



FINANCIAL REPORTS

MARCH 31, 2017

HOUSING AUTHORITY OF THE CITY OF MILWAUKEE
FINANCIAL REPORTS
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HA of the City Milwaukee
Financial Highlights
As of March 31, 2017

Financial Position (pp. 3-4)

As of March 31, 2017, HACM has total assets of \$222.3mm compared to December 31, 2016 at \$224.5mm. 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 \$31.3mm indicating HACM's strong capacity to meet maturing obligations. Total cash & investments as of the end of March was \$40mm. 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	\$8.58mm
Unsubsidized Housing	20.65
Rental Assistance Program	1.07
Central Office	9.56
Home Ownership & Grants	0.61

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

Low Rent Public Housing	\$7.04mm
Unsubsidized Housing	6.59
Rental Assistance Program-Admin	0.95
Central office	0.30

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 9% lower than budget (p. 5) and total spending was 9% under budget (p.6). Administrative expenses were under budget by 2%. Tenant services were 41% under budget; Utilities were 24% below budget; Maintenance expenses were 15% below budget, protective services 3% under budget and general expenses were 3% under budget. Consolidated net income from operations for the period ended March 31, 2017 was \$401,951 (p. 6).

Low Rent Public Housing (LRPH)

LRPH operations resulted in a net income from operations of \$500,196 (p. 6) in the first quarter. Operating revenue was \$362,354 under budget and total operating expenses for the period were \$764,407 under budget. All combined, LRPH posted a positive variance of \$402,053 (see p. 7).

Unsubsidized Housing

Unsubsidized Housing has a favorable result of operations during the quarter. Net income from operation was at \$700,703 (p.6) before amortization of principal on series 2015 bonds of around \$540,000 for 2017. Revenue was \$92,066 below budget and operating expenses were under budget by \$183,053 during the period. All combined, VETS posted a positive variance of \$90,986 (see p. 8).

Rental Assistance Program (RAP)

RAP had a net loss of \$11,093 at the end of the period (p. 6). Administrative revenue was \$21,907 over budget and spending was over budget by \$33,504, resulting in an overall negative net income variance of \$11,597 (see p. 9).

The Housing Assistance Payment (HAP) grant during the period was \$9.14mm against total disbursement of \$8.97mm, reflecting a budget utilization of 98%. 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 \$747,348 (p.6) at the end of the quarter. Total revenue was under budget by \$480,894 (see p. 10). Operating expenses were over budget by \$19,055. All combined, COCC posted a negative variance of \$499,949 (see p. 10).

Grant Management (pp.11)

As of March 31, 2017, 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 89% has been obligated and 78% 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 MARCH 31, 2017

						Mar. 31, 2017	Dec. 31, 2016	
	LRPH	UNSUBSIDIZED HOUSING	RAP	COCC	GRANTS/DEVT	HOME OWNERSHIP Total HACM	Total HACM	
ASSETS								
CURRENT ASSETS								
CASH								
UNRESTRICTED CASH	8,029,607	8,982,521	806,122	9,337,266	(507,985)	614,421	27,261,952	32,113,491
RESTRICTED CASH (Note 1)		2,618,535		133,565			2,752,100	2,674,167
TOTAL CASH	8,029,607	11,601,056	806,122	9,470,831	(507,985)	614,421	30,014,052	34,787,658
ACCOUNTS RECEIVABLE-TENANTS	270,142	58,086					328,228	423,909
ALLOWANCE FOR DOUBTFUL ACCOUNTS (Note 2)	(81,811)	(28,750)					(110,561)	77,413
NET ACCOUNTS RECEIVABLE-TENANTS	188,331	29,336	0	0	0	0	217,667	501,322
ACCOUNTS RECEIVABLE-MISC								
AR-HUD (Note 3)	507,507						507,507	8,643
AR- DEVELOPMENT FEE (Note 4)								
AR - OTHERS	82,030		7,682	431,324			521,036	627,351
TOTAL AR-MISC	589,537	0	7,682	431,324	0	0	1,028,543	635,994
INVESTMENTS								
RESTRICTED (Note 1)	550,458	9,052,800	260,639	84,621			9,948,518	10,035,545
TOTAL INVESTMENTS	550,458	9,052,800	260,639	84,621	0	0	9,948,518	10,035,545
PREPAID EXPENSES AND OTHER ASSETS								
PREPAID EXPENSES AND OTHER ASSETS	186,168	61,753	41,313	255,513	1,407	1,589	547,743	346,145
TOTAL PREPAID EXPENSES AND OTHER ASSETS	186,168	61,753	41,313	255,513	1,407	1,589	547,743	346,145
CURRENT INTERFUNDS								
TOTAL DUE FROM AMOUNTS - CURRENT (Note 5)	0	0	0	138,212	(138,212)	0	0	0
TOTAL CURRENT ASSETS	9,544,101	20,744,945	1,115,756	10,380,501	(644,790)	616,010	41,756,523	46,306,664
NON-CURRENT ASSETS								
FIXED ASSETS								
LAND & LAND IMPROVEMENTS	32,301,964	2,759,343		454,172		7,111	35,522,590	35,580,164
BUILDINGS	243,085,677	46,503,159		7,890,061		64,003	297,542,900	292,612,869
FURNITURES, EQPT. MACHINERY	1,442,753	220,778	72,604	1,874,937			3,611,072	3,739,680
CONSTRUCTION IN PROGRESS	29,088	20,615		5,486	356,920	233,281	645,390	5,764,367
TOTAL FIXED ASSETS	276,859,482	49,503,895	72,604	10,224,656	356,920	304,395	337,321,952	337,697,080
ACCUMULATED DEPRECIATION	(190,417,762)	(43,975,315)	(72,604)	(4,832,586)		(8,397)	(239,306,664)	(238,057,074)
FIXED ASSETS, NET OF DEPRECIATION	86,441,720	5,528,580	0	5,392,070	356,920	295,998	98,015,288	99,640,006
OTHER ASSETS								
NOTES RECEIVABLE (Note 7)	53,571,329			8,373,168	0	1,145,240	63,089,737	63,127,603
NOTES INTEREST RECEIVABLE (Note 6)	12,327,565			314,676	0		12,642,241	13,114,694
FINANCING FEES & OTHER ASSETS				6,793,549			6,793,549	2,309,471
TOTAL OTHER ASSETS	65,898,894	0	0	15,481,393	0	1,145,240	82,525,527	78,551,768
TOTAL NON-CURRENT ASSETS	152,340,614	5,528,580	0	20,873,463	356,920	1,441,238	180,540,815	178,191,774
TOTAL ASSETS	161,884,715	26,273,525	1,115,756	31,253,964	(287,870)	2,057,248	222,297,338	224,498,438
LIABILITIES AND EQUITY								
CURRENT LIABILITIES								

