



# FINANCIAL REPORTS

JUNE 30, 2022

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
THREE YEAR TREND ANALYSIS STATEMENT	7-8
SUMMARY OF ALL GRANTS - CHART	9
NOTES TO THE FINANCIAL REPORTS	10-11
GLOSSARY OF TERMS	12-13

HA of the City Milwaukee  
Financial Highlights  
As of June 30, 2022

Financial Position (pp. 3-4)

As of June 30, 2022, HACM has total assets of \$316mm. Agency-wide working capital (difference between current assets & current liabilities) was at \$43mm indicating HACM's strong capacity to meet maturing obligations. Total cash & investments as of the end of June was \$27mm. 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	\$4.47mm
Unsubsidized Housing	15.21
Rental Assistance Program	3.22
Central Office	0.04

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

Low Rent Public Housing	\$2.75mm
Unsubsidized Housing	16.39
Rental Assistance Program-Admin	-1.31
Central office	3.16

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% over budget (p. 5) and total spending was 8% under budget (p.6). Administrative expenses compared to budgeted expenses was 6% under budget. Tenant services were 51% under budget; Utilities were 5% under budget; Maintenance expenses were 11% under budget, protective services were 19% over budget and general expenses were 11% under budget. Consolidated net income from operations for the period ended June 30, 2022 was \$2,914,898 (p. 6).

### *Low Rent Public Housing (LRPH)*

LRPH operations resulted in a net income from operations of \$973,366 (p. 6) in the second quarter. Operating revenue was \$592,621 over budget and total operating expenses for the period were \$351,718 under budget. All combined, LRPH posted a positive variance of \$944,338.

### *Unsubsidized Housing*

Unsubsidized Housing has a favorable result of operations during the quarter. Net income from operations was \$919,715 (p.6) before amortization of principal on series 2015 bonds. Revenue was \$112,639 under budget and operating expenses were under budget by \$132,593 during the period. All combined, Unsubsidized Housing has a positive variance of \$19,954.

### *Rental Assistance Program (RAP)*

RAP has a net income of \$144,585 at the end of the period (p. 6). Administrative revenue was \$29,629 over budget and spending was under budget by \$116,290, resulting in an overall positive variance of \$145,920.

### *Central Office Cost Center (COCC)*

COCC posted a net loss of \$877,232 (p.6) at the end of the quarter. Total revenue was under budget by \$220,040. Operating expenses were under budget by \$896,391. All combined, COCC posted a negative variance of \$676,353.

### *Grant Management*

As of June 30, 2022, HACM is on track with its obligation and spending timelines as required by the grant agreements. Currently open grants are Capital Fund Programs 2017-2021. As of end of the quarter 83% has been obligated and 79% has been expended. Around 65% 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, 2022**

ASSETS	CURRENT ASSETS									
	CASH									
	UNRESTRICTED CASH									
	RESTRICTED CASH (Note 1)									
	TOTAL CASH									
	ACCOUNTS RECEIVABLE-TENANTS									
	ALLOWANCE FOR DOUBTFUL ACCOUNTS (Note 2)									
	NET ACCOUNTS RECEIVABLE-TENANTS									
	ACCOUNTS RECEIVABLE-MISC									
	AR-HUD (Note 3)									
AR- DEVELOPMENT FEE (Note 4)										
AR - OTHERS										
TOTAL AR-MISC										
INVESTMENTS										
RESTRICTED (Note 1)										
TOTAL INVESTMENTS										
PREPAID EXPENSES AND OTHER ASSETS										
PREPAID EXPENSES AND OTHER ASSETS										
TOTAL PREPAID EXPENSES AND OTHER ASSETS										
CURRENT INTERFUNDS										
TOTAL DUE FROM AMOUNTS - CURRENT (Note 5)										
TOTAL CURRENT ASSETS										
NON-CURRENT ASSETS										
FIXED ASSETS										
LAND & LAND IMPROVEMENTS										
BUILDINGS										
FURNITURES, EQPT. MACHINERY										
CONSTRUCTION IN PROGRESS										
TOTAL FIXED ASSETS										
ACCUMULATED DEPRECIATION										
FIXED ASSETS,NET OF DEPRECIATION										
OTHER ASSETS										
NOTES RECEIVABLE (Note 7)										
NOTES INTEREST RECEIVABLE (Note 6)										
FINANCING FEES & OTHER ASSETS										
TOTAL OTHER ASSETS										
TOTAL NON-CURRENT ASSETS										
TOTAL ASSETS										

