



# FINANCIAL REPORTS

September 30, 2018

HOUSING AUTHORITY OF THE CITY OF MILWAUKEE  
FINANCIAL REPORTS  
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HA of the City Milwaukee  
Financial Highlights  
As of September 30, 2018

Financial Position (pp. 3-4)

As of September 30, 2018, HACM has total assets of \$245mm compared to June 30, 2018 at \$234mm. Agency-wide working capital (difference between current assets & current liabilities) was at \$25mm indicating HACM's strong capacity to meet maturing obligations. Total cash & investments as of the end of September was \$32mm. 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	\$10.20mm
Unsubsidized Housing	18.45
Rental Assistance Program	3.06
Central Office	0.90
Home Ownership & Grants	0.69

Net unrestricted reserves as of September 30, of the major programs are as follow: (p. 4)

Low Rent Public Housing	\$7.12mm
Unsubsidized Housing	10.01
Rental Assistance Program-Admin	0.51
Central office	(1.28)

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 4% over budget (p. 5) and total spending was 9% under budget (p.6). Administrative expenses compared to budgeted expenses were under budget by about 4%. Tenant services were 61% under budget; Utilities were 18% under budget; Maintenance expenses were 9% under budget, protective services 12% under budget and general expenses were 9% under budget. Consolidated net income from operations for the period ended September 30, 2018 was \$2,290,411 (p. 6).

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

LRPH operations resulted in a net income from operations of \$2,194,129 (p. 6) in the third quarter. Operating revenue was \$1,501,917 over budget and total operating expenses for the period were \$1,740,853 under budget. All combined, LRPB posted a positive variance of \$3,242,770 (see p. 7).

### *Unsubsidized Housing*

Unsubsidized Housing has a favorable result of operations during the quarter. Net income from operations was \$1,420,129 (p.6) before amortization of principal on series 2015 bonds. Revenue was \$111,925 below budget and operating expenses were under budget by \$333,118 during the period. All combined, Unsubsidized Housing has a positive variance of \$221,193 (see p. 8).

### *Rental Assistance Program (RAP)*

RAP has net income of \$278,559 at the end of the period (p. 6). Administrative revenue was \$58,134 over budget and spending was under budget by \$296,448, resulting in an overall positive net income variance of \$354,582 (see p. 9).

The Housing Assistance Payment (HAP) grant during the period was \$27.47mm against total disbursement of \$27.60mm, 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 \$1,499,463 (p.6) at the end of the quarter. Total revenue was under budget by \$147,807 (see p. 10). Operating expenses were under budget by \$312,230. All combined, COCC posted a positive variance of \$164,423 (see p. 10).

### Grant Management (pp.11)

As of September 30, 2018, HACM is on track with its obligation and spending timelines as required by the grant agreements. Currently open grants are Capital Fund Programs 2015-2018. As of end of the quarter 67% has been obligated and 53% has been expended. Around 60% of the total grants will be spent on modernization. The balance is supplementing HACM operations.

HOUSING AUTHORITY OF THE CITY OF MILWAUKEE

BALANCE SHEETS

AS OF SEPTEMBER 30, 2018

						Sep. 30, 2018	June 30, 2018
	LRPH	UNSUBSIDIZED HOUSING	RAP	COCC	GRANTS/DEVT	HOME OWNERSHIP	Total HACM
<b>ASSETS</b>							
<b>CURRENT ASSETS</b>							
CASH							
UNRESTRICTED CASH	9,781,058	12,791,539	1,858,951	0	0	690,332	25,121,880
RESTRICTED CASH (Note 1)		3,075,191	836,206	90,278			4,001,675
<b>TOTAL CASH</b>	<b>9,781,058</b>	<b>15,866,730</b>	<b>2,695,157</b>	<b>90,278</b>	<b>0</b>	<b>690,332</b>	<b>29,123,555</b>
ACCOUNTS RECEIVABLE-TENANTS	325,244	89,023					414,267
ALLOWANCE FOR DOUBTFUL ACCOUNTS (Note 2)	54,224	14,042					68,266
<b>NET ACCOUNTS RECEIVABLE-TENANTS</b>	<b>379,468</b>	<b>103,065</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>482,533</b>
ACCOUNTS RECEIVABLE-MISC							
AR-HUD (Note 3)	1,575,000				4,156,301		5,731,301
AR- DEVELOPMENT FEE (Note 4)				1,617,820			1,617,820
AR - OTHERS	811,927	475	7,682	1,695,790	3,087,581		5,603,455
<b>TOTAL AR-MISC</b>	<b>2,386,927</b>	<b>475</b>	<b>7,682</b>	<b>3,313,610</b>	<b>7,243,882</b>	<b>0</b>	<b>12,952,576</b>
INVESTMENTS							
RESTRICTED (Note 1)	416,487	2,584,919	363,152	31			3,364,589
<b>TOTAL INVESTMENTS</b>	<b>416,487</b>	<b>2,584,919</b>	<b>363,152</b>	<b>31</b>	<b>0</b>	<b>0</b>	<b>3,364,589</b>
PREPAID EXPENSES AND OTHER ASSETS							
PREPAID EXPENSES AND OTHER ASSETS	123,597	44,207	20,094	227,376	1,443	622	417,339
<b>TOTAL PREPAID EXPENSES AND OTHER ASSETS</b>	<b>123,597</b>	<b>44,207</b>	<b>20,094</b>	<b>227,376</b>	<b>1,443</b>	<b>622</b>	<b>417,339</b>
CURRENT INTERFUNDS							
<b>TOTAL DUE FROM AMOUNTS - CURRENT (Note 5)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2,632,668</b>	<b>(2,632,668)</b>	<b>0</b>	<b>0</b>
<b>TOTAL CURRENT ASSETS</b>	<b>13,087,537</b>	<b>18,599,396</b>	<b>3,086,085</b>	<b>6,263,963</b>	<b>4,612,657</b>	<b>690,954</b>	<b>46,340,592</b>
<b>NON-CURRENT ASSETS</b>							
FIXED ASSETS							
LAND & LAND IMPROVEMENTS	32,301,964	2,759,343		454,172		7,111	35,522,590
BUILDINGS	243,093,327	50,161,814		8,333,884		64,003	301,653,028
FURNITURES, EQPT. MACHINERY	1,447,794	220,778	72,604	1,800,901			3,542,077
CONSTRUCTION IN PROGRESS	210,207	44,174		172,221	20,235,064	73,432	20,735,098
<b>TOTAL FIXED ASSETS</b>	<b>277,053,292</b>	<b>53,186,109</b>	<b>72,604</b>	<b>10,761,178</b>	<b>20,235,064</b>	<b>144,546</b>	<b>361,452,793</b>
ACCUMULATED DEPRECIATION	(197,586,534)	(44,736,752)	(72,604)	(5,308,076)		(10,797)	(247,714,763)
<b>FIXED ASSETS, NET OF DEPRECIATION</b>	<b>79,466,758</b>	<b>8,449,357</b>	<b>0</b>	<b>5,453,102</b>	<b>20,235,064</b>	<b>133,749</b>	<b>113,738,030</b>
OTHER ASSETS							
NOTES RECEIVABLE (Note 7)	53,634,426			10,094,398	1,031,615	1,086,406	65,846,845
NOTES INTEREST RECEIVABLE (Note 6)	14,336,455			415,460			14,751,915
FINANCING FEES & OTHER ASSETS	1,227,039		757,877	2,093,184			4,078,100
<b>TOTAL OTHER ASSETS</b>	<b>69,197,920</b>	<b>0</b>	<b>757,877</b>	<b>12,603,042</b>	<b>1,031,615</b>	<b>1,086,406</b>	<b>84,676,860</b>
<b>TOTAL NON-CURRENT ASSETS</b>	<b>148,664,678</b>	<b>8,449,357</b>	<b>757,877</b>	<b>18,056,144</b>	<b>21,266,679</b>	<b>1,220,155</b>	<b>198,414,890</b>
<b>TOTAL ASSETS</b>	<b>161,752,215</b>	<b>27,048,753</b>	<b>3,843,962</b>	<b>24,320,107</b>	<b>25,879,336</b>	<b>1,911,109</b>	<b>244,755,482</b>
<b>LIABILITIES AND EQUITY</b>							
<b>CURRENT LIABILITIES</b>							

