

HOUSING AUTHORITY OF HAMMOND, LOUISIANA

**AUDITED FINANCIAL STATEMENTS
AND SUPPLEMENTAL DATA**

TWELVE MONTHS ENDED DECEMBER 31, 2021

Mike Estes, P.C.
A Professional Accounting Corporation

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MIKE ESTES, CPA

MIKE ESTES, P.C.
A PROFESSIONAL ACCOUNTING CORPORATION
4040 FOSSIL CREEK BLVD. – SUITE 100
FORT WORTH, TEXAS 76137

Phone (817) 831-3556
Fax (817) 831-3558
e-mail: office@mikeestepc.com
website: mikeestepc.com

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Independent Auditor's Report

Board of Commissioners
Housing Authority of Hammond
Hammond, Louisiana

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of each major fund of the Housing Authority of the City of Hammond, Louisiana 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 Hammond, Louisiana basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective position of each major fund, of the Housing Authority of the City of Hammond, Louisiana as of and for the year ended 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.

Emphasis of Matter

Also included in Supplementary Information is an Agreed-Upon Procedures report, which reports on an Agreed-Upon Procedures engagement now required by the Louisiana Legislative Auditor. Our opinion is not modified in respect to this matter.

Other Matters

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 Hammond, Louisiana 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.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; 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, Louisiana's ability to continue as a going concern for twelve 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 generally accepted auditing standards 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 generally accepted auditing standards 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, Louisiana'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, Louisiana'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 Managements' Discussion and Analysis on pages 4 to 9 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 general 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, Louisiana's basic financial statements. The financial data schedules, and the schedule of expenditures of federal awards, 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*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The 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 financial data schedules, and the 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 14, 2022 on our consideration of the Housing Authority of the City of Hammond, Louisiana'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 Hammond, Louisiana's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Audit Standards* in considering the Housing Authority of the City of Hammond, Louisiana's internal control over financial reporting and compliance.

Mike Estes, P.C.

Mike Estes, P.C.
Fort Worth, Texas
September 14, 2022

Housing Authority of Hammond, Louisiana

Management's Discussion and Analysis (MD&A)

For the Year Ended, December 31, 2021

The Housing Authority of the City of Hammond management's discussion and analysis report is designed to (a) assist the reader in focusing on significant financial issues, (b) provide an overview of the Authority's financial activity, (c) identify changes in the Authority's financial position (its ability to address the next and subsequent year challenges), and (d) identify individual program issues or concerns.

This financial report is designed to provide an overview of the Housing Authority's total financial picture for the fiscal year ending December 31, 2021, for those with an interest. Please read this discussion and analysis in conjunction with the Housing Authority's included audited financial statements.

Questions concerning any of the information provided in this report or requests for additional information should be addressed to the Executive Director, Housing Authority of the City of Hammond, 1210 Phoenix Square, Hammond, LA 70403

FINANCIAL HIGHLIGHTS

- The Housing Authority's primary source of funding continues to be subsidies and grants from the United States Department of Housing and Urban Development (HUD). Additionally, the Housing Authority receives rental subsidy from the United States Department of Agriculture (USDA) for the Jackson Square Rural Development.
- The Housing Authority's net position increased by \$63,497 during the fiscal year.
- The Housing Authority's operating revenue increased by \$111,915 during the fiscal year.
- The Housing Authority's operating expenses increased by \$135,637 during the fiscal year.
- At the close of the current fiscal year, the Housing Authority's Assets exceeded its Liabilities by \$702,055.
- The Housing Authority administers federal grants to benefit the low income, elderly and disabled citizens of the City of Hammond.

OVERVIEW OF THE FINANCIAL STATEMENTS

This MD&A is intended to serve as an introduction to the Housing Authority's basic financial statements. The Housing Authority is a special-purpose government engaged in business-type activities. Accordingly, only fund financial statements are presented as the basic financial statements, comprised of two components: (1) fund financial statements and (2) a series of notes to the financial statements. These provide information about the activities of the Housing Authority as a whole and present a longer-term view of the Housing Authority's finances. This report also contains other supplemental information in addition to the basic financial statements themselves demonstrating how projects funded by HUD have been completed, and whether there are inadequacies in the Housing Authority's internal controls.

Housing Authority of Hammond, Louisiana

Management's Discussion and Analysis (MD&A)

For the Year Ended, December 31, 2021

Reporting on the Housing Authority as a Whole

One of the most important questions asked about the Housing Authority's finances is, "Is the Housing Authority as a whole better off, or worse off, as a result of the achievements of fiscal year 2021?" The Statement of Net Position and the Statement of Revenues, Expenses, and Changes in Fund Net Position report information about the Housing Authority as a whole and about its activities in a way that helps answer this question. These statements include all assets, liabilities and deferred outflows/inflows of resources using the accrual basis of accounting, which is similar to the accounting method used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

Fund Financial Statements

All of the funds of the Housing Authority are reported as proprietary funds. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Housing Authority, like other enterprises operated by state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

The Housing Authority's financial statements report its net position and changes in them. One can think of the Housing Authority's net position – the difference between assets and deferred outflows and liabilities and deferred inflows of resources – as one way to measure the Housing Authority's financial health, or financial position. Over time, increases and decreases in the Housing Authority's net position are one indicator of whether its financial health is improving or deteriorating. One will need to consider other non-financial factors, however, such as the changes in the Housing Authority's occupancy levels or its legal obligations to HUD, to assess the overall health of the Housing Authority.

USING THIS ANNUAL REPORT

The Housing Authority's annual report consists of financial statements that show combined information about the Housing Authority's most significant programs:

Jackson Square Rural Development
Section 8 Housing Choice Vouchers

The Housing Authority's auditors provided varying degrees of assurance in their independent auditor's report with which this MD&A is included. The auditors also provide varying degrees of assurance regarding the other information included in this report. A user of this report should read the independent auditor's report carefully to determine the level of assurance provided for each of the other parts of this report.

Reporting the Housing Authority's Most Significant Funds

The Housing Authority's financial statements provide detailed information about the most significant funds. Some funds are required to be established by the Department of Housing and Urban Development (HUD) and United States Department of Agriculture (USDA). However, the Housing Authority establishes other funds to help it control and manage money for particular purposes, or to show that it is meeting legal responsibilities for using grants and other money.

Housing Authority of Hammond, Louisiana
Management's Discussion and Analysis (MD&A)
For the Year Ended, December 31, 2021

The Housing Authority's enterprise funds use the following accounting approach for proprietary funds: All of the Housing Authority's services are reported in enterprise funds. The focus of proprietary funds is on income measurement, which, together with the maintenance of net position, is an important financial indicator.

Financial Analysis
Condensed Statement of Net Position

	<u>2021</u>	<u>2020</u>	<u>Net Change</u>
ASSETS			
Current assets	\$ 267,135	\$ 279,613	\$ (12,478)
Restricted assets	523,798	541,505	(17,707)
Capital assets (net)	127,127	135,853	(8,726)
Other assets	<u>100</u>	<u>-</u>	<u>100</u>
Total Assets	<u>918,160</u>	<u>956,971</u>	<u>(38,811)</u>
LIABILITIES			
Current liabilities	59,639	105,225	(45,586)
Deposits due others	7,065	7,425	(360)
Noncurrent liabilities	<u>149,401</u>	<u>205,763</u>	<u>(56,362)</u>
Total Liabilities	<u>216,105</u>	<u>318,413</u>	<u>(102,308)</u>
NET POSITION			
Net investment in capital assets	(21,030)	(27,839)	6,809
Restricted	367,295	281,435	85,860
Unrestricted	<u>355,790</u>	<u>384,962</u>	<u>(29,172)</u>
Total Net Position	<u>\$ 702,055</u>	<u>\$ 638,558</u>	<u>\$ 63,497</u>

Current Assets decreased by \$12,478.

Capital Assets decreased by \$8,726. This decrease is a result of current depreciation expense exceeding furniture and equipment purchased by the Authority during the year.

Current Liabilities decreased by \$45,586 as a result of decreases in accrued compensated absences and unearned revenue. This decrease was offset by an increases in accounts payable to vendors, as well as, interest payable and notes payable due within one year in FYE 2021 as compared to FYE 2020.

Noncurrent Liabilities decreased by \$56,362 due to a reduction in notes payable and accrued compensated absences during the year.

Net position - The difference between an organization's assets and its liabilities is its net position. Net position is categorized as one of three types.

- Invested in capital assets, net of related debt - capital assets, net of accumulated depreciation and related debt due to the capital asset and long-term debt activity;

Housing Authority of Hammond, Louisiana
Management's Discussion and Analysis (MD&A)
For the Year Ended, December 31, 2021

- Restricted - the Authority's net position whose use is subject to constraints imposed by law or agreement consisting primarily of debt service reserves;
- Unrestricted - the Authority's net position that are neither invested in capital assets nor restricted which increases principally due to operations. These resources are available to meet the Authority's ongoing obligations to its residents and creditors.

Financial Analysis
Condensed Statement of Revenues, Expenses and Changes in Net Position

	<u>2021</u>	<u>2020</u>	<u>Net Change</u>
Operating Revenues:			
Dwelling Rental	\$ 27,839	\$ 31,054	\$ (3,215)
Governmental operating grants	2,239,717	2,140,616	99,101
Other Operating	183,186	167,157	16,029
Total operating revenues	2,450,742	2,338,827	111,915
Operating Expenses:			
Administrative	293,524	209,244	84,280
Utilities	6,175	4,412	1,763
Ordinary maintenance & operations	36,422	34,939	1,483
General expenses	64,579	37,889	26,690
Depreciation	25,802	24,599	1,203
Tenant services	-	21,980	(21,980)
Extraordinary maintenance	27,903	-	27,903
Housing assistance payments	1,912,138	1,897,843	14,295
Total operating expenses	2,366,543	2,230,906	135,637
Income (Loss) from Operations	84,199	107,921	(23,722)
Non-Operating Revenues (Expenses):			
Interest earnings	999	2,001	(1,002)
Interest expenses	(21,701)	(22,537)	836
Total Non-Operating Revenues (Expenses)	(20,702)	(20,536)	(166)
Change in net position	63,497	87,385	(23,888)
Total net position, beginning	638,558	551,173	87,385
Total net position, ending	\$ 702,055	\$ 638,558	\$ 63,497

Housing Authority of Hammond, Louisiana
Management's Discussion and Analysis (MD&A)
For the Year Ended, December 31, 2021

EXPLANATIONS OF FINANCIAL ANALYSIS

Operating Revenue increased by \$111,915 for the 2021 fiscal year. This increase represents an increase in governmental operating grants and other operating revenue, offset by a decrease in dwelling rental.

