



# FINANCIAL REPORTS

DECEMBER 31,  
2016

**HOUSING AUTHORITY OF THE CITY OF MILWAUKEE  
FINANCIAL REPORTS  
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**HA of the City Milwaukee  
Financial Highlights  
As of December 31, 2016**

Financial Position (pp. 3-4)

As of December 31, 2016, HACM has total assets of \$224.5mm compared to September 30, 2016 at \$220.3mm. The net proceeds in bond refinancing that was done in March 2015 is temporarily invested and held under trust by US Bank. This will be drawn as rehabilitation expenses are incurred. Agency-wide working capital (difference between current assets & current liabilities) was at \$31.8mm indicating HACM's strong capacity to meet maturing obligations. Total cash & investments as of the end of December was \$44.8mm. These funds are invested in Institutional Trust, Local Government Investment Pool, certificate of deposits, money market placements, and regular checking accounts. All deposits are covered under FDIC insurance or are invested in secured US Treasury obligations. Total cash & investments are distributed as follow; (p. 3)

|                           |          |
|---------------------------|----------|
| Low Rent Public Housing   | \$8.67mm |
| Unsubsidized Housing      | 20.43    |
| Rental Assistance Program | 4.16     |
| Central Office            | 10.90    |
| Home Ownership & Grants   | 0.67     |

Net unrestricted reserves as of December 31, of the major programs are as follow: (p. 4)

|                                 |          |
|---------------------------------|----------|
| Low Rent Public Housing         | \$6.75mm |
| Unsubsidized Housing            | 6.47     |
| Rental Assistance Program-Admin | 0.78     |
| Central office                  | 1.51     |

The unrestricted reserve is indicative of the program's ability to withstand funding or revenue shortfall in the coming years. Changes in funding level have significantly affected the overall financial position of HACM. Low Rent Public Housing and Rental Assistance Program were severely impacted. Given funding trend in the program, management has implemented a Resiliency Plan to address the projected decline in funding levels and subsidies to ensure HACM's long-term fiscal sustainability.

Results of Operations (pp.5-6)

Agency-wide revenues were 1% higher than budget (p. 5) and total spending was 1% under budget (p.6). Administrative expenses were over budget by 2%. Tenant services were 27% below budget; Utilities were 15% below budget; Maintenance expenses were 5% over budget, protective services 2% under budget and general expenses were 0.2% under budget. Consolidated net income from operations for the period ended December 31, 2016 was \$147,710 (p. 6).

### *Low Rent Public Housing (LRPH)*

LRPH operations resulted in a net income from operations of \$1,624,770 (p. 6) in the fourth quarter. Operating revenue was \$826,887 over budget and total operating expenses for the period were \$835,212 under budget. All combined, LRPH posted a positive variance of \$1,662,099 (see p. 7).

### *Unsubsidized Housing*

Unsubsidized Housing has a favorable result of operations during the quarter. Net income from operation was at \$1,339,470 (p.6) before amortization of principal on series 2015 bonds of around \$540,000 for 2016. Revenue was \$59,017 below budget and operating expenses were over budget by \$206,989 during the period. All combined, VETS posted a negative variance of \$266,006 (see p. 8).

### *Rental Assistance Program (RAP)*

RAP had a net income of \$57,913 by the end of the period (p. 6). Administrative revenue was \$42,441 below budget and spending was under budget by \$28,515, resulting in an overall negative net income variance of \$13,926 (see p. 9).

The Housing Assistance Payment (HAP) grant during the period was \$33.86mm against total disbursement of \$33.94mm, reflecting a budget utilization of 100%. RAP continues to issue vouchers. HUD continues to offset HAP reserved in accordance with the new accounting guidelines.

### *Central Office Cost Center (COCC)*

COCC posted a net loss of \$1,775,504 (p.6) at the end of the quarter. Total revenue was under budget by \$558,978 (see p. 10). Operating expenses were over budget by \$585,646. All combined, COCC posted a negative variance of \$1,144,624 (see p. 10).

### Grant Management (pp.11)

As of December 31, 2016, HACM is on track with its obligation and spending timelines as required by the grant agreements. Currently open grants are Capital Fund Programs 2013-2016. As of end of the quarter 76% has been obligated and 75% has been expended. Around 58% of the total grants will be spent on modernization & mixed finance developments. The balance is supplementing HACM operations.

## HOUSING AUTHORITY OF THE CITY OF MILWAUKEE

## BALANCE SHEETS

AS OF DECEMBER 31, 2016

| AS OF DECEMBER 31, 2016                   |               |                         |           |             |             |                   | Dec. 31, 2016 | Sep. 30, 2016 |
|---|---------------|-------------------------|-----------|-------------|-------------|-------------------|---------------|---------------|
|   | LRPH          | UNSUBSIDIZED<br>HOUSING | RAP       | COCC        | GRANTS/DEVT | HOME<br>OWNERSHIP | Total HACM    | Total HACM    |
| <b>ASSETS</b>                             |               |                         |           |             |             |                   |               |               |
| <b>CURRENT ASSETS</b>                     |               |                         |           |             |             |                   |               |               |
| CASH                                      |               |                         |           |             |             |                   |               |               |
| UNRESTRICTED CASH                         | 8,134,394     | 8,747,502               | 3,881,751 | 10,676,874  | (14,608)    | 687,578           | 32,113,491    | 27,841,796    |
| RESTRICTED CASH (Note 1)                  |               | 2,540,602               |           | 133,565     |             |                   | 2,674,167     | 2,643,529     |
| TOTAL CASH                                | 8,134,394     | 11,288,104              | 3,881,751 | 10,810,439  | (14,608)    | 687,578           | 34,787,658    | 30,485,325    |
|   |               |                         |           |             |             |                   |               |               |
| ACCOUNTS RECEIVABLE-TENANTS               | 337,878       | 86,031                  |           |             |             |                   | 423,909       | 285,180       |
| ALLOWANCE FOR DOUBTFUL ACCOUNTS (Note 2)  | 15,429        | 61,984                  |           |             |             |                   | 77,413        | 51,241        |
| NET ACCOUNTS RECEIVABLE-TENANTS           | 353,307       | 148,015                 | 0         | 0           | 0           | 0                 | 501,322       | 336,421       |
|   |               |                         |           |             |             |                   |               |               |
| ACCOUNTS RECEIVABLE-MISC                  |               |                         |           |             |             |                   |               |               |
| AR-HUD (Note 3)                           |               |                         | 8,643     |             |             |                   | 8,643         | 8,643         |
| AR- DEVELOPMENT FEE (Note 4)              |               |                         |           |             |             |                   |               | 75,000        |
| AR - OTHERS                               | 32,856        |                         | 76,118    | 518,377     |             |                   | 627,351       | 413,189       |
| TOTAL AR-MISC                             | 32,856        | 0                       | 84,761    | 518,377     | 0           | 0                 | 635,994       | 496,832       |
|   |               |                         |           |             |             |                   |               |               |
| INVESTMENTS                               |               |                         |           |             |             |                   |               |               |
| RESTRICTED (Note 1)                       | 535,452       | 9,140,461               | 274,315   | 85,317      |             |                   | 10,035,545    | 10,292,937    |
| TOTAL INVESTMENTS                         | 535,452       | 9,140,461               | 274,315   | 85,317      | 0           | 0                 | 10,035,545    | 10,292,937    |
|   |               |                         |           |             |             |                   |               |               |
| PREPAID EXPENSES AND OTHER ASSETS         |               |                         |           |             |             |                   |               |               |
| PREPAID EXPENSES AND OTHER ASSETS         | 122,388       | 60,242                  | 16,204    | 146,958     |             | 353               | 346,145       | 310,696       |
| TOTAL PREPAID EXPENSES AND OTHER ASSETS   | 122,388       | 60,242                  | 16,204    | 146,958     | 0           | 353               | 346,145       | 310,696       |
| CURRENT INTERFUNDS                        |               |                         |           |             |             |                   |               |               |
| TOTAL DUE FROM AMOUNTS - CURRENT (Note 5) | 0             |                         | 0         | 269,502     | (269,502)   |                   | 0             | 0             |
| TOTAL CURRENT ASSETS                      | 9,178,397     | 20,636,822              | 4,257,031 | 11,830,593  | (284,110)   | 687,931           | 46,306,664    | 41,922,211    |
| <b>NON-CURRENT ASSETS</b>                 |               |                         |           |             |             |                   |               |               |
| FIXED ASSETS                              |               |                         |           |             |             |                   |               |               |
| LAND & LAND IMPROVEMENTS                  | 32,359,538    | 2,759,343               |           | 454,172     |             | 7,111             | 35,580,164    | 35,580,164    |
| BUILDINGS                                 | 240,325,576   | 44,333,229              |           | 7,890,061   |             | 64,003            | 292,612,869   | 292,612,869   |
| FURNITURES, EQPT. MACHINERY               | 1,571,361     | 220,778                 | 72,604    | 1,874,937   |             |                   | 3,739,680     | 3,764,759     |
| CONSTRUCTION IN PROGRESS                  | 3,001,150     | 2,162,306               |           | 88,786      | 340,150     | 171,975           | 5,764,367     | 6,329,707     |
| TOTAL FIXED ASSETS                        | 277,257,625   | 49,475,656              | 72,604    | 10,307,956  | 340,150     | 243,089           | 337,697,080   | 338,287,499   |
| ACCUMULATED DEPRECIATION                  | (189,407,860) | (43,823,711)            | (72,604)  | (4,744,897) |             | (8,002)           | (238,057,074) | (236,646,884) |
| FIXED ASSETS,NET OF DEPRECIATION          | 87,849,765    | 5,651,945               | 0         | 5,563,059   | 340,150     | 235,087           | 99,640,006    | 101,640,615   |
|   |               |                         |           |             |             |                   |               |               |
| OTHER ASSETS                              |               |                         |           |             |             |                   |               |               |
| NOTES RECEIVABLE (Note 7)                 | 53,571,329    |                         |           | 8,382,516   | 0           | 1,173,758         | 63,127,603    | 63,128,065    |
| NOTES INTEREST RECEIVABLE (Note 6)        | 12,665,270    |                         |           | 449,424     | 0           |                   | 13,114,694    | 11,250,480    |
| FINANCING FEES & OTHER ASSETS             |               |                         |           | 2,309,471   |             |                   | 2,309,471     | 2,309,471     |
| TOTAL OTHER ASSETS                        | 66,236,599    | 0                       | 0         | 11,141,411  | 0           | 1,173,758         | 78,551,768    | 76,688,016    |
| TOTAL NON-CURRENT ASSETS                  | 154,086,364   | 5,651,945               | 0         | 16,704,470  | 340,150     | 1,408,845         | 178,191,774   | 178,328,631   |
| TOTAL ASSETS                              | 163,264,761   | 26,288,767              | 4,257,031 | 28,535,063  | 56,040      | 2,096,776         | 224,498,438   | 220,250,842   |
| <b>LIABILITIES AND EQUITY</b>             |               |                         |           |             |             |                   |               |               |