**HOUSING AUTHORITY OF THE CITY OF MILWAUKEE**

**BALANCE SHEETS**

**AS OF SEPTEMBER 30, 2018**

						<b>Sep. 30, 2018</b>	<b>June 30, 2018</b>
	<b>LRPH</b>	<b>UNSUBSIDIZED HOUSING</b>	<b>RAP</b>	<b>COCC</b>	<b>GRANTS/DEVT</b>	<b>HOME OWNERSHIP</b>	<b>Total HACM</b>
							<b>Total HACM</b>
ACCOUNTS PAYABLE							
ACCOUNTS PAYABLE	72,526	637,112	29,099	2,073,540	1,709,357	2,000	4,523,634
<b>TOTAL ACCOUNTS PAYABLE</b>	<b>72,526</b>	<b>637,112</b>	<b>29,099</b>	<b>2,073,540</b>	<b>1,709,357</b>	<b>2,000</b>	<b>4,523,634</b>
ACCRUED LIABILITIES							
ACCRUED SALARIES & BENEFITS				168,838	6,853		175,691
ACCRUED INTEREST PAYABLE		148,489					148,489
DEFERED REVENUE	99,292		61,327	169,381			330,000
DUE TO GOVERNMENT - PILOT & OTHERS	1,794,269	1,629,709		453,493			3,877,471
ACCRUED COMPENSATED ABSENCES (Note 7)	0	0	0	819,883	12,227	0	832,110
OTHER ACCRUED LIABILITIES	1,212	1,584		500,000		311,062	813,858
<b>TOTAL ACCRUED LIABILITIES</b>	<b>1,894,773</b>	<b>1,779,782</b>	<b>61,327</b>	<b>2,111,595</b>	<b>19,080</b>	<b>311,062</b>	<b>6,177,619</b>
OTHER CURRENT LIABILITIES							
TENANT SECURITY DEPOSITS	629,123	514,588		4,200			1,147,911
FSS ESCROW ACCOUNT	66,487		363,152				429,639
NOTES PAYABLE					8,595,707		8,595,707
CURRENT PORTION-LT DEBT		745,000					745,000
<b>TOTAL OTHER CURRENT LIABILITIES</b>	<b>695,610</b>	<b>1,259,588</b>	<b>363,152</b>	<b>4,200</b>	<b>8,595,707</b>	<b>0</b>	<b>10,918,257</b>
<b>TOTAL CURRENT LIABILITIES</b>	<b>2,662,909</b>	<b>3,676,482</b>	<b>453,578</b>	<b>4,189,335</b>	<b>10,324,144</b>	<b>313,062</b>	<b>21,619,510</b>
NON-CURRENT LIABILITIES							
LONG TERM DEBT							
MORTGAGE REVENUE BONDS				83,946			83,946
NOTES PAYABLE		16,960,521					16,960,521
TOTAL	0	16,960,521	0	83,946	0	0	17,044,467
LESS CURRENT PORTION		(745,000)					(745,000)
<b>TOTAL LONG TERM DEBT - NET</b>	<b>0</b>	<b>16,215,521</b>	<b>0</b>	<b>83,946</b>	<b>0</b>	<b>0</b>	<b>16,299,467</b>
NONCURRENT LIABILITIES-OTHER							
NET OPEB LIABILITY (Note 8)	1,862,110		1,150,127	3,176,540			6,188,777
NET PENSION LIABILITY	1,440,035		889,434	2,456,531			4,786,000
<b>TOTAL NONCURRENT LIABILITIES-OTHER</b>	<b>3,302,145</b>	<b>0</b>	<b>2,039,561</b>	<b>5,633,071</b>	<b>0</b>	<b>0</b>	<b>10,974,777</b>
<b>TOTAL NON-CURRENT LIABILITIES</b>	<b>3,302,145</b>	<b>16,215,521</b>	<b>2,039,561</b>	<b>5,717,017</b>	<b>0</b>	<b>0</b>	<b>27,274,244</b>
<b>TOTAL LIABILITIES</b>	<b>5,965,054</b>	<b>19,892,003</b>	<b>2,493,139</b>	<b>9,906,352</b>	<b>10,324,144</b>	<b>313,062</b>	<b>48,893,754</b>
EQUITY							
INVESTED IN CAPITAL ASSETS, NET OF DEBT	79,466,758	(8,511,164)	0	5,453,102	20,235,064	133,749	96,777,509
UNRESTRICTED RESERVE	7,122,483	10,007,804	514,617	(1,276,167)	(5,711,487)	688,954	11,346,204
RESTRICTED RESERVE (Note 9)	69,197,920	5,660,110	836,206	10,236,820	1,031,615	775,344	87,738,015
<b>TOTAL EQUITY</b>	<b>155,787,161</b>	<b>7,156,750</b>	<b>1,350,823</b>	<b>14,413,755</b>	<b>15,555,192</b>	<b>1,598,047</b>	<b>195,861,728</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>161,752,215</b>	<b>27,048,753</b>	<b>3,843,962</b>	<b>24,320,107</b>	<b>25,879,336</b>	<b>1,911,109</b>	<b>233,863,850</b>

