



# FINANCIAL REPORTS

December 31, 2018

HOUSING AUTHORITY OF THE CITY OF MILWAUKEE  
FINANCIAL REPORTS  
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HA of the City Milwaukee  
Financial Highlights  
As of December 31, 2018

Financial Position (pp. 3-4)

As of December 31, 2018, HACM has total assets of \$256mm compared to September 30, 2018 at \$245mm. Agency-wide working capital (difference between current assets & current liabilities) was at \$29mm indicating HACM's strong capacity to meet maturing obligations. Total cash & investments as of the end of December was \$27mm. 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	\$6.61mm
Unsubsidized Housing	15.61
Rental Assistance Program	3.57
Central Office	0.09
Special Projects & Grants	0.80

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

Low Rent Public Housing	\$4.48mm
Unsubsidized Housing	10.50
Rental Assistance Program-Admin	0.63
Central office	1.07

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 6% over budget (p. 5) and total spending was 5% under budget (p.6). Administrative expenses compared to budgeted expenses were under budget by about 2%. Tenant services were 64% under budget; Utilities were 8% over budget; Maintenance expenses were 9% under budget, protective services 12% under budget and general expenses were 5% under budget. Consolidated net income from operations for the period ended December 31, 2018 was \$3,623,700 (p. 6).

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

LRPH operations resulted in a net income from operations of \$1,488,434 (p. 6) in the fourth quarter. Operating revenue was \$1,967,495 over budget and total operating expenses for the period were \$1,058,983 under budget. All combined, LRPB posted a positive variance of \$3,026,478 (see p. 7).

### *Unsubsidized Housing*

Unsubsidized Housing has a favorable result of operations during the quarter. Net income from operations was \$1,891,808 (p.6) before amortization of principal on series 2015 bonds. Revenue was \$36,704 over budget and operating expenses were under budget by \$176,189 during the period. All combined, Unsubsidized Housing has a positive variance of \$212,893 (see p. 8).

### *Rental Assistance Program (RAP)*

RAP has net income of \$418,073 at the end of the period (p. 6). Administrative revenue was \$146,462 over budget and spending was under budget by \$373,641, resulting in an overall positive net income variance of \$520,103 (see p. 9).

The Housing Assistance Payment (HAP) grant during the period was \$36.84mm against total disbursement of \$36.57mm, reflecting a budget utilization of 99%. 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 \$172,981 (p.6) at the end of the quarter. Total revenue was over budget by \$61,417 (see p. 10). Operating expenses were under budget by \$374,304. All combined, COCC posted a positive variance of \$435,721 (see p. 10).

### Grant Management (pp.11)

As of December 31, 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 55% has been expended. Around 61% 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 DECEMBER 31, 2018

	Dec. 31, 2018						Sep. 30, 2018	
	LRPH	UNSUBSIDIZED HOUSING	RAP	COCC	GRANTS/DEVT	SPECIAL PROJECTS	Total HACM	Total HACM
<b>ASSETS</b>								
<b>CURRENT ASSETS</b>								
CASH								
UNRESTRICTED CASH	6,189,805	9,967,803	1,988,118	0	0	801,736	18,947,462	25,121,880
RESTRICTED CASH (Note 1)		3,183,079	1,236,888	90,278			4,510,245	4,001,675
<b>TOTAL CASH</b>	<b>6,189,805</b>	<b>13,150,882</b>	<b>3,225,006</b>	<b>90,278</b>	<b>0</b>	<b>801,736</b>	<b>23,457,707</b>	<b>29,123,555</b>
ACCOUNTS RECEIVABLE-TENANTS	319,447	76,273					395,720	414,267
ALLOWANCE FOR DOUBTFUL ACCOUNTS (Note 2)	121,645	50,667					172,312	68,266
<b>NET ACCOUNTS RECEIVABLE-TENANTS</b>	<b>441,092</b>	<b>126,940</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>568,032</b>	<b>482,533</b>
ACCOUNTS RECEIVABLE-MISC								
AR-HUD (Note 3)	2,100,000				4,156,301		6,256,301	5,731,301
AR- DEVELOPMENT FEE (Note 4)				1,617,820			1,617,820	1,617,820
AR - OTHERS	775,374	475	7,682	2,176,079	3,167,190		6,126,800	5,603,455
<b>TOTAL AR-MISC</b>	<b>2,875,374</b>	<b>475</b>	<b>7,682</b>	<b>3,793,899</b>	<b>7,323,491</b>	<b>0</b>	<b>14,000,921</b>	<b>12,952,576</b>
INVESTMENTS								
RESTRICTED (Note 1)	422,603	2,459,219	340,645	31			3,222,498	3,364,589
<b>TOTAL INVESTMENTS</b>	<b>422,603</b>	<b>2,459,219</b>	<b>340,645</b>	<b>31</b>	<b>0</b>	<b>0</b>	<b>3,222,498</b>	<b>3,364,589</b>
PREPAID EXPENSES AND OTHER ASSETS								
PREPAID EXPENSES AND OTHER ASSETS	130,265	64,952	7,321	81,264	1,443	254	285,499	417,339
<b>TOTAL PREPAID EXPENSES AND OTHER ASSETS</b>	<b>130,265</b>	<b>64,952</b>	<b>7,321</b>	<b>81,264</b>	<b>1,443</b>	<b>254</b>	<b>285,499</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>5,243,294</b>	<b>(5,243,294)</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>TOTAL CURRENT ASSETS</b>	<b>10,059,139</b>	<b>15,802,468</b>	<b>3,580,654</b>	<b>9,208,766</b>	<b>2,081,640</b>	<b>801,990</b>	<b>41,534,657</b>	<b>46,340,592</b>
<b>NON-CURRENT ASSETS</b>								
FIXED ASSETS								
LAND & LAND IMPROVEMENTS	32,276,415	2,759,343		454,172		7,111	35,497,041	35,522,590
BUILDINGS	243,075,843	50,161,814		8,333,884		64,003	301,635,544	301,653,028
FURNITURES, EQPT. MACHINERY	1,447,794	185,828	72,604	1,826,605			3,532,831	3,542,077
CONSTRUCTION IN PROGRESS	271,876	44,174		207,990	30,153,463	76,206	30,753,709	20,735,098
<b>TOTAL FIXED ASSETS</b>	<b>277,071,928</b>	<b>53,151,159</b>	<b>72,604</b>	<b>10,822,651</b>	<b>30,153,463</b>	<b>147,320</b>	<b>371,419,125</b>	<b>361,452,793</b>
ACCUMULATED DEPRECIATION	(198,681,321)	(44,808,618)	(72,604)	(5,394,103)		(11,200)	(248,967,846)	(247,714,763)
<b>FIXED ASSETS, NET OF DEPRECIATION</b>	<b>78,390,607</b>	<b>8,342,541</b>	<b>0</b>	<b>5,428,548</b>	<b>30,153,463</b>	<b>136,120</b>	<b>122,451,279</b>	<b>113,738,030</b>
OTHER ASSETS								
NOTES RECEIVABLE (Note 7)	55,249,572	3,000,000		11,582,354	1,031,615	1,074,406	71,937,947	65,846,845
NOTES INTEREST RECEIVABLE (Note 6)	15,498,938			903,732			16,402,670	14,751,915
FINANCING FEES & OTHER ASSETS	1,227,039		757,877	2,093,184			4,078,100	4,078,100
<b>TOTAL OTHER ASSETS</b>	<b>71,975,549</b>	<b>3,000,000</b>	<b>757,877</b>	<b>14,579,270</b>	<b>1,031,615</b>	<b>1,074,406</b>	<b>92,418,717</b>	<b>84,676,860</b>
<b>TOTAL NON-CURRENT ASSETS</b>	<b>150,366,156</b>	<b>11,342,541</b>	<b>757,877</b>	<b>20,007,818</b>	<b>31,185,078</b>	<b>1,210,526</b>	<b>214,869,996</b>	<b>198,414,890</b>
<b>TOTAL ASSETS</b>	<b>160,425,295</b>	<b>27,145,009</b>	<b>4,338,531</b>	<b>29,216,584</b>	<b>33,266,718</b>	<b>2,012,516</b>	<b>256,404,653</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 DECEMBER 31, 2018