**HOUSING AUTHORITY OF THE CITY OF MILWAUKEE**

**BALANCE SHEETS**

**AS OF DECEMBER 31, 2016**

|   | <b>Dec. 31, 2016</b>    |                                 |                         |                         |                      |                           | <b>Sep. 30, 2016</b>     |
|---|-------------------------|---------------------------------|-------------------------|-------------------------|----------------------|---------------------------|--------------------------|
|   | <b>LRPH</b>             | <b>UNSUBSIDIZED<br/>HOUSING</b> | <b>RAP</b>              | <b>COCC</b>             | <b>GRANTS/DEVT</b>   | <b>HOME<br/>OWNERSHIP</b> | <b>Total HACM</b>        |
| <b>CURRENT LIABILITIES</b>                  |                         |                                 |                         |                         |                      |                           |                          |
| ACCOUNTS PAYABLE                            |                         |                                 |                         |                         |                      |                           |                          |
| ACCOUNTS PAYABLE                            | 108,175                 | 566,784                         | 11,088                  | 1,941,544               | 55,463               | 500                       | 2,683,554                |
| <i>TOTAL ACCOUNTS PAYABLE</i>               | <i>108,175</i>          | <i>566,784</i>                  | <i>11,088</i>           | <i>1,941,544</i>        | <i>55,463</i>        | <i>500</i>                | <i>2,683,554</i>         |
| ACCRUED LIABILITIES                         |                         |                                 |                         |                         |                      |                           |                          |
| ACCRUED SALARIES & BENEFITS                 |                         |                                 |                         | 790,154                 | 248                  |                           | 790,402                  |
| ACCRUED INTEREST PAYABLE                    |                         | 311,683                         |                         |                         | 0                    |                           | 311,683                  |
| DEFERED REVENUE                             | 2,500                   |                                 | 3,233,466               |                         |                      |                           | 3,235,966                |
| DUE TO GOVERNMENT - PILOT & OTHERS          | 1,470,782               | 1,141,411                       |                         | 1,046,937               |                      |                           | 3,659,130                |
| ACCRUED COMPENSATED ABSENCES (Note 7)       | 0                       | 0                               | 0                       | 926,965                 | 0                    | 0                         | 926,965                  |
| OTHER ACCRUED LIABILITIES                   |                         |                                 |                         | 400,000                 |                      | 371,850                   | 771,850                  |
| <i>TOTAL ACCRUED LIABILITIES</i>            | <i>1,472,965</i>        | <i>1,453,018</i>                | <i>3,233,466</i>        | <i>3,164,056</i>        | <i>248</i>           | <i>371,850</i>            | <i>9,695,603</i>         |
| OTHER CURRENT LIABILITIES                   |                         |                                 |                         |                         |                      |                           |                          |
| TENANT SECURITY DEPOSITS                    | 665,721                 | 466,901                         |                         |                         |                      |                           | 1,132,622                |
| FSS ESCROW ACCOUNT                          | 185,452                 |                                 | 274,315                 |                         |                      |                           | 459,767                  |
| CURRENT PORTION-LT DEBT                     |                         | 540,000                         |                         |                         |                      |                           | 540,000                  |
| <i>TOTAL OTHER CURRENT LIABILITIES</i>      | <i>851,173</i>          | <i>1,006,901</i>                | <i>274,315</i>          | <i>0</i>                | <i>0</i>             | <i>0</i>                  | <i>2,132,389</i>         |
| <b><i>TOTAL CURRENT LIABILITIES</i></b>     | <b><i>2,432,313</i></b> | <b><i>3,026,703</i></b>         | <b><i>3,518,869</i></b> | <b><i>5,105,600</i></b> | <b><i>55,711</i></b> | <b><i>372,350</i></b>     | <b><i>14,511,546</i></b> |
| <b>NON-CURRENT LIABILITIES</b>              |                         |                                 |                         |                         |                      |                           |                          |
| LONG TERM DEBT                              |                         |                                 |                         |                         |                      |                           |                          |
| MORTGAGE REVENUE BONDS                      |                         |                                 |                         | 126,306                 |                      |                           | 126,306                  |
| NOTES PAYABLE                               |                         | 18,231,959                      |                         |                         | 0                    |                           | 18,231,959               |
| TOTAL                                       | 0                       | 18,231,959                      | 0                       | 126,306                 | 0                    | 0                         | 18,358,265               |
| LESS CURRENT PORTION                        |                         | (540,000)                       |                         |                         |                      |                           | (540,000)                |
| <i>TOTAL LONG TERM DEBT - NET</i>           | <i>0</i>                | <i>17,691,959</i>               | <i>0</i>                | <i>126,306</i>          | <i>0</i>             | <i>0</i>                  | <i>17,818,265</i>        |
| NONCURRENT LIABILITIES-OTHER                |                         |                                 |                         |                         |                      |                           |                          |
| NET OPEB LIABILITY (Note 8)                 |                         |                                 |                         | 4,869,697               |                      |                           | 4,869,697                |
| NET PENSION LIABILITY                       |                         |                                 |                         | 1,450,000               |                      |                           | 1,450,000                |
| <i>TOTAL NONCURRENT LIABILITIES-OTHER</i>   | <i>0</i>                | <i>0</i>                        | <i>0</i>                | <i>6,319,697</i>        | <i>0</i>             | <i>0</i>                  | <i>6,319,697</i>         |
| <b><i>TOTAL NON-CURRENT LIABILITIES</i></b> | <b><i>0</i></b>         | <b><i>17,691,959</i></b>        | <b><i>0</i></b>         | <b><i>6,446,003</i></b> | <b><i>0</i></b>      | <b><i>0</i></b>           | <b><i>24,137,962</i></b> |
| <b>TOTAL LIABILITIES</b>                    | <b>2,432,313</b>        | <b>20,718,662</b>               | <b>3,518,869</b>        | <b>11,551,603</b>       | <b>55,711</b>        | <b>372,350</b>            | <b>38,649,508</b>        |
| <b>EQUITY</b>                               |                         |                                 |                         |                         |                      |                           |                          |
| INVESTED IN CAPITAL ASSETS, NET OF DEBT     | 87,849,765              | (12,580,014)                    | 0                       | 5,563,059               | 340,150              | 235,087                   | 81,408,047               |
| UNRESTRICTED RESERVE                        | 6,746,084               | 6,469,056                       | 782,543                 | 1,510,108               | (339,821)            | 687,431                   | 15,855,401               |
| RESTRICTED RESERVE (Note 9)                 | 66,236,599              | 11,681,063                      | (44,381)                | 9,910,293               | 0                    | 801,908                   | 88,585,482               |
| <b>TOTAL EQUITY</b>                         | <b>160,832,448</b>      | <b>5,570,105</b>                | <b>738,162</b>          | <b>16,983,460</b>       | <b>329</b>           | <b>1,724,426</b>          | <b>185,848,930</b>       |
| <b>TOTAL LIABILITIES AND EQUITY</b>         | <b>163,264,761</b>      | <b>26,288,767</b>               | <b>4,257,031</b>        | <b>28,535,063</b>       | <b>56,040</b>        | <b>2,096,776</b>          | <b>224,498,438</b>       |

