



FINANCIAL REPORTS

JUNE 30, 2024

HOUSING AUTHORITY OF THE CITY OF MILWAUKEE
FINANCIAL REPORTS
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HA of the City Milwaukee
Financial Highlights
As of June 30, 2024

Financial Position (pp. 3-4)

As of June 30, 2024, HACM has total assets of \$376mm. Agency-wide working capital (difference between current assets & current liabilities) was at \$31mm indicating HACM's strong capacity to meet maturing obligations. Total cash & investments as of the end of June was \$19mm. 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	\$1.25mm
Unsubsidized Housing	13.50
Rental Assistance Program	3.68
Central Office	0.18

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

Low Rent Public Housing	\$4.33mm
Unsubsidized Housing	18.04
Rental Assistance Program-Admin	0.21
Central office	-8.91

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 9% over budget (p. 5) and total spending was 7% under budget (p. 6). Administrative expenses compared to budgeted expenses was 9% under budget. Tenant services were 37% over budget; Utilities were 27% under budget; Maintenance expenses were 5% over budget, protective services were 50% under budget and general expenses were 6% under budget. Consolidated net income from operations for the period ended June 30, 2024 was \$3,891,523 (p. 6).

Low Rent Public Housing (LRPH)

LRPH operations resulted in a net income from operations of \$1,472,838 (p. 6) in the second quarter. Operating revenue was \$1,560,036 over budget and total operating expenses for the period were \$87,382 over budget. All combined, LRPB posted a positive variance of \$1,472,654.

Unsubsidized Housing

Unsubsidized Housing has a favorable result of operations during the quarter. Net income from operations was \$1,359,118 (p. 6) before amortization of principal on series 2015 bonds. Revenue was \$5,704 over budget and operating expenses were under budget by \$656,725 during the period. All combined, Unsubsidized Housing has a positive variance of \$662,430.

Rental Assistance Program (RAP)

RAP has a net loss of \$118,845 at the end of the period (p. 6). Administrative revenue was \$462,665 over budget and spending was under budget by \$122,207, resulting in an overall positive variance of \$584,872.

The Housing Assistance Payment (HAP) funding through June was \$24.99mm against total disbursement of \$26.80mm, reflecting a utilization of 93.23%. Spending as a percentage of funding with HUD held reserves was 81.37%.

Central Office Cost Center (COCC)

COCC posted a net income of \$1,178,412 (p. 6) at the end of the quarter. Total revenue was over budget by \$30,282. Operating expenses were under budget by \$925,846. All combined, COCC posted a positive variance of \$956,129.

Grant Management

As of June 30, 2024, HACM is on track with its obligation and spending timelines as required by the grant agreements. Currently open grants are Capital Fund Programs 2019-2024. As of end of the quarter 77% has been obligated and 64% has been expended. Around 66% of the total grants will be spent on modernization. The balance is supplementing HACM operations (see p. 9).

HOUSING AUTHORITY OF THE CITY OF MILWAUKEE

BALANCE SHEETS

AS OF June 30, 2024

	June 30, 2024					June 30, 2023	
	LRPH	UNSUBSIDIZED HOUSING	RAP	COCC	GRANTS/DEVT	Total HACM	Total HACM
ASSETS							
CURRENT ASSETS							
CASH							
UNRESTRICTED CASH	0	8,148,970	2,963,777	0	0	11,112,747	19,493,149
RESTRICTED CASH (Note 1)		4,794,491	109,895	39,698		4,944,084	4,765,515
TOTAL CASH	0	12,943,461	3,073,672	39,698	0	16,056,831	24,258,665
ACCOUNTS RECEIVABLE-TENANTS	2,486,946	1,496,492	2,342			3,985,780	3,671,234
ALLOWANCE FOR DOUBTFUL ACCOUNTS (Note 2)	762,517	250,285				1,012,802	(415,424)
NET ACCOUNTS RECEIVABLE-TENANTS	3,249,463	1,746,777	2,342	0	0	4,998,582	3,255,810
ACCOUNTS RECEIVABLE-MISC							
AR-HUD (Note 3)	51,065				93,240	144,305	2,395,218
AR- DEVELOPMENT FEE (Note 4)				10,120,419		10,120,419	7,728,479
AR - OTHERS	125,167	(15)	239,897	3,804,394	1,055,441	5,224,884	3,380,757
TOTAL AR-MISC	176,232	(15)	239,897	13,924,813	1,148,681	15,489,608	13,504,454
INVESTMENTS							
UNRESTRICTED			864			864	0
RESTRICTED (Note 1)	1,254,006	557,989	606,028	142,286		2,560,309	1,442,099
TOTAL INVESTMENTS	1,254,006	557,989	606,892	142,286	0	2,561,173	1,442,099
PREPAID EXPENSES AND OTHER ASSETS							
PREPAID EXPENSES AND OTHER ASSETS	8,835,298	8,172,039	6,868	17,881,684	5,964,554	40,860,443	21,930,176
TOTAL PREPAID EXPENSES AND OTHER ASSETS	8,835,298	8,172,039	6,868	17,881,684	5,964,554	40,860,443	21,930,176
CURRENT INTERFUNDS							
TOTAL DUE FROM AMOUNTS - CURRENT (Note 5)	0	0	355,151	696,535	(696,535)	355,151	0
TOTAL CURRENT ASSETS	13,514,999	23,420,251	4,284,822	32,685,016	6,416,700	80,321,788	64,391,204
NON-CURRENT ASSETS							
FIXED ASSETS							
LAND & LAND IMPROVEMENTS	30,770,323			481,483	600,000	31,851,806	34,121,149
BUILDINGS	199,613,175			11,303,950		210,917,125	260,905,430
FURNITURES, EQPT. MACHINERY	1,344,241	305,690	72,604	2,003,405		3,725,940	3,433,910
CONSTRUCTION IN PROGRESS	31,854			87,032	24,840,505	24,959,391	1,957,732
TOTAL FIXED ASSETS	231,759,593	305,690	72,604	13,875,870	25,440,505	271,454,262	300,418,221
ACCUMULATED DEPRECIATION	(178,916,610)	(152,688)	(72,604)	(7,362,167)		(186,504,069)	(229,159,909)
FIXED ASSETS, NET OF DEPRECIATION	52,842,983	153,002	0	6,513,703	25,440,505	84,950,193	71,258,312
OTHER ASSETS							
NOTES RECEIVABLE (Note 7)	56,552,581	3,000,000	425,880	67,254,876	58,691,593	185,924,930	150,050,015
NOTES INTEREST RECEIVABLE (Note 6)	17,630,261			2,601,538	1,708,209	21,940,008	17,635,279
FINANCING FEES & OTHER ASSETS	960,283	(7,118)	303,273	1,627,387		2,883,825	10,637,381
TOTAL OTHER ASSETS	75,143,125	2,992,882	729,153	71,483,801	60,399,802	210,748,763	178,322,675
TOTAL NON-CURRENT ASSETS	127,986,108	3,145,884	729,153	77,997,504	85,840,307	295,698,956	249,580,987
TOTAL ASSETS	141,501,107	26,566,135	5,013,975	110,682,520	92,257,007	376,020,744	313,972,191