	Dec. 31, 2018						Sep. 30, 2018	
	LRPH	UNSUBSIDIZED HOUSING	RAP	COCC	GRANTS/DEVT	SPECIAL PROJECTS	Total HACM	Total HACM
ACCOUNTS PAYABLE								
ACCOUNTS PAYABLE	72,526	637,112	29,099	2,222,861	1,151,268	2,500	4,115,366	4,523,634
<b>TOTAL ACCOUNTS PAYABLE</b>	<b>72,526</b>	<b>637,112</b>	<b>29,099</b>	<b>2,222,861</b>	<b>1,151,268</b>	<b>2,500</b>	<b>4,115,366</b>	<b>4,523,634</b>
ACCRUED LIABILITIES								
ACCRUED SALARIES & BENEFITS				527,385	10,086		537,471	175,691
ACCRUED INTEREST PAYABLE		296,978					296,978	148,489
DEFERED REVENUE	99,292		61,327	169,381			330,000	330,000
DUE TO GOVERNMENT - PILOT & OTHERS	1,401,638	1,210,303		444,438			3,056,379	3,877,471
ACCRUED COMPENSATED ABSENCES (Note 7)	0	0	0	819,883	12,227	0	832,110	832,110
OTHER ACCRUED LIABILITIES	2,328	2,149		600,000		311,062	915,539	813,858
<b>TOTAL ACCRUED LIABILITIES</b>	<b>1,503,258</b>	<b>1,509,430</b>	<b>61,327</b>	<b>2,561,087</b>	<b>22,313</b>	<b>311,062</b>	<b>5,968,477</b>	<b>6,177,619</b>
OTHER CURRENT LIABILITIES								
TENANT SECURITY DEPOSITS	629,195	517,967		4,200			1,151,362	1,147,911
FSS ESCROW ACCOUNT	72,603		340,645				413,248	429,639
NOTES PAYABLE							0	8,595,707
CURRENT PORTION-LT DEBT		745,000					745,000	745,000
<b>TOTAL OTHER CURRENT LIABILITIES</b>	<b>701,798</b>	<b>1,262,967</b>	<b>340,645</b>	<b>4,200</b>	<b>0</b>	<b>0</b>	<b>2,309,610</b>	<b>10,918,257</b>
<b>TOTAL CURRENT LIABILITIES</b>	<b>2,277,582</b>	<b>3,409,509</b>	<b>431,071</b>	<b>4,788,148</b>	<b>1,173,581</b>	<b>313,562</b>	<b>12,393,453</b>	<b>21,619,510</b>
NON-CURRENT LIABILITIES								
LONG TERM DEBT								
MORTGAGE REVENUE BONDS				83,946			83,946	83,946
NOTES PAYABLE		16,960,521			12,746,913		29,707,434	16,960,521
TOTAL	0	16,960,521	0	83,946	12,746,913	0	29,791,380	17,044,467
LESS CURRENT PORTION		(745,000)					(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>12,746,913</b>	<b>0</b>	<b>29,046,380</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	6,188,777
NET PENSION LIABILITY	1,440,035		889,434	2,456,531			4,786,000	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>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>12,746,913</b>	<b>0</b>	<b>40,021,157</b>	<b>27,274,244</b>
<b>TOTAL LIABILITIES</b>	<b>5,579,727</b>	<b>19,625,030</b>	<b>2,470,632</b>	<b>10,505,165</b>	<b>13,920,494</b>	<b>313,562</b>	<b>52,414,610</b>	<b>48,893,754</b>
EQUITY								
INVESTED IN CAPITAL ASSETS, NET OF DEBT	78,390,607	(8,617,980)	0	5,428,548	30,153,463	136,120	105,490,758	96,777,509
UNRESTRICTED RESERVE	4,479,412	10,495,661	631,011	1,069,823	(11,838,854)	799,490	5,636,543	11,346,204
RESTRICTED RESERVE (Note 9)	71,975,549	5,642,298	1,236,888	12,213,048	1,031,615	763,344	92,862,742	87,738,015
<b>TOTAL EQUITY</b>	<b>154,845,568</b>	<b>7,519,979</b>	<b>1,867,899</b>	<b>18,711,419</b>	<b>19,346,224</b>	<b>1,698,954</b>	<b>203,990,043</b>	<b>195,861,728</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>160,425,295</b>	<b>27,145,009</b>	<b>4,338,531</b>	<b>29,216,584</b>	<b>33,266,718</b>	<b>2,012,516</b>	<b>256,404,653</b>	<b>244,755,482</b>

