

Housing Authority of the City of Milwaukee

**Executive Summary of the 2017 Audit
of the Authority's Financial Statements**

**Meeting Date - September 13, 2018
Presented by: Steven Henke, Senior Manager**

I. Audit Results

- a. The objective of our audit was to express our opinion on the Authority's financial statements
- b. Current year scope for testing and reporting to management was determined based on our overall risk assessment and is relatively consistent with the prior year
- c. Our opinion
 - 1. An unmodified opinion has been issued
 - 2. The financial statements are fairly presented in accordance with generally accepted accounting principles applied on a consistent basis
 - 3. All appropriate disclosures have been properly presented in the financial statements

II. Reports Issued

Report Titles / Information Included Within Reports

- a. Financial statements
 - 1. 2017 financial statements of the Authority including the independent auditors' report, notes to the financial statements and management's discussion and analysis
 - 2. Also includes the schedule of federal awards for the year ended December 31, 2017 and related compliance reports and opinions
- b. Certification of the 2017 annual financial statement data in the format defined by HUD and submitted via the REAC reporting system
 - 1. Financial statements, related data and the independent auditors' report
- c. Communication to Those Charged with Governance and Management
 - 1. Includes comments and observations identified during the audit
 - 2. Includes all communications required by professional standards

III. 2017 Financial Highlights

- a. Net position decreased \$2.6 million compared to prior year decrease of \$2.2 million
- b. Cash and investments totaled \$26.4 million compared to prior year of \$36.4 million
- c. Notes receivable from component units decreased slightly to \$59.3 million
- d. Long-term debt decreased to \$17.8 million compared to \$18.4 million in prior year
- e. Approximately \$5.9 million from the 2015 bonds is unspent at year end
- f. Net pension liability decreased to \$4.8 million compared to prior year of \$4.9 million
- g. Deferred outflows of resources decreased to \$4.1 million compared to prior year of \$5.6 million
- h. Deferred inflows of resources decreased to \$.3 million compared to \$3.6 million in the prior year

IV. Internal Control Matters

- a. No material weaknesses reported
- b. Informational points

V. Single Audit

- a. We reviewed internal control and compliance over major grant programs including whether there are any questioned costs.
- b. No findings or questioned costs identified

VI. Required Communications

- a. Communications are customary and usual

VII. 2018 Audit

- a. Informational Point - *Two Way Communication Regarding Your Audit*
- b. Describes the auditors' responsibilities
- c. Outlines the planned scope and timing of the audit
- d. Solicits your input

VIII. Questions