Operating Expenses are categorized by the Authority as administrative, utilities, ordinary maintenance and operations, general expenses, depreciation, tenant services, extraordinary maintenance and housing assistance payments expense.

Total operating expenses increased by \$135,637. This increase is attributable mainly to increases in administrative expense, utilities, ordinary maintenance and operations expense, general expenses, depreciation, extraordinary maintenance and housing assistance payments for the 2021 fiscal year.

Administrative Expenses increased by \$84,280 for the 2021 fiscal year. Most of the increase is attributable to increases in administrative salaries, advertising and marketing expense, employee benefit contributions expense, as well as, office expense, legal expense and other expenses. This increase was offset by a decrease in auditing and travel expense in FYE 2021.

Ordinary Maintenance and Operations Expenses increased by \$1,483 for the 2021 fiscal year. The increase is mainly related to an increase in contract costs incurred in the continuation of unit turnaround efforts, offset by a decrease in maintenance materials for the 2021 fiscal year as compared to the 2020 fiscal year.

General Expenses increased by \$26,690 for the 2021 fiscal year. This increase relates to an increase in insurance expense, compensated absences expense and bad debt expense, offset by a decrease in other general expenses in FYE 2021 as compared to FYE 2020.

Extraordinary maintenance increased by \$27,903 for the 2021 fiscal year. This increase directly relates to disaster maintenance expenses incurred due to Hurricane IDA in FYE 2021.

Housing Assistance Payments increased by \$14,295 for the 2021 fiscal year.

Non-Operating Revenues and Expenses decreased by \$166 mainly due to a decrease in interest income and expense incurred in FYE 2021 as compared to FYE 2020.

CAPITAL ASSET AND DEBT ADMINISTRATION

The Authority's capital assets as of December 31, 2021, amounts to \$127,127 (net of accumulated depreciation). The investment in capital assets includes land, buildings and improvements, furniture and equipment, and accumulated depreciation. The total decrease in the Authority's capital assets for the current fiscal year was \$8,726.

Housing Authority of Hammond, Louisiana
Management's Discussion and Analysis (MD&A)
For the Year Ended, December 31, 2021

Capital Assets, Net of Accumulated Depreciation

	<u>2021</u>	<u>2020</u>	<u>Net Change</u>
Land	\$ 35,560	\$ 35,560	\$ -
Buildings and improvements	759,488	747,561	11,927
Furniture and equipment	55,080	49,930	5,150
Accumulated Depreciation	<u>(723,001)</u>	<u>(697,198)</u>	<u>(25,803)</u>
Total	<u>\$ 127,127</u>	<u>\$ 135,853</u>	<u>\$ (8,726)</u>

Additional information on the Housing Authority of Hammond's capital assets can be found in the notes to the financial statements in this report.

DEBT

As of December 31, 2021, the Housing Authority had total debt outstanding of \$148,157 for the USDA loan on the Jackson Square Rural Development. The balance of the total outstanding debt at year end represents a decrease of \$15,535 from the previous year. See the notes to the financial statements for further information.

Non-current liabilities also include accrued annual vacation leave due to employees. The Housing Authority has not incurred any mortgages, leases, or bond indentures for financing capital assets or operations.

FACTORS AFFECTING NEXT YEAR'S BUDGET

The Housing Authority is primarily dependent upon HUD for the funding of operations; therefore, the Housing Authority is affected more by the Federal budget than by local economic conditions. The Housing Choice Voucher program funding is based on actual housing assistance paid and the number of vouchers housed. However, each year HUD prorates the funding for administrative fees based on the Federal budget.

ECONOMIC FACTORS

Significant economic factors which may also affect the financial position of the Authority in the subsequent fiscal year are as follows:

- Federal funding provided by Congress to the Department of Housing and Urban Development and new rules and regulations, which could be unfunded;
- Local labor supply and demand, which can affect salary and wage rates;
- Local inflationary, recessionary and employment trends, which can affect resident incomes and therefore the amount of rental income as well as the Housing Assistance Payments (HAP) to landlords;
- Natural disasters which can have a devastating impact on the local economy;
- Inflationary pressure on utility rates, housing costs, supplies and other costs; and
- Trends in the current housing market.

HOUSING AUTHORITY OF HAMMOND, LOUISIANA
STATEMENT OF NET POSITION

DECEMBER 31, 2021

	General	Rural Development	Total
ASSETS			
Current assets			
Cash and cash equivalents	\$ 158,638	\$ 13,730	\$ 172,368
Accounts receivable net	41,217	22,865	64,082
Prepaid expenses	12,655	18,030	30,685
Restricted assets - cash and cash equivalents	367,295	156,503	523,798
Total Current Assets	<u>579,805</u>	<u>211,128</u>	<u>790,933</u>
Capital Assets, net			
Land and other non-depreciated assets	0	35,560	35,560
Other capital assets - net of depreciation	4,196	87,371	91,567
Total Capital Assets, net	<u>4,196</u>	<u>122,931</u>	<u>127,127</u>
Other Assets			
	<u>100</u>	<u>0</u>	<u>100</u>
Total Other Assets	<u>100</u>	<u>0</u>	<u>100</u>
Total Assets	<u>\$ 584,101</u>	<u>\$ 334,059</u>	<u>\$ 918,160</u>
LIABILITIES			
Current Liabilities			
Accounts payable	\$ 38,686	\$ 3,025	\$ 41,711
Compensated absences payable	2,308	0	2,308
Accrued interest payable	0	16	16
Deposits due others	0	7,065	7,065
Notes payable	0	15,604	15,604
Total Current Liabilities	<u>40,994</u>	<u>25,710</u>	<u>66,704</u>
Noncurrent Liabilities			
Compensated absences payable	16,848	0	16,848
Notes payable	0	132,553	132,553
Total Noncurrent Liabilities	<u>16,848</u>	<u>132,553</u>	<u>149,401</u>
Total Liabilities	<u>\$ 57,842</u>	<u>\$ 158,263</u>	<u>\$ 216,105</u>
NET POSITION			
Net investment in capital assets	4,196	(25,226)	(21,030)
Restricted	367,295	0	367,295
Unrestricted	154,768	201,022	355,790
Net Position	<u>\$ 526,259</u>	<u>\$ 175,796</u>	<u>\$ 702,055</u>

The Notes to the Financial Statements are an integral part of these statements.

HOUSING AUTHORITY OF HAMMOND, LOUISIANA
STATEMENT OF REVENUES,
EXPENSES AND CHANGES IN FUND NET POSITION

YEAR ENDED DECEMBER 31, 2021

	General	Rural Development	Total
OPERATING REVENUES			
Dwelling rental	\$ 0	\$ 27,839	\$ 27,839
Governmental operating grants	2,139,560	100,157	2,239,717
Port-In Revenue	119,471	0	119,471
Other	0	63,715	63,715
Total Operating Revenues	<u>2,259,031</u>	<u>191,711</u>	<u>2,450,742</u>
OPERATING EXPENSES			
Administration	274,110	19,414	293,524
Utilities	0	6,175	6,175
Ordinary maintenance & operations	0	36,422	36,422
General expenses	49,083	15,496	64,579
Depreciation	1,398	24,404	25,802
Housing assistance payments	1,816,214	0	1,816,214
Port Payments	95,924	0	95,924
Extraordinary maintenance	27,903	0	27,903
Total Operating Expenses	<u>2,264,632</u>	<u>101,911</u>	<u>2,366,543</u>
Income (Loss) from Operations	<u>(5,601)</u>	<u>89,800</u>	<u>84,199</u>
Non Operating Revenues (Expenses)			
Interest earnings	963	36	999
Interest expense	0	(21,701)	(21,701)
Total Non-Operating Revenues (Expenses)	<u>963</u>	<u>(21,665)</u>	<u>(20,702)</u>
Income (Loss) before contribution	<u>(4,638)</u>	<u>68,135</u>	<u>63,497</u>
Capital Contribution	0	0	0
Change in net position	<u>(4,638)</u>	<u>68,135</u>	<u>63,497</u>
Equity transfer	<u>(5,150)</u>	<u>5,150</u>	<u>0</u>
Total net position - beginning	<u>536,047</u>	<u>102,511</u>	<u>638,558</u>
Total net position - ending	<u>\$ 526,259</u>	<u>\$ 175,796</u>	<u>\$ 702,055</u>

The Notes to the Financial Statements are an integral part of these statements.

HOUSING AUTHORITY OF HAMMOND, LOUISIANA
STATEMENT OF CASH FLOWS

YEAR ENDED DECEMBER 31, 2021

	General	Rural Development	Total
	<u> </u>	<u> </u>	<u> </u>
CASH FLOWS FROM OPERATING ACTIVITIES			
Rental receipts	\$ 0	\$ 27,383	\$ 27,383
Other receipts	145,185	2,297	147,482
Insurance proceeds	0	61,058	61,058
Federal grants	2,032,591	84,987	2,117,578
Payments to vendors	(147,550)	(67,438)	(214,988)
Payments to employees – net	(237,867)	(14,210)	(252,077)
Payments to private landlords	(1,912,138)	0	(1,912,138)
	<u> </u>	<u> </u>	<u> </u>
Net cash provided (used) by operating activities	(119,779)	94,077	(25,702)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Payments on capital debt	0	(15,535)	(15,535)
Interest expense	0	(21,689)	(21,689)
Purchase of fixed assets	(5,150)	(11,927)	(17,077)
	<u> </u>	<u> </u>	<u> </u>
Net cash provided (used) by capital and related financing activities	(5,150)	(49,151)	(54,301)
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest income	963	37	1,000
	<u> </u>	<u> </u>	<u> </u>
Net cash provided (used) by investing activities	963	37	1,000
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS			
	(123,966)	44,963	(79,003)
CASH AND CASH EQUIVALENTS			
Beginning of Fiscal Year	649,899	125,270	775,169
	<u> </u>	<u> </u>	<u> </u>
CASH AND CASH EQUIVALENTS End of Fiscal Year	\$ 525,933	\$ 170,233	\$ 696,166
	<u> </u>	<u> </u>	<u> </u>

Continued

HOUSING AUTHORITY OF HAMMOND, LOUISIANA
STATEMENT OF CASH FLOWS

YEAR ENDED DECEMBER 31, 2021

	General	Rural Development	Total
	<u> </u>	<u> </u>	<u> </u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES			
Operating income (loss)	\$ (5,601)	\$ 89,800	\$ 84,199
Adjustment to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation Expense	1,398	24,404	25,802
Provision of uncollectible accounts	6,299	0	6,299
Change in assets and liabilities:			
Receivables	(27,962)	(15,626)	(43,588)
Prepaid items	(7,060)	(4,569)	(11,629)
Account payables	(20,094)	428	(19,666)
Unearned income	(66,759)	0	(66,759)
Deposits due others	0	(360)	(360)
Net cash provided (used) by operations	<u>\$ (119,779)</u>	<u>\$ 94,077</u>	<u>\$ (25,702)</u>

Concluded

The Notes to the Financial Statements are an integral part of these statements.

