

CITY OF HAMMOND

Annual Financial Statements

June 30, 2021

Summary of Auditors' Results

- Submitted to LLA on 1/28/22, due 1/31/22 (extended). Status: Report has been reviewed, approved and is available for public inspection.
- Type of report issued on the basic financial statements: Unmodified
- Report on internal control over financial reporting and on compliance and other matters based on an audit of financial statements in accordance with *Governmental Auditing Standards*:
 - Significant deficiencies: One related to financial reporting in accordance with GAAP/GASB - common finding and does not effect the City's status with the LLA or state and federal funding.
 - Material weaknesses: No
 - Noncompliance which is material to the financial statements: No
- No Statewide Agreed-Upon procedures required FYE 2021.
- No single audit required FYE 2021 – federal expenditures below \$750,000 threshold.

Year-to-Year Comparison Government-Wide Statements

	<u>2021</u>	<u>2020</u>	<u>Change</u>
Total Assets	\$107,594,280	\$99,038,274	\$ 8,556,006
Total Liabilities	\$ 59,014,697	\$ 54,308,604	\$ 4,706,093
Total Net Position	\$ 56,688,933	\$ 49,720,079	\$ 6,968,854
Total Revenues	\$ 46,101,277	\$ 42,284,485	\$ 3,816,792
Total Expenses	\$ 39,132,423	\$ 39,890,677	(\$ 758,254)
Change in Net Position	\$ 6,968,854	\$ 2,393,808	\$ 4,575,046

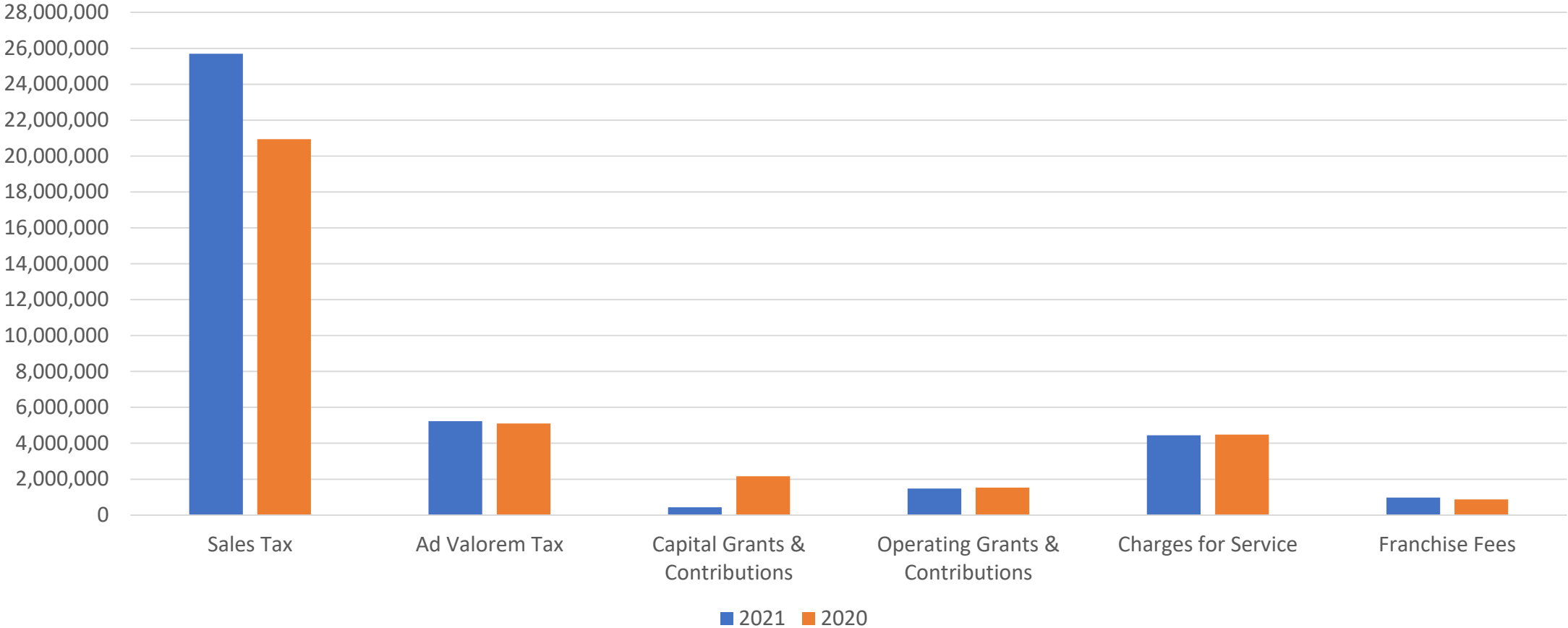
- The implementation of GASB Stmt No. 83 – “Certain Asset Retirement Obligations” caused a prior-period adjustment of \$1,040,000. This is related to the South Wastewater Treatment Plant and South Slough Wetland assimilation site. It reduced the beginning net position from \$50,760,079 to \$49,720,079 and increased your total liabilities \$2,000,000.
- Increase in assets is directly related to the increase in cash from sales tax revenues and the cash received from Recovery Funds - \$2.6 million.

