net position changed because of the current year operations. Regardless of when cash is affected, all changes in net position are reported when the underlying transactions occur. As a result, there are transactions included that will not affect cash until future fiscal periods. The Schedule of Revenues, Expenses and Changes in Net Position is on page 7.

The Statement of Cash Flows presents information showing how the Authority's cash changed because of the current year's operations. The cash flow statement is prepared using the direct method and includes the reconciliation of the change in net position to net cash provided by (used in) operating activities (indirect method) as required by Statement No. 34 of the Governmental Accounting Standards Board. The Schedule of Cash Flow is on page 8.

FINANCIAL ANALYSIS OF THE AUTHORITY

Hammond-Tangipahoa Home Mortgage Authority Balance Sheets

As of December 31, 2024 and June 30, 2024

| | <u>December 31, 2024</u> | <u>June 30, 2024</u> |
|----------------------------------|---------------------------------|-----------------------------|
| <u>ASSETS</u> | | |
| Cash and Cash Equivalents | \$ - | \$ 1,088,112 |
| Certificates of Deposit | - | 287,746 |
| Investments | - | 17,064 |
| Accounts and Interest Receivable | - | 1,537 |
| | <hr/> | <hr/> |
| Total Assets | \$ - | \$ 1,394,459 |
| | <hr/> <hr/> | <hr/> <hr/> |

LIABILITIES AND NET POSITION

| | | |
|------------------------------------|-------------|--------------|
| Liabilities: | | |
| Accounts Payable | \$ - | \$ 11,743 |
| | <hr/> | <hr/> |
| Total Liabilities | - | 11,743 |
| Net Position: | | |
| Unrestricted | - | 1,382,716 |
| | <hr/> | <hr/> |
| Total Net Position | - | 1,382,716 |
| | <hr/> | <hr/> |
| Total Liabilities and Net Position | \$ - | \$ 1,394,459 |
| | <hr/> <hr/> | <hr/> <hr/> |

See independent accountant's compilation report.

Net position of the Authority decreased by \$1,382,716 for the six months ended December 31, 2024 since June 30, 2024. Without considering the Net Realized and Changes in Unrealized Gains (Losses) on Investments, the Authority experienced a change in net position of a negative \$1,389,340 during the six months ended December 31, 2024 as compared to a negative change of \$2,526 in the year ended June 30, 2024.

Hammond-Tangipahoa Home Mortgage Authority

Statements of Revenues, Expenses and Changes in Net Position

For the Six Months Ended December 31, 2024 and for the Year Ended June 30, 2024

| | <u>December 31, 2024</u> | <u>June 30, 2024</u> | <u>Increase (Decrease)</u> |
|--|------------------------------|------------------------|--------------------------------|
| Operating Revenues: | | | |
| Investment Income: | | | |
| Interest Earned | \$ 19,263 | \$ 62,070 | \$ (42,807) |
| Net Realized and Change in Unrealized Gains (Losses) on Investments | 6,624 | 10,466 | (3,842) |
| Other Income | <u>-</u> | <u>5,319</u> | <u>(5,319)</u> |
| Total Operating Revenues | 25,887 | 77,855 | (51,968) |
| Operating Expenses: | | | |
| Professional fees | 95,840 | 56,841 | 38,999 |
| Board Per Diem Expense | 5,700 | 8,700 | (3,000) |
| Pavilion Expense-CEA | 1,033,514 | - | 1,033,514 |
| Distribution of Residual Funds-City of Hammond | 273,519 | - | 273,519 |
| Other | <u>30</u> | <u>4,374</u> | <u>(4,344)</u> |
| Total Operating Expenses | <u>1,408,603</u> | <u>69,915</u> | <u>1,338,688</u> |
| Change in Net Position | <u><u>\$ (1,382,716)</u></u> | <u><u>\$ 7,940</u></u> | <u><u>\$ (1,390,656)</u></u> |

Revenue

The Authority's revenues decreased by \$51,968 primarily due to the decrease in interest earned on other investments.

Total Operating Expenses increased by \$1,338,688 during the six months ended December 31, 2024 over the year ended June 30, 2024 primarily because of an increase in Pavilion Expenses under the CEA agreement with the City of Hammond and the distribution of the residual funds of the Authority to the City of Hammond.

Debt

The Authority had no debt or bonds outstanding as of December 31, 2024 and June 30, 2024.

See independent accountant's compilation report.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The Authority's appointed officials considered the following factors and indicators when setting next year's budget. These factors and indicators include:

- As discussed in Note 8 to these financial statements, the Board of Trustees is in the process of dissolving the Authority as of December 31, 2024, and all remaining funds have been disbursed as of that date.