HOUSING AUTHORITY OF THE CITY OF MILWAUKEE

BALANCE SHEETS

AS OF June 30, 2024

	June 30, 2024					June 30, 2023	
	LRPH	UNSUBSIDIZED HOUSING	RAP	COCC	GRANTS/DEVT	Total HACM	Total HACM
LIABILITIES AND EQUITY							
CURRENT LIABILITIES							
ACCOUNTS PAYABLE							
ACCOUNTS PAYABLE	1,172,026	1,186,459	109,883	25,108,881	4,486,099	32,063,348	14,656,089
<i>TOTAL ACCOUNTS PAYABLE</i>	<i>1,172,026</i>	<i>1,186,459</i>	<i>109,883</i>	<i>25,108,881</i>	<i>4,486,099</i>	<i>32,063,348</i>	<i>14,656,089</i>
ACCRUED LIABILITIES							
ACCRUED SALARIES & BENEFITS	1,961		137,359	415,397	82,990	637,707	819,194
ACCRUED INTEREST PAYABLE		231,400				231,400	247,212
DEFERED REVENUE					15,809	15,809	0
DUE TO GOVERNMENT - PILOT & OTHERS	928,480	964,393		435,475		2,328,348	1,802,894
ACCRUED COMPENSATED ABSENCES (Note 7)	0	0	544,579	637,711	0	1,182,290	637,711
OTHER ACCRUED LIABILITIES			12,910	4,010,880		4,023,790	3,935,091
<i>TOTAL ACCRUED LIABILITIES</i>	<i>930,441</i>	<i>1,195,793</i>	<i>694,848</i>	<i>5,499,463</i>	<i>98,799</i>	<i>8,419,344</i>	<i>7,442,102</i>
OTHER CURRENT LIABILITIES							
TENANT SECURITY DEPOSITS	780,654	706,451		4,200		1,491,305	1,607,082
FSS ESCROW ACCOUNT	182,848		606,028			788,876	562,306
NOTES PAYABLE					5,696,473	5,696,473	0
CURRENT PORTION-LT DEBT		815,000				815,000	875,000
<i>TOTAL OTHER CURRENT LIABILITIES</i>	<i>963,502</i>	<i>1,521,451</i>	<i>606,028</i>	<i>4,200</i>	<i>5,696,473</i>	<i>8,791,654</i>	<i>3,044,388</i>
TOTAL CURRENT LIABILITIES	3,065,969	3,903,703	1,410,759	30,612,544	10,281,371	49,274,346	25,142,580
NON-CURRENT LIABILITIES							
LONG TERM DEBT							
MORTGAGE REVENUE BONDS		12,961,892				12,961,892	13,813,330
NOTES PAYABLE					15,814,485	15,814,485	1,661,876
TOTAL	0	12,961,892	0	0	15,814,485	28,776,377	15,475,206
LESS CURRENT PORTION		(875,000)				(875,000)	(875,000)
<i>TOTAL LONG TERM DEBT - NET</i>	<i>0</i>	<i>12,086,892</i>	<i>0</i>	<i>0</i>	<i>15,814,485</i>	<i>27,901,377</i>	<i>14,600,206</i>
NONCURRENT LIABILITIES-OTHER							
NET OPEB LIABILITY (Note 8)	4,842,796	(5,226)	4,351,118	10,800,526		19,989,214	19,901,488
NET PENSION LIABILITY	1,276,559			1,886,441		3,163,000	4,966,281
<i>TOTAL NONCURRENT LIABILITIES-OTHER</i>	<i>6,119,355</i>	<i>(5,226)</i>	<i>4,351,118</i>	<i>12,686,967</i>	<i>0</i>	<i>23,152,214</i>	<i>24,867,769</i>
TOTAL NON-CURRENT LIABILITIES	6,119,355	12,081,666	4,351,118	12,686,967	15,814,485	51,053,591	39,467,975
TOTAL LIABILITIES	9,185,324	15,985,369	5,761,877	43,299,511	26,095,856	100,327,937	64,610,555
EQUITY							
INVESTED IN CAPITAL ASSETS, NET OF DEBT	52,842,983	(12,808,890)	0	6,513,703	25,440,505	71,988,301	57,444,982
UNRESTRICTED RESERVE	4,329,675	18,037,176	209,818	(8,910,038)	(19,679,156)	(6,012,525)	16,159,505
RESTRICTED RESERVE (Note 9)	75,143,125	5,352,480	(957,720)	69,779,344	60,399,802	209,717,031	175,757,149
TOTAL EQUITY	132,315,783	10,580,766	(747,902)	67,383,009	66,161,151	275,692,807	249,361,636
TOTAL LIABILITIES AND EQUITY	141,501,107	26,566,135	5,013,975	110,682,520	92,257,007	376,020,744	313,972,191