**HA OF THE CITY OF MILWAUKEE**  
**CONSOLIDATED STATEMENT OF REVENUE & EXPENSES**  
**BUDGETED PROGRAM ONLY**  
**AS OF DECEMBER 31, 2018**

	LRPH	UNSUBSIDIZED HSNG	RAP	COCC	SPECIAL PROJECTS	YTD ACTUAL	YTD BUDGET	VARIANCE	
								AMOUNT	PERCENT
<b>Operating Income</b>									
<i>Operating/admin subsidies</i>	6,878,438		3,442,159			10,320,597	9,391,043	929,554	10%
<i>Dwelling rents</i>	8,975,558	7,171,989				16,147,547	16,869,877	(722,330)	-4%
<i>Excess utilities &amp; other</i>	203,060	139,584				342,644	288,900	53,744	19%
<i>Capital fund transfer in (Note 10)</i>	3,585,426			12,214		3,597,640	2,100,000	1,497,640	71%
<i>Other income</i>	1,091,514	191,345	105,538	1,232,720	126,151	2,747,268	2,088,450	658,818	32%
<i>Management fees</i>				4,157,796		4,157,796	4,071,917	85,879	2%
<i>Central maintenance revenue</i>				2,502,960		2,502,960	2,609,521	(106,561)	-4%
<i>Developers fee</i>				1,368,259		1,368,259	1,617,820	(249,561)	0%
<i>Interest on general fund</i>	3,317	182,057	12	100,726		286,112	135,916	150,196	111%
<b>Total Income</b>	<b>20,737,313</b>	<b>7,684,975</b>	<b>3,547,709</b>	<b>9,374,675</b>	<b>126,151</b>	<b>41,470,823</b>	<b>39,173,444</b>	<b>2,297,379</b>	<b>6%</b>
<b>Operating Expenditures</b>									
<b>Administrative</b>									
<i>Salaries</i>	1,122,432	291,140	1,477,631	3,765,669	72,674	6,729,546	6,482,337	(247,209)	-4%
<i>Employee benefits</i>	426,820	127,586	562,244	1,431,154	38,838	2,586,642	2,721,134	134,492	5%
<i>Legal and accounting</i>	12,225	12,059	2,974	185,149		212,407	220,600	8,193	4%
<i>Audit</i>	80,129	32,362	21,182	7,540		141,213	140,701	(512)	0%
<i>Travel and training</i>	5,198		12,658	88,622	532	107,010	266,600	159,590	60%
<i>Contracted property management</i>				264,590		264,590	295,794	31,204	11%
<i>Management fees</i>	2,677,910	779,885	700,000			4,157,795	4,071,917	(85,878)	-2%
<i>Housing intake</i>	550,287					550,287	579,749	29,462	5%
<i>Office supplies &amp; printing</i>	34,418	3,567	23,719	57,431	500	119,635	178,405	58,770	33%
<i>Telephone</i>	20,812	1,890	9,876	55,491	1,326	89,395	90,150	755	1%
<i>Postage</i>	2,676	2,376	32,624	5,938	845	44,459	76,160	31,701	42%
<i>Other contracted services</i>	52,538	21,261	164,641	406,007		644,447	613,800	(30,647)	-5%
<i>Other</i>	258,100	67,495	8,302	480,192	3,362	817,451	1,054,244	236,793	22%
<b>Total admin</b>	<b>5,243,545</b>	<b>1,339,621</b>	<b>3,015,851</b>	<b>6,747,783</b>	<b>118,077</b>	<b>16,464,877</b>	<b>16,791,591</b>	<b>326,714</b>	<b>2%</b>
<b>Tenant Services</b>									
<i>Resident services allocation</i>	71,245					71,245	254,237	182,992	72%
<i>Salaries &amp; benefits</i>	117,393			92,652		210,045	354,149	144,104	41%
<i>Contracts, trainings, others</i>	30,740	503	240	62,334		93,817	435,506	341,689	78%
<b>Total tenant services</b>	<b>219,378</b>	<b>503</b>	<b>240</b>	<b>154,986</b>	<b>0</b>	<b>375,107</b>	<b>1,043,892</b>	<b>668,785</b>	<b>64%</b>
<b>Utilities</b>									
<i>Water</i>	1,727,078	758,514		16,599		2,502,191	2,332,934	(169,257)	-7%
<i>Electric</i>	1,234,336	54,881		60,172		1,349,389	1,327,022	(22,367)	-2%
<i>Gas</i>	735,590	31,677		15,654		782,921	645,013	(137,908)	-21%