CONTACTING THE HAMMOND-TANGIPAHOA HOME MORTGAGE AUTHORITY'S MANAGEMENT

This Financial report is designed to provide Louisiana's citizens and taxpayers, as well as the Authority's customers and creditors with a general overview of the Hammond-Tangipahoa Home Mortgage Authority's finances and to show the Authority's accountability for the money it receives. If you have any questions about this report or need additional financial information, please contact:

Stan Dameron
C/O John Feduccia
P. O. 2266
Hammond, LA 70404

HAMMOND-TANGIPAHOA HOME MORTGAGE AUTHORITY

BALANCE SHEET

AS OF DECEMBER 31, 2024

ASSETS

| | |
|----------------------------------|-------------|
| Cash and Cash Equivalents | \$ - |
| Certificates of Deposit | - |
| Investments | - |
| Accounts and Interest Receivable | - |
| | <hr/> |
| Total Assets | \$ - |
| | <hr/> <hr/> |

LIABILITIES AND NET POSITION

Liabilities:

| | |
|-------------------|-------|
| Accounts Payable | \$ - |
| | <hr/> |
| Total Liabilities | - |

Net Position:

| | |
|------------------------------------|-------------|
| Unrestricted | - |
| | <hr/> |
| Total Net Position | - |
| | <hr/> |
| Total Liabilities and Net Position | \$ - |
| | <hr/> <hr/> |

See independent accountant's compilation report.

HAMMOND-TANGIPAHOA HOME MORTGAGE AUTHORITY

STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION

FOR THE SIX MONTHS ENDED DECEMBER 31, 2024

Operating Revenues:

Investment Income:

Interest Earned \$ 19,263

Net Realized and Change in Unrealized Gains
(Losses) on Investments 6,624

Total Operating Revenues 25,887

Operating Expenses:

Professional fees 95,840

Board Per Diem Expense 5,700

Pavilion Expense-CEA 1,033,514

Distribution of Residual Funds-City of Hammond 273,519

Other 30

Total Operating Expenses 1,408,603

Change in Net Position (1,382,716)

Net Position - Beginning of Period 1,382,716

Net Position - End of Period \$ -

See independent accountant's compilation report.

HAMMOND-TANGIPAHOA HOME MORTGAGE AUTHORITY

STATEMENT OF CASH FLOWS

FOR THE SIX MONTHS ENDED DECEMBER 31, 2024

Cash Flows From Operating Activities:

Cash Receipts for:

Investment and Mortgage Loan Income \$ 20,800

Cash Payments for:

Other Expenses (1,420,346)

Net Cash Provided by (Used in) Operating Activities (1,399,546)

Cash Flows From Investing Activities:

Proceeds from Maturities, Sales and Paydowns
of Investments and Certificates of Deposits

311,434

Net Cash Provided by Investing Activities 311,434

Net Decrease in Cash and Cash Equivalents (1,088,112)

Cash and Cash Equivalents at Beginning of Year 1,088,112

Cash and Cash Equivalents at End of Period \$ -

Cash Flows From Operating Activities:

Change in Net Position \$ (1,382,716)

Adjustments to Reconcile Change in Net Position to Net

Cash Provided by (Used in) Operating Activities:

Net Realized and Unrealized (Gains) Losses on Investments (6,624)

Changes in Assets and Liabilities:

(Increase) Decrease in Accounts and Interest Receivable 1,537

Increase (Decrease) in Accounts Payable (11,743)

Net Cash Provided by (Used in) Operating Activities \$ (1,399,546)

See independent accountant's compilation report.

HAMMOND-TANGIPAHOA HOME MORTGAGE AUTHORITY

NOTES TO FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED DECEMBER 31, 2024

(1) Summary of Significant Accounting Policies and Nature of Operations

(A) Organization of Authority -

The Hammond-Tangipahoa Home Mortgage Authority (the Authority) is a public trust created through a Trust Indenture dated February 20, 1979. The Authority's purposes are

(1) To provide a means of financing the cost of residential ownership and development that will provide decent, safe and sanitary housing for residents of the City and the Parish at prices they can afford, with the result that such residential ownership and development will (a) provide for and promote the public health, safety, morals, and welfare; (b) relieve conditions of unemployment and encourage the increase of industry and commercial activity and economic development so as to reduce unemployment; (c) provide for efficient and well-planned urban and rural growth and development including the elimination and prevention of potential urban blight and the proper coordination of industrial facilities with public services, mass transportation and safe and sanitary housing which they can afford; (d) promote the integration of families of varying economic means; and (e) preserve and increase the ad valorem tax base of the City and the Parish; and the foregoing are hereby determined and declared to be public purposes and functions pertaining to the government and affairs of the City.

(2) To expand the supply of funds in the City and the Parish available for Home Mortgages, and, thereby, to promote the welfare of the residents and stimulate the economy of the City and the Parish.

(3) To provide additional housing for persons of low and moderate income needed to remedy the shortage of adequate housing for such persons in the City and the parish and to reduce the large number of substandard dwellings in the City and the Parish.