**HA OF THE CITY OF MILWAUKEE**  
**CONSOLIDATED STATEMENT OF REVENUE & EXPENSES**  
**BUDGETED PROGRAM ONLY**  
**AS OF DECEMBER 31, 2016**

|   | LRPH              | UNSUBSIDIZED<br>HSNG | RAP              | COCC             | HOME<br>OWN    | YTD<br>ACTUAL     | YTD<br>BUDGET     | VARIANCE         |            |                   |
|---|-------------------|----------------------|------------------|------------------|----------------|-------------------|-------------------|------------------|------------|-------------------|
|   |                   |                      |                  |                  |                |                   |                   | AMOUNT           | PERCENT    |                   |
| <b>Operating Income</b>                   |                   |                      |                  |                  |                |                   |                   |                  |            |                   |
| <i>Operating/admin subsidies</i>          | 8,834,817         |                      | 3,175,424        |                  |                | 12,010,241        | 11,744,967        | 265,274          | 2%         | 12,800,963        |
| <i>Dwelling rents</i>                     | 10,102,747        | 6,823,458            |                  |                  |                | 16,926,205        | 17,072,107        | (145,902)        | -1%        | 16,371,014        |
| <i>Excess utilities &amp; other</i>       | 252,972           | 123,631              |                  |                  |                | 376,603           | 376,625           | (22)             | 0%         | 313,792           |
| <i>Capital fund transfer in (Note 10)</i> | 2,148,667         |                      |                  | 29,850           |                | 2,178,517         | 1,750,000         | 428,517          | 24%        | 3,228,280         |
| <i>Other income</i>                       | 959,297           | 128,633              | 74,148           | 485,050          | 169,265        | 1,816,393         | 2,034,916         | (218,523)        | -11%       | 2,622,364         |
| <i>Management fees</i>                    |                   |                      |                  | 4,138,179        |                | 4,138,179         | 4,222,931         | (84,752)         | -2%        | 3,868,667         |
| <i>Central maintenance revenue</i>        |                   |                      |                  | 3,545,139        |                | 3,545,139         | 3,611,048         | (65,909)         | -2%        | 3,181,393         |
| <i>Developers fee</i>                     |                   |                      |                  |                  |                | 0                 | 400,000           | (400,000)        | 0%         | 3,800,000         |
| <i>Interest on general fund</i>           | 15,019            | 205,335              | 2                | 83,661           |                | 304,017           | 21,606            | 282,411          | 1307%      | 604,744           |
| <b>Total Income</b>                       | <b>22,313,519</b> | <b>7,281,057</b>     | <b>3,249,574</b> | <b>8,281,879</b> | <b>169,265</b> | <b>41,295,294</b> | <b>41,234,200</b> | <b>61,094</b>    | <b>0%</b>  | <b>46,791,216</b> |
| <b>Operating Expenditures</b>             |                   |                      |                  |                  |                |                   |                   |                  |            |                   |
| <b>Administrative</b>                     |                   |                      |                  |                  |                |                   |                   |                  |            |                   |
| <i>Salaries</i>                           | 1,317,868         | 273,581              | 1,497,804        | 3,370,609        | 52,676         | 6,512,538         | 6,574,881         | 62,343           | 1%         | 7,592,550         |
| <i>Employee benefits</i>                  | 589,346           | 138,824              | 678,157          | 1,046,541        | 58,034         | 2,510,902         | 2,369,353         | (141,549)        | -6%        | 2,984,396         |
| <i>Legal and accounting</i>               | 32,230            | 13,731               | 3,700            | 93,866           |                | 143,527           | 241,940           | 98,413           | 41%        | 249,961           |
| <i>Audit</i>                              | 62,852            | 17,558               | 15,664           | 8,354            |                | 104,428           | 155,200           | 50,772           | 33%        | 136,110           |
| <i>Travel and training</i>                | 3,798             | 11                   | 16,292           | 225,291          | 4,588          | 249,980           | 254,500           | 4,520            | 2%         | 302,971           |
| <i>Contracted property management</i>     |                   |                      |                  | 289,084          |                | 289,084           | 295,795           | 6,711            | 2%         | 289,808           |
| <i>Management fees</i>                    | 2,798,203         | 739,976              | 600,000          |                  |                | 4,138,179         | 4,222,931         | 84,752           | 2%         | 3,868,667         |
| <i>Housing intake</i>                     | 510,102           | 96,182               |                  |                  |                | 606,284           | 612,203           | 5,919            | 1%         | 883,621           |
| <i>Office supplies &amp; printing</i>     | 44,094            | 3,787                | 24,651           | 83,508           | 3,021          | 159,061           | 182,100           | 23,039           | 13%        | 212,830           |
| <i>Telephone</i>                          | 27,327            | 2,123                | 13,439           | 52,600           | 653            | 96,142            | 90,100            | (6,042)          | -7%        | 177,542           |
| <i>Postage</i>                            | 3,942             | 971                  | 30,132           | 17,988           | 495            | 53,528            | 67,200            | 13,672           | 20%        | 72,771            |
| <i>Other contracted services</i>          | 100,607           | 150,091              | 133,765          | 455,767          | 125            | 840,355           | 660,500           | (179,855)        | -27%       | 745,334           |
| <i>Other</i>                              | 280,073           | 91,054               | 34,959           | 809,589          | 9,711          | 1,225,386         | 876,617           | (348,769)        | -40%       | 877,274           |
| <b>Total admin</b>                        | <b>5,770,442</b>  | <b>1,527,889</b>     | <b>3,048,563</b> | <b>6,453,197</b> | <b>129,303</b> | <b>16,929,394</b> | <b>16,603,320</b> | <b>(326,074)</b> | <b>-2%</b> | <b>18,393,834</b> |
| <b>Tenant Services</b>                    |                   |                      |                  |                  |                |                   |                   |                  |            |                   |
| <i>Resident services allocation</i>       | 166,224           |                      |                  |                  |                | 166,224           | 280,709           | 114,485          | 41%        | 1,072,601         |
| <i>Salaries &amp; benefits</i>            | 134,026           |                      | 8,800            | 28,621           |                | 171,447           | 209,507           | 38,060           | 18%        | 143,189           |
| <i>Contracts, trainings, others</i>       | 148,284           |                      | 300              | 61,618           |                | 210,202           | 264,682           | 54,480           | 21%        | 156,129           |
| <b>Total tenant services</b>              | <b>448,534</b>    | <b>0</b>             | <b>9,100</b>     | <b>90,239</b>    | <b>0</b>       | <b>547,873</b>    | <b>754,898</b>    | <b>207,025</b>   | <b>27%</b> | <b>1,371,920</b>  |