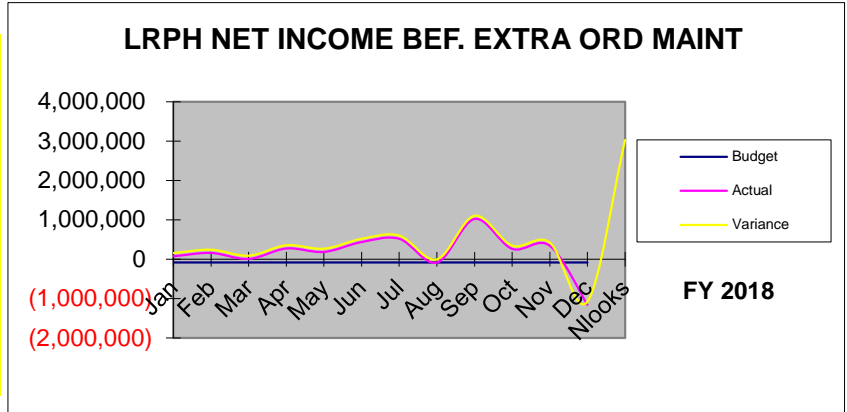
HA OF THE CITY OF MILWAUKEE  
CONSOLIDATED STATEMENT OF REVENUE & EXPENSES  
BUDGETED PROGRAM ONLY  
AS OF DECEMBER 31, 2018

	LRPH	UNSUBSIDIZED		COCC	SPECIAL PROJECTS	YTD ACTUAL	YTD BUDGET	VARIANCE	
		HSNG	RAP					AMOUNT	PERCENT
<b>Total utilities</b>	3,697,004	845,072	0	92,425	0	4,634,501	4,304,969	(329,532)	-8%
<b>Ordinary maintenance</b>									
Salaries	926,018	342,377		1,563,701		2,832,096	3,110,684	278,588	9%
Employee benefits Maint	399,677	136,901		574,451		1,111,029	1,316,610	205,581	16%
Maintenance materials	1,178,649	200,124	971	46,059	441	1,426,244	1,399,118	(27,126)	-2%
Maintenance contracts	3,339,515	769,887	5,397	179,417	4,685	4,298,901	4,801,764	502,863	10%
<b>Total maintenance</b>	5,843,859	1,449,289	6,368	2,363,628	5,126	9,668,270	10,628,176	959,906	9%
<b>Protective Services</b>									
Public safety allocation	1,241,688	112,985	1,197	10,636		1,366,506	1,562,424	195,918	13%
Contracts, others	28,351			955		29,306	27,000	(2,306)	-9%
<b>Total protective services</b>	1,270,039	112,985	1,197	11,591	0	1,395,812	1,589,424	193,612	12%
<b>General</b>									
Insurance	678,475	242,619	88,438	127,253	4,582	1,141,367	1,230,533	89,166	7%
Pilot	601,638	687,969				1,289,607	1,274,635	(14,972)	-1%
Interest Expense		603,128				603,128	605,000	1,872	0%
Subsidy to Mixed finance dev't.	1,083,530					1,083,530	986,318	(97,212)	-10%
Other general expense	50,832		15,542	2,000		68,374	304,025	235,651	78%
<b>Total general</b>	2,414,475	1,533,716	103,980	129,253	4,582	4,186,006	4,400,511	214,505	5%
<b>Total Operating Expenditures</b>	18,688,300	5,281,186	3,127,636	9,499,666	127,785	36,724,573	38,758,563	2,033,990	5%
<b>Excess (deficiency) of total revenue over expenses</b>	2,049,013	2,403,789	420,073	(124,991)	(1,634)	4,746,250	414,881	4,331,369	1044%
Extra-ordinary maintenance	567,775	511,981	2,000	47,990		1,129,746	1,225,910	96,164	8%
Program Income	(7,196)					(7,196)	0	7,196	0
<b>Net income(loss) from operation</b>	1,488,434	1,891,808	418,073	(172,981)	(1,634)	3,623,700	(811,029)	4,434,729	-547%
Depreciation expense	4,571,657	423,780		342,381	1,599	5,339,417			
<b>Net Income (loss)</b>	(3,083,223)	1,468,028	418,073	(515,362)	(3,233)	(1,715,717)			



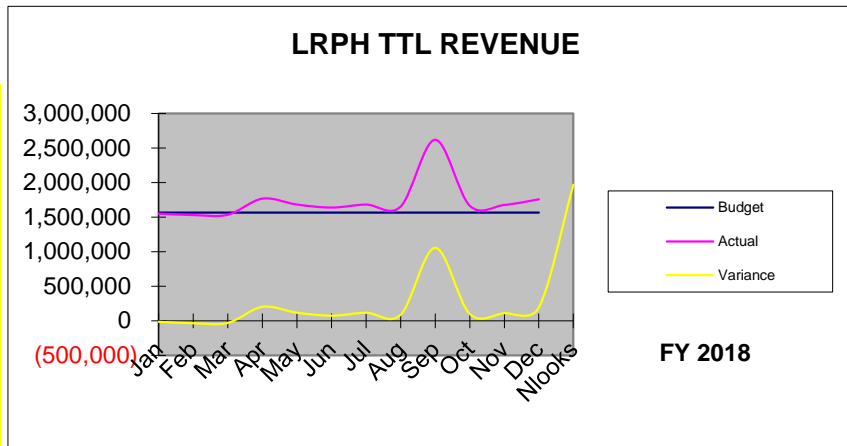
NET INCOME BEF. EXTRA ORDINARY MAINTENANCE

