



FINANCIAL REPORTS

JUNE 30, 2019

HOUSING AUTHORITY OF THE CITY OF MILWAUKEE
FINANCIAL REPORTS
TABLE OF CONTENTS

	PAGES
FINANCIAL HIGHLIGHTS	1-2
BALANCE SHEETS	3-4
CONSOLIDATED STATEMENTS OF REVENUE & EXPENSES	5-6
LOW RENT PUBLIC HOUSING TREND GRAPH	7
UNSUBSIDIZED HOUSING TREND GRAPH	8
RENTAL ASSISTANCE TREND GRAPH	9
CENTRAL OFFICE COST TREND GRAPH	10
SUMMARY OF ALL GRANTS - CHART	11
NOTES TO THE FINANCIAL REPORTS	12-13
GLOSSARY OF TERMS	14-15

HA of the City Milwaukee
Financial Highlights
As of June 30, 2019

Financial Position (pp. 3-4)

As of June 30, 2019, HACM has total assets of \$266mm compared to March 31, 2019 at \$249mm. Agency-wide working capital (difference between current assets & current liabilities) was at \$27mm indicating HACM's strong capacity to meet maturing obligations. Total cash & investments as of the end of June was \$31mm. 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	\$8.32mm
Unsubsidized Housing	17.31
Rental Assistance Program	5.54
Central Office	0.58

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

Low Rent Public Housing	\$4.05mm
Unsubsidized Housing	12.72
Rental Assistance Program-Admin	1.91
Central office	(.16)

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 1% under budget (p. 5) and total spending was 12% under budget (p.6). Administrative expenses compared to budgeted expenses were under budget by about 10%. Tenant services were 76% over budget; Utilities were 14% under budget; Maintenance expenses were 22% under budget, protective services 4% under budget and general expenses were 9% under budget. Consolidated net income from operations for the period ended June 30, 2019 was \$2,124,393 (p. 6).

Low Rent Public Housing (LRPH)

LRPH operations resulted in a net income from operations of \$545,236 (p. 6) in the second quarter. Operating revenue was \$95,617 under budget and total operating expenses for the period were \$1,129,070 under budget. All combined, LRPB posted a positive variance of \$1,033,453 (see p. 7).

Unsubsidized Housing

Unsubsidized Housing has a favorable result of operations during the quarter. Net income from operations was \$1,444,776 (p.6) before amortization of principal on series 2015 bonds. Revenue was \$53,838 under budget and operating expenses were under budget by \$406,035 during the period. All combined, Unsubsidized Housing has a positive variance of \$352,197 (see p. 8).

Rental Assistance Program (RAP)

RAP has net income of \$326,595 at the end of the period (p. 6). Administrative revenue was \$165,292 over budget and spending was under budget by \$154,825, resulting in an overall positive net income variance of \$320,117 (see p. 9).

The Housing Assistance Payment (HAP) grant during the period was \$19.06mm against total disbursement of \$17.44mm, reflecting a budget utilization of 92%. 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 \$192,214 (p.6) at the end of the quarter. Total revenue was under budget by \$286,076 (see p. 10). Operating expenses were under budget by \$590,809. All combined, COCC posted a positive variance of \$304,733 (see p. 10).

Grant Management (pp.11)

As of June 30, 2019, HACM is on track with its obligation and spending timelines as required by the grant agreements. Currently open grants are Capital Fund Programs 2015-2019. As of end of the quarter 72% has been obligated and 61% 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 JUNE 30, 2019

	June 30, 2019					Mar. 31, 2019
	LRPH	UNSUBSIDIZED HOUSING	RAP	COCC	GRANTS/DEVT	Total HACM
ASSETS						
CURRENT ASSETS						
CASH						
UNRESTRICTED CASH	7,889,775	11,434,379	4,386,768	0	0	23,710,922
RESTRICTED CASH (Note 1)		3,395,690	793,725	57,976		4,247,391
TOTAL CASH	7,889,775	14,830,069	5,180,493	57,976	0	27,958,313
ACCOUNTS RECEIVABLE-TENANTS	527,427	126,108				653,535
ALLOWANCE FOR DOUBTFUL ACCOUNTS (Note 2)	(153,509)	(55,316)				(208,825)
NET ACCOUNTS RECEIVABLE-TENANTS	373,918	70,792	0	0	0	444,710
ACCOUNTS RECEIVABLE-MISC						
AR-HUD (Note 3)	1,537,500					1,537,500
AR- DEVELOPMENT FEE (Note 4)						0
AR - OTHERS	271,144	475	7,682	1,451,336	5,441	1,736,078
TOTAL AR-MISC	1,808,644	475	7,682	1,451,336	5,441	3,273,578
INVESTMENTS						
RESTRICTED (Note 1)	432,764	2,483,846	358,105	31		3,274,746
TOTAL INVESTMENTS	432,764	2,483,846	358,105	31	0	3,274,746
PREPAID EXPENSES AND OTHER ASSETS						
PREPAID EXPENSES AND OTHER ASSETS	139,306	51,371	35,175	6,148,621	10,093,472	16,467,945
TOTAL PREPAID EXPENSES AND OTHER ASSETS	139,306	51,371	35,175	6,148,621	10,093,472	16,467,945
CURRENT INTERFUNDS						
TOTAL DUE FROM AMOUNTS - CURRENT (Note 5)	0	0	0	393,360	(393,360)	0
TOTAL CURRENT ASSETS	10,644,407	17,436,553	5,581,455	8,051,324	9,705,553	51,419,292
NON-CURRENT ASSETS						
FIXED ASSETS						
LAND & LAND IMPROVEMENTS	32,276,415	2,759,343		291,283	410,000	35,737,041
BUILDINGS	217,240,376	50,203,141		8,516,847		275,960,364
FURNITURES, EQPT. MACHINERY	1,428,388	203,303	72,604	1,817,729		3,522,024
CONSTRUCTION IN PROGRESS	252,732			1,756,787	36,302,514	38,312,033
TOTAL FIXED ASSETS	251,197,911	53,165,787	72,604	12,382,646	36,712,514	353,531,462
ACCUMULATED DEPRECIATION	(175,973,583)	(45,037,542)	(72,604)	(5,515,369)		(226,599,098)
FIXED ASSETS, NET OF DEPRECIATION	75,224,328	8,128,245	0	6,867,277	36,712,514	126,932,364
OTHER ASSETS						
NOTES RECEIVABLE (Note 7)	49,652,391	3,000,000		18,904,475	2,039,852	73,596,718
NOTES INTEREST RECEIVABLE (Note 6)	9,675,126			625,911		10,301,037
FINANCING FEES & OTHER ASSETS	1,122,702		684,841	1,894,944		3,702,487
TOTAL OTHER ASSETS	60,450,219	3,000,000	684,841	21,425,330	2,039,852	87,600,242
TOTAL NON-CURRENT ASSETS	135,674,547	11,128,245	684,841	28,292,607	38,752,366	214,532,606
TOTAL ASSETS	146,318,954	28,564,798	6,266,296	36,343,931	48,457,919	265,951,898
LIABILITIES AND EQUITY						
CURRENT LIABILITIES						