**HA OF THE CITY OF MILWAUKEE**  
**CONSOLIDATED STATEMENT OF REVENUE & EXPENSES**  
**BUDGETED PROGRAM ONLY**  
**AS OF SEPTEMBER 30, 2018**

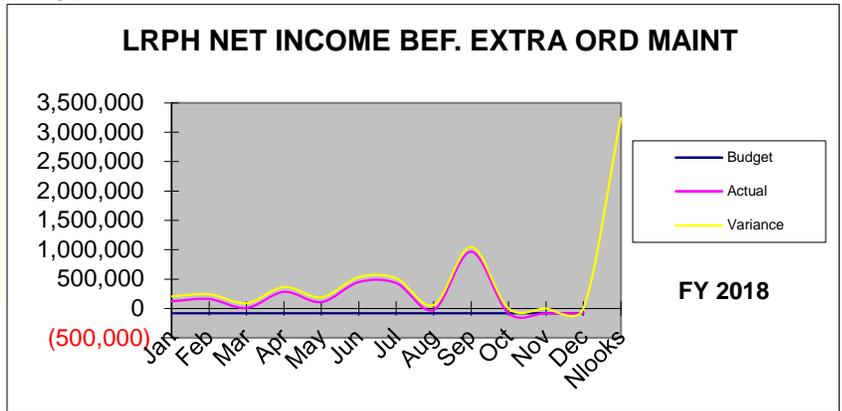
	LRPH	UNSUBSIDIZED HSNG	RAP	COCC	SPECIAL PROJECTS	YTD ACTUAL	YTD BUDGET	VARIANCE	
								AMOUNT	PERCENT
<b>Operating Income</b>									
<i>Operating/admin subsidies</i>	5,605,458		2,524,617			8,130,075	7,043,282	1,086,793	15%
<i>Dwelling rents</i>	6,642,790	5,370,945				12,013,735	12,652,408	(638,673)	-5%
<i>Excess utilities &amp; other</i>	157,528	111,600				269,128	216,675	52,453	24%
<i>Capital fund transfer in (Note 10)</i>	2,603,390			12,214		2,615,604	1,575,000	1,040,604	66%
<i>Other income</i>	568,839	10,988	84,443	924,471	(3,491)	1,585,250	1,566,338	18,913	1%
<i>Management fees</i>				2,782,823		2,782,823	3,053,938	(271,115)	-9%
<i>Central maintenance revenue</i>				1,875,312		1,875,312	1,957,141	(81,829)	-4%
<i>Developers fee</i>						0	0	0	0%
<i>Interest on general fund</i>	1,275	130,745	9	28,952		160,981	101,937	59,044	58%
<b>Total Income</b>	<b>15,579,280</b>	<b>5,624,278</b>	<b>2,609,069</b>	<b>5,623,772</b>	<b>(3,491)</b>	<b>29,432,908</b>	<b>28,166,718</b>	<b>1,266,190</b>	<b>4%</b>
<b>Operating Expenditures</b>									
<b>Administrative</b>									
<i>Salaries</i>	818,431	250,259	1,080,773	2,832,309	53,323	5,035,095	4,861,753	(173,342)	-4%
<i>Employee benefits</i>	335,944	113,822	456,186	1,119,098	34,608	2,059,658	2,040,851	(18,808)	-1%
<i>Legal and accounting</i>	10,926	10,120	2,974	147,991		172,011	165,450	(6,561)	-4%
<i>Audit</i>	53,639	18,934	14,138	7,540		94,251	105,526	11,275	11%
<i>Travel and training</i>	4,110		9,967	75,392	365	89,834	199,950	110,116	55%
<i>Contracted property management</i>				222,988		222,988	221,846	(1,143)	-1%
<i>Management fees</i>	1,760,365	497,458	525,000			2,782,823	3,053,938	271,115	9%
<i>Housing intake</i>	401,114					401,114	434,812	33,698	8%
<i>Office supplies &amp; printing</i>	24,717	3,402	17,355	43,310	125	88,909	133,804	44,895	34%
<i>Telephone</i>	10,762	928	5,044	34,928	837	52,499	67,613	15,114	22%
<i>Postage</i>	927	2,246	960	1,248	845	6,226	57,120	50,894	89%
<i>Other contracted services</i>	43,126	21,261	127,529	283,228		475,144	460,350	(14,794)	-3%
<i>Other</i>	227,703	52,761	6,494	297,572	2,431	586,961	790,683	203,722	26%
<b>Total admin</b>	<b>3,691,764</b>	<b>971,191</b>	<b>2,246,420</b>	<b>5,065,604</b>	<b>92,534</b>	<b>12,067,513</b>	<b>12,593,693</b>	<b>526,180</b>	<b>4%</b>
<b>Tenant Services</b>									
<i>Resident services allocation</i>	51,000					51,000	190,678	139,678	73%
<i>Salaries &amp; benefits</i>	87,180			76,021		163,201	265,612	102,411	39%
<i>Contracts, trainings, others</i>	27,671	503	150	59,970		88,294	326,630	238,336	73%
<b>Total tenant services</b>	<b>165,851</b>	<b>503</b>	<b>150</b>	<b>135,991</b>	<b>0</b>	<b>302,495</b>	<b>782,919</b>	<b>480,424</b>	<b>61%</b>
<b>Utilities</b>									
<i>Water</i>	995,018	366,527		6,387		1,367,932	1,749,701	381,769	22%
<i>Electric</i>	692,202	32,918		34,126		759,246	995,267	236,021	24%
<i>Gas</i>	499,077	20,426		11,303		530,806	483,760	(47,046)	-10%

