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## 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**