HA OF THE CITY OF MILWAUKEE
CONSOLIDATED STATEMENT OF REVENUE & EXPENSES
BUDGETED PROGRAM ONLY
AS OF JUNE 30, 2024

	LRPH	UNSUBSIDIZED HSNG	RAP	COCC	YTD ACTUAL	YTD BUDGET	VARIANCE		JUNE 2023
							AMOUNT	PERCENT	
Operating Income									
<i>Operating/admin subsidies</i>	3,464,221		2,423,557		5,887,778	5,758,955	128,823	2%	6,130,307
<i>Dwelling rents</i>	4,922,993	4,086,704			9,009,697	8,973,213	36,484	0%	8,693,720
<i>Excess utilities & other</i>	(26,910)	63,192			36,282	144,690	(108,408)	-75%	256,331
<i>Capital fund transfer in (Note 10)</i>	2,936,146				2,936,146	1,417,193	1,518,953	107%	1,257,115
<i>Other income</i>	509,471	9,112	4,959	958,602	1,482,144	303,378	1,178,766	389%	1,185,429
<i>Management fees</i>				2,127,093	2,127,093	1,710,208	416,885	24%	1,700,124
<i>Central maintenance revenue</i>				2,613,839	2,613,839	2,125,825	488,015	23%	2,066,401
<i>Developers fee</i>					0	1,703,999	(1,703,999)	-100%	323,602
<i>Interest on general fund</i>	1,102	73,336		39,781	114,219	11,050	103,169	934%	46,904
Total Income	11,807,023	4,232,344	2,428,516	5,739,315	24,207,198	22,148,511	2,058,687	9%	21,659,933
Operating Expenditures									
Administrative									
<i>Salaries</i>	407,185	113,722	842,308	1,485,775	2,848,990	3,663,051	814,061	22%	2,945,627
<i>Employee benefits</i>	147,469	57,312	240,237	492,279	937,297	1,585,722	648,425	41%	859,837
<i>Legal and accounting</i>	33,804	15,038	1,021	89,845	139,708	69,326	(70,381)	-102%	118,174
<i>Audit</i>	6,830	2,879	1,891	1,009	12,609	89,439	76,829	86%	45,100
<i>Travel and training</i>			11,195	33,917	45,112	113,700	68,588	60%	153,751
<i>Contracted property management</i>					0	0	0	0%	50,259
<i>Management fees</i>	1,745,355	381,738			2,127,093	1,710,208	(416,885)	-24%	1,700,125
<i>Housing intake</i>	231,204				231,204	429,063	197,859	46%	126,686
<i>Office supplies & printing</i>	27,664	2,344	9,384	32,050	71,442	72,795	1,353	2%	73,966
<i>Telephone</i>	8,450	800	3,496	26,688	39,434	74,100	34,666	47%	61,350
<i>Postage</i>	272			1,734	2,006	28,620	26,614	93%	2,025
<i>Other contracted services</i>	63,897	25,937	1,203,188	249,021	1,542,043	981,136	(560,908)	-57%	703,040
<i>Other</i>	242,481	65,168	100,441	225,422	633,512	617,796	(15,716)	-3%	449,740
Total admin	2,914,611	664,938	2,413,162	2,637,740	8,630,451	9,434,955	804,504	9%	7,289,679
Tenant Services									
<i>Salaries & benefits</i>	39,212			7,509	46,721	86,246	39,525	46%	43,331
<i>Contracts, trainings, others</i>	122,675				122,675	37,600	(85,075)	-226%	96,624
Total tenant services	161,887	0	0	7,509	169,396	123,846	(45,550)	-37%	139,955

HA OF THE CITY OF MILWAUKEE
CONSOLIDATED STATEMENT OF REVENUE & EXPENSES
BUDGETED PROGRAM ONLY
AS OF JUNE 30, 2024

	LRPH	UNSUBSIDIZED HSNG	RAP	COCC	YTD ACTUAL	YTD BUDGET	VARIANCE		JUNE 2023
							AMOUNT	PERCENT	
Utilities									
Water	683,577	204,056		6,039	893,672	1,501,596	607,924	40%	1,083,342
Electric	531,245	28,032		27,984	587,261	635,368	48,107	8%	494,361
Gas	407,747	17,841		11,111	436,699	472,558	35,859	8%	527,231
Total utilities	1,622,569	249,929	0	45,134	1,917,632	2,609,522	691,890	27%	2,104,934
Ordinary maintenance									
Salaries	344,687	130,424		692,801	1,167,912	2,181,855	1,013,943	46%	1,214,398
Employee benefits Maint	152,320	55,677		283,784	491,781	744,255	252,474	34%	566,622
Maintenance materials	957,700	105,697	968	35,925	1,100,290	869,195	(231,095)	-27%	1,206,022
Maintenance contracts	2,973,721	626,869	27,362	765,051	4,393,003	3,018,078	(1,374,925)	-46%	3,825,708
Total maintenance	4,428,428	918,667	28,330	1,777,561	7,152,986	6,813,383	(339,603)	-5%	6,812,750
Protective Services									
Public safety allocation	239,078	6,477	12,691	1,967	260,213	651,921	391,707	60%	430,707
Contracts, others	135,269		1,917	335	137,521	138,900	1,379	1%	11,817
Total protective services	374,347	6,477	14,608	2,302	397,734	790,821	393,086	50%	442,524
General									
Insurance	466,049	151,564	82,299	90,657	790,569	856,054	65,485	8%	634,959
Pilot	349,009	331,823			680,832	643,053	(37,779)	-6%	641,310
Interest Expense		231,400			231,400	222,968	(8,433)	-4%	247,212
Subsidy to Mixed finance dev't.					0	0	0	0%	0
Other general expense	17,285		8,962		26,247	120,040	93,793	78%	47,832
Total general	832,343	714,787	91,261	90,657	1,729,048	1,842,115	113,067	6%	1,571,313
Total Operating Expenditures	10,334,185	2,554,798	2,547,361	4,560,903	19,997,247	21,614,641	1,617,394	7%	18,361,154
Excess (deficiency) of total revenue over expenses	1,472,838	1,677,546	(118,845)	1,178,412	4,209,951	533,870	3,676,081	689%	3,298,779
Extra-ordinary maintenance		318,428			318,428	631,145	312,717	50%	694,211
Transfer from/drawdown from reserves					0	871,775	871,775	0%	0
Net income(loss) from operations	1,472,838	1,359,118	(118,845)	1,178,412	3,891,523	774,500	3,117,024	402%	2,604,568
Depreciation expense	1,606,793	10,199		229,945	1,846,937				2,213,525
Net Income (loss)	(133,955)	1,348,919	(118,845)	948,467	2,044,586				391,043