**HA OF THE CITY OF MILWAUKEE**  
**CONSOLIDATED STATEMENT OF REVENUE & EXPENSES**  
**BUDGETED PROGRAM ONLY**  
**AS OF SEPTEMBER 30, 2018**

	LRPH	UNSUBSIDIZED		COCC	SPECIAL PROJECTS	YTD ACTUAL	YTD BUDGET	VARIANCE	
		HSNG	RAP					AMOUNT	PERCENT
<i>Total utilities</i>	2,186,297	419,871	0	51,816	0	2,657,984	3,228,727	570,743	18%
<i>Ordinary maintenance</i>									
Salaries	696,393	290,805		1,152,285		2,139,483	2,333,013	193,530	8%
Employee benefits Maint	314,602	121,150		455,737		891,489	987,458	95,969	10%
Maintenance materials	873,991	149,823	724	31,322	212	1,056,072	1,049,339	(6,734)	-1%
Maintenance contracts	2,475,484	593,372	4,630	92,064	4,235	3,169,785	3,601,323	431,538	12%
<i>Total maintenance</i>	4,360,470	1,155,150	5,354	1,731,408	4,447	7,256,829	7,971,132	714,303	9%
<i>Protective Services</i>									
Public safety allocation	930,964	87,779	1,025	9,017		1,028,785	1,171,818	143,033	12%
Contracts, others	20,200			955		21,155	20,250	(905)	-4%
<i>Total protective services</i>	951,164	87,779	1,025	9,972	0	1,049,940	1,192,068	142,128	12%
<i>General</i>									
Insurance	511,696	180,448	64,873	96,457	2,471	855,945	922,900	66,955	7%
Pilot	434,152	490,409				924,561	955,976	31,415	3%
Interest Expense		454,639				454,639	453,750	(889)	0%
Subsidy to Mixed finance dev't.	723,499					723,499	739,739	16,240	2%
Other general expense	44,716		11,688	2,000		58,404	228,019	169,615	74%
<i>Total general</i>	1,714,063	1,125,496	76,561	98,457	2,471	3,017,048	3,300,383	283,335	9%
<b>Total Operating Expenditures</b>	<b>13,069,609</b>	<b>3,759,990</b>	<b>2,329,510</b>	<b>7,093,248</b>	<b>99,452</b>	<b>26,351,809</b>	<b>29,068,922</b>	<b>2,717,113</b>	<b>9%</b>
<i>Excess (deficiency) of total revenue over expenses</i>	<i>2,509,671</i>	<i>1,864,288</i>	<i>279,559</i>	<i>(1,469,476)</i>	<i>(102,943)</i>	<i>3,081,099</i>	<i>(902,204)</i>	<i>3,983,303</i>	<i>-442%</i>
Extra-ordinary maintenance	321,457	444,159	1,000	29,987		796,603	919,433	122,830	13%
Program Income	(5,915)					(5,915)	0	5,915	0
<b>Net income(loss) from operation</b>	<b>2,194,129</b>	<b>1,420,129</b>	<b>278,559</b>	<b>(1,499,463)</b>	<b>(102,943)</b>	<b>2,290,411</b>	<b>(1,821,637)</b>	<b>4,112,048</b>	<b>-226%</b>
Depreciation expense	3,461,454	316,964		256,354	1,196	4,035,968			
<b>Net Income (loss)</b>	<b>(1,267,325)</b>	<b>1,103,165</b>	<b>278,559</b>	<b>(1,755,817)</b>	<b>(104,139)</b>	<b>(1,745,557)</b>			

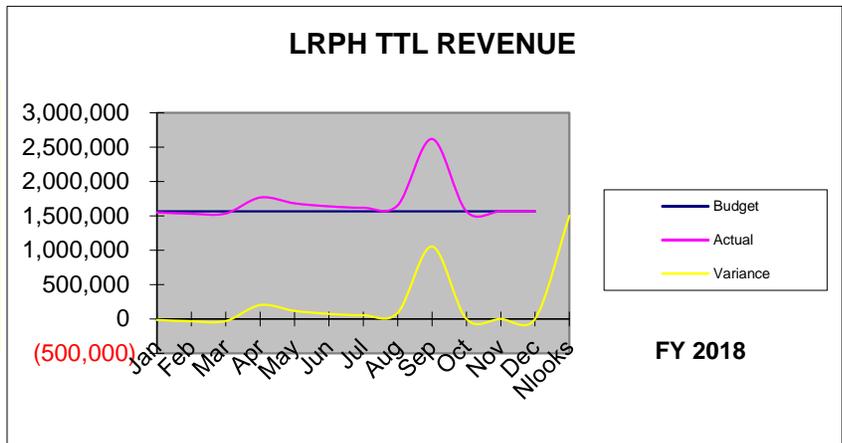
NET INCOME BEF. EXTRA ORDINARY MAINTENANCE

	Budget	Actual	Variance
Jan	(81,455)	123,750	205,205
Feb	(81,455)	160,386	241,841
Mar	(81,455)	8,472	89,927
Apr	(81,455)	283,397	364,852
May	(81,455)	108,254	189,709
Jun	(81,455)	449,939	531,394
Jul	(81,455)	431,625	513,080
Aug	(81,455)	(23,131)	58,324
Sep	(81,455)	966,979	1,048,434
Oct	(81,455)	(81,455)	0
Nov	(81,455)	(81,455)	0
Dec	(81,455)	(81,455)	0
Nlooks			3,242,770
	(977,465)	2,265,305	