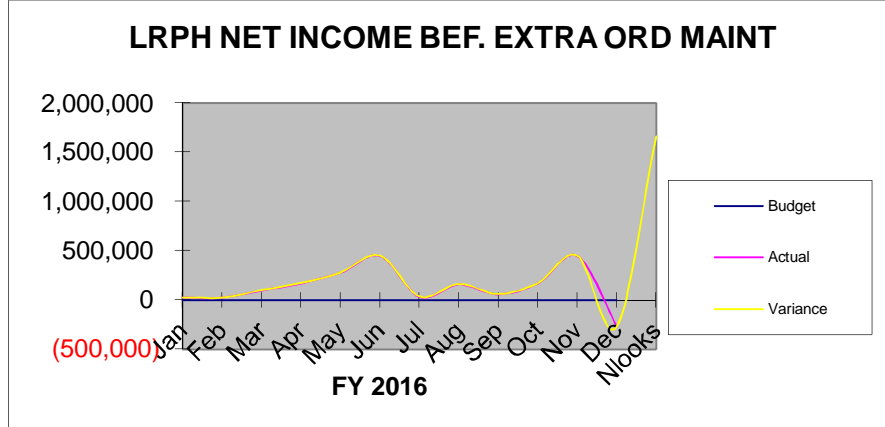
**HA OF THE CITY OF MILWAUKEE**  
**CONSOLIDATED STATEMENT OF REVENUE & EXPENSES**  
**BUDGETED PROGRAM ONLY**  
**AS OF DECEMBER 31, 2016**

|   | LRPH               | UNSUBSIDIZED<br>HSNG | RAP              | COCC               | HOME<br>OWN     | YTD<br>ACTUAL      | YTD<br>BUDGET     | VARIANCE         |              |                   |
|---|--------------------|----------------------|------------------|--------------------|-----------------|--------------------|-------------------|------------------|--------------|-------------------|
|   |                    |                      |                  |                    |                 |                    |                   | AMOUNT           | PERCENT      |                   |
| <i>Utilities</i>  |                    |                      |                  |                    |                 |                    |                   |                  |              |                   |
| Water   | 1,845,102          | 743,264              |                  | 12,410             |                 | 2,600,776          | 2,487,200         | (113,576)        | -5%          | 2,215,300         |
| Electric  | 1,469,333          | 67,408               |                  | 46,035             |                 | 1,582,776          | 1,797,800         | 215,024          | 12%          | 1,621,800         |
| Gas   | 630,881            | 40,407               |                  | 11,318             |                 | 682,606            | 1,423,100         | 740,494          | 52%          | 1,073,600         |
| <b>Total utilities</b>  | <b>3,945,316</b>   | <b>851,079</b>       | <b>0</b>         | <b>69,763</b>      | <b>0</b>        | <b>4,866,158</b>   | <b>5,708,100</b>  | <b>841,942</b>   | <b>15%</b>   | <b>4,910,700</b>  |
| <i>Ordinary maintenance</i>                                   |                    |                      |                  |                    |                 |                    |                   |                  |              |                   |
| Salaries  | 1,200,020          | 311,112              |                  | 2,035,693          |                 | 3,546,825          | 3,817,365         | 270,540          | 7%           | 4,489,272         |
| Employee benefits Maint                                       | 582,589            | 124,274              |                  | 812,721            | 18,901          | 1,538,485          | 1,617,617         | 79,132           | 5%           | 2,444,308         |
| Maintenance materials   | 903,815            | 274,260              | 3,596            | 63,433             | 1,837           | 1,246,941          | 1,230,365         | (16,576)         | -1%          | 1,464,986         |
| Maintenance contracts   | 3,495,052          | 1,007,225            | 3,991            | 311,809            | 18,770          | 4,836,847          | 3,949,079         | (887,768)        | -22%         | 5,537,121         |
| <b>Total maintenance</b>                                      | <b>6,181,476</b>   | <b>1,716,871</b>     | <b>7,587</b>     | <b>3,223,656</b>   | <b>39,508</b>   | <b>11,169,098</b>  | <b>10,614,426</b> | <b>(554,672)</b> | <b>-5%</b>   | <b>13,935,687</b> |
| <i>Protective Services</i>                                    |                    |                      |                  |                    |                 |                    |                   |                  |              |                   |
| Public safety allocation                                      | 1,290,262          | 138,547              | 607              | 13,767             |                 | 1,443,183          | 1,423,153         | (20,030)         | -1%          | 1,956,963         |
| Contracts, others   | 12,489             |                      |                  | 2,125              | 433             | 15,047             | 62,100            | 47,053           | 76%          | 28,275            |
| <b>Total protective services</b>                              | <b>1,302,751</b>   | <b>138,547</b>       | <b>607</b>       | <b>15,892</b>      | <b>433</b>      | <b>1,458,230</b>   | <b>1,485,253</b>  | <b>27,023</b>    | <b>2%</b>    | <b>1,985,238</b>  |
| <i>General</i>  |                    |                      |                  |                    |                 |                    |                   |                  |              |                   |
| Insurance   | 700,960            | 230,820              | 99,263           | 168,923            | 6,506           | 1,206,472          | 1,118,646         | (87,826)         | -8%          | 1,162,718         |
| Pilot   | 670,782            | 619,076              |                  |                    |                 | 1,289,858          | 1,150,565         | (139,293)        | -12%         | 1,156,647         |
| Interest Expense  |                    | 619,659              |                  | 10,595             |                 | 630,254            | 628,000           | (2,254)          | 0%           | 434,300           |
| Subsidy to Mixed finance dev't.                               | 1,572,015          |                      |                  |                    |                 | 1,572,015          | 1,617,710         | 45,695           | 3%           | 1,518,100         |
| Other general expense   | 96,473             |                      | 24,541           | 286                |                 | 121,300            | 313,660           | 192,360          | 61%          | 296,486           |
| <b>Total general</b>  | <b>3,040,230</b>   | <b>1,469,555</b>     | <b>123,804</b>   | <b>179,804</b>     | <b>6,506</b>    | <b>4,819,899</b>   | <b>4,828,581</b>  | <b>8,682</b>     | <b>0%</b>    | <b>4,568,251</b>  |
| <b>Total Operating Expenditures</b>                           | <b>20,688,749</b>  | <b>5,703,941</b>     | <b>3,189,661</b> | <b>10,032,551</b>  | <b>175,750</b>  | <b>39,790,652</b>  | <b>39,994,578</b> | <b>203,926</b>   | <b>1%</b>    | <b>45,165,629</b> |
| <b>Excess (deficiency) of total revenue<br/>over expenses</b> | <b>1,624,770</b>   | <b>1,577,116</b>     | <b>59,913</b>    | <b>(1,750,672)</b> | <b>(6,485)</b>  | <b>1,504,642</b>   | <b>1,239,622</b>  | <b>265,020</b>   | <b>21%</b>   | <b>1,625,587</b>  |
| Extra-ordinary maintenance                                    | 1,089,922          | 237,646              | 2,000            | 24,832             | 2,532           | 1,356,932          | 1,970,929         | 613,997          | 31%          | 1,964,928         |
| Program Income  | (1,089,922)        |                      |                  |                    |                 |                    |                   |                  |              | (1,458,388)       |
| <b>Net income(loss) from operation.</b>                       | <b>1,624,770</b>   | <b>1,339,470</b>     | <b>57,913</b>    | <b>(1,775,504)</b> | <b>(9,017)</b>  | <b>147,710</b>     | <b>(731,307)</b>  | <b>879,017</b>   | <b>-120%</b> | <b>1,119,047</b>  |
| Depreciation expense  | 5,107,342          | 511,201              | 0                | 358,433            | 1,603           | 5,978,579          |                   |                  |              |                   |
| <b>Net Income (loss)</b>                                      | <b>(3,482,572)</b> | <b>828,269</b>       | <b>57,913</b>    | <b>(2,133,937)</b> | <b>(10,620)</b> | <b>(5,830,869)</b> |                   |                  |              |                   |



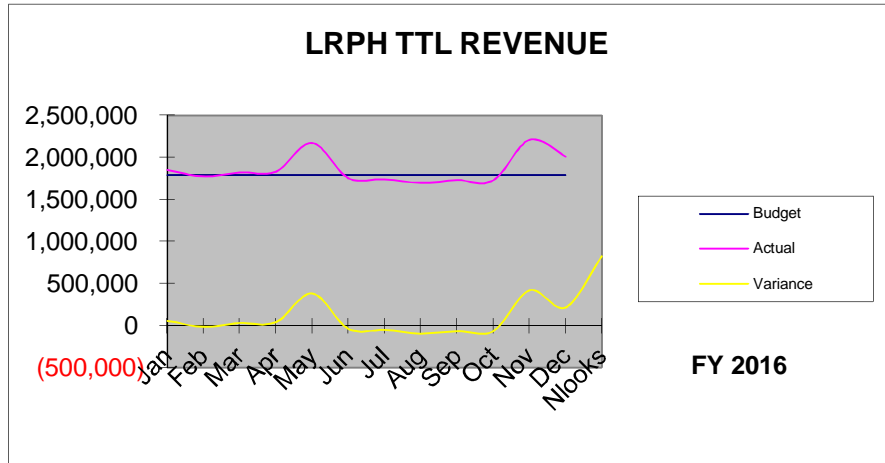
# NET INCOME BEF. EXTRA ORDINARY MAINTENANCE

|        | Budget   | Actual    | Variance  |
|--------|----------|-----------|-----------|
| Jan    | (3,111)  | 23,630    | 26,741    |
| Feb    | (3,111)  | 22,066    | 25,177    |
| Mar    | (3,111)  | 96,552    | 99,663    |
| Apr    | (3,111)  | 168,302   | 171,413   |
| May    | (3,111)  | 276,081   | 279,192   |
| Jun    | (3,111)  | 447,164   | 450,275   |
| Jul    | (3,111)  | 32,406    | 35,517    |
| Aug    | (3,111)  | 157,766   | 160,877   |
| Sep    | (3,111)  | 58,206    | 61,317    |
| Oct    | (3,111)  | 167,450   | 170,561   |
| Nov    | (3,111)  | 446,703   | 449,814   |
| Dec    | (3,111)  | (271,556) | (268,445) |
| Nlooks | (37,329) | 1,624,770 | 1,662,099 |