Revenue Comparison

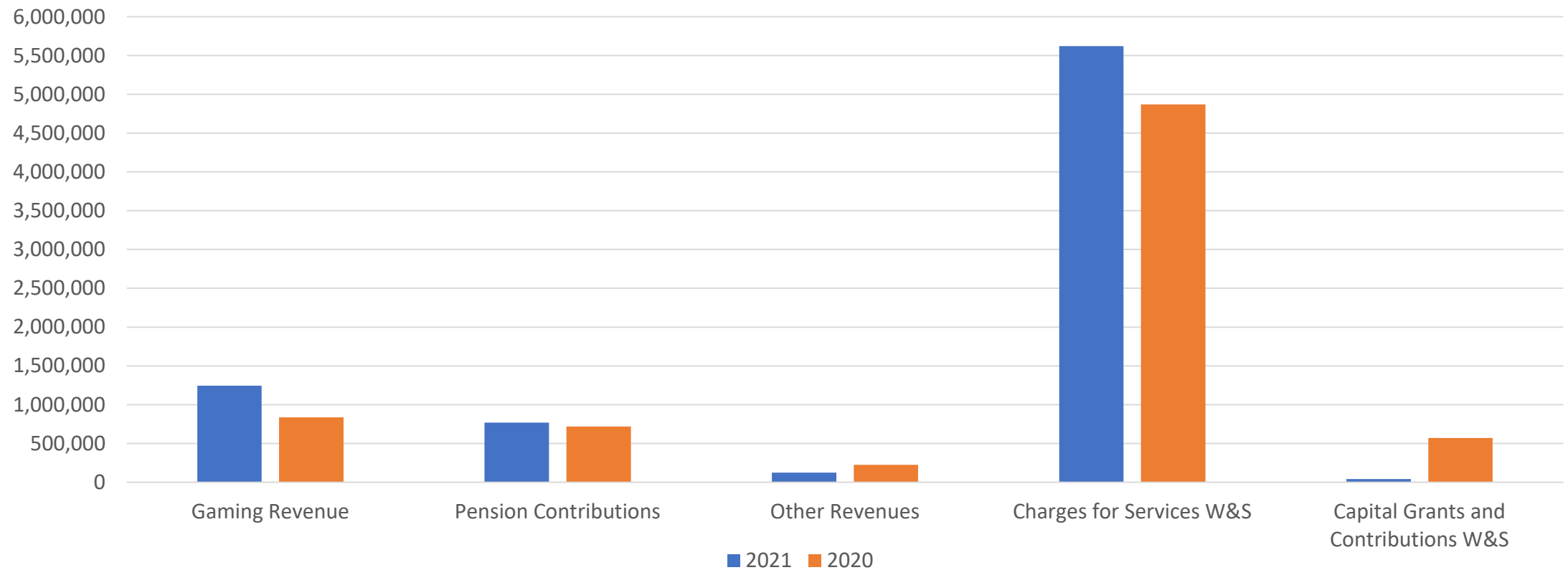
	<u>2021</u>	<u>2020</u>	<u>Change</u>
Sales Tax	\$25,696,011	\$20,934,860	\$ 4,761,151
Ad Valorem Tax	\$ 5,230,893	\$ 5,098,787	\$ 132,106
Capital Grants and Contributions	\$ 430,746	\$ 2,163,730	(\$ 1,732,984)
Operating Grants and Contributions	\$ 1,479,104	\$ 1,533,108	(\$ 54,004)
Charges for Services	\$ 4,449,240	\$ 4,487,331	(\$ 38,091)
Franchise Fees	\$ 973,504	\$ 868,055	\$ 105,449
Gaming Revenue	\$ 1,243,444	\$ 835,162	\$ 408,282
Pension Contributions from Non- Employer Contributing Entities	\$ 768,763	\$ 717,608	\$ 51,155
Other Revenues	\$ 122,214	\$ 225,311	(\$ 103,097)
Charges for Services-W&S	\$ 5,620,771	\$ 4,869,584	\$ 751,187
Capital Grants and Contributions-W&S	\$ 41,295	\$ 569,916	(\$ 528,621)