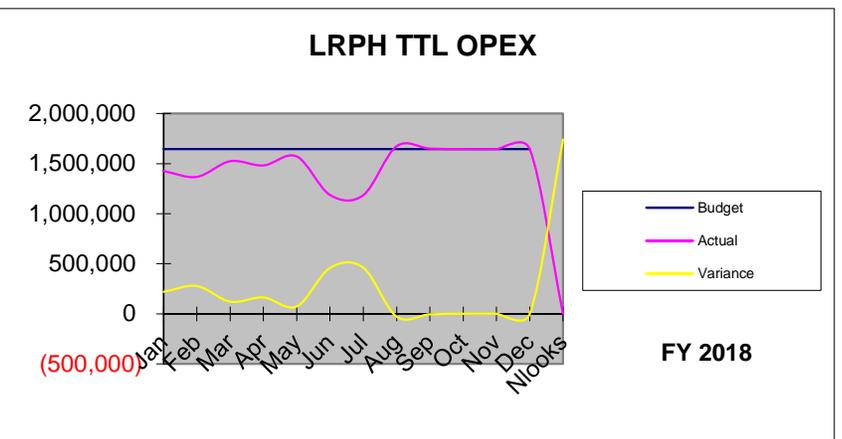
OPERATING REVENUE

	Budget	Actual	Variance
Jan	1,564,152	1,549,628	(14,524)
Feb	1,564,152	1,528,563	(35,589)
Mar	1,564,152	1,532,895	(31,257)
Apr	1,564,152	1,765,555	201,404
May	1,564,152	1,680,513	116,362
Jun	1,564,152	1,637,039	72,888
Jul	1,564,152	1,616,587	52,436
Aug	1,564,152	1,650,811	86,660
Sep	1,564,152	2,617,689	1,053,538
Oct	1,564,152	1,564,152	0
Nov	1,564,152	1,564,152	0
Dec	1,564,152	1,564,152	0
Nlooks			1,501,917
	18,769,818	20,271,735	



OPERATING EXPENSES

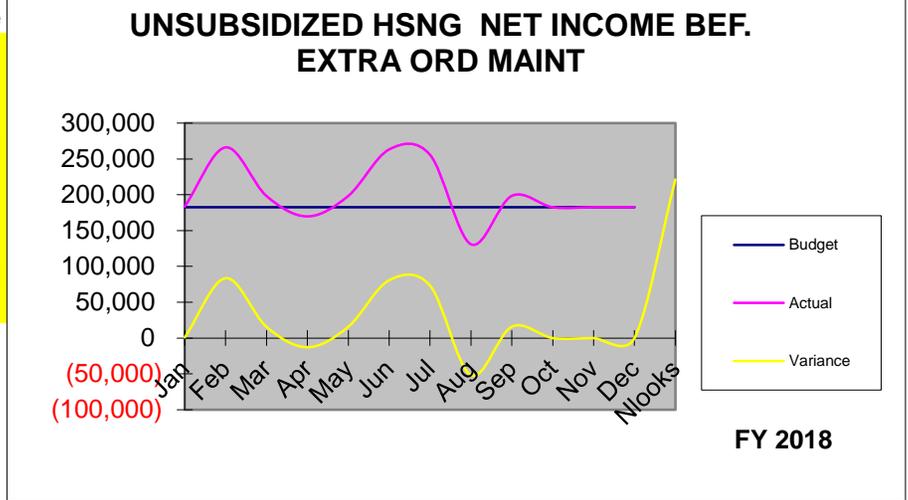
	Budget	Actual	Variance
Jan	1,645,607	1,425,878	219,729
Feb	1,645,607	1,368,177	277,430
Mar	1,645,607	1,524,423	121,184
Apr	1,645,607	1,482,158	163,449
May	1,645,607	1,572,259	73,348
Jun	1,645,607	1,187,100	458,507
Jul	1,645,607	1,184,962	460,645
Aug	1,645,607	1,673,942	(28,335)
Sep	1,645,607	1,650,710	(5,103)
Oct	1,645,607	1,645,607	0
Nov	1,645,607	1,645,607	0
Dec	1,645,607	1,645,607	0
Nlooks		0	1,740,853
	19,747,283	18,006,430	



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

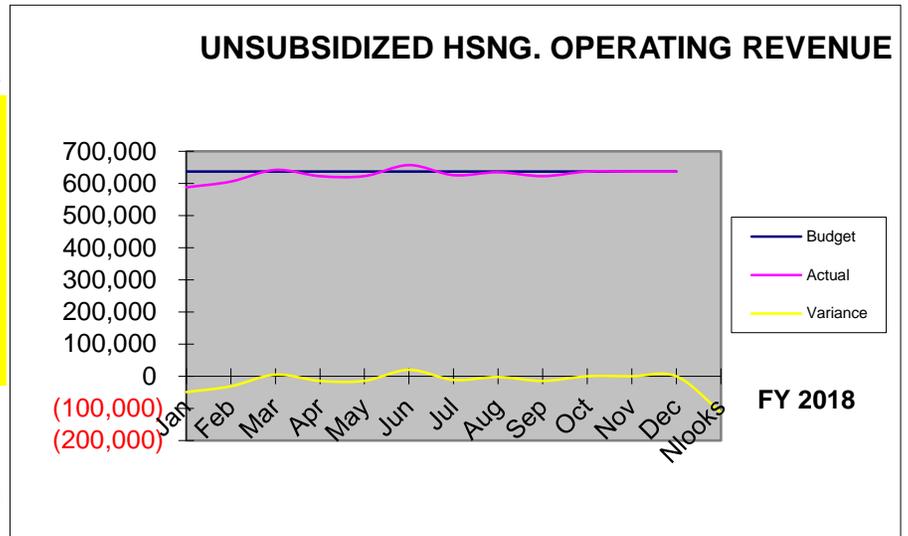
NET INCOME BEF. EXTRA ORDINARY MAINTENANCE

	Budget	Actual	Variance
Jan	182,566	183,522	956
Feb	182,566	266,087	83,521
Mar	182,566	198,225	15,659
Apr	182,566	169,781	(12,785)
May	182,566	198,330	15,764
Jun	182,566	263,222	80,656
Jul	182,566	255,763	73,197
Aug	182,566	130,914	(51,652)
Sep	182,566	198,444	15,878
Oct	182,566	182,566	0
Nov	182,566	182,566	0
Dec	182,566	182,566	0
Nlooks			221,193
	2,190,794	2,411,987	