HOUSING AUTHORITY OF HAMMOND, LOUISIANA
NOTES TO THE BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2021

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HOUSING AUTHORITY OF HAMMOND, LOUISIANA
NOTES TO THE BASIC FINANCIAL STATEMENTS

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NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES The accompanying financial statements of the Housing Authority of the City of Hammond have been prepared in conformity with accounting principles generally accepted in the United States of America (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.

A. REPORTING ENTITY Housing Authorities are chartered as public corporations under the laws (LSA – R.S. 40.391) of the State of Louisiana for the purpose of providing safe and sanitary dwellings accommodations. This creation was contingent upon the local governing body of the city or parish declaring a need for the Housing Authority to function in such city or parish. The Housing Authority is governed by a five member Board of Commissioners. The members, appointed by the Honorable Mayor of the City of Hammond, serve staggered multi-year terms.

The Housing Authority has the following units:

<u>Program</u>	<u>Units/Vouchers</u>
Jackson Square Rural Development	20
Housing Choice Vouchers	321
VASH	13

GASB Statement 14 establishes criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. Under provisions of this Statement, the Housing 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. As used in GASB Statement 14, fiscally independent means that the Housing Authority may, without the approval or consent of another governmental entity, determine or modify its own budget, levy its own taxes or set rates or charges, and issue bonded debt with HUD approval.

The Housing Authority is a related organization of the City of Hammond since the City of Hammond appoints a voting majority of the Housing Authority’s governing board. The City of Hammond is not financially accountable for the Housing Authority as it cannot impose its will on the Housing Authority and there is no potential for the Housing Authority to provide financial benefit to, or impose financial burdens on, the City of Hammond. Accordingly, the Housing Authority is not a component unit of the financial reporting entity of the City of Hammond.

Governmental Accounting Standards Board (GASB) Codification Section 2100 establishes criteria for determining which, if any, component units should be considered part of the Housing Authority for financial reporting purposes. The basic criteria for including a potential component unit within the reporting entity is financial accountability. The GASB has set forth criteria to be considered in determining financial accountability, which includes:

HOUSING AUTHORITY OF HAMMOND, LOUISIANA
NOTES TO THE BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2021

- 1) Appointing a voting majority of an organization's governing body, and:
 - a) The ability of the government to impose its will on that organization and/or
 - b) The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the government.
- 2) Organizations for which the government does not appoint a voting majority but are fiscally dependent on the government.
- 3) Organizations for which the reporting entity financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

Based on the previous criteria, the Housing Authority has determined that there are no component units that should be considered as part of the Housing Authority reporting entity.

B. FUNDS The accounts of the Housing Authority are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds are maintained consistent with legal and managerial requirements.

The transactions of the Housing Authority are reported in a proprietary enterprise fund. The Jackson Square Rural Development fund accounts for the transactions of Jackson Square Rural Development, which is funded by dwelling rent and USDA grant subsidy. The Housing Choice Voucher fund accounts for the Section Eight Housing Choice Voucher program. Restricted cash and restricted net position includes \$367,295 of funds remaining from disaster programs.

C. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

PROPRIETARY FUNDS Proprietary funds are accounted for on the flow of economic resources measurement focus and the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded at the time the liabilities are incurred. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the statement of net position.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary funds' principal ongoing operations. According to the Authority's policy, governmental operating grants are considered operating revenues. The other principal operating revenues of the Housing Authority are rent and maintenance charges to residents and operating fees earned. Operating expenses for proprietary funds include the administrative costs of providing the service and the housing assistance payments to landlords. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

HOUSING AUTHORITY OF HAMMOND, LOUISIANA
NOTES TO THE BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2021

D. CASH AND CASH EQUIVALENTS Cash includes amounts in demand deposits and interest-bearing demand deposits. Cash equivalents include amounts in time deposits, of less than ninety days, and cash with fiscal agent. Under state law, the Housing Authority may deposit funds in demand deposits, interest-bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana.

On the Statement of Cash Flows, cash and cash equivalents, end of year, is \$696,166. This is comprised of cash and cash equivalents of \$172,368 and restricted assets – cash of \$523,798, on the statement of net position.

E. INVESTMENTS Investments are limited to L.S.-R.S. 33:2955 and the Housing Authority investment policy. If the original maturities of investments exceed 90 days, they are classified as investments; however, if the original maturities are 90 days or less, they are classified as cash equivalents.

The investments are reflected at quoted market prices except for the following which are required/permitted as per GASB Statement No. 31:

Investments in *nonparticipating* interest-earning contracts, such as nonnegotiable certificates of deposit with redemption terms that do not consider market rates, are reported using a cost-based measure.

Definitions:

Interest-earning investment contract include time deposits with financial institutions (such as certificates of deposit), repurchase agreements, and guaranteed investment contracts.

F. REVENUE RECOGNITION Revenues and other governmental fund financial resource increments are recognized in the accounting period in which they become susceptible to accrual – that is, when they become *measurable* and *available* to the finance expenditures of the fiscal period. “Available” is determined as collectible within the 12 months of the fiscal year or soon enough thereafter to be used in pay liabilities of the current period.

G. INVENTORY All purchased inventory items are valued at cost using the first-in, first-out method. Inventory is recorded using the purchase method. At year end, the amount of inventory is recorded for external financial reporting.

H. PREPAID ITEMS Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items.

HOUSING AUTHORITY OF HAMMOND, LOUISIANA
NOTES TO THE BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2021

I. CAPITAL ASSETS Capital assets are recorded at historical cost and depreciated over their estimated useful lives (excluding salvage value). The capitalization threshold is \$2,500. Donated capital assets are recorded at their estimated fair value at the date of donation. Estimated useful life is management's estimate of how long the asset is expected to meet service demands. Straight line depreciation is used based on the following estimated useful lives:

Site improvements	15 years
Buildings	15-40 years
Building improvements	15 years
Furniture and equipment	5-7 years
Computers	5 years

J. COMPENSATED ABSENCES It is the Housing Authority's policy to permit employees to accumulate earned but unused vacation pay benefits. In accordance with the provisions of GASB Statement No. 16, "Accounting for Compensated Absences," vacation pay is accrued when incurred and reported as a liability.

Employees can earn from 40 to 160 hours per year in vacation time. Employees may accumulate an unlimited number of vacation time hours. Depending upon their length of service, classified employees receive payment for up to 300 vacation time hours upon termination or retirement at their then current rate of pay. However, unclassified employees are not capped regarding the amount of hours received for vacation time upon termination or retirement. The cost of current leave privileges, computed in accordance with GASB Codification, is recognized as a current year expense when leave is earned.

K. UNEARNED REVENUES The Housing Authority reports unearned revenues on its combined statement of net position. Unearned revenues arise when resources are received by the Housing Authority before it has a legal claim to them, as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when the Housing Authority has a legal claim to the resources, the liability for unearned revenue is removed from the combined statement of net position and the revenue is recognized.

L. POST EMPLOYMENT BENEFITS The Authority does not recognize or pay any post employment benefits. Accordingly, Governmental Accounting Standards Board (GASB) Statement Number 45 does not apply.

M. NET POSITION AND FLOW ASSUMPTIONS Net position is reported as restricted when constraints placed on net position use as either:

Externally imposed by creditors (such as debt covenants), grantors, contributors, or laws or regulations of other governments or imposed by law through constitutional provisions or enabling legislation.

HOUSING AUTHORITY OF HAMMOND, LOUISIANA
NOTES TO THE BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2021

Sometime the Authority may fund outlays from both restricted and unrestricted resources. In the event that should occur, the Authority must make a flow assumption about the order in which the resources are considered to be applied. It is the Authority's policy to consider restricted-net position to have been depleted before unrestricted-net position is applied.

N. INTERFUND ACTIVITY Interfund activity is reported as loans, services provided, reimbursements, or transfers. Loans are reported as interfund receivables and payables as appropriate. Services provided, deemed to be at market, or near market rates, are treated as revenues and expenses. All other interfund transfers are reported as transfers. Reimbursements are when one fund incurs a cost, changes the benefiting fund and reduces its related cost as reimbursement. All other interfund transactions are treated as transfers.

O. 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 reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues, expenses and other financing sources and uses during the reporting period. Actual results could differ from those estimates.

NOTE 2 – DEPOSITS AND INVESTMENTS The Housing Authority has reported their investments with a maturity at time of purchase of one year or less at amortized cost. Investments with maturity at time of purchase of greater than one year are presented at fair value at December 31, 2021. Deposits are stated at cost, which approximates fair value.

Interest Rate Risk: The Housing Authority's policy does not address interest rate risk.

Credit Rate Risk: GASB 40 disclosure of credit rate risk does not apply, since the Authority's only investments are certificates of deposit.

Custodial Credit Risk: The Authority's policy requires the financial institution to cover the first \$250,000 of deposits with FDIC coverage. Any excess deposits must be collateralized with securities held by the pledging financial institution, with a fair market value that equals or exceeds the amount of excess deposits.

Restricted Cash: \$367,295 of remaining Section Eight Disaster-related funds are restricted in the General Fund. In the Rural Development Fund, \$88,379 and \$61,059 for the Reserve Account and unspent insurance proceeds are restricted for an equal amount of cash. \$7,065 of cash is restricted for tenant security deposits.

HOUSING AUTHORITY OF HAMMOND, LOUISIANA
NOTES TO THE BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2021

At December 31, 2021, the Housing Authority's carrying amount of deposits was \$696,166 and the bank balance was \$718,157. \$421,318 of the bank balance was covered by FDIC Insurance. The remaining bank balance of \$296,839 was covered by pledged securities. However, this \$296,839 was exposed to custodial credit risk, as defined by GASBS No. 40, para. 8, because it was uninsured and collateralized with securities held by the pledging financial institution's trust department or agent but not in the Housing Authority's name.

Even though the pledged securities are considered uncollateralized (Category 3) under the provisions of GASB Statement 40, Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within ten days of being notified by the Housing Authority that the fiscal agent has failed to pay deposited funds upon demand. Investments during the year were solely in time deposits at banks.