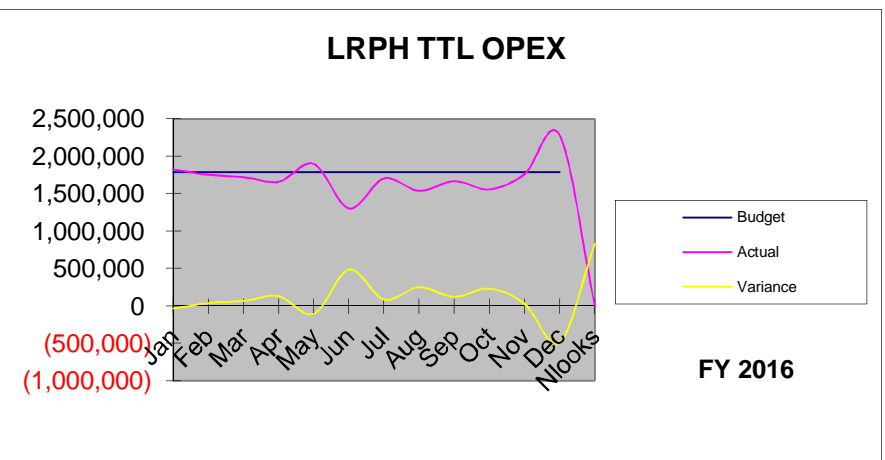
## OPERATING REVENUE

|        | Budget     | Actual     | Variance |
|--------|------------|------------|----------|
| Jan    | 1,790,553  | 1,849,866  | 59,313   |
| Feb    | 1,790,553  | 1,774,837  | (15,716) |
| Mar    | 1,790,553  | 1,821,013  | 30,460   |
| Apr    | 1,790,553  | 1,830,945  | 40,392   |
| May    | 1,790,553  | 2,173,794  | 383,241  |
| Jun    | 1,790,553  | 1,752,842  | (37,711) |
| Jul    | 1,790,553  | 1,739,781  | (50,772) |
| Aug    | 1,790,553  | 1,697,273  | (93,280) |
| Sep    | 1,790,553  | 1,727,988  | (62,565) |
| Oct    | 1,790,553  | 1,727,161  | (63,392) |
| Nov    | 1,790,553  | 2,210,745  | 420,192  |
| Dec    | 1,790,553  | 2,007,274  | 216,721  |
| Nlooks | 21,486,632 | 22,313,519 | 826,887  |



## OPERATING EXPENSES

|        | Budget     | Actual     | Variance  |
|--------|------------|------------|-----------|
| Jan    | 1,793,663  | 1,826,236  | (32,573)  |
| Feb    | 1,793,663  | 1,752,771  | 40,892    |
| Mar    | 1,793,663  | 1,724,461  | 69,202    |
| Apr    | 1,793,663  | 1,662,643  | 131,020   |
| May    | 1,793,663  | 1,897,713  | (104,050) |
| Jun    | 1,793,663  | 1,305,678  | 487,985   |
| Jul    | 1,793,663  | 1,707,375  | 86,288    |
| Aug    | 1,793,663  | 1,539,507  | 254,156   |
| Sep    | 1,793,663  | 1,669,782  | 123,881   |
| Oct    | 1,793,663  | 1,559,711  | 233,952   |
| Nov    | 1,793,663  | 1,764,042  | 29,621    |
| Dec    | 1,793,663  | 2,278,830  | (485,167) |
| Nlooks | 21,523,961 | 20,688,749 | 835,212   |

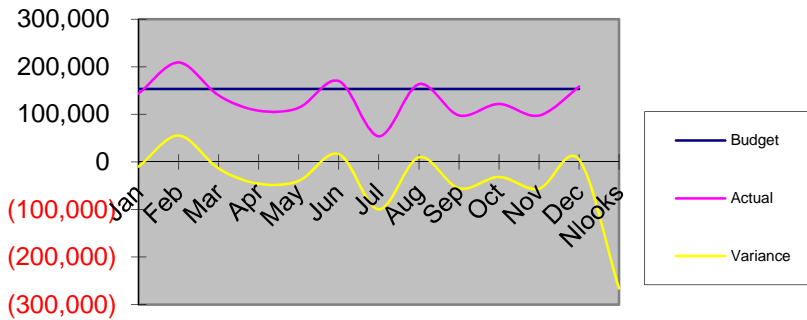


NL - Nlooks = Actual year to date (highlighted in yellow) + remaining budget of the year

# NET INCOME BEF. EXTRA ORDINARY MAINTENANCE

|        | Budget    | Actual    | Variance  |
|--------|-----------|-----------|-----------|
| Jan    | 153,594   | 143,741   | (9,853)   |
| Feb    | 153,594   | 209,095   | 55,501    |
| Mar    | 153,594   | 139,543   | (14,051)  |
| Apr    | 153,594   | 107,704   | (45,890)  |
| May    | 153,594   | 114,007   | (39,587)  |
| Jun    | 153,594   | 170,048   | 16,454    |
| Jul    | 153,594   | 53,851    | (99,743)  |
| Aug    | 153,594   | 163,449   | 9,855     |
| Sep    | 153,594   | 97,871    | (55,723)  |
| Oct    | 153,594   | 121,959   | (31,635)  |
| Nov    | 153,594   | 97,350    | (56,244)  |
| Dec    | 153,594   | 158,498   | 4,904     |
| Nlooks | 1,843,122 | 1,577,116 | (266,006) |

## UNSUBSIDIZED HSNG NET INCOME BEF. EXTRA ORD MAINT

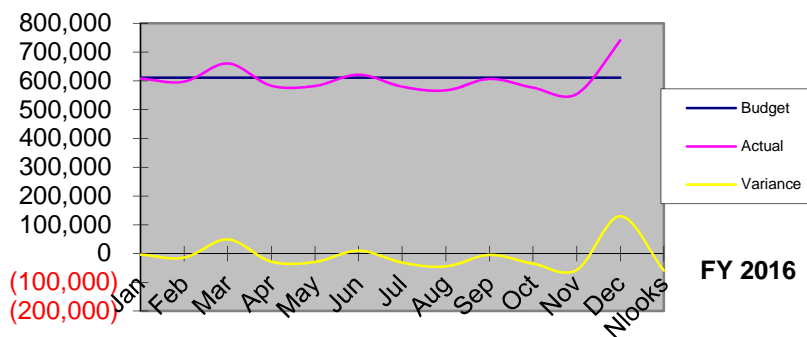


FY 2016

# OPERATING REVENUE

|        | Budget    | Actual    | Variance |
|--------|-----------|-----------|----------|
| Jan    | 611,673   | 608,474   | (3,199)  |
| Feb    | 611,673   | 597,564   | (14,109) |
| Mar    | 611,673   | 660,936   | 49,263   |
| Apr    | 611,673   | 583,170   | (28,503) |
| May    | 611,673   | 582,483   | (29,190) |
| Jun    | 611,673   | 621,788   | 10,115   |
| Jul    | 611,673   | 580,116   | (31,557) |
| Aug    | 611,673   | 566,951   | (44,722) |
| Sep    | 611,673   | 607,134   | (4,539)  |
| Oct    | 611,673   | 576,528   | (35,145) |
| Nov    | 611,673   | 554,525   | (57,148) |
| Dec    | 611,673   | 741,388   | 129,715  |
| Nlooks | 7,340,074 | 7,281,057 | (59,017) |