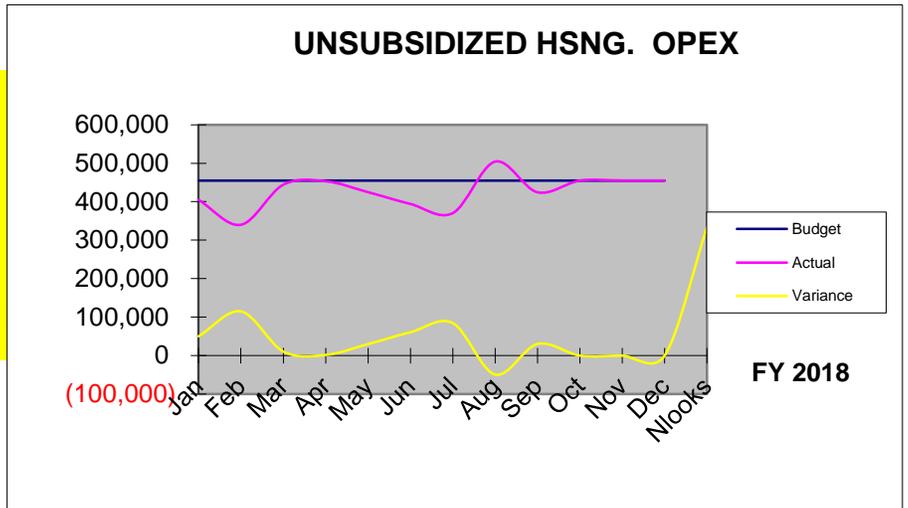
OPERATING REVENUE

	Budget	Actual	Variance
Jan	637,356	588,203	(49,153)
Feb	637,356	606,099	(31,257)
Mar	637,356	642,457	5,101
Apr	637,356	622,913	(14,443)
May	637,356	623,104	(14,252)
Jun	637,356	657,444	20,088
Jul	637,356	626,051	(11,305)
Aug	637,356	635,107	(2,249)
Sep	637,356	622,900	(14,456)
Oct	637,356	637,356	0
Nov	637,356	637,356	0
Dec	637,356	637,356	0
Nlooks			(111,925)
	7,648,271	7,536,346	



OPERATING EXPENSES

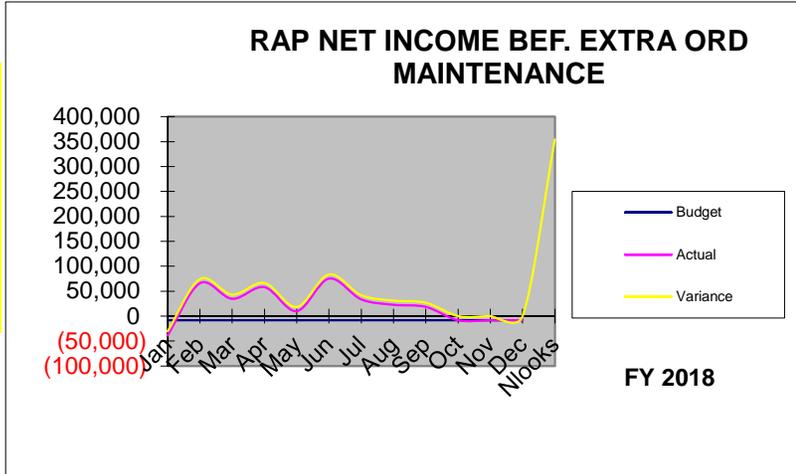
	Budget	Actual	Variance
Jan	454,790	404,681	50,109
Feb	454,790	340,012	114,778
Mar	454,790	444,232	10,558
Apr	454,790	453,132	1,658
May	454,790	424,774	30,016
Jun	454,790	394,222	60,568
Jul	454,790	370,288	84,502
Aug	454,790	504,193	(49,403)
Sep	454,790	424,456	30,334
Oct	454,790	454,790	0
Nov	454,790	454,790	0
Dec	454,790	454,790	0
Nlooks			333,118
	5,457,477	5,124,359	



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

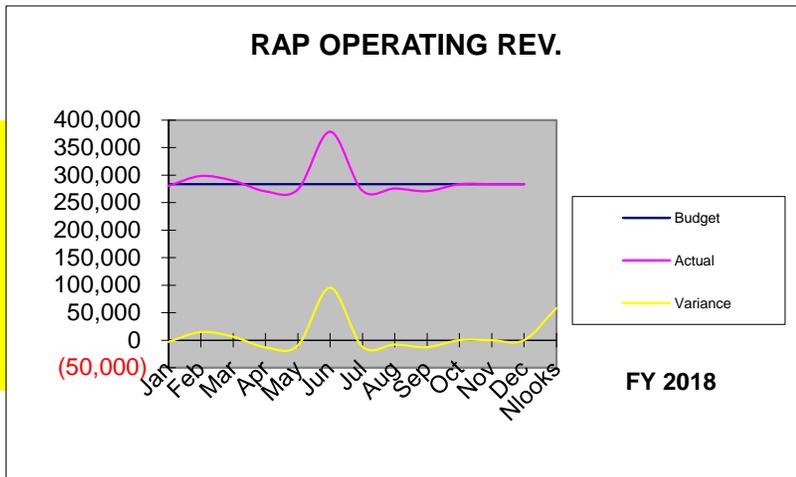
NET INCOME

	Budget	Actual	Variance
Jan	(8,336)	(38,812)	(30,476)
Feb	(8,336)	65,819	74,155
Mar	(8,336)	34,629	42,965
Apr	(8,336)	58,083	66,419
May	(8,336)	9,975	18,311
Jun	(8,336)	75,205	83,541
Jul	(8,336)	33,534	41,870
Aug	(8,336)	22,682	31,018
Sep	(8,336)	18,444	26,780
Oct	(8,336)	(8,336)	0
Nov	(8,336)	(8,336)	0
Dec	(8,336)	(8,336)	0
Nlooks		354,582	
	(100,030)	254,552	