NOTE 3 – ACCOUNTS RECEIVABLE The receivables at December 31, 2021, are as follows:

<u>Class of Receivables</u>	<u>General</u>	<u>Rural Development</u>	<u>Total</u>
Local sources:			
Tenants	\$ 0	\$ 1,769	\$ 1,769
Other	1,007	0	1,007
FEMA-Disaster	22,072	21,096	43,168
Federal sources:			
Grants	18,138	0	18,138
Total	<u>\$ 41,217</u>	<u>\$ 22,865</u>	<u>\$ 64,082</u>

HOUSING AUTHORITY OF HAMMOND, LOUISIANA
NOTES TO THE BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2021

NOTE 4 – CAPITAL ASSETS The changes in capital assets are as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Non-depreciable assets				
Land and buildings	\$ 35,560	\$ 0	\$ 0	\$ 35,560
Depreciable assets:				
Buildings	747,561	11,927	0	759,488
Furniture and equipment	49,930	5,150	0	55,080
Total capital assets	833,051	17,077	0	850,128
Less: accumulated depreciation				
Buildings	664,591	20,297	0	684,888
Furniture and equipment	32,608	5,505	0	38,113
Total accumulated depreciation	697,199	25,802	0	723,001
Total capital assets, net	\$ 135,852	\$ (8,725)	\$ 0	\$ 127,127

NOTE 5 – ACCOUNTS PAYABLE The payables at December 31, 2021 are as follows:

	General	Rural Development	Total
Vendors	\$ 18,638	\$ 3,025	\$ 21,663
Payroll taxes & Retirement withheld	2,908	0	2,908
Ports	10,917	0	10,917
Other	6,223	0	6,223
Total	\$ 38,686	\$ 3,025	\$ 41,711

HOUSING AUTHORITY OF HAMMOND, LOUISIANA
NOTES TO THE BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2021

NOTE 6 – LONG-TERM OBLIGATIONS The long-term liability at December 31, 2021 represents a housing revenue note payable to the United States Department of Agriculture, Rural Development Administration under the Rural Rental Housing Loan Program (CFDA#10.415). The note is due in monthly installments of \$1,424 through January 2031, with an annual interest rate of 13.25%. The following is a summary of the changes in long-term obligations for the note payable for the year ended December 31, 2021:

		Compensated Absences
Balance, beginning	\$	163,692
Additions		0
Deletions		(15,535)
Balance, ending		148,157
Amounts due in one year	\$	15,604

Because of the variable terms of the USDA program (CFDA#10.415), it is not possible to determine exactly what the long-term debt amortization is. The estimated annual requirements to amortize long-term debt outstanding at December 31, 2021 are as follows:

Year ending December 31,	Principal	Interest	Total
2022	15,604	21,690	37,294
2023	15,761	20,854	36,615
2024	15,918	19,754	35,672
2025	16,078	18,454	34,532
2026	16,332	16,854	33,186
2027-2032	68,464	14,854	83,318
Total	\$ 148,157	\$ 112,460	\$ 260,617

The Housing Authority has also entered into an interest credit and rental assistance agreement with the USDA, Rural Development under which the Housing Authority earns a credit against the interest payable on the mortgage note. The Credit may result in an effective interest rate as low as one percent (1%). USDA, Rural Development may terminate the interest credit agreement if it is determined that no subsidy is necessary or if the Housing Authority is determined to be in noncompliance with the loan agreement or other applicable UDSDA, Rural Development rules or regulations. The note is due in monthly installment over a fifty (50) year period through January 2031, with a stated annual interest of 13.25%; however, the current annual interest being charged and paid is one percent (1%), the latter is how management has chosen to present the liability on the financial statements.

HOUSING AUTHORITY OF HAMMOND, LOUISIANA
NOTES TO THE BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2021

Also included in the long-term debt as of December 31, 2021, is \$19,156 which represents the long-term portion of compensated absences. The following is a summary of the changes in long-term obligations for compensated absences for the year ended December 31, 2021.

		Compensated Absences
Balance, beginning	\$	62,225
Additions		19,972
Deletions		(63,041)
Balance, ending		19,156
Amounts due in one year	\$	2,308

NOTE 7 – RESERVED FUND ACCOUNT During 1982, the Housing Authority received a \$659,140 loan from USDA, Rural Development (CFDA #10.415) for the construction of housing accommodations for disabled and low income individuals. The loan agreement requires the establishment of a reserve fund bank account. The Housing Authority must transfer into this fund an amount not less than \$6,000 annually. At December 31, 2021, the Housing Authority had a balance of \$88,379 in the reserve account.

The following is summary of the changes in the reserve fund balance for the year ended December 31, 2021:

		Reserve Fund Account
Balance, beginning	\$	82,359
Transfer from checking		11,000
Interest earned		20
Withdrawal		(5,000)
Balance, ending		88,379

HOUSING AUTHORITY OF HAMMOND, LOUISIANA
NOTES TO THE BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2021

NOTE 8 – RENTAL SERVICE AGREEMENT The Housing Authority has entered into a contract with the USDA, Rural Development that provides rental assistance payments on behalf of eligible lower income persons or families. Under this contract, the Housing Authority agrees to rent only to eligible persons or families at USDA Rural Development approved rates and to adhere to certain rules of operation. USDA Rural Development may, at its option, terminate the contract if the Housing Authority is determined to be in noncompliance with the USDA Rural Development loan agreement or other applicable USDA Rural Development rules or regulations. USDA Rural Development may also reduce the number of units covered by the contract should it determine that there is a lack of eligible tenants in the area.

NOTE 9 – POST EMPLOYMENT BENEFITS The Housing Authority does not provide post employment health benefits; therefore, the Housing Authority does not include any entries for unfunded actuarial accrued liability, net OPEB expense, or annual contribution required.

NOTE 10 – INTERFUND RECEIVABLES AND PAYABLES At December 31, 2021, there was no interfund balance.

NOTE 11 – RETIREMENT SYSTEM The Housing Authority participates in the Louisiana Housing Council Group Retirement Plan which is a defined contribution plan. The plan consists of employees of various local and regional housing authorities, which are members of the Louisiana Housing Council. Through this plan, the Housing Authority provides pension benefits for all of its full-time employees. All full-time employees who have attained age 18 are eligible to participate in the plan on the first day of the month after completing three months of continuous and uninterrupted employment.

Under a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. The employer was required to make monthly contributions equal to 8 percent of each participant's basic (excludes overtime) compensation from January 2014 through June 2014; however, as of July 2014, the required employer contribution was reduced to 6 percent of each participant's basic compensation. Employees are required to contribute 6 percent of their annual covered salary.

The Housing Authority's contribution for each employee and income allocated to the employee's account is fully vested after five years of continuous service. The Housing Authority's contributions and interest forfeited by employees who leave employment before five years of service are first used to pay for plan expenses and if there is any residual amount, the amount is refunded to the Housing Authority.

HOUSING AUTHORITY OF HAMMOND, LOUISIANA
NOTES TO THE BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2021

Normal retirement date shall be the first day of the month following the employee's sixty-fifth birthday. Early retirement may be elected on the first day of any month within 10 years of the employee's normal retirement date, provided the employee has completed five years of service with the Housing Authority.

With the Housing Authority's consent, employees may defer retirement to the first day of any month beyond normal retirement date.

The Housing Authority made the required contributions of \$23,575 for the year ended December 31, 2021, of which \$11,787 was paid by the Housing Authority and \$11,787 was paid by employees. No payments were made out of the forfeiture account.

NOTE 12 – COMMITMENTS AND CONTINGENCIES

Commitments The Authority entered into an Employment Agreement with the Executive Director, effective November 1, 2021. The Agreement is for five years, and the Board will vote on an additional five year term at least ninety days in advance of the end of the current five year term. The Executive Director may terminate the Agreement at any time, provided she gives at least sixty days written notice to the Board prior to her resignation.

The Agreement may be terminated by the Board at any time, provided thirty days written notice is given and due process is followed. If the Executive Director is terminated without cause, the Authority is obligated to pay a lump sum equal to the salary and benefits she would have received for the remainder of the five year term. If the Executive Director leaves for any reason, the Authority is obligated to pay all unused but earned annual leave, in accordance with the Employment Agreement.

Litigation The Housing Authority is not presently involved in litigation.

Grant Disallowances The Housing Authority participates in a number of federally assisted grant programs. The programs are subject to compliance audits under the single audit approach. Such audits could lead to requests for reimbursement by the grantor agency for expenditures disallowed under terms of the grants. Housing Authority management believes that the amount of disallowance, if any, which may arise from future audits will not be material.

Risk Management The Housing Authority is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the Housing Authority carries commercial insurance.

HOUSING AUTHORITY OF HAMMOND, LOUISIANA
NOTES TO THE BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2021

The Housing Authority transfers risk of loss by participating in a public entity risk pool and contracting with a commercial insurance carrier for all major categories of exposed risk.

This includes coverage of property, general liability and public liability. The risk pool and insurance contracted are obligated to meet settlements up to the maximum coverage, after the PHA's premiums and deductions are met.

Louisiana State law prohibits one governmental entity assessing another entity. If the Louisiana Housing Council, Inc Group Insurance Risk Management Agency risk pool is unable to meet its obligations, the risk to the Housing Authority is only that its own claim would be unpaid.

Coverage has not significantly changed from the previous year and settlements for each of the past three years have not exceeded insurance coverage.

COVID-19 The COVID-19 pandemic has impacted the Authority's dealings with tenants and applicants. The Section Eight program received a CARES Act grant of \$95,731. The total grant was advanced and expended by December 31, 2021.

NOTE 13 – ECONOMIC DEPENDENCE The Department of Housing and Urban Development provided \$2,239,717 to the Housing Authority, which represents approximately 91% of the Housing Authority's total revenue and capital contributions for the year.

NOTE 14 - SUBSEQUENT EVENTS Management has evaluated events and transactions subsequent to the statement of net position date through, September 14, 2022, of the independent auditor's report for potential recognition or disclosure in the financial statements.



MIKE ESTES, CPA

MIKE ESTES, P.C.
A PROFESSIONAL ACCOUNTING CORPORATION
4040 FOSSIL CREEK BLVD. – SUITE 100
FORT WORTH, TEXAS 76137

Phone (817) 831-3556
Fax (817) 831-3558
e-mail: office@mikeestesc.com
website: mikeestesc.com

MEMBER OF THE
AMERICAN INSTITUTE OF
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ACCOUNTANTS
and the
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AUDIT QUALITY CENTER

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*

Independent Auditor's Report

Housing Authority of Hammond
Hammond, Louisiana

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 each major fund, of the Housing Authority of the City of Hammond, Louisiana, 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, Louisiana's basic financial statements, and have issued our report thereon dated September 14, 2022.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Housing Authority of the City of Hammond, Louisiana'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 Housing Authority of the City of Hammond, Louisiana's internal control. Accordingly, we do not express an opinion on the effectiveness of the Housing Authority of the City of Hammond, Louisiana's internal control.