	Budget	Actual	Variance
Jan	(81,455)	75,499	156,954
Feb	(81,455)	160,386	241,841
Mar	(81,455)	8,472	89,927
Apr	(81,455)	273,402	354,857
May	(81,455)	186,404	267,859
Jun	(81,455)	437,411	518,866
Jul	(81,455)	519,567	601,022
Aug	(81,455)	(84,524)	(3,069)
Sep	(81,455)	1,022,600	1,104,055
Oct	(81,455)	264,784	346,239
Nov	(81,455)	343,233	424,688
Dec	(81,455)	(1,158,221)	(1,076,766)
Nlooks			3,026,478
	(977,465)	2,049,013	



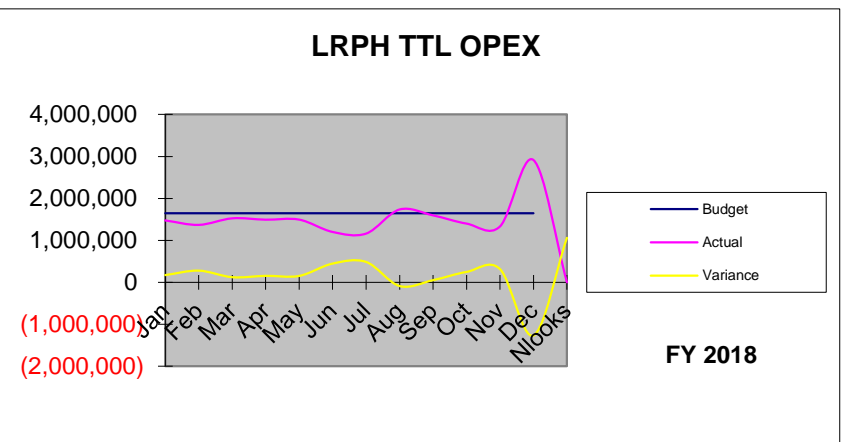
OPERATING REVENUE

	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	1,680,252	116,101
Aug	1,564,152	1,650,812	86,661
Sep	1,564,152	2,617,689	1,053,538
Oct	1,564,152	1,663,880	99,729
Nov	1,564,152	1,674,229	110,078
Dec	1,564,152	1,756,258	192,107
Nlooks			1,967,495
	18,769,818	20,737,313	



OPERATING EXPENSES

	Budget	Actual	Variance
Jan	1,645,607	1,474,129	171,478
Feb	1,645,607	1,368,177	277,430
Mar	1,645,607	1,524,423	121,184
Apr	1,645,607	1,492,153	153,454
May	1,645,607	1,494,109	151,498
Jun	1,645,607	1,199,628	445,979
Jul	1,645,607	1,160,685	484,922
Aug	1,645,607	1,735,336	(89,729)
Sep	1,645,607	1,595,089	50,518
Oct	1,645,607	1,399,096	246,511
Nov	1,645,607	1,330,996	314,611
Dec	1,645,607	2,914,479	(1,268,872)
Nlooks		0	1,058,983
	19,747,283	18,688,300	

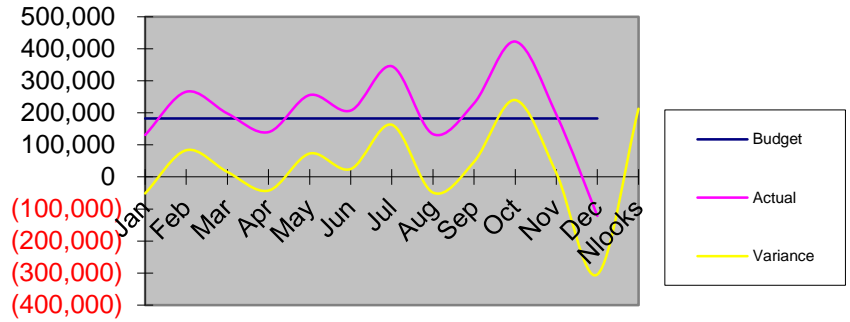


NL - Nlooks = Actual year to date (highlighted in yellow) + remaining budget of the year

NET INCOME BEF. EXTRA ORDINARY MAINTENANCE

	Budget	Actual	Variance
Jan	182,566	131,165	(51,401)
Feb	182,566	265,987	83,421
Mar	182,566	198,224	15,658
Apr	182,566	139,996	(42,570)
May	182,566	255,685	73,119
Jun	182,566	207,303	24,737
Jul	182,566	345,544	162,978
Aug	182,566	133,808	(48,758)
Sep	182,566	229,763	47,197
Oct	182,566	422,737	240,171
Nov	182,566	195,172	12,606
Dec	182,566	(121,697)	(304,263)
Nlooks	2,190,794	2,403,687	212,893

UNSUBSIDIZED HSNB NET INCOME BEF. EXTRA ORD MAINT

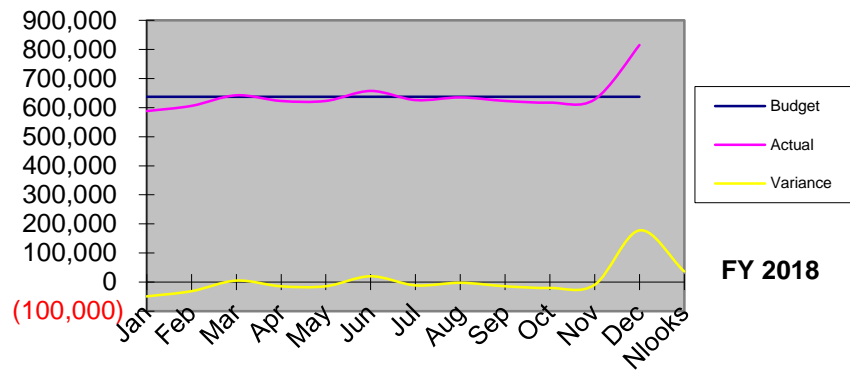


FY 2018

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	623,092	(14,264)
Oct	637,356	617,201	(20,155)
Nov	637,356	628,091	(9,265)
Dec	637,356	815,213	177,857
Nlooks	7,648,271	7,684,975	36,704