HOUSING AUTHORITY OF THE CITY OF MILWAUKEE

THREE YEAR TREND ANALYSIS

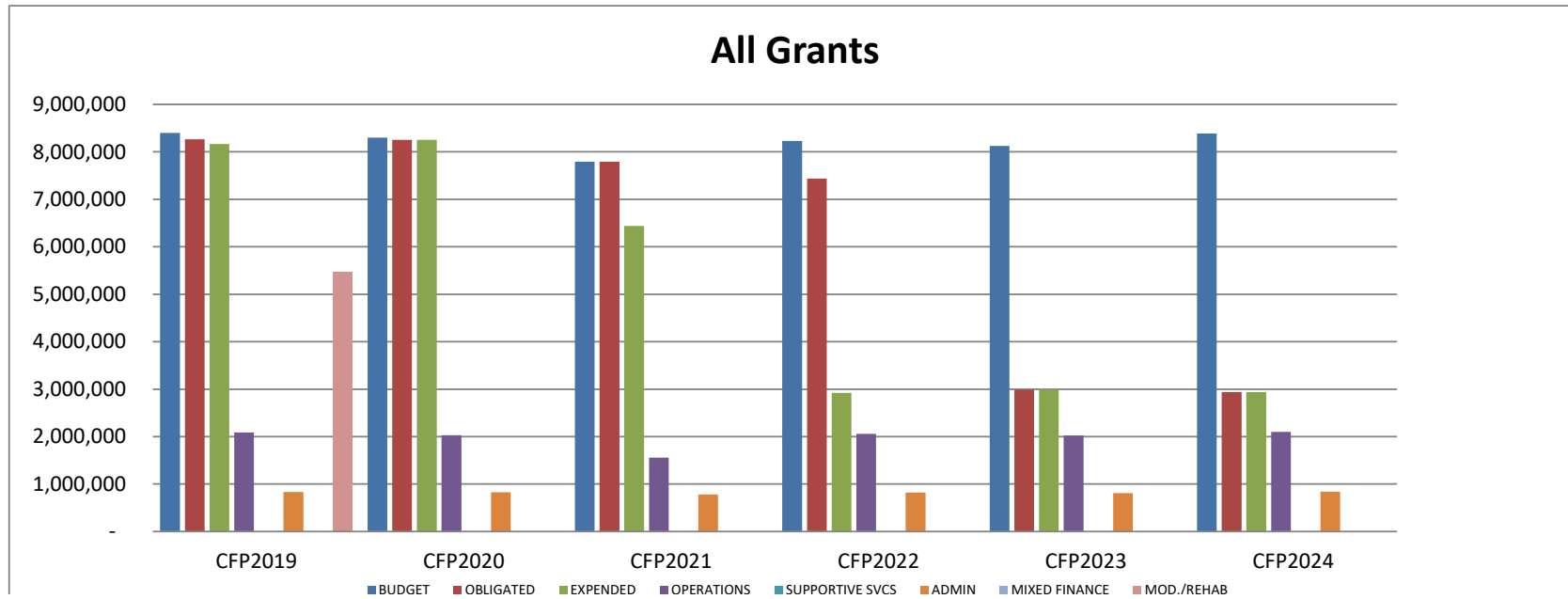
	June 30, 2024				June 30, 2023				June 30, 2022			
	YTD ACTUAL	YTD BUDGET	VARIANCE AMOUNT	PERCENT	YTD ACTUAL	YTD BUDGET	VARIANCE AMOUNT	PERCENT	YTD ACTUAL	YTD BUDGET	VARIANCE AMOUNT	PERCENT
Operating Income												
<i>Operating/admin subsidies</i>	5,887,778	5,758,955	128,823	2%	6,130,307	5,809,418	320,889	6%	5,558,232	5,488,827	69,406	1%
<i>Dwelling rents</i>	9,009,697	8,973,213	36,484	0%	8,693,720	8,488,587	205,133	2%	8,530,217	8,106,995	423,223	5%
<i>Excess utilities & other</i>	36,282	144,690	(108,408)	-75%	256,331	135,565	120,766	89%	221,846	135,565	86,281	64%
<i>Capital fund transfer in (Note 10)</i>	2,936,146	1,417,193	1,518,953	107%	1,257,115	2,252,152	(995,037)	-44%	1,257,115	1,190,358	66,758	6%
<i>Other income</i>	1,482,144	303,378	1,178,766	389%	1,185,429	713,078	472,351	66%	502,033	741,000	(238,967)	-32%
<i>Management fees</i>	2,127,093	1,710,208	416,885	24%	1,700,124	2,085,747	(385,623)	-18%	2,090,860	2,070,082	20,778	1%
<i>Central maintenance revenue</i>	2,613,839	2,125,825	488,015	23%	2,066,401	1,887,562	178,839	9%	1,438,161	2,221,693	(783,532)	-35%
<i>Developers fee</i>	0	1,703,999	(1,703,999)	-100%	323,602	711,799	(388,197)	-55%	1,257,637	653,543	604,094	92%
<i>Interest on general fund</i>	114,219	11,050	103,169	934%	46,904	56,050	(9,146)	-16%	102,331	60,800	41,531	68%
Total Income	24,207,198	22,148,511	2,058,687	9%	21,659,933	22,139,957	(480,024)	-2%	20,958,432	20,668,861	289,571	1%
Operating Expenditures												
Administrative												
<i>Salaries</i>	2,848,990	3,663,051	814,061	22%	2,945,627	3,333,451	387,824	12%	2,965,951	3,154,818	188,867	6%
<i>Employee benefits</i>	937,297	1,585,722	648,425	41%	859,837	1,479,756	619,919	42%	1,294,189	1,348,752	54,563	4%
<i>Legal and accounting</i>	139,708	69,326	(70,381)	-102%	118,174	80,634	(37,540)	-47%	47,436	79,454	32,018	40%
<i>Audit</i>	12,609	89,439	76,829	86%	45,100	67,311	22,211	33%	86,377	65,354	(21,024)	-32%
<i>Travel and training</i>	45,112	113,700	68,588	60%	153,751	164,700	10,949	7%	54,360	130,200	75,840	58%
<i>Contracted property management</i>	0	0	0	0%	50,259	368,055	317,796	86%	103,675	389,977	286,302	73%
<i>Management fees</i>	2,127,093	1,710,208	(416,885)	-24%	1,700,125	2,085,747	385,622	18%	2,090,860	2,070,082	(20,778)	-1%
<i>Housing intake</i>	231,204	429,063	197,859	46%	126,686	282,714	156,028	55%	212,420	219,616	7,196	3%
<i>Office supplies & printing</i>	71,442	72,795	1,353	2%	73,966	109,305	35,339	32%	77,574	89,457	11,883	13%
<i>Telephone</i>	39,434	74,100	34,666	47%	61,350	61,800	450	1%	48,498	32,125	(16,373)	-51%
<i>Postage</i>	2,006	28,620	26,614	93%	2,025	29,802	27,777	93%	1,648	22,298	20,650	93%
<i>Other contracted services</i>	1,542,043	981,136	(560,908)	-57%	703,040	665,206	(37,834)	-6%	525,284	511,900	(13,384)	-3%
<i>Other</i>	633,512	617,796	(15,716)	-3%	449,740	657,483	207,743	32%	736,485	615,703	(120,782)	-20%
Total admin	8,630,451	9,434,955	804,504	9%	7,289,679	9,385,965	2,096,286	22%	8,244,757	8,729,734	484,977	6%
Tenant Services												
<i>Salaries & benefits</i>	46,721	86,246	39,525	46%	43,331	85,097	41,766	49%	51,785	87,426	35,641	41%
<i>Contracts, trainings, others</i>	122,675	37,600	(85,075)	-226%	96,624	120,050	23,426	20%	50,471	120,050	69,579	58%
Total tenant services	169,396	123,846	(45,550)	-37%	139,955	205,147	65,192	32%	102,256	207,476	105,220	51%