HOUSING AUTHORITY OF THE CITY OF MILWAUKEE

BALANCE SHEETS

AS OF MARCH 31, 2017

Mar. 31, 2017

Dec. 31, 2016

	LRPH	UNSUBSIDIZED HOUSING	RAP	COCC	GRANTS/DEVT	HOME OWNERSHIP	Total HACM	Total HACM
ACCOUNTS PAYABLE								
ACCOUNTS PAYABLE	72,526	566,784	10,233	1,331,678	55,971	500	2,037,692	2,683,554
TOTAL ACCOUNTS PAYABLE	72,526	566,784	10,233	1,331,678	55,971	500	2,037,692	2,683,554
ACCRUED LIABILITIES								
ACCRUED SALARIES & BENEFITS	(1,147)			119,522	626		119,001	790,402
ACCRUED INTEREST PAYABLE		155,841					155,841	311,683
DEFERED REVENUE				394,000			394,000	3,235,966
DUE TO GOVERNMENT - PILOT & OTHERS	1,598,048	1,290,050		1,050,590			3,938,688	3,659,130
ACCRUED COMPENSATED ABSENCES (Note 7)	0	0	0	926,965	0	0	926,965	926,965
OTHER ACCRUED LIABILITIES	3,076			400,000		337,056	740,132	771,850
TOTAL ACCRUED LIABILITIES	1,599,977	1,445,891	0	2,891,077	626	337,056	6,274,627	9,695,603
OTHER CURRENT LIABILITIES								
TENANT SECURITY DEPOSITS	647,516	474,042					1,121,558	1,132,622
FSS ESCROW ACCOUNT	182,669		260,639				443,308	459,767
CURRENT PORTION-LT DEBT		540,000					540,000	540,000
TOTAL OTHER CURRENT LIABILITIES	830,185	1,014,042	260,639	0	0	0	2,104,866	2,132,389
TOTAL CURRENT LIABILITIES	2,502,688	3,026,717	270,872	4,222,755	56,597	337,556	10,417,185	14,511,546
NON-CURRENT LIABILITIES								
LONG TERM DEBT								
MORTGAGE REVENUE BONDS				126,306			126,306	126,306
NOTES PAYABLE		18,231,959			0		18,231,959	18,231,959
TOTAL	0	18,231,959	0	126,306	0	0	18,358,265	18,358,265
LESS CURRENT PORTION		(540,000)					(540,000)	(540,000)
TOTAL LONG TERM DEBT - NET	0	17,691,959	0	126,306	0	0	17,818,265	17,818,265
NONCURRENT LIABILITIES-OTHER								
NET OPEB LIABILITY (Note 8)				5,515,920			5,515,920	4,869,697
NET PENSION LIABILITY				4,904,000			4,904,000	1,450,000
TOTAL NONCURRENT LIABILITIES-OTHER	0	0	0	10,419,920	0	0	10,419,920	6,319,697
TOTAL NON-CURRENT LIABILITIES	0	17,691,959	0	10,546,226	0	0	28,238,185	24,137,962
TOTAL LIABILITIES	2,502,688	20,718,676	270,872	14,768,981	56,597	337,556	38,655,370	38,649,508
EQUITY								
INVESTED IN CAPITAL ASSETS, NET OF DEBT	86,441,720	(12,703,379)	0	5,392,070	356,920	295,998	79,783,329	81,408,047
UNRESTRICTED RESERVE	7,041,413	6,586,893	945,281	297,334	(701,387)	615,510	14,785,044	15,855,401
RESTRICTED RESERVE (Note 9)	65,898,894	11,671,335	(100,397)	10,795,579	0	808,184	89,073,595	88,585,482
TOTAL EQUITY	159,382,027	5,554,849	844,884	16,484,983	(344,467)	1,719,692	183,641,968	185,848,930
TOTAL LIABILITIES AND EQUITY	161,884,715	26,273,525	1,115,756	31,253,964	(287,870)	2,057,248	222,297,338	224,498,438