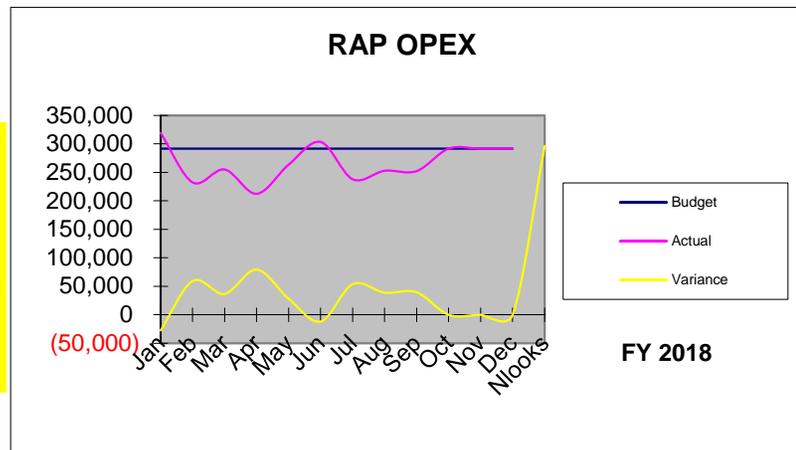
OPERATING REVENUE

	Budget	Actual	Variance
Jan	283,437	280,346	(3,091)
Feb	283,437	298,286	14,849
Mar	283,437	289,780	6,343
Apr	283,437	270,504	(12,933)
May	283,437	273,618	(9,819)
Jun	283,437	378,746	95,309
Jul	283,437	271,480	(11,957)
Aug	283,437	275,569	(7,868)
Sep	283,437	270,740	(12,697)
Oct	283,437	283,437	0
Nov	283,437	283,437	0
Dec	283,437	283,437	0
Nlooks		58,134	
	3,401,247	3,459,381	



OPERATING EXPENSES

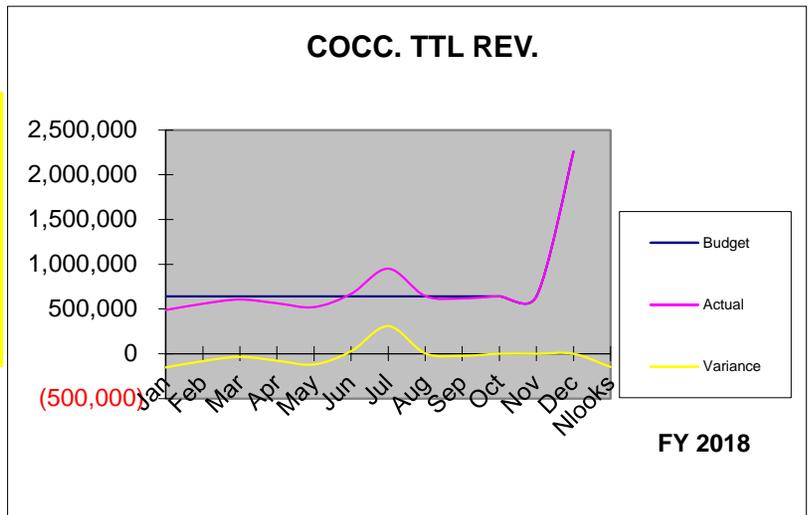
	Budget	Actual	Variance
Jan	291,773	319,158	(27,385)
Feb	291,773	232,467	59,306
Mar	291,773	255,151	36,622
Apr	291,773	212,421	79,352
May	291,773	263,643	28,130
Jun	291,773	303,541	(11,768)
Jul	291,773	237,946	53,827
Aug	291,773	252,887	38,886
Sep	291,773	252,296	39,477
Oct	291,773	291,773	0
Nov	291,773	291,773	0
Dec	291,773	291,773	0
Nlooks		296,448	
	3,501,277	3,204,829	



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

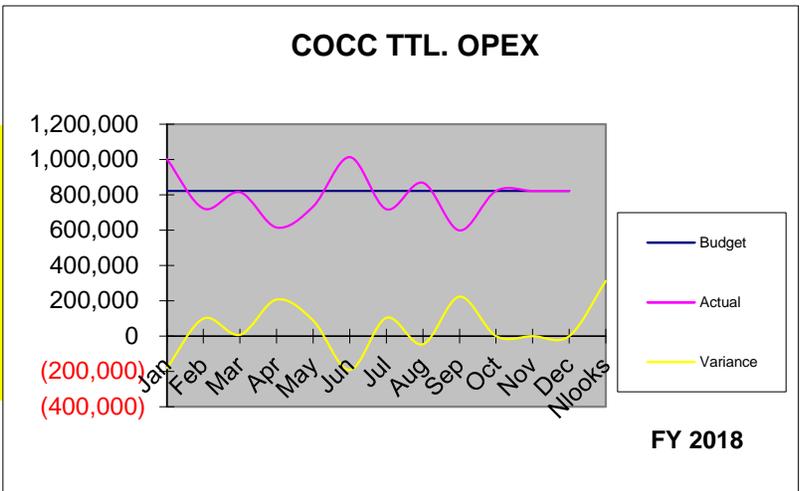
**OPERATING REVENUE**

	Budget	Actual	Variance
Jan	641,287	488,745	(152,542)
Feb	641,287	558,950	(82,337)
Mar	641,287	606,371	(34,916)
Apr	641,287	564,202	(77,085)
May	641,287	521,694	(119,593)
Jun	641,287	669,214	27,928
Jul	641,287	950,896	309,610
Aug	641,287	645,202	3,916
Sep	641,287	618,498	(22,789)
Oct	641,287	641,287	0
Nov	641,287	641,287	0
Dec	2,259,107	2,259,107	0
<b>Nlooks</b>	<b>9,313,258</b>	<b>9,165,452</b>	<b>(147,807)</b>