HOUSING AUTHORITY OF THE CITY OF MILWAUKEE

BALANCE SHEETS

AS OF JUNE 30, 2019

June 30, 2019

Mar. 31, 2019

	LRPH	UNSUBSIDIZED HOUSING	RAP	COCC	GRANTS/DEVT	Total HACM	Total HACM
ACCOUNTS PAYABLE							
ACCOUNTS PAYABLE	72,526	79,613	21,427	821,113	16,717,422	17,712,101	15,752,921
TOTAL ACCOUNTS PAYABLE	72,526	79,613	21,427	821,113	16,717,422	17,712,101	15,752,921
ACCRUED LIABILITIES							
ACCRUED SALARIES & BENEFITS	287			497,821		498,108	94,947
ACCRUED INTEREST PAYABLE		296,978				296,978	148,489
DEFERED REVENUE						0	3,699,991
DUE TO GOVERNMENT - PILOT & OTHERS	863,104	953,257		271,992		2,088,353	2,791,710
ACCRUED COMPENSATED ABSENCES (Note 7)	0	0	0	846,412	0	846,412	846,412
OTHER ACCRUED LIABILITIES	1,084			885,069		886,153	885,758
TOTAL ACCRUED LIABILITIES	864,475	1,250,235	0	2,501,294	0	4,616,004	8,467,307
OTHER CURRENT LIABILITIES							
TENANT SECURITY DEPOSITS	624,612	526,480		4,200		1,155,292	1,158,927
FSS ESCROW ACCOUNT	82,764		358,105			440,869	421,011
NOTES PAYABLE						0	0
CURRENT PORTION-LT DEBT		745,000				745,000	745,000
TOTAL OTHER CURRENT LIABILITIES	707,376	1,271,480	358,105	4,200	0	2,341,161	2,324,938
TOTAL CURRENT LIABILITIES	1,644,377	2,601,328	379,532	3,326,607	16,717,422	24,669,266	26,545,166
NON-CURRENT LIABILITIES							
LONG TERM DEBT							
MORTGAGE REVENUE BONDS		16,209,083		52,098		16,261,181	52,098
NOTES PAYABLE					23,522,361	23,522,361	31,435,543
TOTAL	0	16,209,083	0	52,098	23,522,361	39,783,542	31,487,641
LESS CURRENT PORTION		(765,000)				(765,000)	(745,000)
TOTAL LONG TERM DEBT - NET	0	15,444,083	0	52,098	23,522,361	39,018,542	30,742,641
NONCURRENT LIABILITIES-OTHER							
NET OPEB LIABILITY (Note 8)	2,703,286		1,738,950	4,774,776		9,217,012	9,217,012
NET PENSION LIABILITY	2,249,881		1,448,148	3,975,962		7,673,991	3,974,000
TOTAL NONCURRENT LIABILITIES-OTHER	4,953,167	0	3,187,098	8,750,738	0	16,891,003	13,191,012
TOTAL NON-CURRENT LIABILITIES	4,953,167	15,444,083	3,187,098	8,802,836	23,522,361	55,909,545	43,933,653
TOTAL LIABILITIES	6,597,544	18,045,411	3,566,630	12,129,443	40,239,783	80,578,811	70,478,819
EQUITY							
INVESTED IN CAPITAL ASSETS, NET OF DEBT	75,224,328	(8,080,838)	0	6,867,277	36,712,514	110,723,281	103,379,257
UNRESTRICTED RESERVE	4,046,863	12,720,689	1,905,941	(160,164)	(30,534,230)	(12,020,901)	(13,000,024)
RESTRICTED RESERVE (Note 9)	60,450,219	5,879,536	793,725	17,507,375	2,039,852	86,670,707	87,982,853
TOTAL EQUITY	139,721,410	10,519,387	2,699,666	24,214,488	8,218,136	185,373,087	178,362,086
TOTAL LIABILITIES AND EQUITY	146,318,954	28,564,798	6,266,296	36,343,931	48,457,919	265,951,898	248,840,905