HA OF THE CITY OF MILWAUKEE
CONSOLIDATED STATEMENT OF REVENUE & EXPENSES
BUDGETED PROGRAM ONLY
AS OF MAR. 31, 2017

3
75%

	LRPH	UNSUBSIDIZED HSNG	RAP	COCC	HOME OWN	YTD ACTUAL	YTD BUDGET	VARIANCE		ANNUAL BUDGET	REMAINING	
								AMOUNT	PERCENT		AMOUNT	PERCENT
Operating Income												
<i>Operating/admin subsidies</i>	1,916,147		781,045			2,697,192	2,898,175	(200,983)	-7%	11,592,698	8,895,506	77%
<i>Dwelling rents</i>	2,440,825	1,708,628				4,149,453	4,376,716	(227,263)	-5%	17,506,864	13,357,411	76%
<i>Excess utilities & other</i>	50,406	41,506				91,912	82,877	9,035	11%	331,508	239,596	72%
<i>Capital fund transfer in (Note 10)</i>	507,507					507,507	507,500	7	0%	2,030,000	1,522,493	75%
<i>Other income</i>	185,136	3,828	70,021	46,359	235	305,579	512,545	(206,966)	-40%	2,050,178	1,744,599	85%
<i>Management fees</i>				964,431		964,431	1,126,517	(162,086)	-14%	4,506,069	3,541,638	79%
<i>Central maintenance revenue</i>				580,631		580,631	760,881	(180,250)	-24%	3,043,525	2,462,894	81%
<i>Developers fee</i>						0	0	0	0%	534,500	534,500	100%
<i>Interest on general fund</i>	2,211	36,100	1	8,584		46,896	33,763	13,134	39%	135,050	88,154	65%
Total Income	5,102,232	1,790,062	851,067	1,600,005	235	9,343,601	10,298,973	(955,372)	-9%	41,730,392	32,386,791	78%
Operating Expenditures												
Administrative												
<i>Salaries</i>	306,093	47,536	351,981	817,621	13,651	1,536,882	1,615,708	78,826	5%	6,462,830	4,925,948	76%
<i>Employee benefits</i>	194,394	44,681	234,953	412,883	17,085	903,996	586,621	(317,375)	-54%	2,346,485	1,442,489	61%
<i>Legal and accounting</i>	266	1,294				1,560	57,985	56,425	97%	231,940	230,380	99%
<i>Audit</i>	5,346	1,494	1,332	711		8,883	37,100	28,217	76%	148,400	139,517	94%
<i>Travel and training</i>	28		2,838	35,865	314	39,045	65,800	26,755	41%	263,200	224,155	85%
<i>Contracted property management</i>				52,030		52,030	73,949	21,919	30%	295,795	243,765	82%
<i>Management fees</i>	634,652	154,776	175,003			964,431	1,126,517	162,086	14%	4,506,069	3,541,638	79%
<i>Housing intake</i>	147,182					147,182	143,616	(3,567)	-2%	574,462	427,280	74%
<i>Office supplies & printing</i>	5,059	372	5,695	7,689	675	19,490	45,658	26,168	57%	182,630	163,140	89%
<i>Telephone</i>	655		388	7,854		8,897	24,126	15,229	63%	96,505	87,608	91%
<i>Postage</i>	2,507	352	928	33		3,820	18,550	14,730	79%	74,200	70,380	95%
<i>Other contracted services</i>	11,355	17,500	52,814	79,649		161,318	175,500	14,182	8%	702,000	540,682	77%
<i>Other</i>	74,276	22,514	3,279	152,280	1,759	254,108	197,556	(56,552)	-29%	790,225	536,117	68%
Total admin	1,381,813	290,519	829,211	1,566,615	33,484	4,101,642	4,168,685	67,043	2%	16,674,741	12,573,099	75%
Tenant Services												
<i>Resident services allocation</i>	84,803					84,803	52,555	(32,248)	-61%	210,220	125,417	60%
<i>Salaries & benefits</i>	34,050		3,300	8,996		46,346	78,658	32,312	41%	314,630	268,284	85%
<i>Contracts, trainings, others</i>	2,332		60	1,086		3,478	96,639	93,161	96%	386,557	383,079	99%
Total tenant services	121,185	0	3,360	10,082	0	134,627	227,852	93,225	41%	911,407	776,780	85%

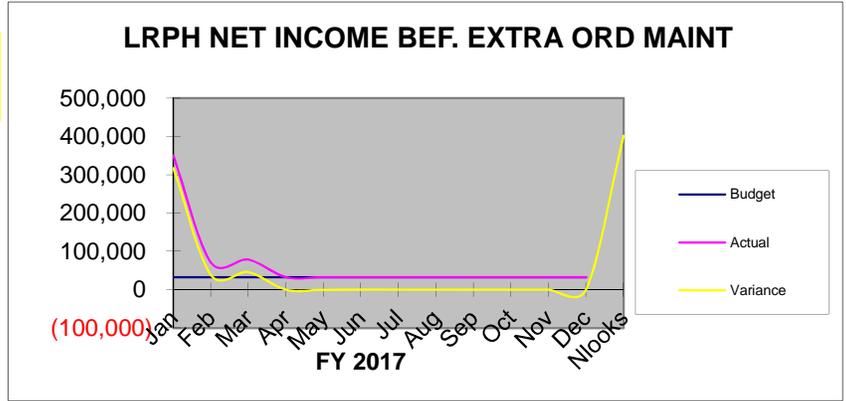
HA OF THE CITY OF MILWAUKEE
CONSOLIDATED STATEMENT OF REVENUE & EXPENSES
BUDGETED PROGRAM ONLY
AS OF MAR. 31, 2017