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HOUSING AUTHORITY OF THE CITY OF MILWAUKEE  
BALANCE SHEETS  
AS OF JUNE 30, 2022

LIABILITIES AND EQUITY  
CURRENT LIABILITIES  
ACCOUNTS PAYABLE  
ACCOUNTS PAYABLE  
TOTAL ACCOUNTS PAYABLE  
ACCURED LIABILITIES  
ACCURED SALARIES & BENEFITS  
ACCURED INTEREST PAYABLE  
DEFERED REVENUE  
DUE TO GOVERNMENT - PILOT & OTHERS  
ACCURED COMPENSATED ABSENCES (Note 7)  
OTHER ACCURED LIABILITIES  
TOTAL ACCURED LIABILITIES

OTHER CURRENT LIABILITIES  
TENANT SECURITY DEPOSITS  
FSS ESCROW ACCOUNT  
NOTES PAYABLE  
CURRENT PORTION-LT DEBT  
TOTAL OTHER CURRENT LIABILITIES

TOTAL CURRENT LIABILITIES

NON-CURRENT LIABILITIES

LONG TERM DEBT  
MORTGAGE REVENUE BONDS  
NOTES PAYABLE  
TOTAL  
LESS CURRENT PORTION  
TOTAL LONG TERM DEBT - NET

NONCURRENT LIABILITIES-OTHER

NET OPEB LIABILITY (Note 8)  
NET PENSION LIABILITY  
TOTAL NONCURRENT LIABILITIES-OTHER

TOTAL NON-CURRENT LIABILITIES

TOTAL LIABILITIES

EQUITY  
Page 4

INVESTED IN CAPITAL ASSETS, NET OF DEBT  
UNRESTRICTED RESERVE  
RESTRICTED RESERVE (Note 9)

TOTAL EQUITY

TOTAL LIABILITIES AND EQUITY

June 30, 2022						June 30, 2021
LRPH	UNSUBSIDIZED HOUSING	RAP	COCC	GRANTS/DEVT	Total HACM	Total HACM
73,015	49,703	220,256	5,865,572	6,668,009	12,876,555	12,326,001
73,015	49,703	220,256	5,865,572	6,668,009	12,876,555	12,326,001
432		292	833,491	77,138	911,353	31,358
	262,018				262,018	274,878
803,525	970,749		1,881,410		3,655,684	1,210,126
0	0	0	697,554	0	697,554	2,889,126
803,957	1,232,767	292	1,109,953	77,138	1,109,953	742,101
			4,522,408		6,636,562	1,034,814
						6,182,403
710,323	615,108		8,930		1,334,361	1,338,775
121,390		390,386			511,776	391,784
831,713	1,460,108	390,386	8,930	0	845,000	0
1,708,685	2,742,578	610,934	10,396,910	6,745,147	22,204,254	815,000
					2,545,559	2,545,559
						21,053,963
	14,634,768				14,634,768	15,461,799
0	14,634,768	0	0	23,497,196	23,497,196	24,463,663
	(845,000)			23,497,196	38,131,964	39,925,462
0	13,789,768	0	0	23,497,196	(845,000)	(815,000)
					37,286,964	39,110,462
3,353,277		2,747,265	7,318,499			
3,127,904		2,493,958	7,030,882		13,419,041	13,061,590
6,481,181	0	5,241,223	14,349,381	0	12,652,744	15,256,244
					26,071,785	28,317,834
6,481,181	13,789,768	5,241,223	14,349,381	23,497,196	63,358,749	67,428,206
8,189,866	16,532,346	5,852,157	24,746,291	30,242,343	85,563,003	88,482,259
59,913,934	(7,729,949)	470	6,693,974			
2,751,263	16,385,412	(1,313,465)	3,159,353	27,462,046	86,340,475	88,879,501
76,830,693	4,779,294	119,102	33,462,893	(20,486,285)	496,278	(6,337,089)
				28,439,166	143,631,148	144,501,891
139,495,890	13,434,757	(1,193,893)	43,316,220	35,414,927	230,467,901	227,044,303
147,685,756	29,967,103	4,658,264	68,062,511	65,657,270	316,030,904	315,526,562