HOUSING AUTHORITY OF THE CITY OF MILWAUKEE THREE YEAR TREND ANALYSIS

	June 30, 2024				June 30, 2023				June 30, 2022			
	YTD ACTUAL	YTD BUDGET	VARIANCE AMOUNT	PERCENT	YTD ACTUAL	YTD BUDGET	VARIANCE AMOUNT	PERCENT	YTD ACTUAL	YTD BUDGET	VARIANCE AMOUNT	PERCENT
Utilities												
Water	893,672	1,501,596	607,924	40%	1,083,342	1,492,204	408,862	27%	1,082,014	1,342,182	260,168	19%
Electric	587,261	635,368	48,107	8%	494,361	596,786	102,425	17%	467,833	561,904	94,071	17%
Gas	436,699	472,558	35,859	8%	527,231	463,654	(63,577)	-14%	541,602	308,292	(233,310)	-76%
Total utilities	1,917,632	2,609,522	691,890	27%	2,104,934	2,552,644	447,710	18%	2,091,449	2,212,378	120,929	5%
Ordinary maintenance												
Salaries	1,167,912	2,181,855	1,013,943	46%	1,214,398	1,819,518	605,120	33%	1,359,270	1,630,364	271,094	17%
Employee benefits Maint	491,781	744,255	252,474	34%	566,622	619,613	52,991	9%	741,050	682,599	(58,451)	-9%
Maintenance materials	1,100,290	869,195	(231,095)	-27%	1,206,022	959,034	(246,988)	-26%	728,322	798,078	69,756	9%
Maintenance contracts	4,393,003	3,018,078	(1,374,925)	-46%	3,825,708	3,251,177	(574,531)	-18%	2,711,134	3,112,726	401,592	13%
Total maintenance	7,152,986	6,813,383	(339,603)	-5%	6,812,750	6,649,342	(163,408)	-2%	5,539,776	6,223,766	683,990	11%
Protective Services												
Public safety allocation	260,213	651,921	391,707	60%	430,707	610,722	180,015	29%	530,822	448,353	(82,470)	-18%
Contracts, others	137,521	138,900	1,379	1%	11,817	13,500	1,683	12%	18,299	12,100	(6,199)	-51%
Total protective services	397,734	790,821	393,086	50%	442,524	624,222	181,698	29%	549,121	460,453	(88,669)	-19%
General												
Insurance	790,569	856,054	65,485	8%	634,959	708,700	73,741	10%	559,347	634,249	74,902	12%
Pilot	680,832	643,053	(37,779)	-6%	641,310	600,594	(40,716)	-7%	643,330	596,725	(46,605)	-8%
Interest Expense	231,400	222,968	(8,433)	-4%	247,212	240,000	(7,212)	-3%	262,018	254,615	(7,404)	-3%
Subsidy to Mixed finance dev't.	0	0	0	0%	0	0	0	0%	0	95,920	95,920	100%
Other general expense	26,247	120,040	93,793	78%	47,832	125,194	77,362	62%	47,645	121,378	73,733	61%
Total general	1,729,048	1,842,115	113,067	6%	1,571,313	1,674,488	103,175	6%	1,512,340	1,702,886	190,546	11%
Total Operating Expenditures	19,997,247	21,614,641	1,617,394	7%	18,361,154	21,091,807	2,730,653	13%	18,039,699	19,536,691	1,496,992	8%
Excess (deficiency) of total revenue over expenses	4,209,951	533,870	3,676,081	689%	3,298,779	1,048,150	2,250,628	215%	2,918,733	1,132,170	1,786,563	158%
Extra-ordinary maintenance	318,428	631,145	312,717	50%	694,211	415,868	(278,343)	-67%	3,835	1,042,854	1,039,019	100%
Program Income	0	871,775	871,775	0%	0	0	0	0%	0	(749,997)	(749,997)	100%
Net income(loss) from operations	3,891,523	774,500	3,117,024	402%	2,604,568	632,282	1,972,285	312%	2,914,898	839,313	2,075,586	247%