3
75%

	LRPH	UNSUBSIDIZED HSNG	RAP	COCC	HOME OWN	YTD ACTUAL	YTD BUDGET	VARIANCE		ANNUAL BUDGET	REMAINING	
								AMOUNT	PERCENT		AMOUNT	PERCENT
<i>Utilities</i>												
Water	215,919	66,325		132		282,376	627,600	345,224	55%	2,510,400	2,228,024	89%
Electric	285,854	11,119		8,860		305,833	378,900	73,067	19%	1,515,600	1,209,767	80%
Gas	294,427	12,846		6,751		314,024	187,150	(126,874)	-68%	748,600	434,576	58%
Total utilities	796,200	90,290	0	15,743	0	902,233	1,193,650	291,417	24%	4,774,600	3,872,367	81%
<i>Ordinary maintenance</i>												
Salaries	259,198	59,451		391,783		710,432	887,893	177,461	20%	3,551,572	2,841,140	80%
Employee benefits Maint	192,999	51,107		274,757	5,700	524,563	344,162	(180,401)	-52%	1,376,649	852,086	62%
Maintenance materials	160,495	53,157	198	3,608		217,458	292,604	75,146	26%	1,170,416	952,958	81%
Maintenance contracts	563,456	145,653	1,412	39,910	616	751,047	1,064,142	313,095	29%	4,256,566	3,505,519	82%
Total maintenance	1,176,148	309,368	1,610	710,058	6,316	2,203,500	2,588,801	385,301	15%	10,355,203	8,151,703	79%
<i>Protective Services</i>												
Public safety allocation	336,828	27,633	115	2,544		367,120	365,383	(1,737)	0%	1,461,531	1,094,411	75%
Contracts, others	3,372			131		3,503	15,725	12,222	78%	62,900	59,397	94%
Total protective services	340,200	27,633	115	2,675	0	370,623	381,108	10,485	3%	1,524,431	1,153,808	76%
<i>General</i>												
Insurance	173,105	52,024	24,472	42,180	942	292,723	291,376	(1,347)	0%	1,165,503	872,780	75%
Pilot	170,035	163,684				333,719	321,255	(12,464)	-4%	1,285,021	951,302	74%
Interest Expense		155,841				155,841	155,000	(841)	-1%	620,000	464,159	75%
Subsidy to Mixed finance dev't.	422,172					422,172	415,909	(6,263)	-2%	1,663,636	1,241,464	75%
Other general expense	21,178		3,392			24,570	86,695	62,125	72%	346,780	322,210	93%
Total general	786,490	371,549	27,864	42,180	942	1,229,025	1,270,235	41,210	3%	5,080,940	3,851,915	76%
Total Operating Expenditures	4,602,036	1,089,359	862,160	2,347,353	40,742	8,941,650	9,830,331	888,681	9%	39,321,322	30,379,672	77%
Excess (deficiency) of total revenue over expenses	500,196	700,703	(11,093)	(747,348)	(40,507)	401,951	468,643	(66,692)	-14%	2,409,070	2,007,119	83%
Extra-ordinary maintenance	117,121	17,585		2,312		137,018	309,654	172,636	56%	1,238,616	1,101,598	89%
Program Income	(117,121)					(117,121)	(121,345)	(4,224)	3%	(485,381)	(368,260)	76%
Net income(loss) from operation:	500,196	683,118	(11,093)	(749,660)	(40,507)	382,054	280,334	101,720	36%	1,655,835	1,273,781	77%
Depreciation expense	1,223,735	139,325		87,690	394	1,451,144						
Net Income (loss)	(723,539)	543,793	(11,093)	(837,350)	(40,901)	(1,069,090)						

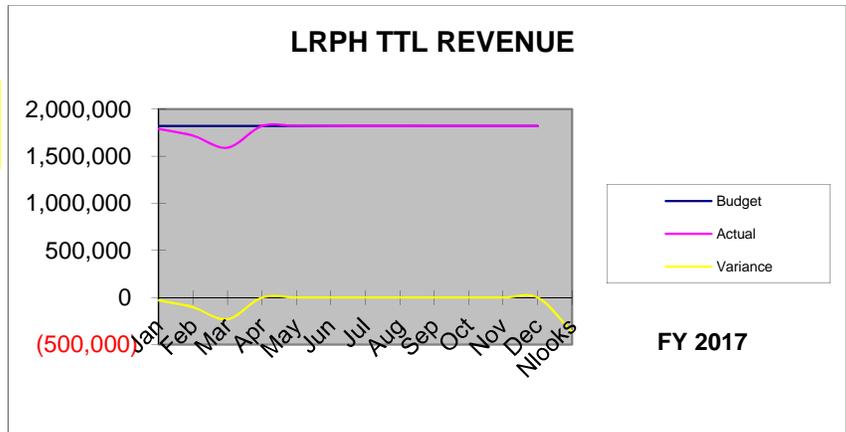
NET INCOME BEF. EXTRA ORDINARY MAINTENANCE

	Budget	Actual	Variance
Jan	32,714	349,991	317,277
Feb	32,714	71,287	38,573
Mar	32,714	78,918	46,204
Apr	32,714	32,714	0
May	32,714	32,714	0
Jun	32,714	32,714	0
Jul	32,714	32,714	0
Aug	32,714	32,714	0
Sep	32,714	32,714	0
Oct	32,714	32,714	0
Nov	32,714	32,714	0
Dec	32,714	32,714	0
Nlooks			402,053
	392,572	794,625	