## UNSUBSIDIZED HSNG. OPERATING REVENUE

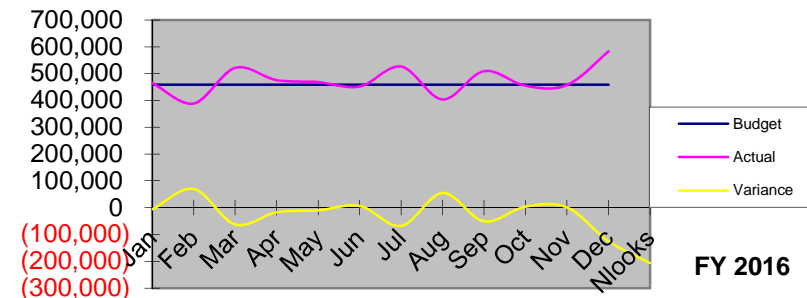


FY 2016

# OPERATING EXPENSES

|        | Budget    | Actual    | Variance  |
|--------|-----------|-----------|-----------|
| Jan    | 458,079   | 464,733   | (6,654)   |
| Feb    | 458,079   | 388,469   | 69,610    |
| Mar    | 458,079   | 521,393   | (63,314)  |
| Apr    | 458,079   | 475,466   | (17,387)  |
| May    | 458,079   | 468,476   | (10,397)  |
| Jun    | 458,079   | 451,740   | 6,339     |
| Jul    | 458,079   | 526,265   | (68,186)  |
| Aug    | 458,079   | 403,502   | 54,577    |
| Sep    | 458,079   | 509,263   | (51,184)  |
| Oct    | 458,079   | 454,569   | 3,510     |
| Nov    | 458,079   | 457,175   | 904       |
| Dec    | 458,079   | 582,890   | (124,811) |
| Nlooks | 5,496,952 | 5,703,941 | (206,989) |

## UNSUBSIDIZED HSNG. OPEX



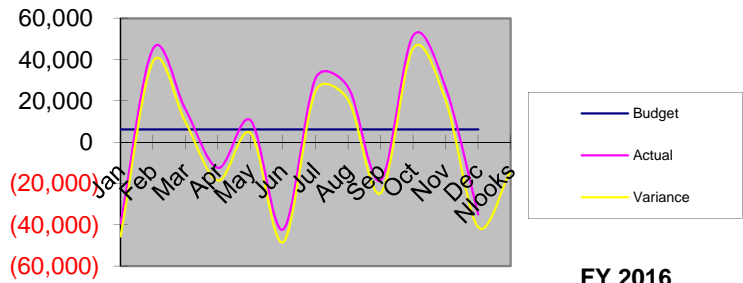
FY 2016

NL - Nlooks = Actual year to date (highlighted in yellow) + remaining budget of the year

# NET INCOME

|        | Budget | Actual   | Variance |
|--------|--------|----------|----------|
| Jan    | 6,153  | (39,414) | (45,567) |
| Feb    | 6,153  | 45,319   | 39,166   |
| Mar    | 6,153  | 15,790   | 9,637    |
| Apr    | 6,153  | (12,420) | (18,573) |
| May    | 6,153  | 10,575   | 4,422    |
| Jun    | 6,153  | (42,254) | (48,407) |
| Jul    | 6,153  | 31,042   | 24,889   |
| Aug    | 6,153  | 26,695   | 20,542   |
| Sep    | 6,153  | (18,501) | (24,654) |
| Oct    | 6,153  | 51,648   | 45,495   |
| Nov    | 6,153  | 26,349   | 20,196   |
| Dec    | 6,153  | (34,916) | (41,069) |
| Nlooks |        |          | (13,926) |
|        | 73,839 | 59,913   |          |

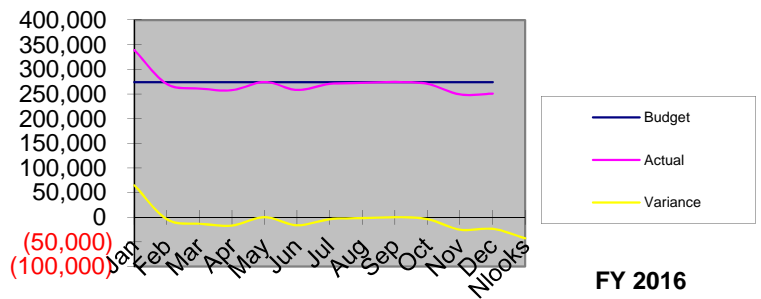
## RAP NET INCOME BEF. EXTRA ORD MAINTENANCE



# OPERATING REVENUE

|        | Budget    | Actual    | Variance |
|--------|-----------|-----------|----------|
| Jan    | 274,335   | 339,123   | 64,788   |
| Feb    | 274,335   | 270,248   | (4,087)  |
| Mar    | 274,335   | 261,309   | (13,026) |
| Apr    | 274,335   | 257,859   | (16,476) |
| May    | 274,335   | 274,516   | 181      |
| Jun    | 274,335   | 258,204   | (16,131) |
| Jul    | 274,335   | 270,543   | (3,792)  |
| Aug    | 274,335   | 272,577   | (1,758)  |
| Sep    | 274,335   | 274,448   | 113      |
| Oct    | 274,335   | 270,653   | (3,682)  |
| Nov    | 274,335   | 249,135   | (25,200) |
| Dec    | 274,335   | 250,959   | (23,376) |
| Nlooks |           |           | (42,441) |
|        | 3,292,015 | 3,249,574 |          |

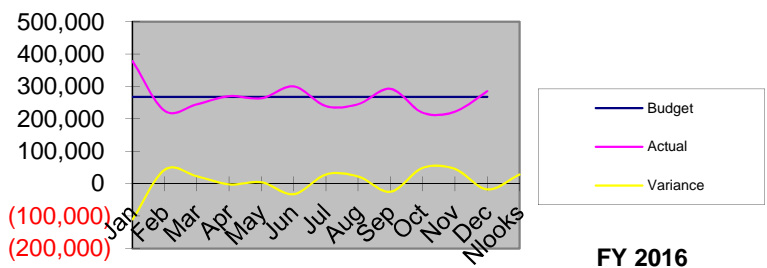
## RAP OPERATING REV.



# OPERATING EXPENSES

|        | Budget    | Actual    | Variance  |
|--------|-----------|-----------|-----------|
| Jan    | 268,181   | 378,537   | (110,356) |
| Feb    | 268,181   | 224,929   | 43,252    |
| Mar    | 268,181   | 245,519   | 22,662    |
| Apr    | 268,181   | 270,279   | (2,098)   |
| May    | 268,181   | 263,941   | 4,240     |
| Jun    | 268,181   | 300,458   | (32,277)  |
| Jul    | 268,181   | 239,501   | 28,680    |
| Aug    | 268,181   | 245,882   | 22,299    |
| Sep    | 268,181   | 292,949   | (24,768)  |
| Oct    | 268,181   | 219,005   | 49,176    |
| Nov    | 268,181   | 222,786   | 45,395    |
| Dec    | 268,181   | 285,875   | (17,694)  |
| Nlooks |           |           | 28,515    |
|        | 3,218,176 | 3,189,661 |           |

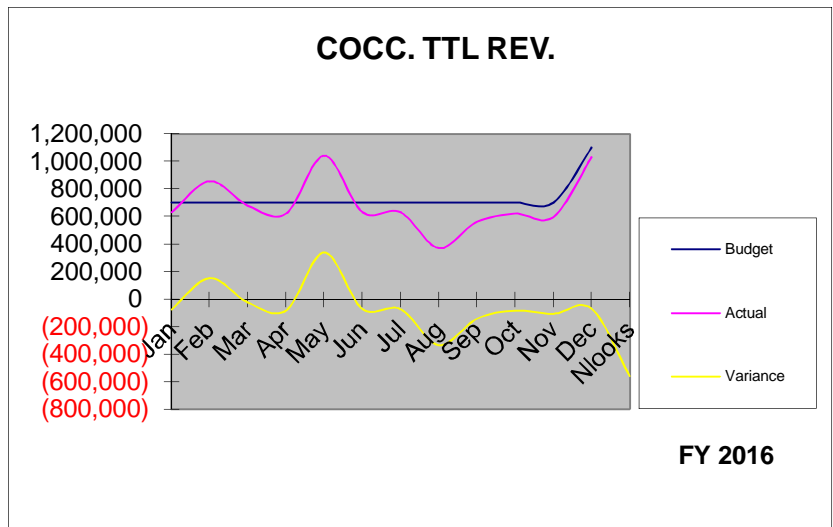
## RAP OPEX



NL - Nlooks = Actual year to date (highlighted in yellow) + remaining budget of the year