HA OF THE CITY OF MILWAUKEE
CONSOLIDATED STATEMENT OF REVENUE & EXPENSES
BUDGETED PROGRAM ONLY
AS OF JUNE 30, 2019

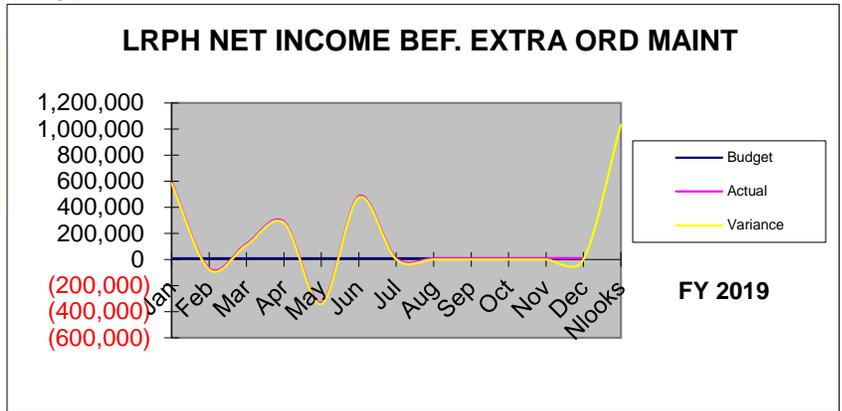
	LRPH	UNSUBSIDIZED HSNG	RAP	COCC	YTD ACTUAL	YTD BUDGET	VARIANCE	
							AMOUNT	PERCENT
Operating Income								
<i>Operating/admin subsidies</i>	3,151,420		1,879,720		5,031,140	4,662,265	368,875	8%
<i>Dwelling rents</i>	4,744,966	3,623,768			8,368,734	8,787,392	(418,658)	-5%
<i>Excess utilities & other</i>	98,587	60,668			159,255	264,106	(104,851)	-40%
<i>Capital fund transfer in (Note 10)</i>	1,537,500				1,537,500	1,537,500	0	0%
<i>Other income</i>	322,733	55,434	61,977	1,040,883	1,481,027	699,785	781,243	112%
<i>Management fees</i>				2,001,804	2,001,804	2,223,491	(221,687)	-10%
<i>Central maintenance revenue</i>				992,397	992,397	1,711,330	(718,933)	-42%
<i>Developers fee</i>					0	0	0	0%
<i>Interest on general fund</i>	518	93,492	9	17,661	111,680	67,908	43,772	64%
Total Income	9,855,724	3,833,362	1,941,706	4,052,745	19,683,537	19,953,776	(270,239)	-1%
Operating Expenditures								
Administrative								
<i>Salaries</i>	557,672	103,227	738,623	1,543,533	2,943,055	3,127,375	184,320	6%
<i>Employee benefits</i>	231,086	72,121	355,444	635,148	1,293,799	1,320,001	26,202	2%
<i>Legal and accounting</i>	1,871	4,449		25,395	31,715	98,327	66,612	68%
<i>Audit</i>	43,353	15,827	11,529	6,149	76,858	72,461	(4,397)	-6%
<i>Travel and training</i>	6,806		7,351	42,905	57,062	121,900	64,838	53%
<i>Contracted property management</i>				123,122	123,122	147,897	24,775	17%
<i>Management fees</i>	1,321,604	330,202	349,998		2,001,804	2,223,491	221,687	10%
<i>Housing intake</i>	267,510				267,510	261,705	(5,805)	-2%
<i>Office supplies & printing</i>	13,776	1,727	9,023	20,630	45,156	62,713	17,557	28%
<i>Telephone</i>	8,221	723	3,818	20,687	33,449	41,430	7,981	19%
<i>Postage</i>	2,134	533		1,705	4,372	34,680	30,308	87%
<i>Other contracted services</i>	10,178		64,351	219,491	294,020	319,750	25,730	8%
<i>Other</i>	79,795	45,884	2,664	279,337	407,680	565,342	157,662	28%
Total admin	2,544,006	574,693	1,542,801	2,918,102	7,579,602	8,397,070	817,468	10%
Tenant Services								
<i>Resident services allocation</i>	331,633				331,633	(56,124)	(387,757)	-691%
<i>Salaries & benefits</i>	60,070			36,977	97,047	145,306	48,259	33%
<i>Contracts, trainings, others</i>	208,882	6,020	60	4,982	219,944	280,170	60,226	21%
Total tenant services	600,585	6,020	60	41,959	648,624	369,351	(279,273)	-76%
Utilities								
<i>Water</i>	652,039	258,463		2,984	913,486	1,171,453	257,967	22%
<i>Electric</i>	470,875	25,849		21,843	518,567	645,222	126,655	20%
<i>Gas</i>	415,261	20,523		7,347	443,131	359,975	(83,157)	-23%