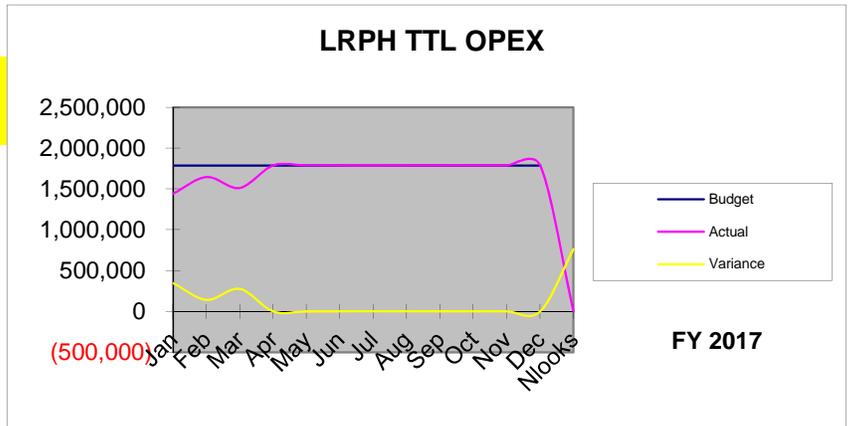
OPERATING REVENUE

	Budget	Actual	Variance
Jan	1,821,529	1,791,493	(30,036)
Feb	1,821,529	1,719,037	(102,492)
Mar	1,821,529	1,591,702	(229,827)
Apr	1,821,529	1,821,529	0
May	1,821,529	1,821,529	0
Jun	1,821,529	1,821,529	0
Jul	1,821,529	1,821,529	0
Aug	1,821,529	1,821,529	0
Sep	1,821,529	1,821,529	0
Oct	1,821,529	1,821,529	0
Nov	1,821,529	1,821,529	0
Dec	1,821,529	1,821,529	0
Nlooks			(362,354)
	21,858,344	21,495,990	



OPERATING EXPENSES

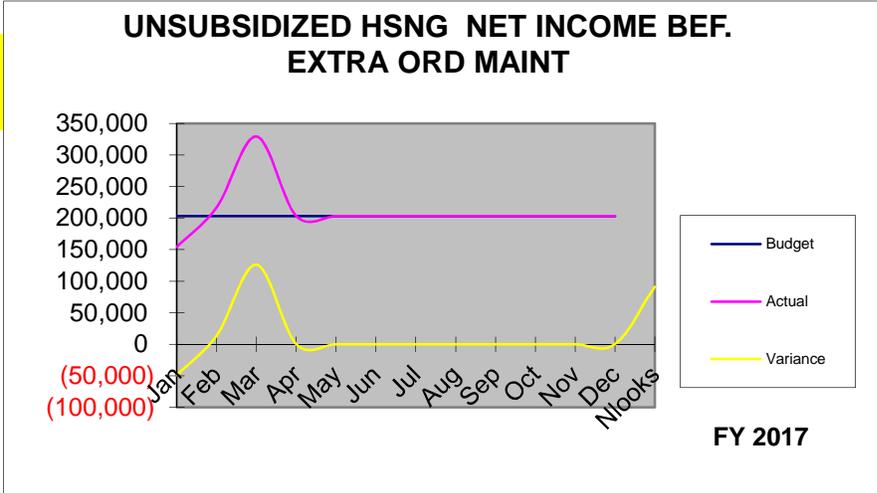
	Budget	Actual	Variance
Jan	1,788,814	1,441,502	347,312
Feb	1,788,814	1,647,750	141,064
Mar	1,788,814	1,512,784	276,030
Apr	1,788,814	1,788,814	0
May	1,788,814	1,788,814	0
Jun	1,788,814	1,788,814	0
Jul	1,788,814	1,788,814	0
Aug	1,788,814	1,788,814	0
Sep	1,788,814	1,788,814	0
Oct	1,788,814	1,788,814	0
Nov	1,788,814	1,788,814	0
Dec	1,788,814	1,788,814	0
Nlooks		0	764,407
	21,465,772	20,701,365	



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

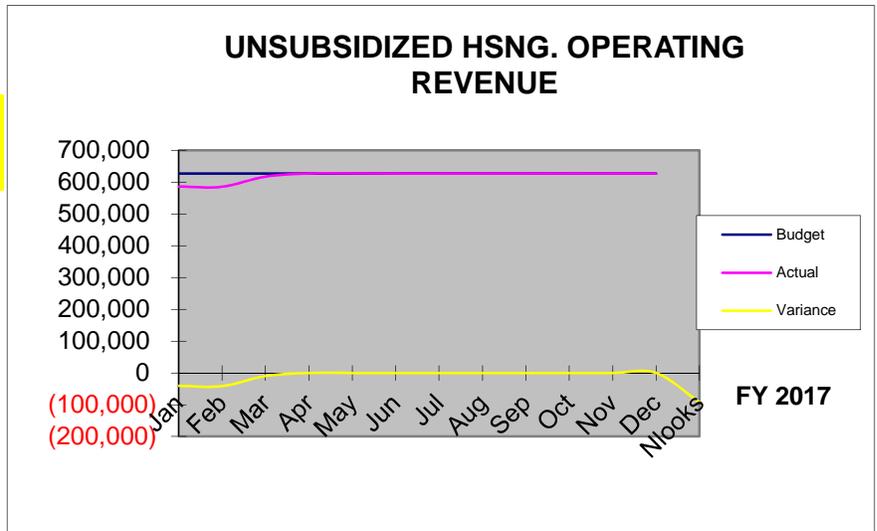
NET INCOME BEF. EXTRA ORDINARY MAINTENANCE

	Budget	Actual	Variance
Jan	203,239	154,336	(48,903)
Feb	203,239	216,954	13,715
Mar	203,239	329,413	126,174
Apr	203,239	203,239	0
May	203,239	203,239	0
Jun	203,239	203,239	0
Jul	203,239	203,239	0
Aug	203,239	203,239	0
Sep	203,239	203,239	0
Oct	203,239	203,239	0
Nov	203,239	203,239	0
Dec	203,239	203,239	0
Nlooks	2,438,867	2,529,853	90,986