HACM
 MAJOR GRANTS SUMMARY
 30-Jun-24

	SPENDING PLAN								END DATE
	BUDGET	OBLIGATED	EXPENDED	OPERATIONS	SUPPORTIVE SVCS	ADMIN	MIXED FINANCE	MOD./REHAB	
CFP2019	8,399,756	8,263,252	8,168,016	2,089,464	-	835,786		5,474,506	4/15/2025
CFP2020	8,301,779	8,255,755	8,255,755	2,029,978	-	825,575		5,446,226	3/25/2026
CFP2021	7,791,782	7,791,782	6,438,456	1,558,356	-	779,178		5,454,248	2/22/2025
CFP2022	8,231,011	7,438,835	2,921,663	2,057,752	-	823,101		5,350,158	5/11/2026
CFP2023	8,123,734	2,990,385	2,984,385	2,024,561	-	809,824		5,289,349	2/16/2025
CFP2024	8,388,987	2,936,146	2,936,146	2,097,247	-	838,899		5,452,841	5/5/2028
TOTAL	49,237,049	37,676,155	31,704,421	11,857,358	-	4,912,363	-	32,467,328	
PERCENT	100%	77%	64%	24%	0%	10%	0%	66%	



HOUSING CHOICE VOUCHER (.hcvprh)

Balance Sheet

Period = Jun 2024

Book = Accrual ; Tree = ysi_bs

	Current Balance
Assets	
Current Assets	
Cash	
Unrestricted Cash	
RAP Voucher-US Bank 846	2,121,747.60
Section 8 Admin US Bank	823,174.19
US Bank	17,322.96
Developments Checking	1,531.90
Total Unrestricted Cash	<u>2,963,776.65</u>
Restricted Cash	
FSS Escrow-US Bank 625	109,895.08
Total Restricted Cash	<u>109,895.08</u>
Total Cash	3,073,671.73
Accounts Receivable	
Due From Treasury Fund	355,151.18
Accounts Receivable - Tenants	
A/R Tenant Rent	2,342.24
Total Accounts Receivable - Tenants	<u>2,342.24</u>
Accounts Receivable - Misc	
Accounts Receivable - Others	
A/R Miscellaneous	239,222.78
A/R- Affiliate	674.36
Total Accounts Receivable - Others	<u>239,897.14</u>
Total Accounts Receivable - Misc	<u>239,897.14</u>
Total Accounts Receivable	597,390.56
Investments	
Investments - Unrestricted	
Investments	863.71
Total Investments - Unrestricted	<u>863.71</u>
Investments - Restricted	
Investments-FSS Escrow Accounts	606,028.16
Total Investments - Restricted	<u>606,028.16</u>
Total Investments	606,891.87
Prepaid Expenses and Other Assets	
Prepaid Insurance	6,868.00
Total Prepaid Expenses and Other Assets	6,868.00
Total Current Assets	4,284,822.16

HOUSING CHOICE VOUCHER (.hcvprh)

Balance Sheet

Period = Jun 2024

Book = Accrual ; Tree = ysi_bs

	Current Balance
Fixed Assets	
Furnitures, Equipment and Machinery	
Office Furniture & Equipment	72,604.13
Total Furnitures, Equipment and Machinery	<u>72,604.13</u>
Total Fixed Assets	72,604.13
Accumulated Depreciation	
Accumulated Depreciation-Equipment	72,604.13
Total Accumulated Depreciation	<u>72,604.13</u>
Total Fixed Assets, Net of Accumulated Depreciation	0.00
Other Assets	
Notes Receivable	
N/R RAD	425,880.00
Total Notes Receivable	<u>425,880.00</u>
Deferred Outflows of Resources	303,272.71
Total Other Assets	729,152.71
Total Noncurrent Assets	729,152.71
Total Assets	5,013,974.87

Liabilites and Equity**Liabilities****Current Liabilities****Accounts Payable**

Due to Treasury Fund	544,578.81
A/P Other	9,883.00
FSS Escrow Contingency	<u>100,000.00</u>

Total Accounts Payable**654,461.81****Accrued Liabilities**

Accrued Salaries and Benefits	
Accrued Payroll Taxes	9,358.50
Garnishments	292.18
Wages Payable	<u>127,708.31</u>
Total Accrued Salaries and Benefits	<u>137,358.99</u>

Total Accrued Liabilities**137,358.99****Other Current Liabilities**

Accounts Payable-HUD	12,910.00
FSS Escrow Accounts	<u>606,028.16</u>

Total Other Current Liabilities**618,938.16****Total Current Liabilities****1,410,758.96****Noncurrent Liabilities**

Accrued Retiree Health Benefits	1,688,507.14
Deferred Inflows of Resources	<u>2,662,610.91</u>

Total Noncurrent Liabilities**4,351,118.05****Total Liabilities****5,761,877.01**

HOUSING CHOICE VOUCHER (.hcvprh)