UNSUBSIDIZED HSNB. OPERATING REVENUE

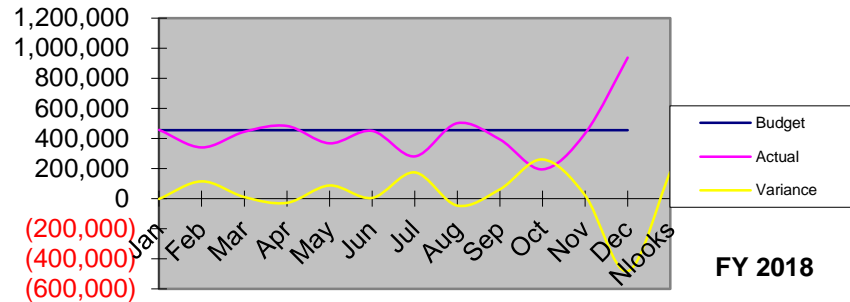


FY 2018

OPERATING EXPENSES

	Budget	Actual	Variance
Jan	454,790	457,038	(2,248)
Feb	454,790	340,112	114,678
Mar	454,790	444,233	10,557
Apr	454,790	482,917	(28,127)
May	454,790	367,419	87,371
Jun	454,790	450,141	4,649
Jul	454,790	280,507	174,283
Aug	454,790	501,299	(46,509)
Sep	454,790	393,329	61,461
Oct	454,790	194,464	260,326
Nov	454,790	432,919	21,871
Dec	454,790	936,910	(482,120)
Nlooks	5,457,477	5,281,288	176,189

UNSUBSIDIZED HSNB. OPEX

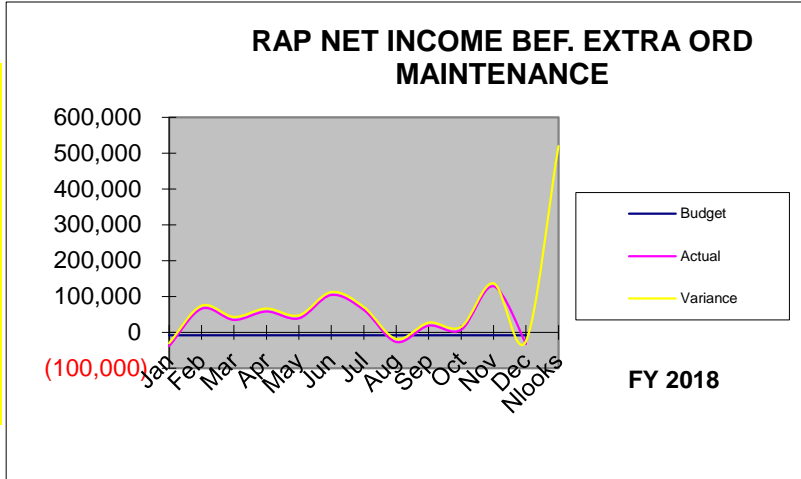


FY 2018

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

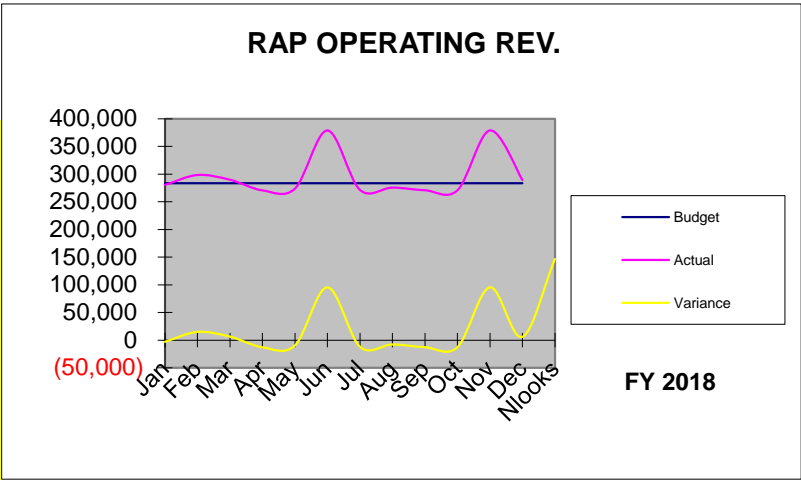
**NET INCOME**

	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)	38,975	47,311
Jun	(8,336)	104,205	112,541
Jul	(8,336)	62,534	70,870
Aug	(8,336)	(27,038)	(18,702)
Sep	(8,336)	18,599	26,935
Oct	(8,336)	6,908	15,244
Nov	(8,336)	128,509	136,845
Dec	(8,336)	(32,338)	(24,002)
Nlooks	(100,030)	420,073	520,103