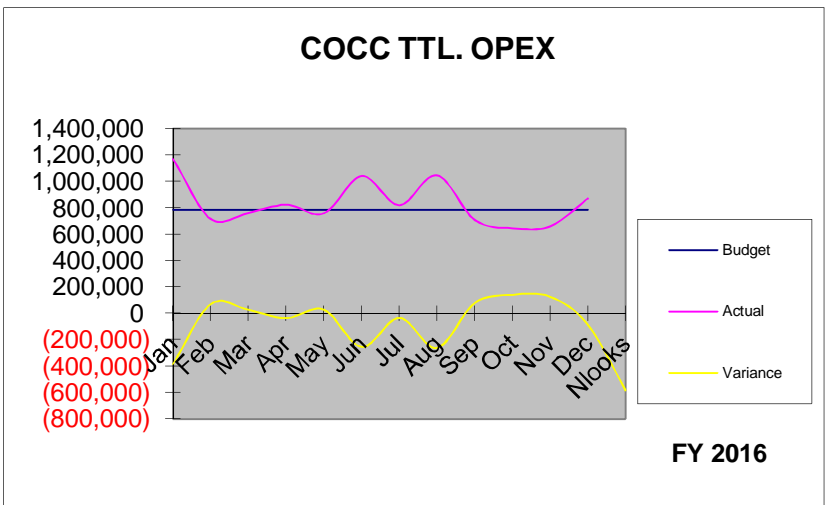
## OPERATING REVENUE

|        | Budget    | Actual    | Variance  |
|--------|-----------|-----------|-----------|
| Jan    | 703,405   | 628,837   | (74,568)  |
| Feb    | 703,405   | 857,323   | 153,918   |
| Mar    | 703,405   | 680,406   | (22,999)  |
| Apr    | 703,405   | 621,275   | (82,130)  |
| May    | 703,405   | 1,043,006 | 339,601   |
| Jun    | 703,405   | 633,204   | (70,201)  |
| Jul    | 703,405   | 631,250   | (72,155)  |
| Aug    | 703,405   | 370,966   | (332,439) |
| Sep    | 703,405   | 561,830   | (141,575) |
| Oct    | 703,405   | 620,881   | (82,524)  |
| Nov    | 703,405   | 598,307   | (105,098) |
| Dec    | 1,103,405 | 1,034,594 | (68,811)  |
| Nlooks | 8,840,857 | 8,281,879 | (558,978) |



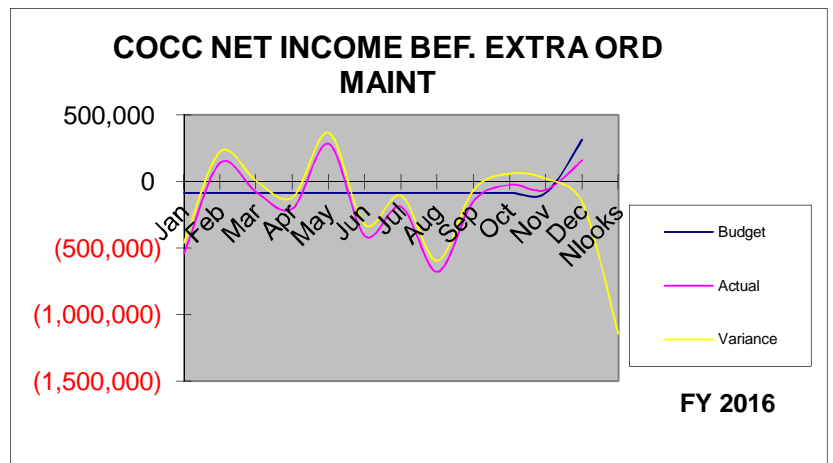
## OPERATING EXPENSES

|        | Budget    | Actual     | Variance  |
|--------|-----------|------------|-----------|
| Jan    | 787,242   | 1,172,631  | (385,389) |
| Feb    | 787,242   | 716,836    | 70,406    |
| Mar    | 787,242   | 761,066    | 26,176    |
| Apr    | 787,242   | 823,949    | (36,707)  |
| May    | 787,242   | 759,055    | 28,187    |
| Jun    | 787,242   | 1,041,989  | (254,747) |
| Jul    | 787,242   | 820,694    | (33,452)  |
| Aug    | 787,242   | 1,048,514  | (261,272) |
| Sep    | 787,242   | 708,502    | 78,740    |
| Oct    | 787,242   | 646,188    | 141,054   |
| Nov    | 787,242   | 660,809    | 126,433   |
| Dec    | 787,242   | 872,318    | (85,076)  |
| Nlooks | 9,446,905 | 10,032,551 | (585,646) |



## NET INCOME

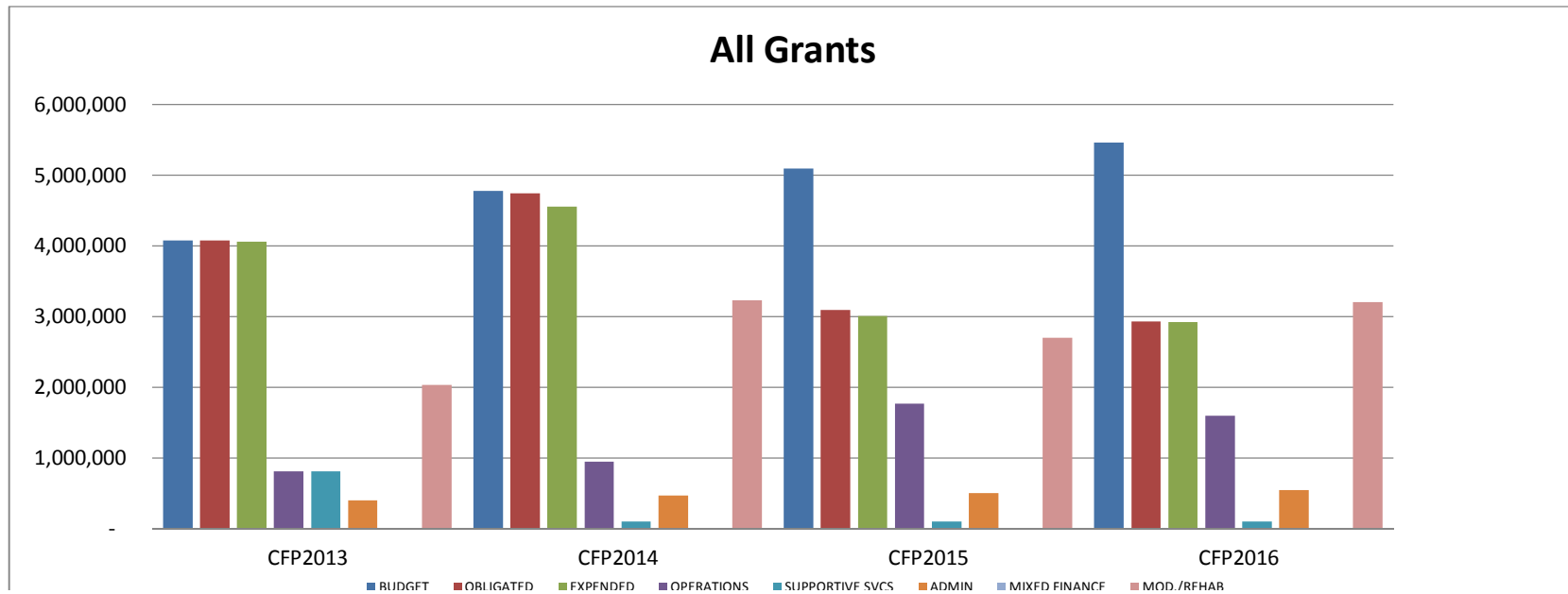
|        | Budget    | Actual      | Variance    |
|--------|-----------|-------------|-------------|
| Jan    | (83,837)  | (543,794)   | (459,957)   |
| Feb    | (83,837)  | 140,487     | 224,324     |
| Mar    | (83,837)  | (80,660)    | 3,177       |
| Apr    | (83,837)  | (202,674)   | (118,837)   |
| May    | (83,837)  | 283,951     | 367,788     |
| Jun    | (83,837)  | (408,785)   | (324,948)   |
| Jul    | (83,837)  | (189,444)   | (105,607)   |
| Aug    | (83,837)  | (677,548)   | (593,711)   |
| Sep    | (83,837)  | (146,672)   | (62,835)    |
| Oct    | (83,837)  | (25,307)    | 58,530      |
| Nov    | (83,837)  | (62,502)    | 21,335      |
| Dec    | 316,163   | 162,276     | (153,887)   |
| Nlooks | (606,048) | (1,750,672) | (1,144,624) |



NL - Nlooks = Actual year to date (highlighted in yellow) + remaining budget of the year