HA OF THE CITY OF MILWAUKEE
CONSOLIDATED STATEMENT OF REVENUE & EXPENSES
BUDGETED PROGRAM ONLY
AS OF JUNE 30, 2019

	LRPH	UNSUBSIDIZED HSNG	RAP	COCC	YTD ACTUAL	YTD BUDGET	VARIANCE	
							AMOUNT	PERCENT
<i>Total utilities</i>	1,538,175	304,835	0	32,174	1,875,184	2,176,649	301,465	14%
<i>Ordinary maintenance</i>								
<i>Salaries</i>	474,972	114,947		716,834	1,306,753	1,614,859	308,106	19%
<i>Employee benefits Maint</i>	261,779	74,932		335,111	671,822	661,798	(10,024)	-2%
<i>Maintenance materials</i>	491,804	51,138	383	35,577	578,902	846,600	267,698	32%
<i>Maintenance contracts</i>	1,508,718	312,115	6,038	81,450	1,908,321	2,597,205	688,884	27%
<i>Total maintenance</i>	2,737,273	553,132	6,421	1,168,972	4,465,798	5,720,461	1,254,663	22%
<i>Protective Services</i>								
<i>Public safety allocation</i>	631,549	65,065	213	3,043	699,870	723,971	24,101	3%
<i>Contracts, others</i>	11,522				11,522	15,550	4,028	26%
<i>Total protective services</i>	643,071	65,065	213	3,043	711,392	739,521	28,129	4%
<i>General</i>								
<i>Insurance</i>	355,518	125,088	56,861	74,515	611,982	571,003	(40,980)	-7%
<i>Pilot</i>	367,271	364,823			732,094	669,674	(62,421)	-9%
<i>Interest Expense</i>		296,978			296,978	291,669	(5,310)	-2%
<i>Subsidy to Mixed finance dev't.</i>	(30,579)				(30,579)	97,401	127,980	131%
<i>Other general expense</i>	10,161		7,360		17,521	155,537	138,016	89%
<i>Total general</i>	702,371	786,889	64,221	74,515	1,627,996	1,785,283	157,287	9%
<i>Total Operating Expenditures</i>	8,765,481	2,290,634	1,613,716	4,238,765	16,908,596	19,188,334	2,279,738	12%
<i>Excess (deficiency) of total revenue over expenses</i>	1,090,243	1,542,728	327,990	(186,020)	2,774,941	765,442	2,009,499	263%
<i>Extra-ordinary maintenance</i>	735,134	97,952	1,395	6,194	840,675	1,140,808	300,133	26%
<i>Program Income</i>	(190,127)				(190,127)	(739,200)	(549,073)	74%
<i>Net income(loss) from operation</i>	545,236	1,444,776	326,595	(192,214)	2,124,393	363,835	1,760,559	484%
<i>Depreciation expense</i>	2,113,663	211,215		176,738	2,501,616			
<i>Net Income (loss)</i>	(1,568,427)	1,233,561	326,595	(368,952)	(377,223)			

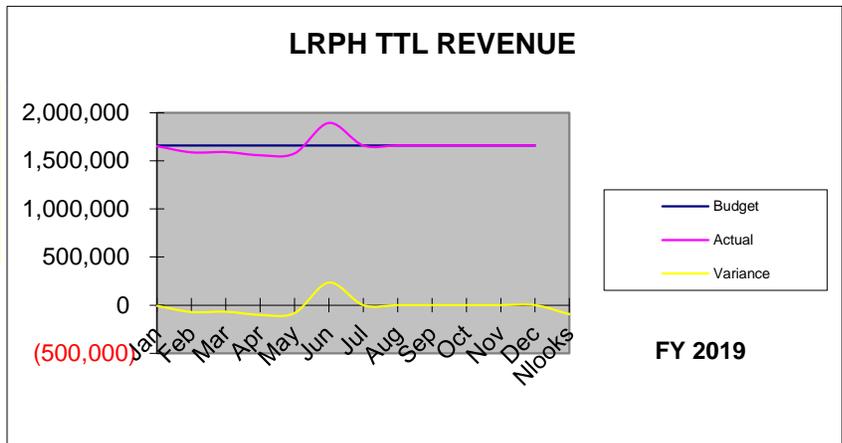
NET INCOME BEF. EXTRA ORDINARY MAINTENANCE

	Budget	Actual	Variance
Jan	9,465	590,741	581,276
Feb	9,465	(66,984)	(76,449)
Mar	9,465	121,194	111,729
Apr	9,465	290,556	281,091
May	9,465	(330,836)	(340,301)
Jun	9,465	485,572	476,107
Jul	9,465	9,465	0
Aug	9,465	9,465	0
Sep	9,465	9,465	0
Oct	9,465	9,465	0
Nov	9,465	9,465	0
Dec	9,465	9,465	0
Nlooks	113,580	1,147,033	1,033,453