- Significant increase in sales tax.
- Decrease in federal capital grants – Airport completed and CDBG sewer project completed.
- Bingo revenues significantly increased.

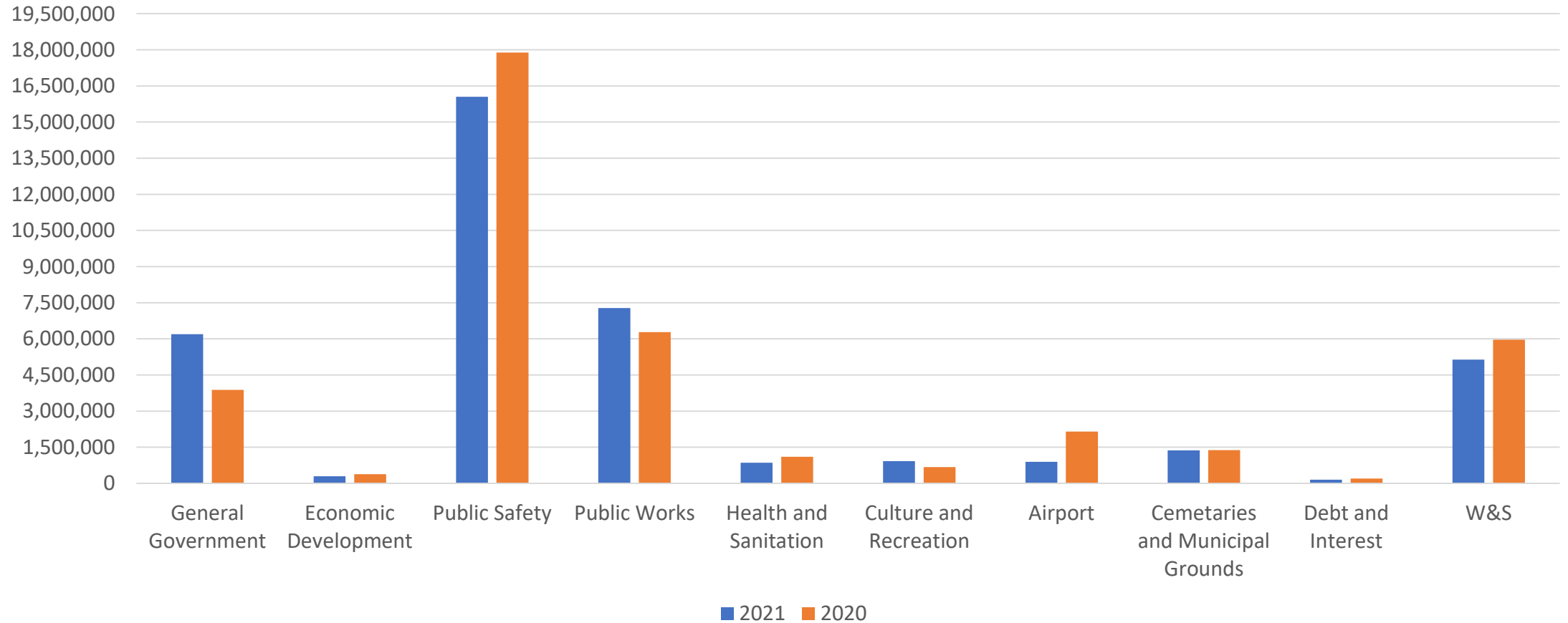
Revenue Comparison of 2021 to 2020



Revenue Comparison of 2021 to 2020 - Continued



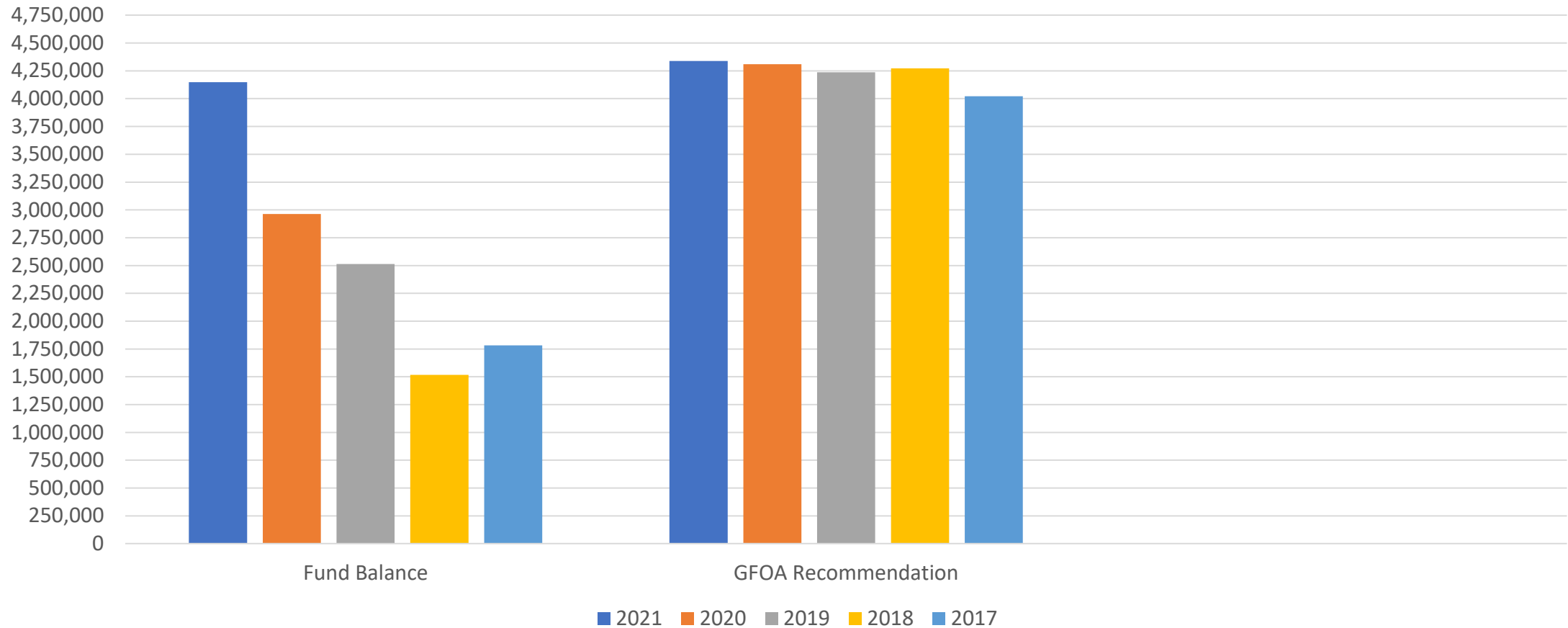
Expense Comparison for 2021 to 2020



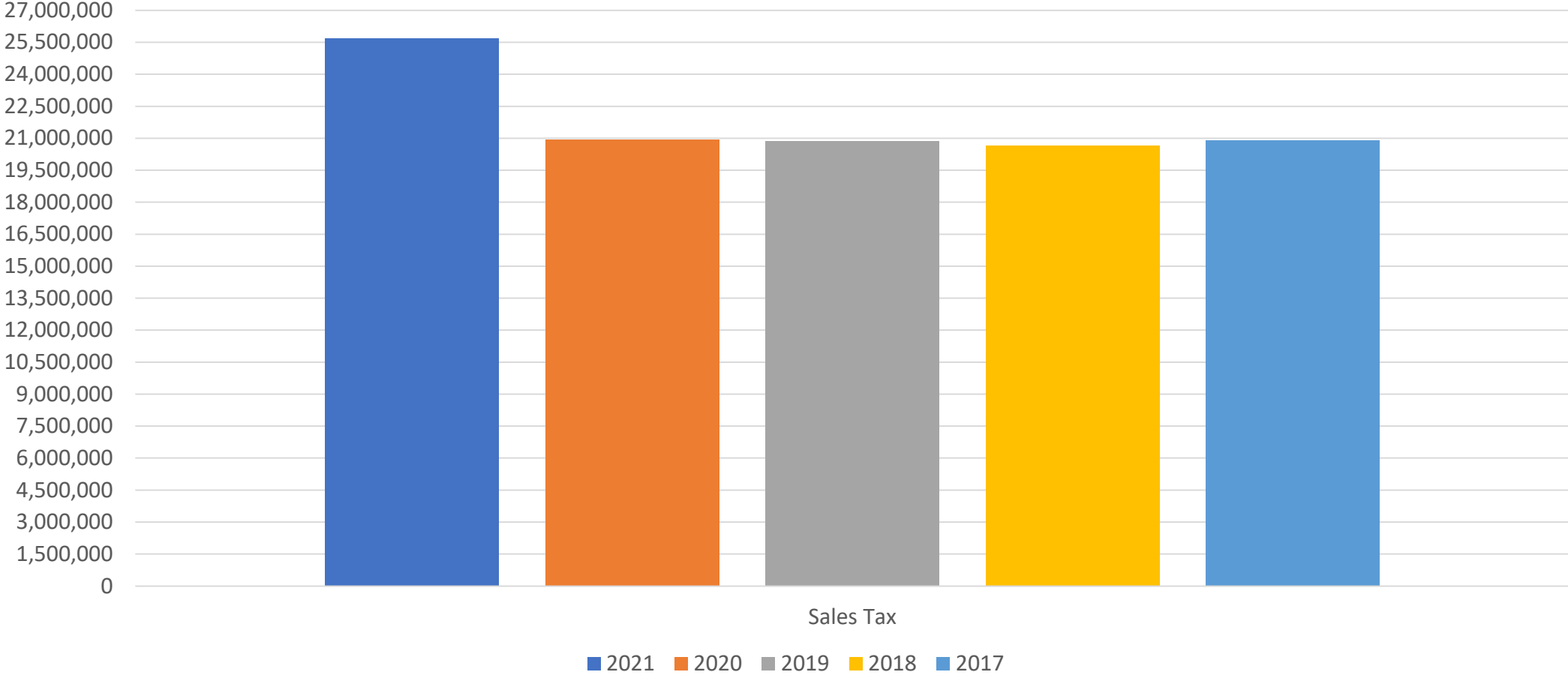
General Fund and Sales Tax Fund

- General fund is the chief operating fund of the City.
- The fund balance increased \$1,183,393 leaving an ending balance of \$4,147,355.
- The Government Finance Officers Association or GFOA, recommends that a general-purpose government maintain an unrestricted fund balance of no less than two months of regular general fund expenditures, which would be approximately \$4.3 million FYE 2021.
- Sales tax fund balance increased \$4,545,304 leaving an ending balance of \$5,526,168. Collections increased approximately \$4.8 million or 23% from PY.

General Fund, Fund Balance – 5 Years and GFOA Recommendation



Sales Tax Fund Collections – 5 Years



Summary

- Audited financial statements received an unmodified (clean) opinion.
- Net position increased \$6,968,854.
- General fund's fund balance saw an increase of \$1,183,393.
- Sales tax fund saw an increase of \$4,545,304.
- I would recommend that everyone read Management's Discussion & Analysis, pages 4-14. This is great comparison of CY to PY with detailed explanations of the changes, current year activities and known facts.

THANK YOU TO THE MAYOR AND HIS STAFF FOR THEIR COOPERATION AND ASSISTANCE IN OUR PERFORMANCE OF THE AUDIT AND I WOULD LIKE TO THANK THE COUNCIL FOR THIS OPPORTUNITY TO PROVIDE THE AUDIT SERVICES!