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

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Housing Authority of the City of Hammond, Louisiana's financial statements are free of 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.

Mike Estes, P.C.

Mike Estes, P.C.
Fort Worth, Texas
September 14, 2022



MIKE ESTES, CPA

MIKE ESTES, P.C.
A PROFESSIONAL ACCOUNTING CORPORATION
4040 FOSSIL CREEK BLVD. – SUITE 100
FORT WORTH, TEXAS 76137

Phone (817) 831-3556
Fax (817) 831-3558
e-mail: office@mikeestepc.com
website: mikeestepc.com

MEMBER OF THE
AMERICAN INSTITUTE OF
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ACCOUNTANTS
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Report on Compliance For Each Major Federal Program; Report on Internal Control Over Compliance; and Report on the Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

Independent Auditor's Report

Housing Authority of Hammond
Hammond, Louisiana

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the Housing Authority of the City of Hammond, Louisiana'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 each of the Housing Authority of the City of Hammond, Louisiana's major federal programs for the year ended December 31, 2021. The Housing Authority of the City of Hammond, Louisiana's major federal programs are 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, Louisiana complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2021.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). 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, Louisiana and to meet our 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 each major federal program. Our audit does not provide a legal determination of the Housing Authority of the City of Hammond, Louisiana's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible 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, Louisiana'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, Louisiana'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 generally accepted auditing standards, *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, Louisiana's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *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, Louisiana'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, Louisiana'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, Louisiana'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 charge 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.

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of Housing Authority of each major fund, and the aggregate remaining fund information of the Housing Authority of the City of Hammond, Louisiana, 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, Louisiana's basic financial statements. We issued our report thereon dated September 14, 2022, which contained unmodified opinions on those financial statements. Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the 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 schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

Mike Estes, P.C.

Mike Estes, P.C.
Fort Worth, Texas
September 14, 2022

HOUSING AUTHORITY OF HAMMOND, LOUISIANA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED DECEMBER 31, 2021

FEDERAL GRANTOR PROGRAM TITLE	CDFA NO.	PROGRAM EXPENDITURES
U. S. Department of Housing and Urban Development Direct Programs:		
Housing Choice Voucher	14.871	2,029,633
COVID-19-Housing Choice Voucher	14.871	66,759
Total United States Department of Housing and Urban Development		\$ 2,096,392
Total Expenditures of Federal Awards		\$ 2,096,392
FEMA	97.036	43,168
U. S. Department of Agriculture Direct Programs:		
Rural Rental Housing Administration	10.415	1> 263,849
Total Expenditures of Federal Awards		\$ 2,403,409

The calculation of the Schedule of Expenditures of Federal Awards as noted below are in accordance with the Uniform Guidance requirements.

1> Includes the beginning of year, January 1, 2021 indebtedness to the Farmers Home Administration of \$163,692, plus current year subsidy of \$100,157.

The accompanying notes are an integral part of this schedule.

HOUSING AUTHORITY OF HAMMOND, LOUISIANA
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED 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 of Hammond, Louisiana (the “Housing Authority”) under programs of the federal government for the year ended December 31, 2021. The information in the Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Costs Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Housing Authority, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the Housing Authority.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

NOTE 3 - RELATIONSHIP TO BASIC FINANCIAL STATEMENTS Federal awards revenues are reported in the Housing Authority’s basic financial statements as follows:

	Federal Sources
Enterprise Funds	
Governmental operating grants	\$ 2,239,717
Total	\$ 2,239,717

NOTE 4 – RELATIONSHIP TO FEDERAL FINANCIAL REPORTS Amounts reported in the accompanying schedule agree with the amounts reported in the related federal financial reports except for changes made to reflect amounts in accordance with generally accepted accounting principles.

NOTE 5 – RURAL RENTAL HOUSING Not included in the Schedule of Expenditures of Federal Awards is \$148,157 in an outstanding long-term housing revenue note payable at December 31, 2021. The note is payable to the Rural Development Administration under CFDA #10.415. Of the \$100,157 reported under the CFDA #10.415, \$62,567 consists of rental assistance and \$37,590 consists of a loan subsidy.

NOTE 6 – DE MINIMIS INDIRECT COST RATE The Housing Authority did not elect to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

HOUSING AUTHORITY OF HAMMOND, LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

YEAR ENDED DECEMBER 31, 2021

Section I – Summary of the Auditor’s Results

Financial Statement Audit

1. Type of Auditor’s Report Issued on Financial Statements – Unmodified.
2. Internal Control Over Financial Reporting:
 - a. Material weakness(es) identified? _____ yes ✓ no
 - b. Significant deficiency(ies) identified? _____ yes ✓ none reported
3. Noncompliance material to financial statements noted? _____ yes ✓ no

Audit of Federal Awards

1. Internal Control Over Major Programs:
 - a. Material weakness(es) identified? _____ yes ✓ no
 - b. Significant deficiency(ies) identified that are not considered to be material weaknesses? _____ yes ✓ none reported
2. Type of Auditor’s Report Issued on Compliance For Major Programs – Unmodified.
3. Any audit findings disclosed that are required to be reported in accordance with Uniform Guidance (2 CFR 200)? _____ yes ✓ no
4. The programs tested as major programs include:

CFDA# 14.871 Section 8 Housing Choice Voucher
5. Dollar threshold used to distinguish between Type A and Type B Programs as described in the Uniform Guidance (2 CFR 200): \$ 750,000
6. Auditee qualified as low-risk auditee under Uniform Guidance (2 CFR 200)? ✓ yes _____ no
7. Nonstatistical sampling was used. To determine sample sizes, the AICPA Audit Guide *Audit Sampling* was used.

HOUSING AUTHORITY OF HAMMOND, LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

YEAR ENDED DECEMBER 31, 2021

Section II – Findings related to the financial statements which are required to be reported in accordance with Governmental Auditing Standards generally accepted in the United States of America:

None

HOUSING AUTHORITY OF HAMMOND, LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

YEAR ENDED DECEMBER 31, 2021

Section III – Findings and questioned costs for federal awards which are required to be reported under Uniform Guidance

None

HOUSING AUTHORITY OF HAMMOND, LOUISIANA
CORRECTIVE ACTION PLAN

YEAR ENDED DECEMBER 31, 2021

There were no audit findings.

HOUSING AUTHORITY OF HAMMOND, LOUISIANA
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

YEAR ENDED DECEMBER 31, 2021

The following prior audit findings were required to be reported under OMB Circular No. A-133, Section 510(a) (for the major program) for the prior year:

There were no prior audit findings.

SUPPLEMENTARY INFORMATION

HOUSING AUTHORITY OF HAMMOND, LOUISIANA
 SCHEDULE OF COMPENSATION, BENEFITS AND OTHER PAYMENTS TO AGENCY HEAD
 OR CHIEF EXECUTIVE DIRECTOR

YEAR ENDED DECEMBER 31, 2021

Agency Head Name: Delores Tillman, Executive Director

Purpose	Amount
Salary	\$ 129,215
Benefits-insurance	
Benefits-retirement	8,040
Benefits-<list any other here>	376
Car allowance	
Vehicle provided by government	<enter amount reported on W-2>
Per diem	
Reimbursements	
Travel	
Registration fees	1,293
Conference travel	
Continuing professional education fees	
Housing	
Unvouchered expenses*	
Special meals	
Total	\$ 138,924

HOUSING AUTHORITY OF HAMMOND, LOUISIANA
 SCHEDULE OF COMPENSATION, BENEFITS AND OTHER PAYMENTS TO AGENCY HEAD
 OR CHIEF EXECUTIVE DIRECTOR

YEAR ENDED DECEMBER 31, 2021

Agency Head Name: Jennifer Brunet, Executive Director

Purpose	Amount
Salary	\$ 57,050
Benefits-insurance	
Benefits-retirement	3,747
Benefits-<list any other here>	349
Car allowance	
Vehicle provided by government	<enter amount reported on W-2>
Per diem	
Reimbursements	
Travel	261
Registration fees	2,090
Conference travel	
Continuing professional education fees	
Housing	
Unvouchered expenses*	
Special meals	
Total	\$ 63,497



MIKE ESTES, CPA

MIKE ESTES, P.C.
A PROFESSIONAL ACCOUNTING CORPORATION
4040 FOSSIL CREEK BLVD. – SUITE 100
FORT WORTH, TEXAS 76137

Phone (817) 831-3556
Fax (817) 831-3558
e-mail: office@mikeestepc.com
website: mikeestepc.com

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AUDIT QUALITY CENTER

AGREED UPON PROCEDURES REPORT

Independent Accountant's Report On Applying Agreed-Upon Procedures

To the Board of Directors of the Hammond Housing Authority and the Louisiana Legislative Auditor:

We have performed the procedures enumerated below, which were agreed to by the Hammond Housing Authority and the Louisiana Legislative Auditor (LLA) on the control and compliance (C/C) areas identified in the LLA's Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period January 1, 2021 through December 31, 2021. The Hammond Housing Authority's management is responsible for those C/C areas identified in the SAUPs.

The Hammond Housing Authority has agreed to an acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to perform specified procedures on the C/C areas identified in LLA's SAUPs for the fiscal period January 1, 2021 through December 31, 2021. Additionally, LLA has agreed and acknowledged that the procedures performed are appropriate for its purposes. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated findings are as follows:

Written Policies and Procedures

1. Obtain and inspect the entity's written policies and procedures and observe that they address each of the following categories and subcategories if applicable to public funds and the entity's operations:
 - a) **Budgeting**, including preparing, adopting, monitoring, and amending the budget
 - b) **Purchasing**, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the Public Bid Law; and (5) documentation required to be maintained for all bids and price quotes.
 - c) **Disbursements**, including processing, reviewing, and approving.
 - d) **Receipts/Collections**, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or agency fund additions (e.g. periodic confirmation with outside parties,

reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).

- e) **Payroll/Personnel**, including (1) payroll processing, (2) reviewing and approving time and attendance records, including leave and overtime worked, and (3) approval process for employee(s) rate of pay or approval and maintenance of pay rate schedules.
- f) **Contracting**, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.
- g) **Credit Cards (and debit cards, fuel cards, P-Cards, if applicable)**, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases).
- h) **Travel and expense reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.
- i) **Ethics**, including (1) the prohibitions as defined in Louisiana Revised Statute (R.S.) 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) a requirement that documentation is maintained to demonstrate that all employees and officials were notified of any changes to the entity's ethics policy .
- j) **Debt Service**, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.
- k) **Information Technology Disaster Recovery/Business Continuity**, including (1) identification of critical data and frequency of data backups, (2) storage of backups in a separate physical location isolated from the network, (3) periodic testing/verification that backups can be restored, (4) use of antivirus software on all systems, (5) timely application of all available system and software patches/updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.
- l) **Sexual Harassment**, including R.S. 42:342-344 requirements for (1) agency responsibilities and prohibitions, (2) annual employee training, and (3) annual reporting.