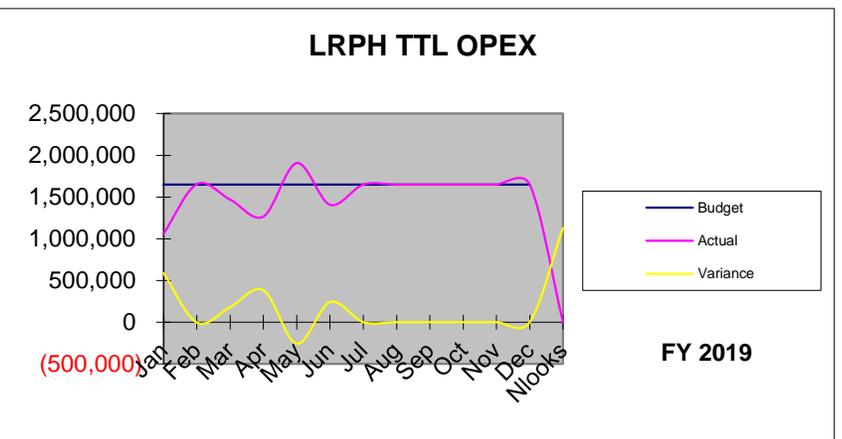
OPERATING REVENUE

	Budget	Actual	Variance
Jan	1,658,557	1,651,483	(7,074)
Feb	1,658,557	1,587,337	(71,220)
Mar	1,658,557	1,590,478	(68,079)
Apr	1,658,557	1,557,230	(101,327)
May	1,658,557	1,576,311	(82,246)
Jun	1,658,557	1,892,885	234,328
Jul	1,658,557	1,658,557	0
Aug	1,658,557	1,658,557	0
Sep	1,658,557	1,658,557	0
Oct	1,658,557	1,658,557	0
Nov	1,658,557	1,658,557	0
Dec	1,658,557	1,658,557	0
Nlooks	19,902,681	19,807,065	(95,617)



OPERATING EXPENSES

	Budget	Actual	Variance
Jan	1,649,092	1,060,742	588,350
Feb	1,649,092	1,654,321	(5,229)
Mar	1,649,092	1,469,284	179,808
Apr	1,649,092	1,266,674	382,418
May	1,649,092	1,907,147	(258,055)
Jun	1,649,092	1,407,313	241,779
Jul	1,649,092	1,649,092	0
Aug	1,649,092	1,649,092	0
Sep	1,649,092	1,649,092	0
Oct	1,649,092	1,649,092	0
Nov	1,649,092	1,649,092	0
Dec	1,649,092	1,649,092	0
Nlooks	19,789,101	18,660,032	1,129,070

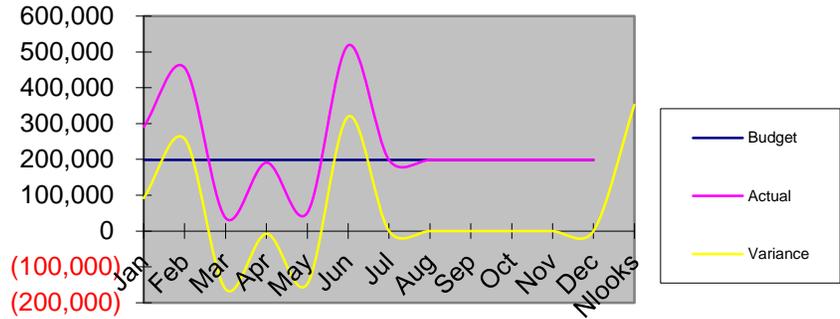


NL - Nlooks = Actual year to date (highlighted in yellow) + remaining budget of the year

NET INCOME BEF. EXTRA ORDINARY MAINTENANCE

	Budget	Actual	Variance
Jan	198,589	290,760	92,172
Feb	198,589	456,125	257,537
Mar	198,589	36,824	(161,765)
Apr	198,589	191,173	(7,415)
May	198,589	50,773	(147,816)
Jun	198,589	518,073	319,485
Jul	198,589	198,589	0
Aug	198,589	198,589	0
Sep	198,589	198,589	0
Oct	198,589	198,589	0
Nov	198,589	198,589	0
Dec	198,589	198,589	0
Nlooks			352,197
	2,383,062	2,735,259	

UNSUBSIDIZED HSG NET INCOME BEF. EXTRA ORD MAINT

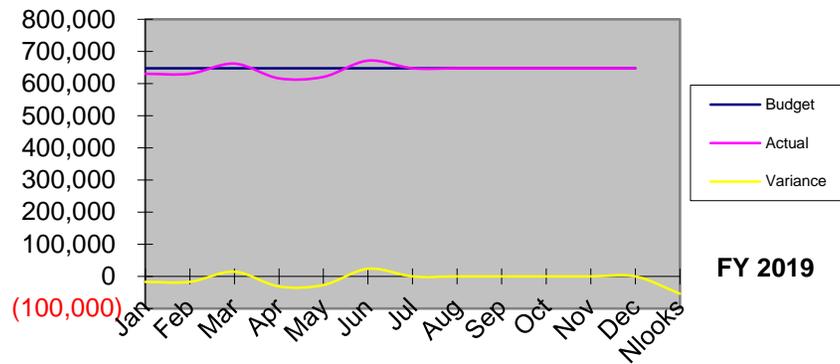


FY 2019

OPERATING REVENUE

	Budget	Actual	Variance
Jan	647,867	630,791	(17,076)
Feb	647,867	630,826	(17,041)
Mar	647,867	662,442	14,575
Apr	647,867	616,498	(31,369)
May	647,867	621,075	(26,792)
Jun	647,867	671,730	23,863
Jul	647,867	647,867	0
Aug	647,867	647,867	0
Sep	647,867	647,867	0
Oct	647,867	647,867	0
Nov	647,867	647,867	0
Dec	647,867	647,867	0
Nlooks			(53,838)
	7,774,400	7,720,562	