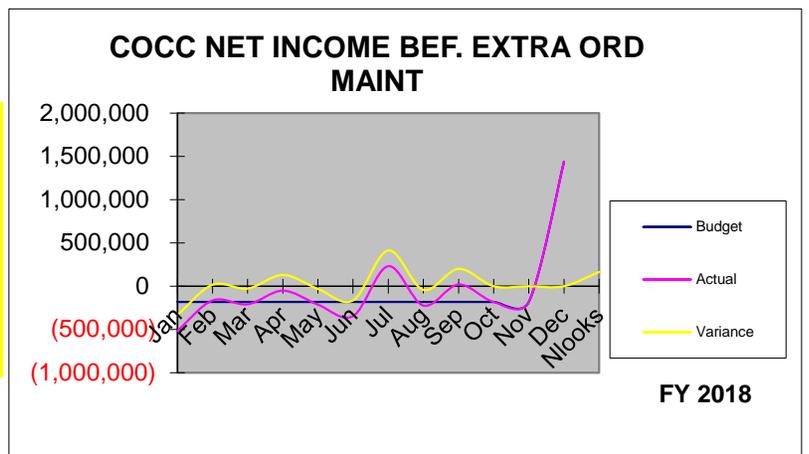
**OPERATING EXPENSES**

	Budget	Actual	Variance
Jan	822,831	1,003,614	(180,783)
Feb	822,831	723,312	99,519
Mar	822,831	815,312	7,519
Apr	822,831	615,518	207,313
May	822,831	734,205	88,626
Jun	822,831	1,014,318	(191,487)
Jul	822,831	719,152	103,679
Aug	822,831	868,905	(46,074)
Sep	822,831	598,912	223,919
Oct	822,831	822,831	0
Nov	822,831	822,831	0
Dec	822,831	822,831	0
<b>Nlooks</b>	<b>9,873,970</b>	<b>9,561,741</b>	<b>312,230</b>



**NET INCOME**

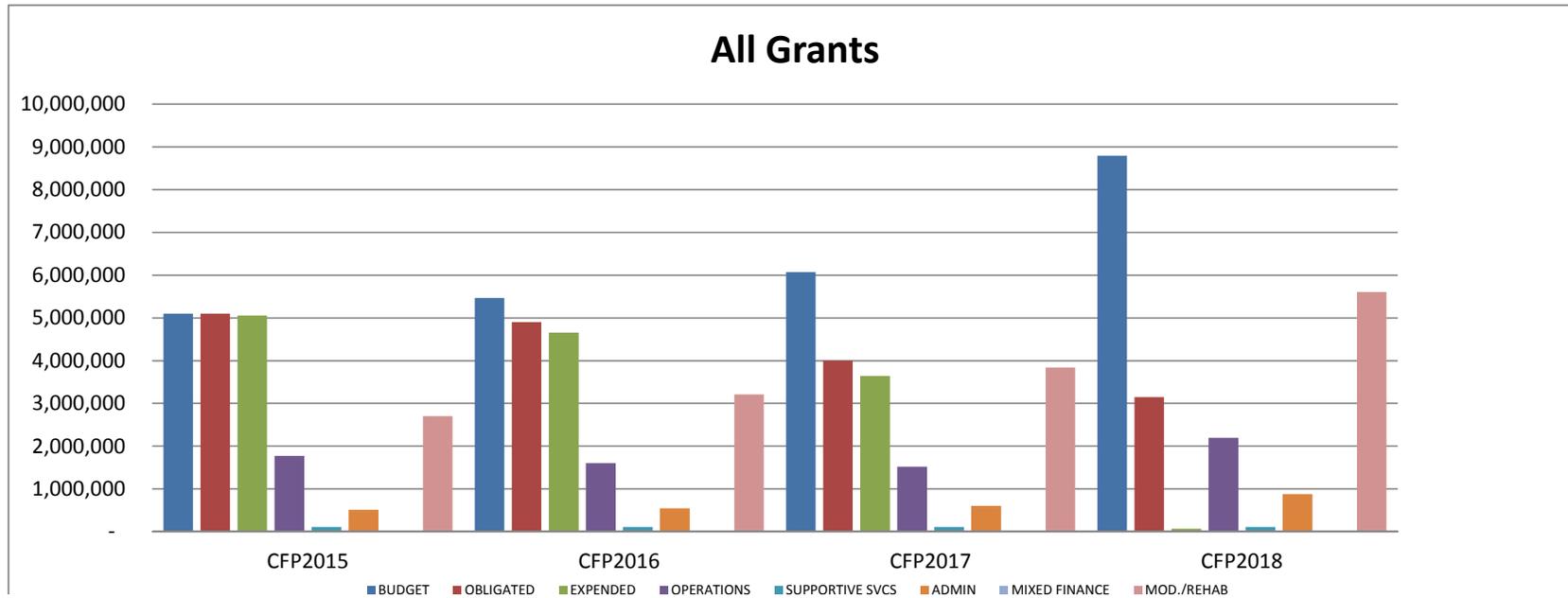
	Budget	Actual	Variance
Jan	(181,544)	(514,869)	(333,325)
Feb	(181,544)	(164,362)	17,182
Mar	(181,544)	(208,941)	(27,397)
Apr	(181,544)	(51,316)	130,228
May	(181,544)	(212,511)	(30,967)
Jun	(181,544)	(345,104)	(163,560)
Jul	(181,544)	231,744	413,288
Aug	(181,544)	(223,703)	(42,159)
Sep	(181,544)	19,586	201,130
Oct	(181,544)	(181,544)	0
Nov	(181,544)	(181,544)	0
Dec	1,436,276	1,436,276	0
<b>Nlooks</b>	<b>(560,712)</b>	<b>(396,289)</b>	<b>164,423</b>



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

HACM  
 MAJOR GRANTS SUMMARY  
 30-Sep-18

	SPENDING PLAN								END DATE
	BUDGET	OBLIGATED	EXPENDED	OPERATIONS	SUPPORTIVE SVCS	ADMIN	MIXED FINANCE	MOD./REHAB	
CFP2015	5,098,171	5,098,171	5,054,350	1,774,946	110,000	509,817		2,703,408	9/15/2019
CFP2016	5,467,349	4,903,939	4,655,154	1,601,933	110,000	546,734		3,208,682	4/12/2020
CFP2017	6,071,406	4,003,350	3,642,229	1,517,851	110,000	607,140		3,836,415	8/16/2021
CFP2018	8,789,890	3,144,252	67,791	2,197,472	110,000	878,989		5,603,429	5/28/2022
<b>TOTAL</b>	<b>25,426,816</b>	<b>17,149,712</b>	<b>13,419,524</b>	<b>7,092,202</b>	<b>440,000</b>	<b>2,542,680</b>	<b>-</b>	<b>15,351,934</b>	
<b>PERCENT</b>	<b>100%</b>	<b>67%</b>	<b>53%</b>	<b>28%</b>	<b>2%</b>	<b>10%</b>	<b>0%</b>	<b>60%</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)