(4) To secure effective participation in the Authority's program by lending institutions on terms which restrict their financial return and benefit to that necessary and reasonable to induce such participation;

(5) To obtain funds for the cost of financing, acquiring, constructing, purchasing, equipping, maintaining, repairing, improving, extending, enlarging, remodeling, operating and administering of any or all of the aforesaid facilities and services, and all properties useful necessary or appropriate for executing and fulfilling the Authority's purposes as set forth herein and all other charges, costs, and expenses incurred in connection therewith and in so doing, to incur indebtedness, either unsecured or secured by all or any part of the assets and revenues of the Authority, in accordance with the provisions of the Act and this Trust Indenture.

See independent accountant's compilation report.

HAMMOND-TANGIPAHOA HOME MORTGAGE AUTHORITY

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

FOR THE SIX MONTHS ENDED DECEMBER 31, 2024

(6) To expend all funds coming into Trustees as revenue or otherwise for payment of any indebtedness incurred by the Trustees on behalf of the Authority, and in the payment of the aforesaid costs and expenses, and in payment of any other obligation properly chargeable against the Trust's assets or attributable to its operations, and to distribute the residue and remainder of such funds to the Beneficiary of the Authority hereby created.

The said purposes and functions are hereby deemed and held to be essential public functions conducted in the public interest.

The Authority also uses the proceeds of issuance of bonds payable to fund the purchase of mortgage loans or GNMA and FNMA certificates which are backed by qualifying mortgage loans. This practice is carried out through the creation of programs (MRB programs) which are periodically sponsored by the Authority, based upon the housing demand of the geographic region. The bonds issued by the Authority are limited obligations of the Authority, payable only from revenues and receipts derived from the mortgage loans and other assets held under and pursuant to the trust indenture. As of December 31, 2024, the Authority has no outstanding bonds payable.

The Authority is managed by a board of trustees appointed by the City Council of Hammond, Louisiana.

(B) Measurement Focus, Basis of Accounting, and Financial Statement Presentation -

Financial Reporting Entity

GASB Statement 61 establishes criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. Under provisions of these Statements, the Authority is considered a primary government, since it is a special purpose government that has a separate governing body, is legally separate, and is fiscally independent of other state or local governments. The Authority also has no component units, defined by GASB Statement 61 as other legally separate organizations for which the Authority members are financially accountable.

Measurement Focus - The Authority's basic financial statements are prepared in accordance with accounting principles generally accepted in the United States of America as applied to governmental units and promulgated by the Governmental Accounting Standards Board (GASB) Codification of Governmental Accounting and Financial Reporting Standards. These statements established standards for external financial reporting for all state and local governmental entities which includes a statement of net position, a statement of activities and changes in net position and a statement of cash flows.

The proprietary fund utilizes an "economic resources" measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in

See independent accountant's compilation report.

HAMMOND-TANGIPAHOA HOME MORTGAGE AUTHORITY

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

FOR THE SIX MONTHS ENDED DECEMBER 31, 2024

net position (or cost recovery), financial position, and cash flows. All assets and liabilities (whether current or noncurrent) associated with their activities are reported. Proprietary fund equity is classified as net position. The Authority has no governmental or fiduciary funds.

Basis of Accounting - The Authority uses the accrual basis of accounting. Revenues are recognized when they are earned, and expenses are recognized at the time liabilities are incurred or economic asset used.

The Authority's primary operating revenues are the interest and change in fair value related to investments and mortgage backed securities.

The Authority complies with accounting principles generally accepted in the United States of America (GAAP) by applying all relevant Governmental Accounting Standards Board (GASB) pronouncements. As the Authority and its mortgage revenue bond programs are considered to be proprietary fund types, the Authority follows the guidance included in GASB Statement No. 62 - *Codification of Accounting and Financial Reporting Guidance Contained In Pre-November 1989 FASB and AICPA Pronouncements*.

Proprietary fund types are used to account for governmental activities that are similar to those found in the private sector where the determination of net income is necessary or useful to sound financial administration. The accounting principles generally accepted in the United States of America (GAAP) used for proprietary funds are generally those applicable to similar businesses in the private sector (accrual basis of accounting). Under the accrual basis of accounting, revenues are recognized in the accounting period in which they are earned and expenses are recognized when incurred.

The following fund is maintained by the Authority:

Residual Fund

This fund provides for the accounting of general and administrative expenses of the Authority, any allowable transfers from other funds, investment interest income and the realized and unrealized gains on investments, and various types of fees and grants. Assets of this fund are generally unrestricted and may be utilized for any lawful purpose of the Authority.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates and such differences may be material.

See independent accountant's compilation report.