UNSUBSIDIZED HSG. OPERATING REVENUE

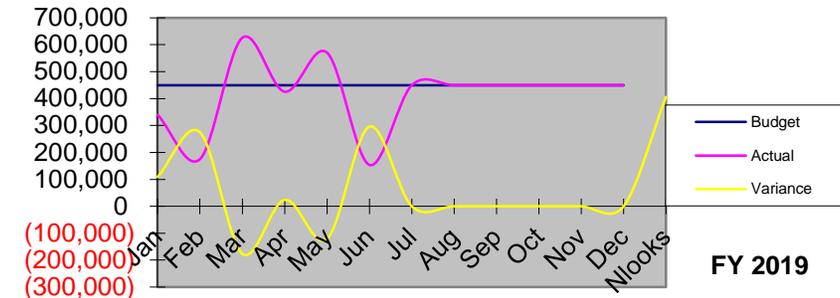


FY 2019

OPERATING EXPENSES

	Budget	Actual	Variance
Jan	449,278	340,031	109,247
Feb	449,278	174,701	274,577
Mar	449,278	625,618	(176,340)
Apr	449,278	425,325	23,953
May	449,278	570,302	(121,024)
Jun	449,278	153,657	295,621
Jul	449,278	449,278	0
Aug	449,278	449,278	0
Sep	449,278	449,278	0
Oct	449,278	449,278	0
Nov	449,278	449,278	0
Dec	449,278	449,278	0
Nlooks			406,035
	5,391,338	4,985,303	

UNSUBSIDIZED HSG. OPEX

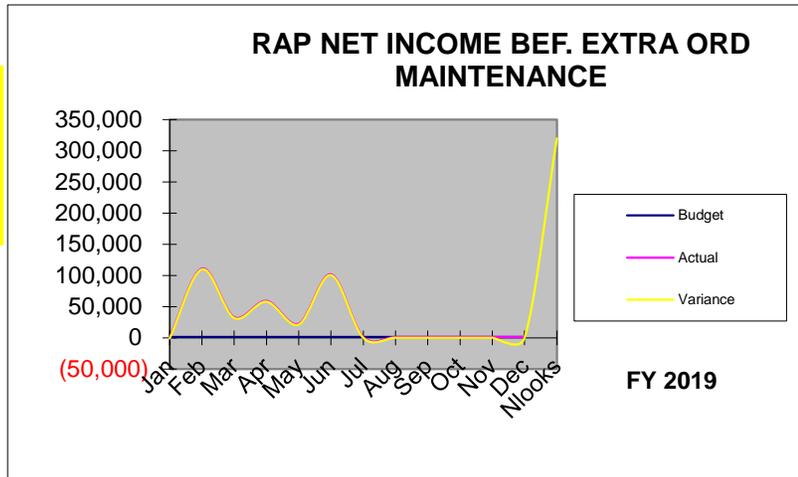


FY 2019

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

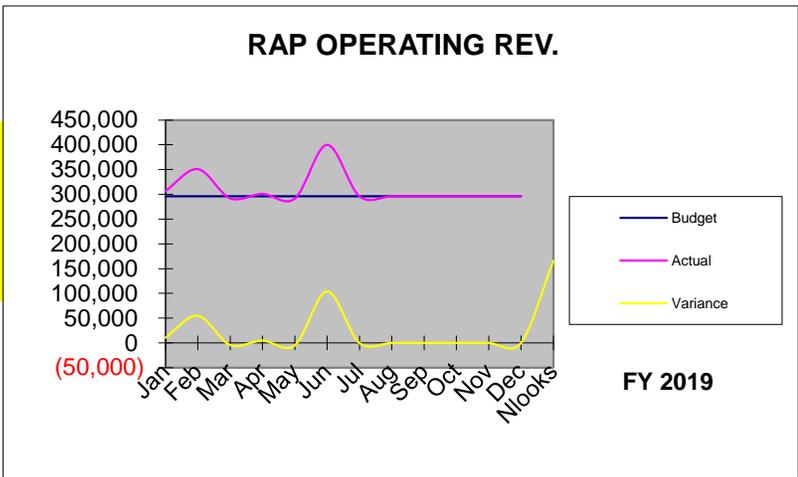
NET INCOME

	Budget	Actual	Variance
Jan	1,312	123	(1,189)
Feb	1,312	111,089	109,777
Mar	1,312	33,075	31,763
Apr	1,312	59,272	57,960
May	1,312	22,561	21,249
Jun	1,312	101,870	100,558
Jul	1,312	1,312	0
Aug	1,312	1,312	0
Sep	1,312	1,312	0
Oct	1,312	1,312	0
Nov	1,312	1,312	0
Dec	1,312	1,312	0
Nlooks			320,117
	15,747	335,864	



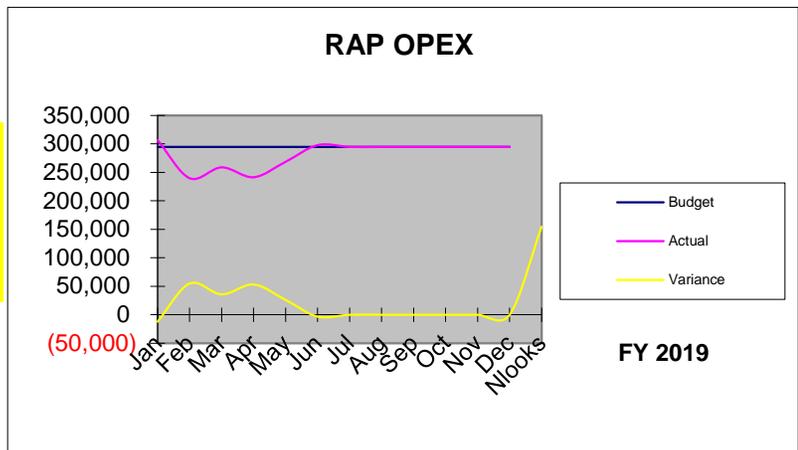
OPERATING REVENUE

	Budget	Actual	Variance
Jan	296,069	306,829	10,760
Feb	296,069	350,923	54,854
Mar	296,069	292,004	(4,065)
Apr	296,069	300,825	4,756
May	296,069	291,281	(4,788)
Jun	296,069	399,844	103,775
Jul	296,069	296,069	0
Aug	296,069	296,069	0
Sep	296,069	296,069	0
Oct	296,069	296,069	0
Nov	296,069	296,069	0
Dec	296,069	296,069	0
Nlooks			165,292
	3,552,829	3,718,121	