Balance Sheet

Period = Jun 2024

Book = Accrual ; Tree = ysi_bs

Current Balance

Equity

Unrestricted Reserves

Current Year Income(Loss)

1,466,355.20

Retained Earnings

-1,256,537.05

Total Unrestricted Reserves

209,818.15

Restricted Reserves

Limited Partner/Restricted Net Assets

-957,720.29

Total Restricted Reserves

-957,720.29

Total Equity

-747,902.14

Total Liabilities and Equity

5,013,974.87

HOUSING CHOICE VOUCHER (.hcvprh)

Budget Comparison

Period = Jan 2024-Jun 2024

Book = Accrual ; Tree = hcv income stmt

	PTD Actual	PTD Budget	Variance	% Var	Annual	Budget Remaining
OPERATING REVENUE						
HAP INCOME						
HAP FUNDING	27,436,923.00	20,793,087.00	6,643,836.00	31.95	41,586,174.00	14,149,251.00
FRAUD RECOVERY RETAINED	4,940.45	5,689.02	-748.57	-13.16	11,378.00	6,437.55
HAP DISBURSEMENTS	-25,556,760.80	-20,793,087.00	-4,763,673.80	-22.91	-41,586,174.00	-16,029,413.20
EXCESS (DEFICIENCY) FUNDING	1,885,102.65	5,689.02	1,879,413.63	33,035.81	11,378.00	-1,873,724.65
ADMINISTRATIVE INCOME						
ADMINISTRATIVE FEE	2,423,557.00	1,960,162.50	463,394.50	23.64	3,920,325.00	1,496,768.00
FRAUD RECOVERY - PHA SHARE	4,940.44	5,689.02	-748.58	-13.16	11,378.00	6,437.56
OTHER INCOME	18.81	0.00	18.81	N/A	0.00	-18.81
TOTAL ADMINISTRATIVE INCOME	2,428,516.25	1,965,851.52	462,664.73	23.54	3,931,703.00	1,503,186.75
TOTAL REVENUE	4,313,618.90	1,971,540.54	2,342,078.36	118.79	3,943,081.00	-370,537.90
OPERATING EXPENDITURES						
ADMINISTRATIVE EXPENSE						
SALARIES	842,308.05	1,168,075.02	325,766.97	27.89	2,336,150.00	1,493,841.95
EMPLOYEE BENEFITS	240,237.36	606,418.50	366,181.14	60.38	1,212,837.00	972,599.64
LEGAL AND ACCOUNTING	1,020.50	4,999.98	3,979.48	79.59	10,000.00	8,979.50
AUDIT	1,891.36	12,499.98	10,608.62	84.87	25,000.00	23,108.64
TRAVEL AND TRAINING	11,194.70	25,000.02	13,805.32	55.22	50,000.00	38,805.30
OFFICE SUPPLIES & PRINTING	9,384.01	19,999.98	10,615.97	53.08	40,000.00	30,615.99
TELEPHONE	3,496.18	10,000.02	6,503.84	65.04	20,000.00	16,503.82
POSTAGE	0.00	19,999.98	19,999.98	100.00	40,000.00	40,000.00
OTHER CONTRACTED SERVICES	1,203,188.29	602,900.04	-600,288.25	-99.57	1,205,800.00	2,611.71
OTHER	100,441.34	110,116.02	9,674.68	8.79	220,232.00	119,790.66
TOTAL ADMINISTRATIVE EXPENSE	2,413,161.79	2,580,009.54	166,847.75	6.47	5,160,019.00	2,746,857.21
MAINTENANCE EXPENSE						
MAINTENANCE MATERIALS	967.60	1,999.98	1,032.38	51.62	4,000.00	3,032.40
MAINTENANCE CONTRACTS	27,362.47	1,249.98	-26,112.49	-2,089.03	2,500.00	-24,862.47
TOTAL MAINTENANCE EXPENSE	28,330.07	3,249.96	-25,080.11	-771.71	6,500.00	-21,830.07
PROTECTIVE SERVICES						
PUBLIC SAFETY ALLOCATION	12,691.49	0.00	-12,691.49	N/A	0.00	-12,691.49
CONTRACTS, OTHER	1,917.00	0.00	-1,917.00	N/A	0.00	-1,917.00
TOTAL PROTECTIVE SERVICES	14,608.49	0.00	-14,608.49	N/A	0.00	-14,608.49
GENERAL						
INSURANCE	82,298.55	74,808.48	-7,490.07	-10.01	149,617.00	67,318.45
PORTABILITY OUT EXPENSE	8,962.05	11,500.02	2,537.97	22.07	23,000.00	14,037.95
TOTAL GENERAL	91,260.60	86,308.50	-4,952.10	-5.74	172,617.00	81,356.40
TOTAL OPERATING EXPENDITURES	2,547,360.95	2,669,568.00	122,207.05	4.58	5,339,136.00	2,791,775.05

HOUSING CHOICE VOUCHER (.hcvprh)

Budget Comparison

Period = Jan 2024-Jun 2024

Book = Accrual ; Tree = hcv income stmt

	PTD Actual	PTD Budget	Variance	% Var	Annual	Budget Remaining
EXCESS (DEFICIENCY) OF TOTAL REVENUE	1,766,257.95	-698,027.46	2,464,285.41	353.04	-1,396,055.00	-3,162,312.95
NET INCOME(LOSS)	1,766,257.95	-698,027.46	2,464,285.41	353.04	-1,396,055.00	-3,162,312.95

Additional Information:

Excess (Deficiency) of HAP Funding	1,885,102.65	5,689.02	1,879,413.63	33,035.81	11,378.00	-1,873,724.65
Net Income HCV Administration	-118,844.70	-703,716.48	584,871.78	83.11	-1,407,433.00	-1,288,588.30
NET INCOME (LOSS)	1,766,257.95	-698,027.46	2,464,285.41	353.04	-1,396,055.00	-3,162,312.95

