

Housing Authority of the City of Milwaukee
Executive Summary of the 2021 Audit
of the Authority's Financial Statements
Meeting Date - November 9, 2022
Presented by: Kim Shult, CPA, Partner

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. Makes reference to other auditors for 15 discretely presented component units.
 - 4. All appropriate disclosures have been properly presented in the financial statements.

II. Reports Issued

Report Titles / Information Included Within Reports

- a. Financial statements
 - 1. 2021 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 expenditures of federal awards for the year ended December 31, 2021 and related compliance reports and opinions
- b. Certification of the 2021 annual financial statement data in the format defined by HUD and submitted via the REAC reporting system
- c. Reporting and Insights from the 2021 Audit
 - 1. Information regarding the audit process
 - 2. Includes comments and observations identified during the audit
 - 3. Includes all communications required by professional standards



III. 2021 Financial Highlights

- a. Net position increased \$23.6 million compared to prior year increase of \$19.5 million.
- b. Cash and investments totaled \$21.7 million compared to prior year of \$23.3 million.
- c. Notes receivable from component units increased to \$124.2 million compared to prior year of \$92.1 million.
- d. Long-term debt decreased to \$14.6 million compared to \$15.5 million in prior year.
- e. At year end, \$513,998 of unspent proceeds from the 2015 bonds are on hand.
- f. Net pension liability increased to \$8.5 million compared to prior year of \$8.0 million.
- g. Total OPEB liability increased to \$13.4 million compared to prior year of \$13.1 million.
- h. Current ratio as of December 31, 2021 (current assets/current liabilities) was 3.2.

IV. Internal Control Matters

- a. Material weakness reported related to financial reporting
- b. Informational points

V. Single Audit

- a. We reviewed internal control and compliance over the major grant program (Housing Choice Voucher) including whether there are any questioned costs.
- b. No compliance findings or questioned costs identified.

VI. Required Communications

- a. Communications are customary and usual.
- b. Two Way Audit Communication includes required planning disclosures for the 2022 audit.

VII. Questions