HAMMOND-TANGIPAHOA HOME MORTGAGE AUTHORITY

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

FOR THE SIX MONTHS ENDED DECEMBER 31, 2024

Investment Securities and Securitized Mortgage Loans

Investment securities, securitized mortgage loans, and long-term certificates of deposits are stated at fair value. The change in unrealized gain or loss is recognized as a component of income.

Statement of Cash Flows

For purposes of reporting cash flows, cash and cash equivalents include certificates of deposit and all highly liquid debt instruments with maturities of three months or less when purchased.

(2) Cash and Cash Equivalents

Cash and certificates of deposit (with a maturity of less than three months) are stated at cost which approximates market value. Permissible types of cash instruments for the Mortgage Revenue Bond Funds (MRB programs) are stipulated in the respective trust indentures as applicable. State statutes set forth the permissible types of cash instruments for the residual fund. Under the statutes, the Authority may deposit funds in state banks organized under the laws of Louisiana and national banks with principal offices located within Louisiana. The Authority may also have funds classified as "Cash and Cash Equivalents" on the Balance Sheet which represent interest in money market mutual funds.

Deposits in financial institutions including those on deposit at the Trustee Banks may be exposed to custodial credit risk. Custodial credit risk is the risk that funds may not be recovered by a depositor upon failure of the financial institution. At December 31, 2024, the Authority had bank deposits (consisting of demand deposits) with aggregate bank balances and carrying amounts of \$273,519 and \$-0-. None of the Authority's bank balances were exposed to custodial credit risk as of December 31, 2024 since it was completely insured by FDIC insurance and pledged securities.

(3) Investments and Long-Term Certificates of Deposits -

The Authority did not hold any investments including Long-Term Certificates of Deposits as of December 31, 2024 as all were sold prior to that date.

There were no realized gains or realized losses on sales of investments for the six months ended December 31, 2024.

(4) Bonds Payable

The Authority issues revenue bonds to assist in the financing of housing needs in the Parish of Tangipahoa, State of Louisiana. The bonds are limited obligations of the Authority, payable only from the assets, income, revenues and receipts derived from the mortgage loans and other investments held under and pursuant to the trust indentures and pledged therefore. The issuance

See independent accountant's compilation report.

HAMMOND-TANGIPAHOA HOME MORTGAGE AUTHORITY

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

FOR THE SIX MONTHS ENDED DECEMBER 31, 2024

of debt for the financing of projects by the Authority is subject to the approval of the Louisiana State Bond Commission. Bonds are issued under various bond resolutions adopted by the Authority to provide financing for qualified single family residences. As of December 31, 2024, the Authority has no outstanding bonds payable.

(5) Board of Trustees Expenses

The appointed members of the Authority's Board of Trustees receive a per diem payment for meetings attended and services rendered and are also reimbursed for their actual expenses incurred in the performance of their duties as Trustees. For the six months ended December 31, 2024, the following per diem payments were made to the members of the Authority's Board:

| | |
|----------------|-----------------|
| Stan Dameron | \$ 1,800 |
| Sandy Davis | - |
| Andrew Gasaway | 1,800 |
| Stella Remble | <u>2,100</u> |
| | <u>\$ 5,700</u> |

(6) Schedule of Compensation, Benefits, and Other Payments to Chairman of the Board of Trustees

In accordance with Louisiana Revised Statute 24:513A, the following is a Schedule of Compensation and Benefits received by Stan Dameron, Chairman of the Board of Trustees, who was the acting agency head for the six months ended December 31, 2024:

| | |
|-----------------------|-----------------|
| Per Diem | \$ 1,800 |
| Benefit Insurance | - |
| Travel Reimbursements | - |
| Conferences | - |
| Meals | <u>-</u> |
| Total Compensation | <u>\$ 1,800</u> |

(7) Summary Schedule of Prior Year Findings

There were no findings to be reported in a summary schedule of prior year findings.

(8) Construction of Pavilion and Disbursement of Residual Funds to the City of Hammond

During the six months ended December 31, 2024, the Authority entered into a Cooperative Endeavor Agreement with the City of Hammond for the construction of a Pavilion. The Authority spent \$1,033,514 during the six months ended December 31, 2024 under this agreement.

See independent accountant's compilation report.

HAMMOND-TANGIPAHOA HOME MORTGAGE AUTHORITY

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

FOR THE SIX MONTHS ENDED DECEMBER 31, 2024

The Authority has ceased operations and disbursed its remaining residual funds in the amount of \$273,519 to the City of Hammond as of December 31, 2024, in accordance with the Authority's Trust Indenture. This amount is recorded as an expense in these financial statements.

As of December 31, 2024, the Board of Trustees is in the process of dissolving the Authority.

(9) Subsequent Events

The Authority evaluated subsequent events and transactions for potential recognition or disclosures in the financial statements through January 16, 2025, the date which the financial statements were available to be issued.