Results of Testing:

Before the audit year began, the Authority had the above policies, except for those listed in (k) and (l). The board reviewed and adopted the Sexual Harassment Policy and the Information Technology Disaster Recovery Policy in May and September 2022, respectively.

Board or Finance Committee

- 2. Obtain and inspect the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and:
 - a) Observe that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.
 - b) For those entities reporting on the governmental accounting model, observe that the minutes referenced or included monthly budget-to-actual comparisons on the general fund, quarterly budget-to-actual, at a minimum, on proprietary funds, and semi-annual budget- to-actual, at a minimum, on all special revenue funds. *Alternately, for those entities reporting on the nonprofit accounting model, observe that the minutes referenced or included financial activity relating to public funds if those public funds comprised more than 10% of the entity's collections during the fiscal period.*

- c) For governmental entities, obtain the prior year audit report and observe the unassigned fund balance in the general fund. If the general fund had a negative ending unassigned fund balance in the prior year audit report, observe that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unassigned fund balance in the general fund.

Results of Testing:

- (a)-The board of commissioners met with a quorum on a frequency in accordance with the board's by laws.
- (b)-Beginning in September 2022, the board minutes start including the language that the board reviewed the budget to actual. All of the board's minutes were thorough and in good order.
- (c)-The unassigned balance in the General Fund for the prior year end was a positive amount.

Bank Reconciliations

- 3. Obtain a listing of entity bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the entity's main operating account. Select the entity's main operating account and randomly select 4 additional accounts (or all accounts if less than 5). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for each selected account, and observe that:
 - a) Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated or electronically logged);
 - b) Bank reconciliations include evidence that a member of management/board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation (e.g., initialed and dated, electronically logged); and
 - c) Management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

Results of Testing:

- (a)-bank reconciliations indicate that they were prepared within two months of the statement closing date.
- (b)-bank reconciliations include evidence that a member of management not in the disbursements process reviewed the bank reconciliations.
- (c)-there were no reconciling items that were outstanding at year end of more than 12 months.

Collections (excluding electronic funds transfers)

- 4. Obtain a listing of deposit sites for the fiscal period where deposits for cash/checks/money orders (cash) are prepared and management's representation that the listing is complete. Randomly select 5 deposit sites (or all deposit sites if less than 5).

Results of Testing:

The Authority has three deposit sites.

5. For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection location for each deposit site (i.e. 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if no written policies or procedures, inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that:
 - a) Employees that are responsible for cash collections do not share cash drawers/registers.
 - b) Each employee responsible for collecting cash is not responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g. pre-numbered receipts) to the deposit.
 - c) Each employee responsible for collecting cash is not responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit.
 - d) The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions, are not responsible for collecting cash, unless another employee/official verifies the reconciliation.

Results of Testing:

No exceptions were noted in the above tests.

6. Obtain from management a copy of the bond or insurance policy for theft covering all employees who have access to cash. Observe that the bond or insurance policy for theft was enforced during the fiscal period.

Results of Testing:

The Authority has a proper bond in place for the entire fiscal year.

7. Randomly select two deposit dates for each of the 5 bank accounts selected for procedure #3 under "Bank Reconciliations" above (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). *Alternately, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc.* Obtain supporting documentation for each of the 10 deposits and:
 - a) Observe that receipts are sequentially pre-numbered.
 - b) Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.
 - c) Trace the deposit slip total to the actual deposit per the bank statement.
 - d) Observe that the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100 and the cash is stored securely in a locked safe or drawer).
 - e) Trace the actual deposit per the bank statement to the general ledger.

Results of Testing:

No exceptions were noted in the above tests.

Non-Payroll Disbursements (excluding card purchases/payments, travel reimbursements, and petty cash purchases)

8. Obtain a listing of locations that process payments for the fiscal period and management's representation that the listing is complete. Randomly select 5 locations (or all locations if less than 5).

Results of Testing:

Payments are made at only one location.

9. For each location selected under #8 above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, inquire of employees about their job duties), and observe that job duties are properly segregated such that:
- a) At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.
 - b) At least two employees are involved in processing and approving payments to vendors.
 - c) The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files.
 - d) Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments.
- (Note: Exceptions to controls that constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality); should not be reported.)

Results of Testing:

No exceptions were noted in the above tests.

10. For each location selected under #8 above, obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction and:
- a) Observe that the disbursement matched the related original itemized invoice and that supporting documentation indicates that deliverables included on the invoice were received by the entity.
 - b) Observe that the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #9, as applicable.

Results of Testing:

No exceptions were noted in the above tests.

Credit Cards/Debit Cards/Fuel Cards/P-Cards

11. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and P-cards (cards) for the fiscal period, including the card numbers and the names of the persons who maintained possession of the cards. Obtain management's representation that the listing is complete.

Results of Testing:

Management asserts that the list of credit cards they gave us is complete.

12. Using the listing prepared by management, randomly select 5 cards (or all cards if less than 5) that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement), obtain supporting documentation, and:
 - a) Observe that there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) was reviewed and approved, in writing (or electronically approved), by someone other than the authorized card holder. (Note: requiring such approval may constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality); these instances should not be reported.))
 - b) Observe that finance charges and late fees were not assessed on the selected statements.

Results of Testing:

No exceptions were noted in the above tests.

13. Using the monthly statements or combined statements selected under #12 above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (i.e. each card should have 10 transactions subject to testing). For each transaction, observe that it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only). For missing receipts, the practitioner should describe the nature of the transaction and note whether management had a compensating control to address missing receipts, such as a “missing receipt statement” that is subject to increased scrutiny.

Results of Testing:

No exceptions were noted in the above tests.

Travel and Travel-Related Expense Reimbursements (excluding card transactions)

14. Obtain from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management’s representation that the listing or general ledger is complete. Randomly select 5 reimbursements, obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected:
 - a) If reimbursed using a per diem, observe that the approved reimbursement rate is no more than those rates established either by the State of Louisiana or the U.S. General Services Administration (www.gsa.gov).
 - b) If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.
 - c) Observe that each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by written policy (procedure #1h).

- d) Observe that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

Results of Testing:

No exceptions were noted in the above tests.

Contracts

15. Obtain from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. *Alternately, the practitioner may use an equivalent selection source, such as an active vendor list.* Obtain management's representation that the listing is complete. Randomly select 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner's contract, and:
 - a) Observe that the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law.
 - b) Observe that the contract was approved by the governing body/board, if required by policy or law (e.g. Lawrason Act, Home Rule Charter).
 - c) If the contract was amended (e.g. change order), observe that the original contract terms provided for such an amendment and that amendments were made in compliance with the contract terms (e.g. if approval is required for any amendment was approval documented).
 - d) Randomly select one payment from the fiscal period for each of the 5 contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe that the invoice and related payment agreed to the terms and conditions of the contract.

Results of Testing:

In 2021, the Authority contracted for \$11,927 for repairs-rehab for the Rural Development project. The former Executive Director, now retired, admits that the Authority did not advertise in writing for other quotes. No other quotes were obtained. The contract was approved by the board. In addition, Management monitored the construction activity and retained well documented notes about the quality of the work and progress.

No other exceptions were noted.

Recommendation

The Authority should obtain multiple quotes whenever possible for amounts required by the Procurement Policy.

Corrective Action Plan-Response

We will comply with the auditor's recommendation.

Payroll and Personnel

16. Obtain a listing of employees and officials employed during the fiscal period and management's representation that the listing is complete. Randomly select 5 employees or officials, obtain related

paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.

Results of Testing:

No exceptions were noted in the above tests.

17. Randomly select one pay period during the fiscal period. For the 5 employees or officials selected under #16 above, obtain attendance records and leave documentation for the pay period, and:
 - a) Observe that all selected employees or officials documented their daily attendance and leave (e.g., vacation, sick, compensatory). (Note: Generally, officials are not eligible to earn leave and do not document their attendance and leave. However, if the official is earning leave according to a policy and/or contract, the official should document his/her daily attendance and leave.)
 - b) Observe that supervisors approved the attendance and leave of the selected employees or officials.
 - c) Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.
 - d) Observe that the rate paid to the employees or officials agree to the authorized salary/pay rate found within the personnel file.

Results of Testing:

No exceptions were noted in the above tests.

18. Obtain a listing of those employees or officials that received termination payments during the fiscal period and management's representation that the list is complete Randomly select two employees or officials, obtain related documentation of the hours and pay rates used in management's termination payment calculations and the entity policy on termination payments. Agree the hours to the employee or officials' cumulate leave records, agree the pay rates to the employee or officials' authorized pay rates in the employee or officials' personnel files, and agree the termination payment to entity policy.

Results of Testing:

The final payment made to the retiring Executive Director was reviewed and was properly supported.

19. Obtain management's representation that employer and employee portions of third-party payroll related amounts (e.g. payroll taxes, retirement contributions, health insurance premiums, garnishments, workers' compensation premiums, etc.) have been paid, and any associated forms have been filed, by required deadlines.

Results of Testing:

Management represents that the above payments were timely made. No exceptions were noted in our tests.

Ethics

20. Using the 5 randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above, obtain ethics documentation from management, and:
 - a. Observe that the documentation demonstrates each employee/official completed one hour of ethics training during the fiscal period.

- b. Observe that the entity maintains documentation which demonstrates each employee and official were notified of any changes to the entity's ethics policy during the fiscal period, as applicable.

Results of Testing:

No exceptions were noted in the above tests.

Debt Service

21. Obtain a listing of bonds/notes and other debt instruments issued during the fiscal period and management's representation that the listing is complete. Select all debt instruments on the listing, obtain supporting documentation, and observe that State Bond Commission approval was obtained for each debt instrument issued.

Results of Testing:

Payments on the Rural Development notes payable were timely made.

22. Obtain a listing of bonds/notes outstanding at the end of the fiscal period and management's representation that the listing is complete. Randomly select one bond/note, inspect debt covenants, obtain supporting documentation for the reserve balance and payments, and agree actual reserve balances and payments to those required by debt covenants (including contingency funds, short-lived asset funds, or other funds required by the debt covenants).

Results of Testing:

The Reserve Account is properly maintained.

Fraud Notice

23. Obtain a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing is complete. Select all misappropriations on the listing, obtain supporting documentation, and observe that the entity reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which the entity is domiciled.

Results of Testing:

Management represents that they are not aware of any misappropriations of public funds or assets during the audit period. No exceptions were noted in our tests.