OPERATING EXPENSES

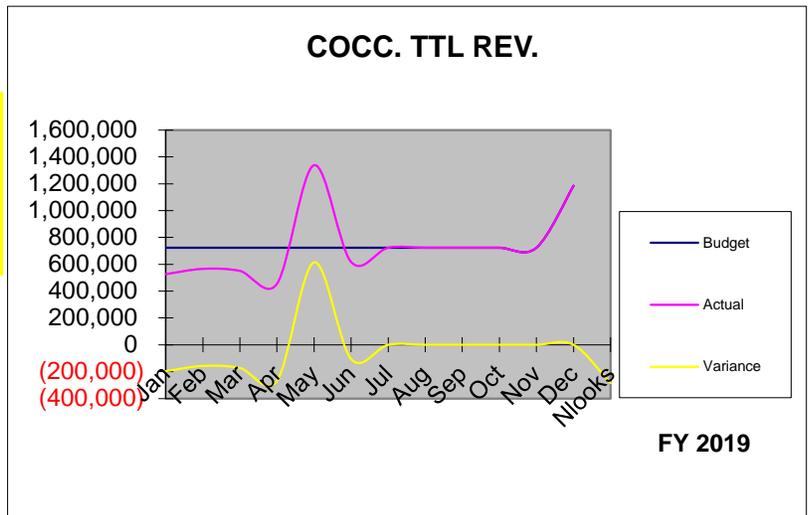
	Budget	Actual	Variance
Jan	294,757	306,706	(11,949)
Feb	294,757	239,834	54,923
Mar	294,757	258,929	35,828
Apr	294,757	241,553	53,204
May	294,757	268,720	26,037
Jun	294,757	297,974	(3,217)
Jul	294,757	294,757	0
Aug	294,757	294,757	0
Sep	294,757	294,757	0
Oct	294,757	294,757	0
Nov	294,757	294,757	0
Dec	294,757	294,757	0
Nlooks			154,825
	3,537,082	3,382,257	



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

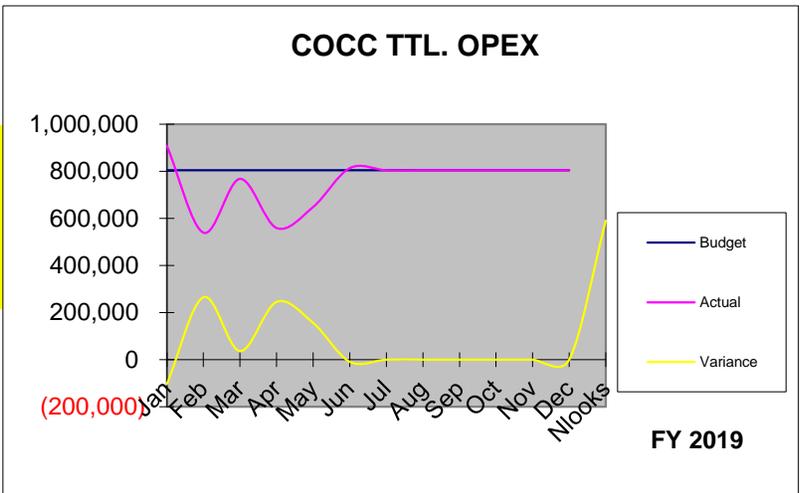
OPERATING REVENUE

	Budget	Actual	Variance
Jan	723,137	526,627	(196,510)
Feb	723,137	565,803	(157,334)
Mar	723,137	550,571	(172,566)
Apr	723,137	454,616	(268,521)
May	723,137	1,337,817	614,680
Jun	723,137	617,311	(105,826)
Jul	723,137	723,137	0
Aug	723,137	723,137	0
Sep	723,137	723,137	0
Oct	723,137	723,137	0
Nov	723,137	723,137	0
Dec	1,184,587	1,184,587	0
Nlooks	9,139,091	8,853,016	(286,076)