**HACM  
MAJOR GRANTS SUMMARY  
31-Dec-16**

|                | SPENDING PLAN     |                   |                   |                  |                  |                  |               |                   | END DATE  |
|----------------|-------------------|-------------------|-------------------|------------------|------------------|------------------|---------------|-------------------|-----------|
|                | BUDGET            | OBLIGATED         | EXPENDED          | OPERATIONS       | SUPPORTIVE SVCS  | ADMIN            | MIXED FINANCE | MOD./REHAB        |           |
| CFP2013        | 4,079,190         | 4,079,190         | 4,062,839         | 815,838          | 815,638          | 407,919          | -             | 2,039,795         | 9/8/2017  |
| CFP2014        | 4,776,258         | 4,743,326         | 4,557,388         | 955,252          | 110,000          | 477,626          |               | 3,233,380         | 5/12/2018 |
| CFP2015        | 5,098,171         | 3,095,782         | 3,014,167         | 1,774,946        | 110,000          | 509,817          |               | 2,703,408         | 9/15/2019 |
| CFP2016        | 5,467,349         | 2,934,248         | 2,925,863         | 1,601,933        | 110,000          | 546,734          |               | 3,208,682         | 4/12/2020 |
| <b>TOTAL</b>   | <b>19,420,968</b> | <b>14,852,546</b> | <b>14,560,257</b> | <b>5,147,969</b> | <b>1,145,638</b> | <b>1,942,096</b> | <b>-</b>      | <b>11,185,265</b> |           |
| <b>PERCENT</b> | <b>100%</b>       | <b>76%</b>        | <b>75%</b>        | <b>27%</b>       | <b>6%</b>        | <b>10%</b>       | <b>0%</b>     | <b>58%</b>        |           |



**HOUSING AUTHORITY OF THE CITY OF MILWAUKEE**  
**NOTES TO FINANCIAL REPORT**

1. Restricted Cash & investments

The amount presented is restricted either by regulation or contractual agreements. RAP restricted cash represents the net housing assistance payments (HAP). Excess of HAP grants over HAP disbursements to landlords can be spent only for rental assistance. Under the terms of mortgage agreement, certain developments (VETS Housing) are required to maintain replacement reserved to pay major rehabilitation expenses in the future. Disbursements from this money need the approval of lender or investor. Hence, restricted cash is not available to be used for general operations of the agency.

2. Allowance for Doubtful Accounts

This amount represents charges to tenants who have already moved out/evicted from the housing units. These amounts are deemed uncollectible and will be written off or removed from the records once the board approval is obtained to charge off the accounts. Collection is pursued through tax lien or when the tenants try to re-apply for public housing or RAP assistance in the future.

3. Accounts Receivable (AR) – HUD

These represent advanced disbursements on grants (from capital fund & stimulus grants) that are yet to be reimbursed by Housing and Urban Development (HUD). Grants are operated on reimbursement type basis. Grant expenditures during the month are usually paid or reimbursed the following month. Also included in this account are accruals of management fee on capital grant programs.

4. AR Development Fee

This represents development fee income from the mixed finance developments. The amount is usually paid once the tax credit investors pay their final capital contribution to the project.

5. Due From Accounts

This represents inter-program receivable (payable) balances. HACM maintains a central disbursing account under the Central Office Cost Center (COCC). Cost/expense allocation and charges result in inter-program transactions. Each program regularly settles their accounts through cash transfers.

6. Notes Receivable & Accrued Interest

This represents various loans extended to the different mixed finance developments. The loans have various terms of up to a maximum of 50 yrs. Interest rates vary from zero to 8%. Principal and accrued interest are payable depending the excess cash flow of each development. Considering that the mixed finance developments are supposed to operate at breakeven, loans and accrued interest are usually not paid until the end of the compliance period (15 years). After the 15 years, HACM will exercise its option to purchase the property. The Notes & accrued

interest accumulated balances are set-off during the process. Also included in this account are 2<sup>nd</sup> loans extended to the homeownership program participants. These loans are forgivable over a certain period of time.

7. Accrued Compensated Absences

This is the accumulated unused vacation & sick leave balances of employees. The leave balances are paid out when employees resign or retire from the agency.

8. Net OPEB Liability

This amount represents the accrued actuarial liability on Other Post Employment Benefits (OPEB). HACM provides post-employment health care benefits through a non-contributory single employer defined benefit health care plan. The plan provides medical insurance benefits to eligible retirees and their spouses. In 2007, an actuarial valuation was made to determine the amount of future liabilities. The total projected unfunded actuarial accrued liability (UAAL) was \$5,200,400. Every year, HACM accrues 1/10 of the UAAL as required under Governmental Accounting Standards Board (GASB) statement 45.

9. Restricted Reserved

This is the difference between restricted cash & investments and the related liabilities. Notes receivables from mixed finance developments are also restricted as these are expected to pay off the acquisition of the property at the end of the compliance period, hence may not available for general operations.

10. Capital Fund Transfer – in

This is the amount of money transferred from capital fund program to support the operations of the housing developments. HUD regulations allows up to a maximum of 40% of the capital fund grant to supplement the operating subsidy received by the public housing development. The amount of capital transfer is determined based on the current operating needs of the project.

11. Contingent Liabilities

Under the terms of the mixed finance agreements, HACM provides guarantee on the low-income tax credits generated by the project and operating deficit subsidies to the various mixed finance projects. The total cumulative not to exceed guarantee is \$8,926,000, broken down as follows:

|                           |             |
|---------------------------|-------------|
| Highland Park             | \$1,000,000 |
| Olga Village              | 1,026,000   |
| Town Homes at Carver Park | 800,000     |
| Cherry Court              | 300,000     |
| Convent Hill              | 100,000     |
| Scattered Sites I         | 100,000     |
| Scattered Sites II        | 100,000     |
| Lapham Park LLC           | 2,000,000   |
| Westlawn Renaissance      | 3,500,000   |
| Total                     | \$8,926,000 |

HACM

FINANCIAL REPORTS

GLOSSARY OF TERMS & BASIC DEFINITIONS

AMP – Asset management projects. These are the various developments or rental property sites that HACM owned.

ARRA – American Recovery and Reinvestments Act, otherwise known as “stimulus”

CFP – Capital fund program

COCC – Central office cost center

FSS – Family self sufficiency

HAP – Housing assistance payment

HUD – Housing and Urban Development

IT – Information technology

LRPH – Low rent public housing

OPEX – operating expenses

PILOT – Payment in-lieu of taxes

RAP – Rental assistance program. Also, referred to Section 8 or Housing Voucher Choice Program

ROSS – Resident opportunity and supportive services

VETS – Veterans housing projects

NL – Now looks. As presented in the trend graph, Now looks is the expected balance of the revenue, expense or income item at the end of the year. Now looks is calculated at: ***Actual year to date expense plus the remaining budget or projected balances if known at the time of the report presentation.***



## Balance Sheets

A **balance sheet** is a snapshot of a business' financial condition at a specific moment in time, usually at the close of an accounting period. A **balance sheet** comprises assets, liabilities, and owners' or stockholders' equity. Assets and liabilities are divided into short- and long-term obligations including cash accounts such as checking, money market, or government securities. At any given time, assets must equal liabilities plus owners' equity. An asset is anything the business owns that has monetary value. Liabilities are the claims of creditors against the assets of the business.

What is a **balance sheet** used for?

A **balance sheet** helps a small business owner quickly get a handle on the financial strength and capabilities of the business. Is the business in a position to expand? Can the business easily handle the normal financial ebbs and flows of revenues and expenses? Or should the business take immediate steps to bolster cash reserves?

**Balance** sheets can identify and analyze trends, particularly in the area of receivables and payables. Is the receivables cycle lengthening? Can receivables be collected more aggressively? Is some debt uncollectable? Has the business been slowing down payables to forestall an inevitable cash shortage?

**Balance** sheets, along with income statements, are the most basic elements in providing financial reporting to potential lenders such as banks, investors, and vendors who are considering how much credit to grant the firm.

## Statement of revenue and expenses

Otherwise known as income statement or a profit and loss **statement**, is a summary of a company's profit or loss during any one given period of time, such as a month, three months, or one year. The **income statement** records all revenues for a business during this given period, as well as the operating expenses for the business.

**What are income statements used for?**

You use an **income statement** to track revenues and expenses so that you can determine the operating performance of your business over a period of time. Small business owners use these statements to find out what areas of their business are over budget or under budget. Specific items that are causing unexpected expenditures can be pinpointed, such as phone, fax, mail, or supply expenses

**Income** statements, along with balance sheets, are the most basic elements required by potential lenders, such as banks, investors, and vendors. They will use the financial reporting contained therein to determine credit limits.

Source: [www.businesstown.com](http://www.businesstown.com)