**HA OF THE CITY OF MILWAUKEE**  
**CONSOLIDATED STATEMENT OF REVENUE & EXPENSES**  
**BUDGETED PROGRAM ONLY**  
**AS OF JUNE 30, 2022**

	LRPH	UNSUBSIDIZED HSNG	RAP	COCC	YTD ACTUAL	YTD BUDGET	VARIANCE		JUNE 2021
							AMOUNT	PERCENT	
<b>Operating Income</b>									
Operating/admin subsidies	3,327,357		2,230,875		5,558,232	5,488,827	69,406	1%	5,964,966
Dwelling rents	4,668,818	3,861,399			8,530,217	8,106,995	423,223	5%	7,887,907
Excess utilities & other	128,933	92,913			221,846	135,565	86,281	64%	100,960
Capital fund transfer in (Note 10)	1,257,115				1,257,115	1,190,358	66,758	6%	1,425,042
Other income	91,605	(73,892)	20,065	464,255	502,033	741,000	(238,967)	-32%	1,251,493
Management fees				2,090,860	2,090,860	2,070,082	20,778	1%	1,996,241
Central maintenance revenue				1,438,161	1,438,161	2,221,693	(783,532)	-35%	1,444,241
Developers fee				1,257,637	1,257,637	653,543	604,094	92%	515,000
Interest on general fund	112	(1,125)	2	103,342	102,331	60,800	41,531	68%	40,485
<b>Total Income</b>	<b>9,473,940</b>	<b>3,879,295</b>	<b>2,250,942</b>	<b>5,354,255</b>	<b>20,958,432</b>	<b>20,668,861</b>	<b>289,571</b>	<b>1%</b>	<b>20,626,335</b>
<b>Operating Expenditures</b>									
<b>Administrative</b>									
Salaries	537,649	170,168	824,057	1,434,077	2,965,951	3,154,818	188,867	6%	2,815,315
Employee benefits	219,404	109,588	352,338	612,859	1,294,189	1,348,752	54,563	4%	1,309,124
Legal and accounting	4,655	1,292		41,489	47,436	79,454	32,018	40%	25,802
Audit	46,706	19,839	12,934	6,898	86,377	65,354	(21,024)	-32%	106,649
Travel and training	158		21,539	32,663	54,360	130,200	75,840	58%	20,250
Contracted property management				103,675	103,675	389,977	286,302	73%	148,242
Management fees	1,324,223	366,639	399,998		2,090,860	2,070,082	(20,778)	-1%	1,996,242
Housing intake	212,420				212,420	219,616	7,196	3%	291,864
Office supplies & printing	19,780	1,990	37,564	18,240	77,574	89,457	11,883	13%	33,499
Telephone	8,165	426	5,277	34,630	48,498	32,125	(16,373)	-51%	25,032
Postage				1,648	1,648	22,298	20,650	93%	3,327
Other contracted services	111,655	3,291	208,778	201,560	525,284	511,900	(13,384)	-3%	930,427
Other	211,238	58,350	186,184	280,713	736,485	615,703	(120,782)	-20%	723,171
<b>Total admin</b>	<b>2,696,053</b>	<b>731,583</b>	<b>2,048,669</b>	<b>2,768,452</b>	<b>8,244,757</b>	<b>8,729,734</b>	<b>484,977</b>	<b>6%</b>	<b>8,428,944</b>
<b>Tenant Services</b>									
Salaries & benefits	46,231			5,554	51,785	87,426	35,641	41%	69,148
Contracts, trainings, others	45,471			5,000	50,471	120,050	69,579	58%	53,585
<b>Total tenant services</b>	<b>91,702</b>	<b>0</b>	<b>0</b>	<b>10,554</b>	<b>102,256</b>	<b>207,476</b>	<b>105,220</b>	<b>51%</b>	<b>122,733</b>



**HA OF THE CITY OF MILWAUKEE**  
**CONSOLIDATED STATEMENT OF REVENUE & EXPENSES**  
**BUDGETED PROGRAM ONLY**  
**AS OF JUNE 30, 2022**