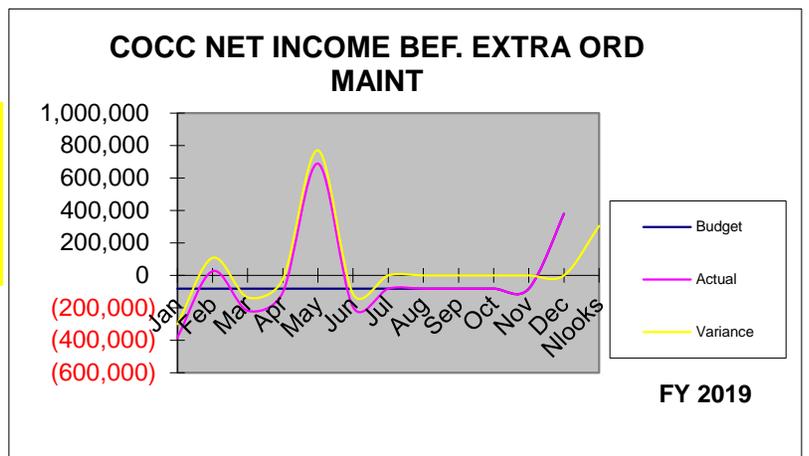
OPERATING EXPENSES

	Budget	Actual	Variance
Jan	804,929	908,798	(103,869)
Feb	804,929	539,628	265,301
Mar	804,929	768,364	36,565
Apr	804,929	559,378	245,551
May	804,929	648,756	156,173
Jun	804,929	813,841	(8,912)
Jul	804,929	804,929	0
Aug	804,929	804,929	0
Sep	804,929	804,929	0
Oct	804,929	804,929	0
Nov	804,929	804,929	0
Dec	804,929	804,929	0
Nlooks	9,659,147	9,068,339	590,809



NET INCOME

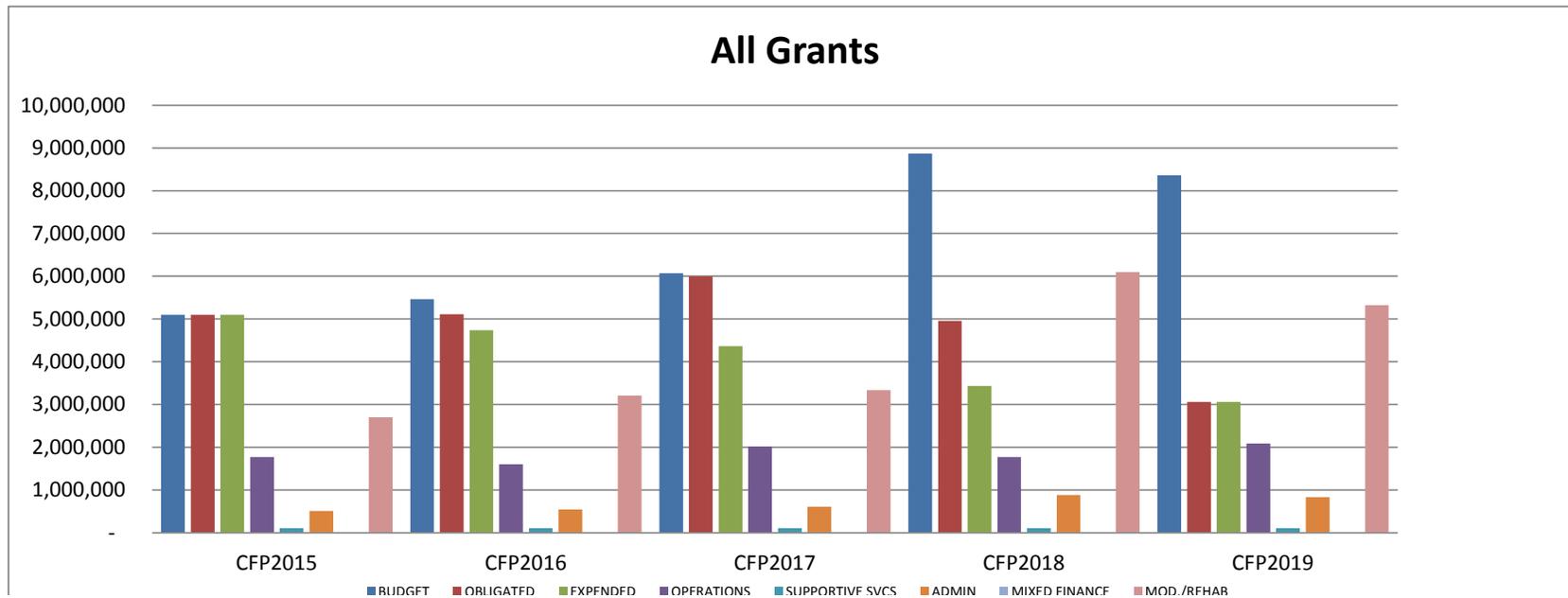
	Budget	Actual	Variance
Jan	(81,792)	(382,171)	(300,379)
Feb	(81,792)	26,175	107,967
Mar	(81,792)	(217,793)	(136,001)
Apr	(81,792)	(104,762)	(22,970)
May	(81,792)	689,061	770,853
Jun	(81,792)	(196,530)	(114,738)
Jul	(81,792)	(81,792)	0
Aug	(81,792)	(81,792)	0
Sep	(81,792)	(81,792)	0
Oct	(81,792)	(81,792)	0
Nov	(81,792)	(81,792)	0
Dec	379,658	379,658	0
Nlooks	(520,056)	(215,323)	304,733



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

HACM
 MAJOR GRANTS SUMMARY
 30-Jun-19

	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	5,110,058	4,739,400	1,601,933	110,000	546,734		3,208,682	4/12/2020
CFP2017	6,071,406	6,000,510	4,363,006	2,017,528	110,000	607,140		3,336,738	8/16/2021
CFP2018	8,869,415	4,959,561	3,434,901	1,773,883	110,000	886,941		6,098,591	5/28/2022
CFP2019	8,357,857	3,058,592	3,058,592	2,089,464	110,000	835,786		5,322,607	4/15/2023
TOTAL	33,864,198	24,226,892	20,694,070	9,257,754	550,000	3,386,418	-	20,670,026	
PERCENT	100%	72%	61%	27%	2%	10%	0%	61%	



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