24. Observe that the entity has posted on its premises and website, the notice required by R.S. 24:523.1 concerning the reporting of misappropriation, fraud, waste, or abuse of public funds.

Results of Testing:

The notice is properly posted.

Information Technology Disaster Recovery/Business Continuity

25. Perform the following procedures, **verbally discuss the results with management, and report "We performed the procedure and discussed the results with management."**

- a. Obtain and inspect the entity's most recent documentation that it has backed up its critical data (if no written documentation, inquire of personnel responsible for backing up critical data) and observe that such backup occurred within the past week. If backups are stored on

a physical medium (e.g., tapes, CDs), observe evidence that backups are encrypted before being transported.

- b. Obtain and inspect the entity's most recent documentation that it has tested/verified that its backups can be restored (if no written documentation, inquire of personnel responsible for testing/verifying backup restoration) and observe evidence that the test/verification was successfully performed within the past 3 months.
- c. Obtain a listing of the entity's computers currently in use, and their related locations, and management's representation that the listing is complete. Randomly select 5 computers and observe while management demonstrates that the selected computers have current and active antivirus software and that the operating system and accounting system software in use are currently supported by the vendor.

Results of Testing:

We performed the procedure and discussed the results with management.

(a)-we obtained a list of the dates of back up of critical data from the company that stores their critical data. The backups were done within a week of the request.

(b)-we obtained documentation that the restoration tests were timely done.

(c)-We reviewed all of the computers and determined they properly had the antivirus software.

Sexual Harassment

26. Using the 5 randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above, obtain sexual harassment training documentation from management, and observe that the documentation demonstrates each employee/official completed at least one hour of sexual harassment training during the calendar year.

Results of Testing:

By June 2022, all of the Authority's employees had completed the sexual harassment training.

27. Observe that the entity has posted its sexual harassment policy and complaint procedure on its website (or in a conspicuous location on the entity's premises if the entity does not have a website).

Results of Testing:

The board of commissioners posted its sexual harassment policy in a notable location at the Authority office.

28. Obtain the entity's annual sexual harassment report for the current fiscal period, observe that the report was dated on or before February 1, and observe that it includes the applicable requirements of R.S. 42:344:
 - a. Number and percentage of public servants in the agency who have completed the training requirements;
 - b. Number of sexual harassment complaints received by the agency;
 - c. Number of complaints which resulted in a finding that sexual harassment occurred;

- d. Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and
- e. Amount of time it took to resolve each complaint.

Results of Testing:

The Authority notes that they did not receive any sexual harassment complaints during the audit year.

We were engaged by the Hammond Housing Authority to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on those C/C areas identified in the SAUPs. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of the Hammond Housing Authority and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

This report is intended solely to describe the scope of testing performed on those C/C areas identified in the SAUPs, and the result of that testing, and not to provide an opinion on control or compliance. Accordingly, this report is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the LLA as a public document.

Mike Estes, P.C.

Mike Estes, P.C.
Fort Worth, Texas
September 14, 2022

HOUSING AUTHORITY OF HAMMOND, LOUISIANA
FINANCIAL DATA SCHEDULES

YEAR ENDED DECEMBER 31, 2021

Entity Wide Balance Sheet Summary									
	14.IKE DHAP- IKE	10.415 Rural Rental Housing Loans	14.871 Housing Choice Vouchers	14.HCC HCV CARES Act Funding	97.109 Disaster Housing Assistance Grant	97.036 Disaster Grants - Presidentially Declared Disasters	Subtotal	ELIM	Total
111 Cash - Unrestricted	\$125,406	\$13,730	\$158,638		\$241,889		\$539,663		\$539,663
112 Cash - Restricted - Modernization and Development									
113 Cash - Other Restricted		\$149,438	\$0				\$149,438		\$149,438
114 Cash - Tenant Security Deposits		\$7,065					\$7,065		\$7,065
115 Cash - Restricted for Payment of Current Liabilities									
100 Total Cash	\$125,406	\$170,233	\$158,638	\$0	\$241,889	\$0	\$696,166		\$696,166
121 Accounts Receivable - PHA Projects			\$1,007				\$1,007		\$1,007
122 Accounts Receivable - HUD Other Projects			\$18,138				\$18,138		\$18,138
124 Accounts Receivable - Other Government		\$21,096	\$22,072				\$43,168		\$43,168
125 Accounts Receivable - Miscellaneous			\$0				\$0		\$0
126 Accounts Receivable - Tenants		\$1,769					\$1,769		\$1,769
126.1 Allowance for Doubtful Accounts - Tenants		\$0					\$0		\$0
126.2 Allowance for Doubtful Accounts - Other		\$0	\$0				\$0		\$0
127 Notes, Loans, & Mortgages Receivable - Current									
128 Fraud Recovery			\$33,500				\$33,500		\$33,500
128.1 Allowance for Doubtful Accounts - Fraud			-\$33,500				-\$33,500		-\$33,500
129 Accrued Interest Receivable									
120 Total Receivables, Net of Allowances for Doubtful Accounts	\$0	\$22,865	\$41,217	\$0	\$0	\$0	\$64,082		\$64,082
131 Investments - Unrestricted									
132 Investments - Restricted									
135 Investments - Restricted for Payment of Current Liability									
142 Prepaid Expenses and Other Assets		\$18,030	\$12,655				\$30,685		\$30,685
143 Inventories									
143.1 Allowance for Obsolete Inventories									
144 Inter Program Due From									
145 Assets Held for Sale									
150 Total Current Assets	\$125,406	\$211,128	\$212,510	\$0	\$241,889	\$0	\$790,933		\$790,933

HOUSING AUTHORITY OF HAMMOND, LOUISIANA
FINANCIAL DATA SCHEDULES

YEAR ENDED DECEMBER 31, 2021

Entity Wide Balance Sheet Summary									
	14.IKE DHAP- IKE	10.415 Rural Rental Housing Loans	14.871 Housing Choice Vouchers	14.HCC HCV CARES Act Funding	97.109 Disaster Housing Assistance Grant	97.036 Disaster Grants - Presidentially Declared Disasters	Subtotal	ELIM	Total
161 Land		\$35,560					\$35,560		\$35,560
162 Buildings		\$651,457					\$651,457		\$651,457
163 Furniture, Equipment & Machinery - Dwellings		\$40,093					\$40,093		\$40,093
164 Furniture, Equipment & Machinery - Administration		\$7,995	\$6,992				\$14,987		\$14,987
165 Leasehold Improvements		\$108,031					\$108,031		\$108,031
166 Accumulated Depreciation		-\$720,205	-\$2,796				-\$723,001		-\$723,001
167 Construction in Progress									
168 Infrastructure									
160 Total Capital Assets, Net of Accumulated Depreciation	\$0	\$122,931	\$4,196	\$0	\$0	\$0	\$127,127		\$127,127
171 Notes, Loans and Mortgages Receivable - Non-Current									
172 Notes, Loans, & Mortgages Receivable - Non Current - Past Due									
173 Grants Receivable - Non Current									
174 Other Assets			\$100				\$100		\$100
176 Investments in Joint Ventures									
180 Total Non-Current Assets	\$0	\$122,931	\$4,296	\$0	\$0	\$0	\$127,227		\$127,227
200 Deferred Outflow of Resources									
290 Total Assets and Deferred Outflow of Resources	\$125,406	\$334,059	\$216,806	\$0	\$241,889	\$0	\$918,160		\$918,160
311 Bank Overdraft									
312 Accounts Payable <= 90 Days		\$3,025	\$18,638				\$21,663		\$21,663
313 Accounts Payable >90 Days Past Due									
321 Accrued Wage/Payroll Taxes Payable			\$2,908				\$2,908		\$2,908
322 Accrued Compensated Absences - Current Portion			\$2,308				\$2,308		\$2,308
324 Accrued Contingency Liability									
325 Accrued Interest Payable		\$16					\$16		\$16
331 Accounts Payable - HUD PHA Programs									
332 Account Payable - PHA Projects			\$17,140				\$17,140		\$17,140

HOUSING AUTHORITY OF HAMMOND, LOUISIANA
FINANCIAL DATA SCHEDULES

YEAR ENDED DECEMBER 31, 2021

Entity Wide Balance Sheet Summary									
	14.IKE DHAP- IKE	10.415 Rural Rental Housing Loans	14.871 Housing Choice Vouchers	14.HCC HCV CARES Act Funding	97.109 Disaster Housing Assistance Grant	97.036 Disaster Grants - Presidentially Declared Disasters	Subtotal	ELIM	Total
333 Accounts Payable - Other Government									
341 Tenant Security Deposits		\$7,065					\$7,065		\$7,065
342 Unearned Revenue		\$0					\$0		\$0
343 Current Portion of Long-term Debt - Capital Projects/Mortgage Revenue		\$15,604					\$15,604		\$15,604
344 Current Portion of Long-term Debt - Operating Borrowings									
345 Other Current Liabilities									
346 Accrued Liabilities - Other									
347 Inter Program - Due To									
348 Loan Liability - Current									
310 Total Current Liabilities	\$0	\$25,710	\$40,994	\$0	\$0	\$0	\$66,704		\$66,704
351 Long-term Debt, Net of Current - Capital Projects/Mortgage Revenue		\$132,553					\$132,553		\$132,553
352 Long-term Debt, Net of Current - Operating Borrowings									
353 Non-current Liabilities - Other									
354 Accrued Compensated Absences - Non Current			\$16,848				\$16,848		\$16,848
355 Loan Liability - Non Current									
356 FASB 5 Liabilities									
357 Accrued Pension and OPEB Liabilities									
350 Total Non-Current Liabilities	\$0	\$132,553	\$16,848	\$0	\$0	\$0	\$149,401		\$149,401
300 Total Liabilities	\$0	\$158,263	\$57,842	\$0	\$0	\$0	\$216,105		\$216,105
400 Deferred Inflow of Resources									
508.4 Net Investment in Capital Assets		-\$25,226	\$4,196				-\$21,030		-\$21,030
511.4 Restricted Net Position									
512.4 Unrestricted Net Position	\$125,406	\$201,022	\$154,768	\$0	\$241,889	\$0	\$723,085		\$723,085
513 Total Equity - Net Assets / Position	\$125,406	\$175,796	\$158,964	\$0	\$241,889	\$0	\$702,055		\$702,055
600 Total Liabilities, Deferred Inflows of Resources and Equity - Net	\$125,406	\$334,059	\$216,806	\$0	\$241,889	\$0	\$918,160		\$918,160