	LRPH	UNSUBSIDIZED HSNG	RAP	COCC	YTD ACTUAL	YTD BUDGET	VARIANCE		JUNE 2021
							AMOUNT	PERCENT	
<b>Utilities</b>									
Water	794,965	283,172		3,877	1,082,014	1,342,182	260,168	19%	799,270
Electric	423,845	23,607		20,381	467,833	561,904	94,071	17%	461,974
Gas	504,045	28,703		8,854	541,602	308,292	(233,310)	-76%	376,782
<b>Total utilities</b>	<b>1,722,855</b>	<b>335,482</b>	<b>0</b>	<b>33,112</b>	<b>2,091,449</b>	<b>2,212,378</b>	<b>120,929</b>	<b>5%</b>	<b>1,638,026</b>
<b>Ordinary maintenance</b>									
Salaries	461,093	106,523		791,654	1,359,270	1,630,364	271,094	17%	1,281,876
Employee benefits Maint	212,643	76,934		451,473	741,050	682,599	(58,451)	-9%	664,631
Maintenance materials	636,329	71,029	1,251	19,713	728,322	798,078	69,756	9%	886,390
Maintenance contracts	1,595,586	820,199	(21,628)	316,977	2,711,134	3,112,726	401,592	13%	2,507,198
<b>Total maintenance</b>	<b>2,905,651</b>	<b>1,074,685</b>	<b>(20,377)</b>	<b>1,579,817</b>	<b>5,539,776</b>	<b>6,223,766</b>	<b>683,990</b>	<b>11%</b>	<b>5,340,095</b>
<b>Protective Services</b>									
Public safety allocation	484,070	41,758	988	4,006	530,822	448,353	(82,470)	-18%	567,640
Contracts, others	8,248		9,999	52	18,299	12,100	(6,199)	-51%	12,481
<b>Total protective services</b>	<b>492,318</b>	<b>41,758</b>	<b>10,987</b>	<b>4,058</b>	<b>549,121</b>	<b>460,453</b>	<b>(88,669)</b>	<b>-19%</b>	<b>580,121</b>
<b>General</b>									
Insurance	300,563	120,082	65,487	73,215	559,347	634,249	74,902	12%	626,275
Pilot	249,358	393,972			643,330	596,725	(46,605)	-8%	591,488
Interest Expense		262,018			262,018	254,615	(7,404)	-3%	274,878
Subsidy to Mixed finance dev't.					0	95,920	95,920	100%	0
Other general expense	39,919		226	7,500	47,645	121,378	73,733	61%	36,524
<b>Total general</b>	<b>589,840</b>	<b>776,072</b>	<b>65,713</b>	<b>80,715</b>	<b>1,512,340</b>	<b>1,702,886</b>	<b>190,546</b>	<b>11%</b>	<b>1,529,165</b>
<b>Total Operating Expenditures</b>	<b>8,498,419</b>	<b>2,959,580</b>	<b>2,104,992</b>	<b>4,476,708</b>	<b>18,039,699</b>	<b>19,536,691</b>	<b>1,496,992</b>	<b>8%</b>	<b>17,639,084</b>
<b>Excess (deficiency) of total revenue over expenses</b>	<b>975,521</b>	<b>919,715</b>	<b>145,950</b>	<b>877,547</b>	<b>2,918,733</b>	<b>1,132,170</b>	<b>1,786,563</b>	<b>158%</b>	<b>2,987,251</b>
<b>Extra-ordinary maintenance Program Income</b>	<b>2,155</b>		<b>1,365</b>	<b>315</b>	<b>3,835</b>	<b>1,042,854</b>	<b>1,039,019</b>	<b>100%</b>	<b>326,144</b>
					<b>0</b>	<b>(749,997)</b>	<b>(749,997)</b>	<b>100%</b>	<b>0</b>
<b>Net income(loss) from operations</b>	<b>973,366</b>	<b>919,715</b>	<b>144,585</b>	<b>877,232</b>	<b>2,914,898</b>	<b>839,313</b>	<b>2,075,586</b>	<b>247%</b>	<b>2,661,106</b>
<b>Depreciation expense</b>	<b>1,579,420</b>	<b>172,685</b>		<b>172,795</b>	<b>1,924,900</b>				<b>1,183,610</b>
<b>Net Income (loss)</b>	<b>(606,054)</b>	<b>747,030</b>	<b>144,585</b>	<b>704,437</b>	<b>989,998</b>				<b>1,477,496</b>