Variance Analysis

	PTD Actual	PTD Budget	Variance	% Var	Variance Explanation
OPERATING REVENUE					
HAP INCOME					
HAP FUNDING	27,436,923.00	20,793,087.00	6,643,836.00	31.95	HACM received \$1,659,500, \$1,656,900, and \$1,532,977 from HUD Held Reserves request in February, April, and May, respectively. Additional variance is due to actual funding not recognized evenly over 12 months as indicated in budget.
FRAUD RECOVERY RETAINED	4,940.45	5,689.02	-748.57	-13.16	Amount of Fraud Recovery Retained varies based on time of collection.
HAP DISBURSEMENTS	-25,556,760.80	-20,793,087.00	-4,763,673.80	-22.91	Budget lease up set at 75% but actual lease up at the end of June is closer to 84%. Total vouchers leased in June were about 6,600.
EXCESS (DEFICIENCY) FUNDING	1,885,102.65	5,689.02	1,879,413.63	33,035.81	
ADMINISTRATIVE INCOME					
ADMINISTRATIVE FEE	2,423,557.00	1,960,162.50	463,394.50	23.64	Increase in Admin Fees relates to the increase in vouchers leased and actual funding not recognized evenly over 12 months as indicated in budget.
FRAUD RECOVERY - PHA SHARE	4,940.44	5,689.02	-748.58	-13.16	Amount of Fraud Recovery Retained varies from budget based on time of collection.
OTHER INCOME	18.81	0.00	18.81	N/A	
TOTAL ADMINISTRATIVE INCOME	2,428,516.25	1,965,851.52	462,664.73	23.54	
TOTAL REVENUE	4,313,618.90	1,971,540.54	2,342,078.36	118.79	
OPERATING EXPENDITURES					
ADMINISTRATIVE EXPENSE					
SALARIES	842,308.05	1,168,075.02	325,766.97	27.89	Annual budget is based on 45 employees. Actual employees as on June were about 36 employees. Timing for receipt of Employee Benefits invoices. PTD actuals are based on invoices paid or accrued for the period. Budget allocates annual budget evenly over the year. Billing for the pension contribution for 2024 is not received and accrued. City is still working on final amount to bill.
EMPLOYEE BENEFITS	240,237.36	606,418.50	366,181.14	60.38	Timing for receipt of legal and accounting invoices. PTD actuals are based on invoices paid or accrued for the period. Budget allocates annual budget evenly over the year.
LEGAL AND ACCOUNTING	1,020.50	4,999.98	3,979.48	79.59	Timing for receipt of audit invoices. PTD actuals are based on invoices paid or accrued for the period. Budget allocates annual budget evenly over the year.
AUDIT	1,891.36	12,499.98	10,608.62	84.87	Timing of staff attending trainings or scheduling for trainings. PTD actuals are based on invoices paid or accrued for the period. Budget allocates annual budget evenly over the year.
TRAVEL AND TRAINING	11,194.70	25,000.02	13,805.32	55.22	

OFFICE SUPPLIES & PRINTING	9,384.01	19,999.98	10,615.97	53.08	Timing for receipt of office supplies and printing invoices. PTD actuals are based on invoices paid or accrued for the period. Budget allocates annual budget evenly over the year.
TELEPHONE	3,496.18	10,000.02	6,503.84	65.04	Timing for receipt of telephone invoices. PTD actuals are based on invoices paid or accrued for the period. Budget allocates annual budget evenly over the year.
POSTAGE	0.00	19,999.98	19,999.98	100.00	Timing for receipt of postage invoices. PTD actuals are based on invoices paid or accrued for the period. Budget allocates annual budget evenly over the year.
OTHER CONTRACTED SERVICES	1,203,188.29	602,900.04	-600,288.25	-99.57	Contracted services for CLA exceeded budgeted amount due to CLA staffing more employees on project. CLA project is expected to be completed prior to year end resulting in actual exceeding budgeted. Budget allocates annual budget evenly over the year
OTHER	100,441.34	110,116.02	9,674.68	8.79	PTD actuals are based on invoices paid or accrued for the period. Budget allocates annual budget evenly over the year.
TOTAL ADMINISTRATIVE EXPENSE	2,413,161.79	2,580,009.54	166,847.75	6.47	
MAINTENANCE EXPENSE					
MAINTENANCE MATERIALS	967.60	1,999.98	1,032.38	51.62	Timing for receipt of maintenance invoices. PTD actuals are based on invoices paid or accrued for the period. Budget allocates annual budget evenly over the year.
MAINTENANCE CONTRACTS	27,362.47	1,249.98	-26,112.49	-2,089.03	Timing for receipt of maintenance invoices. PTD actuals are based on invoices paid or accrued for the period. Budget allocates annual budget evenly over the year.
TOTAL MAINTENANCE EXPENSE	28,330.07	3,249.96	-25,080.11	-771.71	
PROTECTIVE SERVICES					
PUBLIC SAFETY ALLOCATION	12,691.49	0.00	-12,691.49	N/A	
CONTRACTS, OTHER	1,917.00	0.00	-1,917.00	N/A	
TOTAL PROTECTIVE SERVICES	14,608.49	0.00	-14,608.49	N/A	
GENERAL					
INSURANCE	82,298.55	74,808.48	-7,490.07	-10.01	Timing for receipt of insurance invoices. PTD actuals are based on invoices paid or accrued for the period. Budget allocates annual budget evenly over the year.
PORTABILITY OUT EXPENSE	8,962.05	11,500.02	2,537.97	22.07	
TOTAL GENERAL	91,260.60	86,308.50	-4,952.10	-5.74	
TOTAL OPERATING EXPENDITURES	2,547,360.95	2,669,568.00	122,207.05	4.58	
EXCESS (DEFICIENCY) OF TOTAL REVENUE	1,766,257.95	-698,027.46	2,464,285.41	353.04	
NET INCOME(LOSS)	1,766,257.95	-698,027.46	2,464,285.41	353.04	

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 2nd 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