HOUSING AUTHORITY OF HAMMOND, LOUISIANA
FINANCIAL DATA SCHEDULES

YEAR ENDED DECEMBER 31, 2021

Entity Wide Revenue and Expense Summary									
	14.IKE DHAP-IKE	10.415 Rural Rental Housing Loans	14.871 Housing Choice Vouchers	14.HCC HCV CARES Act Funding	97.109 Disaster Housing Assistance Grant	97.036 Disaster Grants - Presidentially Declared Disasters	Subtotal	ELIM	Total
70300 Net Tenant Rental Revenue		\$27,839					\$27,839		\$27,839
70400 Tenant Revenue - Other									
70500 Total Tenant Revenue	\$0	\$27,839	\$0	\$0	\$0	\$0	\$27,839		\$27,839
70600 HUD PHA Operating Grants			\$2,029,633	\$66,759			\$2,096,392		\$2,096,392
70610 Capital Grants									
70710 Management Fee									
70720 Asset Management Fee									
70730 Book Keeping Fee									
70740 Front Line Service Fee									
70750 Other Fees									
70700 Total Fee Revenue									
70800 Other Government Grants		\$100,157				\$43,168	\$143,325		\$143,325
71100 Investment Income - Unrestricted	\$197	\$36	\$384		\$382		\$999		\$999
71200 Mortgage Interest Income									
71300 Proceeds from Disposition of Assets Held for Sale									
71310 Cost of Sale of Assets									
71400 Fraud Recovery									
71500 Other Revenue		\$63,715	\$119,471				\$183,186		\$183,186
71600 Gain or Loss on Sale of Capital Assets									
72000 Investment Income - Restricted		\$0					\$0		\$0
70000 Total Revenue	\$197	\$191,747	\$2,149,488	\$66,759	\$382	\$43,168	\$2,451,741		\$2,451,741
91100 Administrative Salaries		\$13,200	\$109,751	\$30,619		\$6,927	\$160,497		\$160,497
91200 Auditing Fees		\$500	\$14,105				\$14,605		\$14,605
91300 Management Fee									
91310 Book-keeping Fee									
91400 Advertising and Marketing		\$444	\$474				\$918		\$918
91500 Employee Benefit contributions - Administrative		\$1,010	\$25,561	\$2,342		\$530	\$29,443		\$29,443
91600 Office Expenses		\$2,590	\$19,861	\$28,614		\$2,500	\$53,565		\$53,565

HOUSING AUTHORITY OF HAMMOND, LOUISIANA
FINANCIAL DATA SCHEDULES

YEAR ENDED DECEMBER 31, 2021

Entity Wide Revenue and Expense Summary									
	14.IKE DHAP- IKE	10.415 Rural Rental Housing Loans	14.871 Housing Choice Vouchers	14.HCC HCV CARES Act Funding	97.109 Disaster Housing Assistance Grant	97.036 Disaster Grants - Presidentially Declared Disasters	Subtotal	ELIM	Total
91700 Legal Expense		\$202					\$202		\$202
91800 Travel			\$251				\$251		\$251
91810 Allocated Overhead									
91900 Other		\$1,468	\$27,391	\$5,184			\$34,043		\$34,043
91000 Total Operating - Administrative	\$0	\$19,414	\$197,394	\$66,759	\$0	\$9,957	\$293,524		\$293,524
92000 Asset Management Fee									
92100 Tenant Services - Salaries									
92200 Relocation Costs									
92300 Employee Benefit Contributions - Tenant Services									
92400 Tenant Services - Other									
92500 Total Tenant Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0		\$0
93100 Water		\$288					\$288		\$288
93200 Electricity		\$5,685					\$5,685		\$5,685
93300 Gas									
93400 Fuel									
93500 Labor									
93600 Sewer		\$202					\$202		\$202
93700 Employee Benefit Contributions - Utilities									
93800 Other Utilities Expense									
93000 Total Utilities	\$0	\$6,175	\$0	\$0	\$0	\$0	\$6,175		\$6,175
94100 Ordinary Maintenance and Operations - Labor									
94200 Ordinary Maintenance and Operations - Materials and Other		\$1,850					\$1,850		\$1,850
94300 Ordinary Maintenance and Operations Contracts		\$34,572					\$34,572		\$34,572
94500 Employee Benefit Contributions - Ordinary Maintenance									
94000 Total Maintenance	\$0	\$36,422	\$0	\$0	\$0	\$0	\$36,422		\$36,422
95100 Protective Services - Labor									
95200 Protective Services - Other Contract Costs									

HOUSING AUTHORITY OF HAMMOND, LOUISIANA
FINANCIAL DATA SCHEDULES

YEAR ENDED DECEMBER 31, 2021

Entity Wide Revenue and Expense Summary									
	14.IKE DHAP-IKE	10.415 Rural Rental Housing Loans	14.871 Housing Choice Vouchers	14.HCC HCV CARES Act Funding	97.109 Disaster Housing Assistance Grant	97.036 Disaster Grants - Presidentially Declared Disasters	Subtotal	ELIM	Total
95300 Protective Services - Other									
95500 Employee Benefit Contributions - Protective Services									
95000 Total Protective Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0		\$0
96110 Property Insurance		\$14,008	\$301				\$14,309		\$14,309
96120 Liability Insurance			\$3,556				\$3,556		\$3,556
96130 Workmen's Compensation			\$3,703			\$158	\$3,861		\$3,861
96140 All Other Insurance		\$1,122	\$3,984				\$5,106		\$5,106
96100 Total Insurance Premiums	\$0	\$15,130	\$11,544	\$0	\$0	\$158	\$26,832		\$26,832
96200 Other General Expenses		\$366	\$2,764				\$3,130		\$3,130
96210 Compensated Absences			\$18,555				\$18,555		\$18,555
96300 Payments in Lieu of Taxes									
96400 Bad debt - Tenant Rents									
96500 Bad debt - Mortgages									
96600 Bad debt - Other			\$16,062				\$16,062		\$16,062
96800 Severance Expense									
96000 Total Other General Expenses	\$0	\$366	\$37,381	\$0	\$0	\$0	\$37,747		\$37,747
96710 Interest of Mortgage (or Bonds) Payable		\$21,701					\$21,701		\$21,701
96720 Interest on Notes Payable (Short and Long Term)									
96730 Amortization of Bond Issue Costs									
96700 Total Interest Expense and Amortization Cost	\$0	\$21,701	\$0	\$0	\$0	\$0	\$21,701		\$21,701
96900 Total Operating Expenses	\$0	\$99,208	\$246,319	\$66,759	\$0	\$10,115	\$422,401		\$422,401
97000 Excess of Operating Revenue over Operating Expenses	\$197	\$92,539	\$1,903,169	\$0	\$382	\$33,053	\$2,029,340		\$2,029,340
97100 Extraordinary Maintenance						\$27,903	\$27,903		\$27,903
97200 Casualty Losses - Non-capitalized									
97300 Housing Assistance Payments			\$1,816,214				\$1,816,214		\$1,816,214
97350 HAP Portability-In			\$95,924				\$95,924		\$95,924

HOUSING AUTHORITY OF HAMMOND, LOUISIANA
FINANCIAL DATA SCHEDULES

YEAR ENDED DECEMBER 31, 2021

Entity Wide Revenue and Expense Summary									
	14.IKE DHAP- IKE	10.415 Rural Rental Housing Loans	14.871 Housing Choice Vouchers	14.HCC HCV CARES Act Funding	97.109 Disaster Housing Assistance Grant	97.036 Disaster Grants - Presidentially Declared Disasters	Subtotal	ELIM	Total
97400 Depreciation Expense		\$24,404	\$1,398				\$25,802		\$25,802
97500 Fraud Losses									
97600 Capital Outlays - Governmental Funds									
97700 Debt Principal Payment - Governmental Funds									
97800 Dwelling Units Rent Expense									
90000 Total Expenses	\$0	\$123,612	\$2,159,855	\$66,759	\$0	\$38,018	\$2,388,244		\$2,388,244
10010 Operating Transfer In									
10020 Operating transfer Out									
10030 Operating Transfers from/to Primary Government									
10040 Operating Transfers from/to Component Unit									
10050 Proceeds from Notes, Loans and Bonds									
10060 Proceeds from Property Sales									
10070 Extraordinary Items, Net Gain/Loss									
10080 Special Items (Net Gain/Loss)									
10091 Inter Project Excess Cash Transfer In									
10092 Inter Project Excess Cash Transfer Out									
10093 Transfers between Program and Project - In									
10094 Transfers between Project and Program - Out									
10100 Total Other financing Sources (Uses)	\$0	\$0	\$0	\$0	\$0	\$0	\$0		\$0
10000 Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	\$197	\$68,135	-\$10,367	\$0	\$382	\$5,150	\$63,497		\$63,497
11020 Required Annual Debt Principal Payments	\$0	\$15,535	\$0	\$0	\$0	\$0	\$15,535		\$15,535
11030 Beginning Equity	\$125,209	\$102,511	\$169,331	\$0	\$241,507	\$0	\$638,558		\$638,558
11040 Prior Period Adjustments, Equity Transfers and Correction of Errors		\$5,150				-\$5,150	\$0		\$0
11050 Changes in Compensated Absence Balance									
11060 Changes in Contingent Liability Balance									
11070 Changes in Unrecognized Pension Transition Liability									
11080 Changes in Special Term/Severance Benefits Liability									
11090 Changes in Allowance for Doubtful Accounts - Dwelling Rents									

HOUSING AUTHORITY OF HAMMOND, LOUISIANA
FINANCIAL DATA SCHEDULES

YEAR ENDED DECEMBER 31, 2021

Entity Wide Revenue and Expense Summary									
	14.IKE DHAP- IKE	10.415 Rural Rental Housing Loans	14.871 Housing Choice Vouchers	14.HCC HCV CARES Act Funding	97.109 Disaster Housing Assistance Grant	97.036 Disaster Grants - Presidentially Declared Disasters	Subtotal	ELIM	Total
11100 Changes in Allowance for Doubtful Accounts - Other									
11170 Administrative Fee Equity			\$158,964				\$158,964		\$158,964
11180 Housing Assistance Payments Equity			\$0				\$0		\$0
11190 Unit Months Available		240	4091				4331		4331
11210 Number of Unit Months Leased		210	3858				4068		4068
11270 Excess Cash							\$0		\$0
11610 Land Purchases							\$0		\$0
11620 Building Purchases							\$0		\$0
11630 Furniture & Equipment - Dwelling Purchases							\$0		\$0
11640 Furniture & Equipment - Administrative Purchases							\$0		\$0
11650 Leasehold Improvements Purchases							\$0		\$0
11660 Infrastructure Purchases							\$0		\$0
13510 CFFP Debt Service Payments							\$0		\$0
13901 Replacement Housing Factor Funds							\$0		\$0