# HOUSING AUTHORITY OF THE CITY OF MILWAUKEE

## THREE YEAR TREND ANALYSIS

June 30, 2022

June 30, 2021

June 30, 2020

	YTD ACTUAL	YTD BUDGET	VARIANCE AMOUNT	PERCENT	YTD ACTUAL	YTD BUDGET	VARIANCE AMOUNT	PERCENT	YTD ACTUAL	YTD BUDGET	VARIANCE AMOUNT	PERCENT
<b>Operating Income</b>												
Operating/admin subsidies	5,558,232	5,488,827	69,406	1%	5,964,966	4,683,310	1,281,656	27%	5,416,279	4,845,021	571,258	12%
Dwelling rents	8,530,217	8,106,995	423,223	5%	7,887,907	8,440,074	(552,167)	-7%	7,851,121	8,777,497	(926,376)	-11%
Excess utilities & other	221,846	135,565	86,281	64%	100,960	165,136	(64,176)	-39%	59,176	180,126	(120,950)	-67%
Capital fund transfer in (Note 10)	1,257,115	1,190,358	66,758	6%	1,425,042	1,427,777	(2,735)	0%	2,946,761	1,425,054	1,521,708	107%
Other income	502,033	741,000	(238,967)	-32%	1,251,493	397,492	854,002	215%	824,913	620,790	204,124	33%
Management fees	2,090,860	2,070,082	20,778	1%	1,996,241	2,118,384	(122,143)	-6%	2,343,949	2,042,151	301,799	15%
Central maintenance revenue	1,438,161	2,221,693	(783,532)	-35%	1,444,241	1,715,520	(271,279)	-16%	1,288,905	1,721,748	(432,843)	-25%
Developers fee	1,257,637	653,543	604,094	92%	515,000	861,825	(346,825)	-40%	0	0	0	0%
Interest on general fund	102,331	60,800	41,531	68%	40,485	81,250	(40,765)	-50%	64,526	67,650	(3,124)	-5%
<b>Total Income</b>	<b>20,958,432</b>	<b>20,668,861</b>	<b>289,571</b>	<b>1%</b>	<b>20,626,335</b>	<b>19,890,767</b>	<b>735,568</b>	<b>4%</b>	<b>20,795,630</b>	<b>19,680,035</b>	<b>1,115,595</b>	<b>6%</b>
<b>Operating Expenditures</b>												
<b>Administrative</b>												
Salaries	2,965,951	3,154,818	188,867	6%	2,815,315	3,065,398	250,083	8%	3,371,403	3,173,359	(198,045)	-6%
Employee benefits	1,294,189	1,348,752	54,563	4%	1,309,124	1,302,322	(6,803)	-1%	1,156,175	1,352,925	196,750	15%
Legal and accounting	47,436	79,454	32,018	40%	25,802	86,707	60,905	70%	78,922	100,747	21,825	22%
Audit	86,377	65,354	(21,024)	-32%	106,649	63,388	(43,261)	-68%	32,635	71,126	38,491	54%
Travel and training	54,360	130,200	75,840	58%	20,250	116,600	96,350	83%	18,548	116,600	98,052	84%
Contracted property management	103,675	389,977	286,302	73%	148,242	147,897	(345)	0%	149,124	192,897	43,773	23%
Management fees	2,090,860	2,070,082	(20,778)	-1%	1,996,242	2,118,385	122,143	6%	2,343,949	2,042,151	(301,799)	-15%
Housing intake	212,420	219,616	7,196	3%	291,864	266,942	(24,923)	-9%	239,455	233,638	(5,817)	-2%
Office supplies & printing	77,574	89,457	11,883	13%	33,499	57,176	23,677	41%	65,036	56,625	(8,411)	-15%
Telephone	48,498	32,125	(16,373)	-51%	25,032	34,625	9,593	28%	36,180	36,625	445	1%
Postage	1,648	22,298	20,650	93%	3,327	37,408	34,081	91%	3,479	34,330	30,851	90%
Other contracted services	525,284	511,900	(13,384)	-3%	930,427	517,400	(413,027)	-80%	381,456	335,800	(45,656)	-14%
Other	736,485	615,703	(120,782)	-20%	723,171	553,990	(169,182)	-31%	380,162	550,830	170,668	31%
<b>Total admin</b>	<b>8,244,757</b>	<b>8,729,734</b>	<b>484,977</b>	<b>6%</b>	<b>8,428,944</b>	<b>8,368,235</b>	<b>(60,709)</b>	<b>-1%</b>	<b>8,256,524</b>	<b>8,297,651</b>	<b>41,127</b>	<b>0%</b>
<b>Tenant Services</b>												
Salaries & benefits	51,785	87,426	35,641	41%	69,148	82,361	13,213	16%	35,283	72,874	37,591	52%
Contracts, trainings, others	50,471	120,050	69,579	58%	53,585	120,050	66,465	55%	141,974	130,050	(11,924)	-9%
<b>Total tenant services</b>	<b>102,256</b>	<b>207,476</b>	<b>105,220</b>	<b>51%</b>	<b>122,733</b>	<b>202,411</b>	<b>79,678</b>	<b>39%</b>	<b>177,257</b>	<b>202,924</b>	<b>25,667</b>	<b>13%</b>