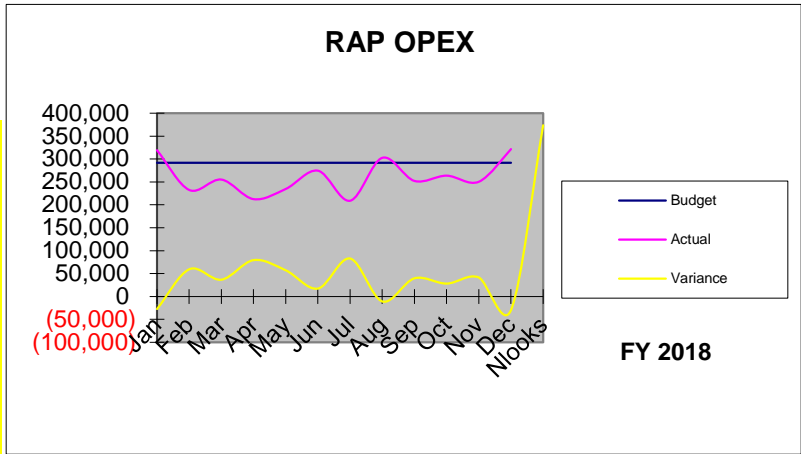
**OPERATING REVENUE**

	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	270,576	(12,861)
Nov	283,437	378,829	95,392
Dec	283,437	289,235	5,798
Nlooks	3,401,247	3,547,709	146,462



**OPERATING EXPENSES**

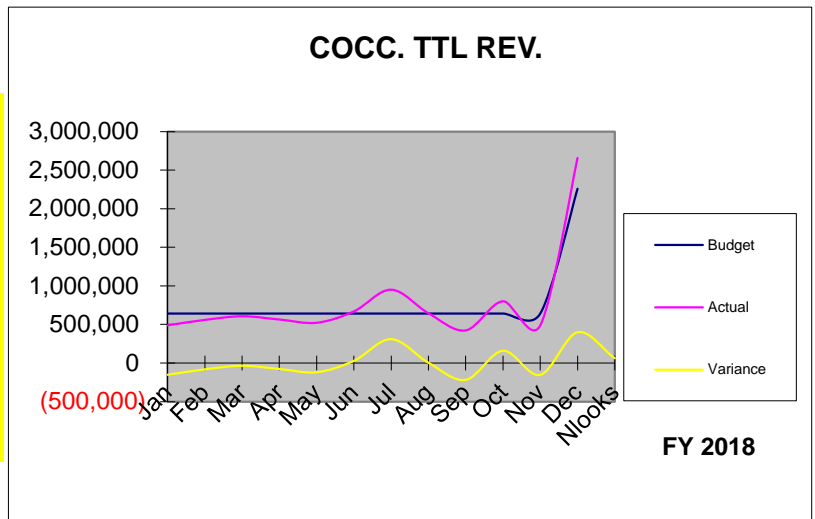
	Budget	Actual	Variance
Jan	291,773	319,158	(27,385)
Feb	291,773	232,467	59,306
Mar	291,773	255,151	36,622
Apr	291,773	212,421	79,352
May	291,773	234,643	57,130
Jun	291,773	274,541	17,232
Jul	291,773	208,946	82,827
Aug	291,773	302,607	(10,834)
Sep	291,773	252,141	39,632
Oct	291,773	263,668	28,105
Nov	291,773	250,320	41,453
Dec	291,773	321,573	(29,800)
Nlooks	3,501,277	3,127,636	373,641



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

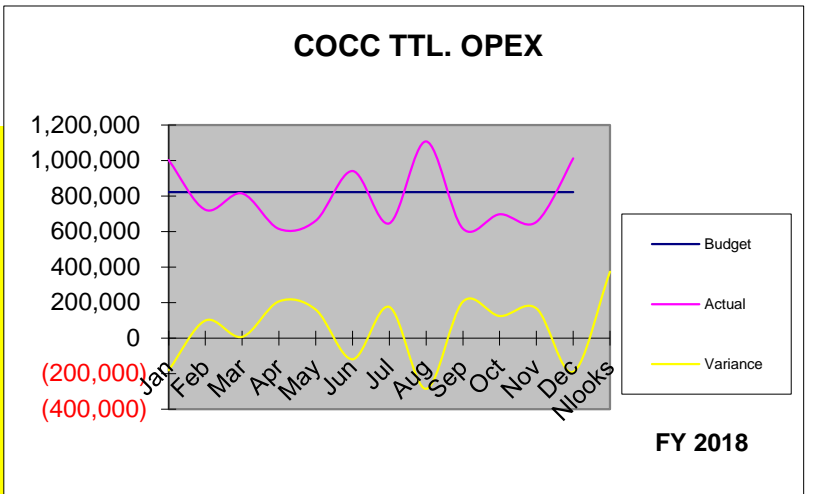
**OPERATING REVENUE**

	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	423,116	(218,171)
Oct	641,287	800,678	159,392
Nov	641,287	487,709	(153,578)
Dec	2,259,107	2,657,898	398,792
<b>Nlooks</b>			61,417
<b>Nlooks</b>	9,313,258	9,374,675	



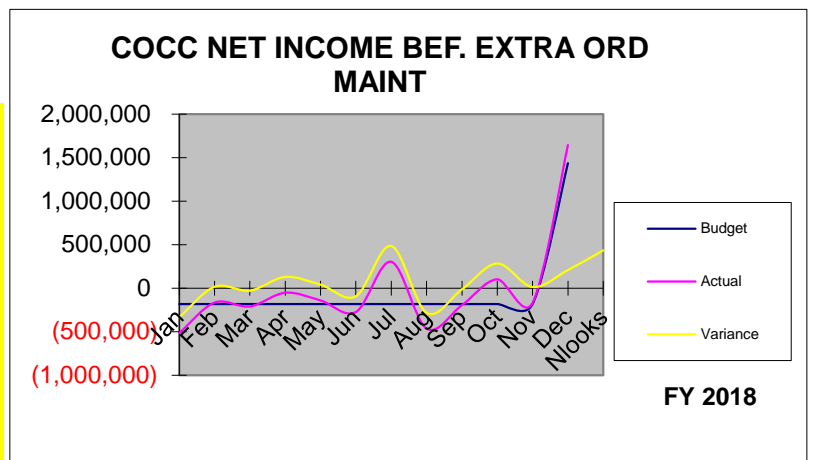
**OPERATING EXPENSES**

	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	661,805	161,026
Jun	822,831	941,752	(118,921)
Jul	822,831	646,752	176,079
Aug	822,831	1,108,298	(285,467)
Sep	822,831	617,323	205,508
Oct	822,831	698,028	124,803
Nov	822,831	655,047	167,784
Dec	822,831	1,012,905	(190,074)
<b>Nlooks</b>			374,304
<b>Nlooks</b>	9,873,970	9,499,666	