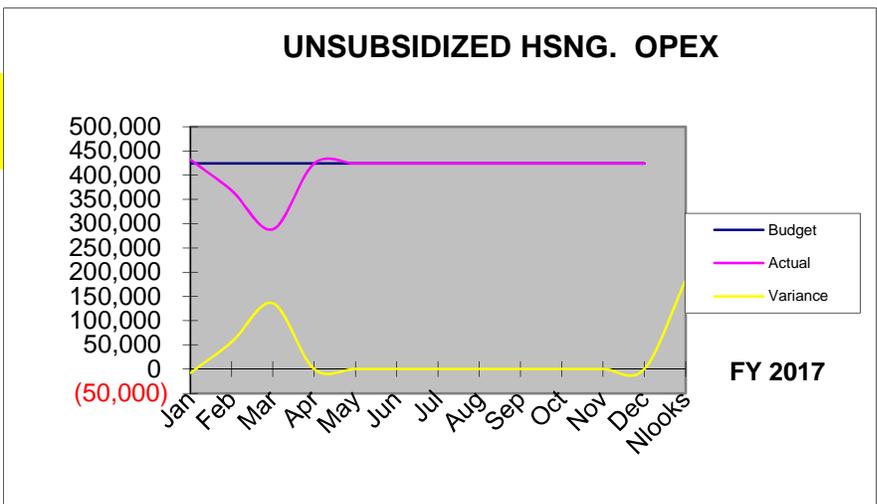
OPERATING REVENUE

	Budget	Actual	Variance
Jan	627,376	586,621	(40,755)
Feb	627,376	585,673	(41,703)
Mar	627,376	617,768	(9,608)
Apr	627,376	627,376	0
May	627,376	627,376	0
Jun	627,376	627,376	0
Jul	627,376	627,376	0
Aug	627,376	627,376	0
Sep	627,376	627,376	0
Oct	627,376	627,376	0
Nov	627,376	627,376	0
Dec	627,376	627,376	0
Nlooks	7,528,514	7,436,448	(92,066)



OPERATING EXPENSES

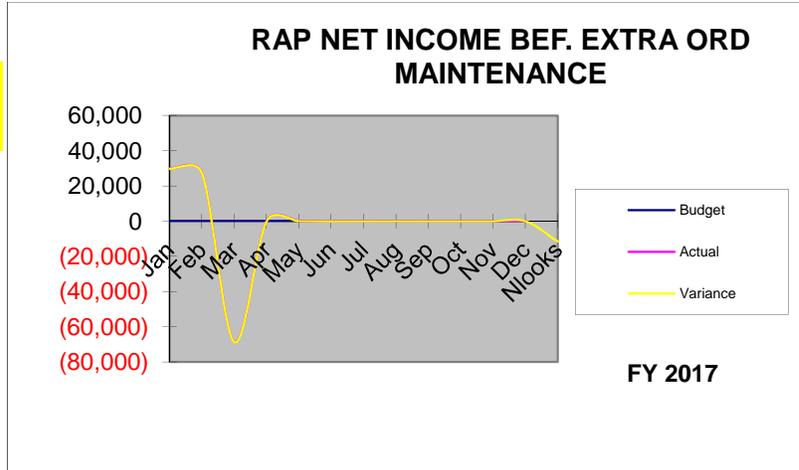
	Budget	Actual	Variance
Jan	424,137	432,285	(8,148)
Feb	424,137	368,719	55,418
Mar	424,137	288,355	135,782
Apr	424,137	424,137	0
May	424,137	424,137	0
Jun	424,137	424,137	0
Jul	424,137	424,137	0
Aug	424,137	424,137	0
Sep	424,137	424,137	0
Oct	424,137	424,137	0
Nov	424,137	424,137	0
Dec	424,137	424,137	0
Nlooks	5,089,647	4,906,594	183,053



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

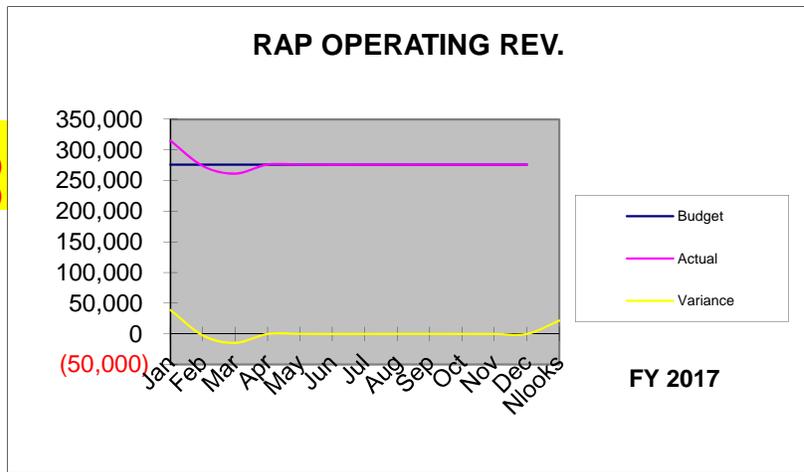
NET INCOME

	Budget	Actual	Variance
Jan	168	29,902	29,734
Feb	168	27,528	27,360
Mar	168	(68,523)	(68,691)
Apr	168	168	0
May	168	168	0
Jun	168	168	0
Jul	168	168	0
Aug	168	168	0
Sep	168	168	0
Oct	168	168	0
Nov	168	168	0
Dec	168	168	0
Nlooks			(11,597)
	2,017	(9,580)	