**NET INCOME**

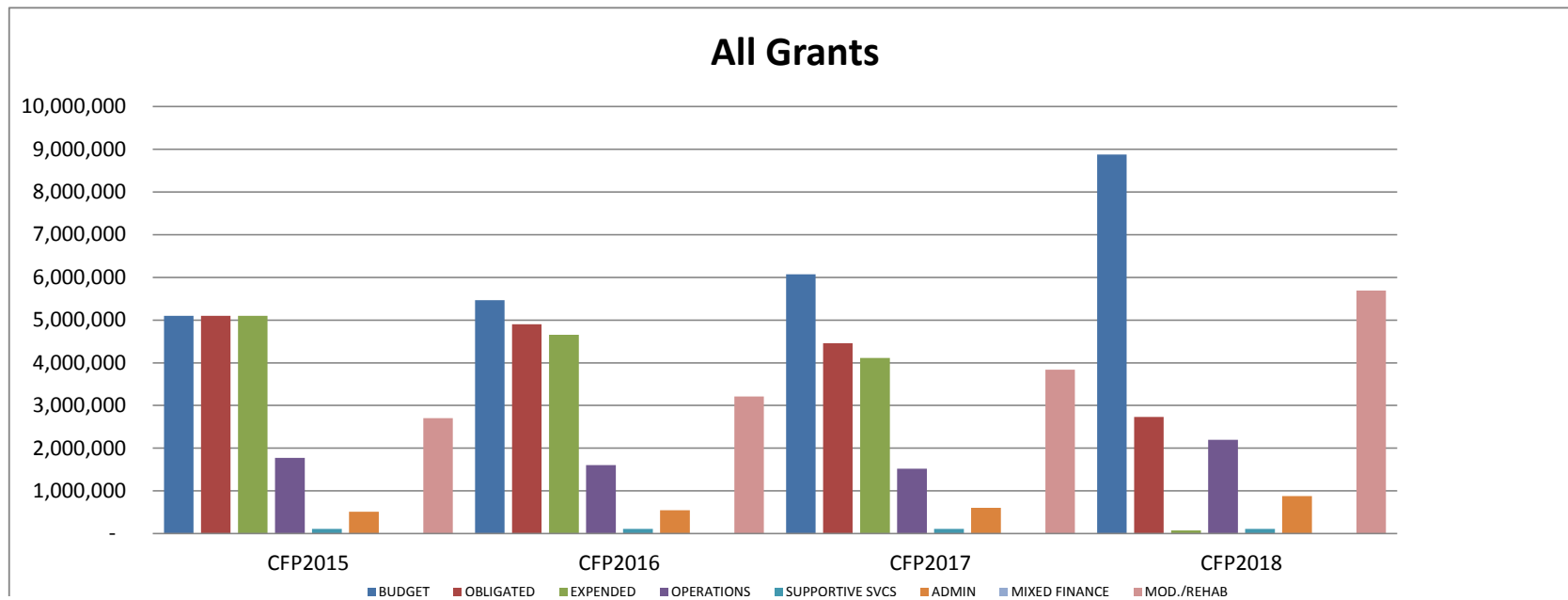
	Budget	Actual	Variance
Jan	(181,544)	(514,869)	(333,325)
Feb	(181,544)	(164,362)	17,182
Mar	(181,544)	(208,941)	(27,397)
Apr	(181,544)	(51,316)	130,228
May	(181,544)	(140,111)	41,433
Jun	(181,544)	(272,538)	(90,994)
Jul	(181,544)	304,144	485,688
Aug	(181,544)	(463,096)	(281,552)
Sep	(181,544)	(194,207)	(12,663)
Oct	(181,544)	102,650	284,194
Nov	(181,544)	(167,338)	14,206
Dec	1,436,276	1,644,993	208,717
<b>Nlooks</b>			435,721
	(560,712)	(124,991)	



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

HACM  
 MAJOR GRANTS SUMMARY  
 31-Dec-18

	SPENDING PLAN								END DATE
	BUDGET	OBLIGATED	EXPENDED	OPERATIONS	SUPPORTIVE SVCS	ADMIN	MIXED FINANCE	MOD./REHAB	
CFP2015	5,098,171	5,098,171	5,098,171	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	4,460,386	4,111,662	1,517,851	110,000	607,140		3,836,415	8/16/2021
CFP2018	8,874,463	2,733,663	72,839	2,197,472	110,000	878,989		5,688,002	5/28/2022
<b>TOTAL</b>	<b>25,511,389</b>	<b>17,196,159</b>	<b>13,937,826</b>	<b>7,092,202</b>	<b>440,000</b>	<b>2,542,680</b>	<b>-</b>	<b>15,436,507</b>	
<b>PERCENT</b>	<b>100%</b>	<b>67%</b>	<b>55%</b>	<b>28%</b>	<b>2%</b>	<b>10%</b>	<b>0%</b>	<b>61%</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)