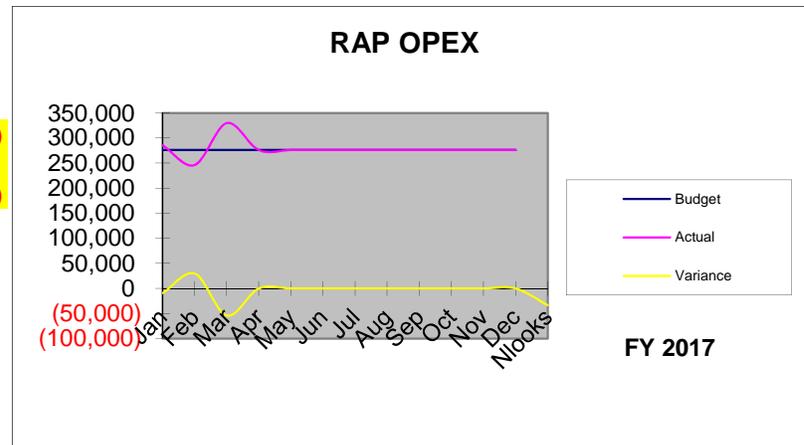
OPERATING REVENUE

	Budget	Actual	Variance
Jan	276,387	315,434	39,047
Feb	276,387	273,969	(2,418)
Mar	276,387	261,664	(14,723)
Apr	276,387	276,387	0
May	276,387	276,387	0
Jun	276,387	276,387	0
Jul	276,387	276,387	0
Aug	276,387	276,387	0
Sep	276,387	276,387	0
Oct	276,387	276,387	0
Nov	276,387	276,387	0
Dec	276,387	276,387	0
Nlooks			21,907
	3,316,640	3,338,547	



OPERATING EXPENSES

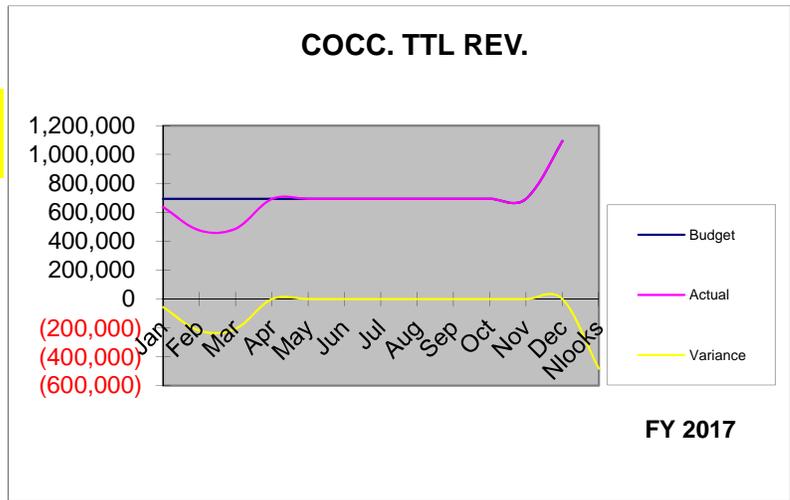
	Budget	Actual	Variance
Jan	276,219	285,532	(9,313)
Feb	276,219	246,441	29,778
Mar	276,219	330,187	(53,968)
Apr	276,219	276,219	0
May	276,219	276,219	0
Jun	276,219	276,219	0
Jul	276,219	276,219	0
Aug	276,219	276,219	0
Sep	276,219	276,219	0
Oct	276,219	276,219	0
Nov	276,219	276,219	0
Dec	276,219	276,219	0
Nlooks			(33,504)
	3,314,623	3,348,127	



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

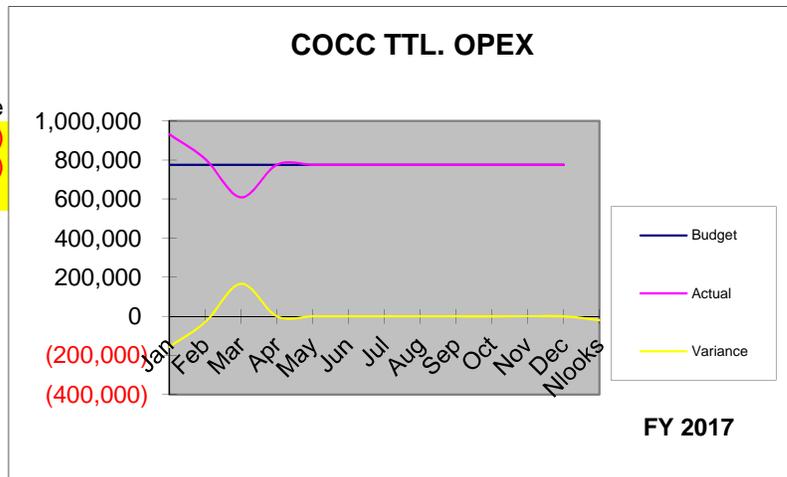
OPERATING REVENUE

	Budget	Actual	Variance
Jan	693,633	637,706	(55,927)
Feb	693,633	475,089	(218,544)
Mar	693,633	487,210	(206,423)
Apr	693,633	693,633	0
May	693,633	693,633	0
Jun	693,633	693,633	0
Jul	693,633	693,633	0
Aug	693,633	693,633	0
Sep	693,633	693,633	0
Oct	693,633	693,633	0
Nov	693,633	693,633	0
Dec	1,093,633	1,093,633	0
Nlooks	8,723,594	8,242,701	(480,894)



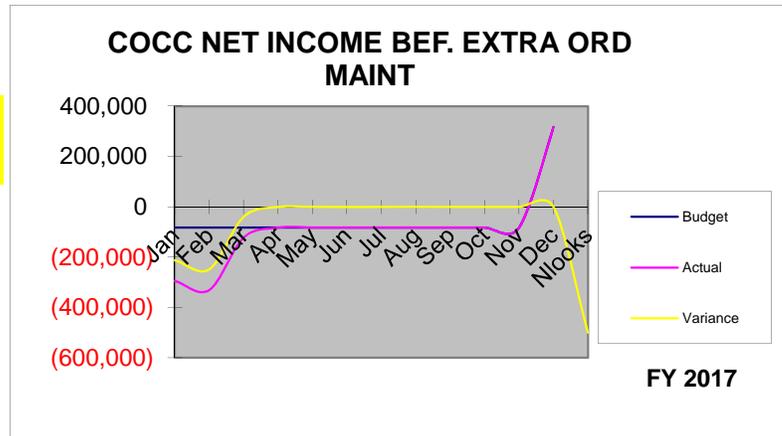
OPERATING EXPENSES

	Budget	Actual	Variance
Jan	776,099	932,394	(156,295)
Feb	776,099	805,760	(29,661)
Mar	776,099	609,199	166,900
Apr	776,099	776,099	0
May	776,099	776,099	0
Jun	776,099	776,099	0
Jul	776,099	776,099	0
Aug	776,099	776,099	0
Sep	776,099	776,099	0
Oct	776,099	776,099	0
Nov	776,099	776,099	0
Dec	776,099	776,099	0
Nlooks	9,313,192	9,332,247	(19,055)



NET INCOME

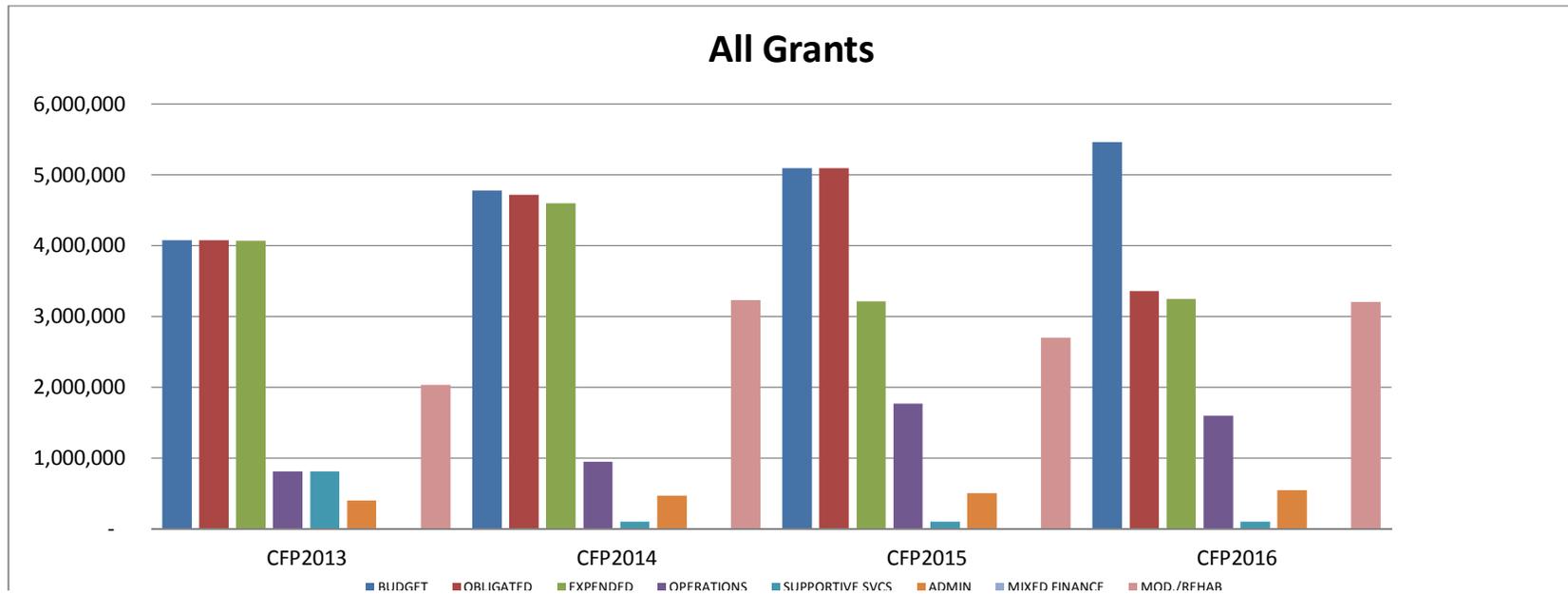
	Budget	Actual	Variance
Jan	(82,467)	(294,688)	(212,222)
Feb	(82,467)	(330,671)	(248,205)
Mar	(82,467)	(121,989)	(39,523)
Apr	(82,467)	(82,467)	0
May	(82,467)	(82,467)	0
Jun	(82,467)	(82,467)	0
Jul	(82,467)	(82,467)	0
Aug	(82,467)	(82,467)	0
Sep	(82,467)	(82,467)	0
Oct	(82,467)	(82,467)	0
Nov	(82,467)	(82,467)	0
Dec	317,534	317,534	0
Nlooks	(589,598)	(1,089,547)	(499,949)



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

HACM
 MAJOR GRANTS SUMMARY
 31-Mar-17

	SPENDING PLAN								END DATE
	BUDGET	OBLIGATED	EXPENDED	OPERATIONS	SUPPORTIVE SVCS	ADMIN	MIXED FINANCE	MOD./REHAB	
CFP2013	4,079,190	4,079,190	4,068,319	815,838	815,638	407,919	-	2,039,795	9/8/2017
CFP2014	4,776,258	4,721,738	4,596,060	955,252	110,000	477,626		3,233,380	5/12/2018
CFP2015	5,098,171	5,098,171	3,217,704	1,774,946	110,000	509,817		2,703,408	9/15/2019
CFP2016	5,467,349	3,357,654	3,251,390	1,601,933	110,000	546,734		3,208,682	4/12/2020
TOTAL	19,420,968	17,256,753	15,133,473	5,147,969	1,145,638	1,942,096	-	11,185,265	
PERCENT	100%	89%	78%	27%	6%	10%	0%	58%	



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 2nd 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