HOUSING AUTHORITY OF THE CITY OF MILWAUKEE  
THREE YEAR TREND ANALYSIS

June 30, 2022

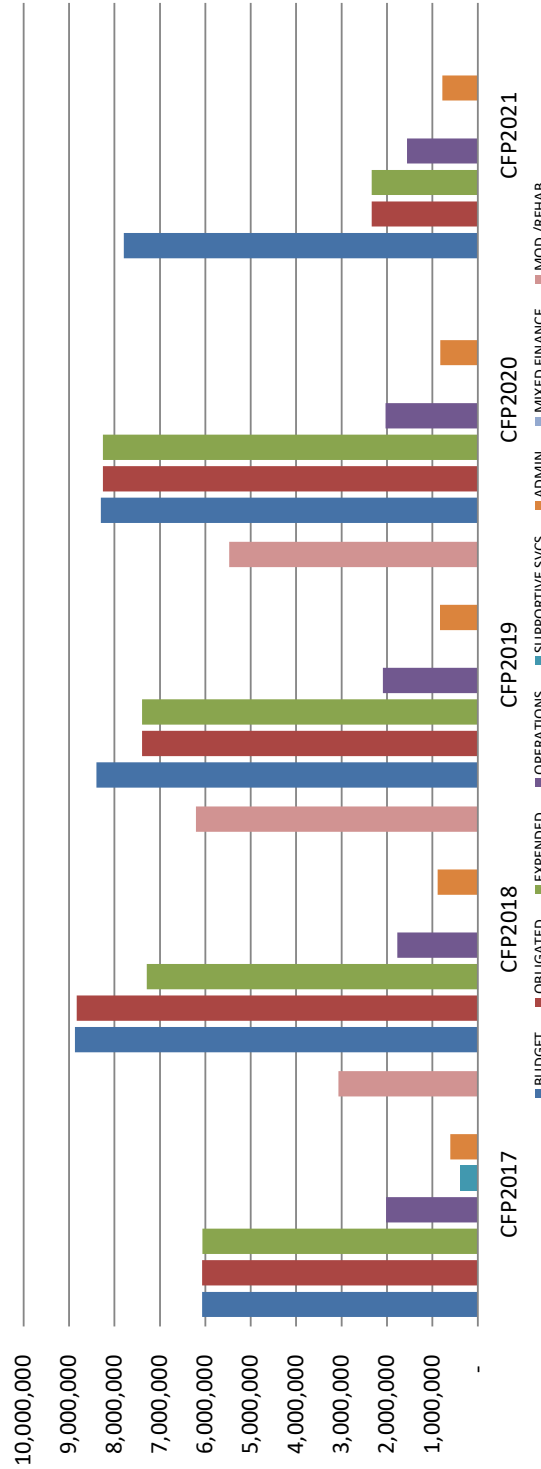
June 30, 2021

June 30, 2020

	YTD		Variance Amount	Percent	YTD		Variance Amount	Percent	YTD		Variance Amount	Percent
	Actual	Budget			Actual	Budget			Actual	Budget		
Utilities												
Water	1,082,014	1,342,182	260,168	19%	799,270	1,263,188	463,918	37%	783,632	1,234,947	451,315	37%
Electric	467,833	561,904	94,071	17%	461,974	551,535	89,561	16%	465,477	664,530	199,053	30%
Gas	541,602	308,292	(233,310)	-76%	376,782	338,310	(38,473)	-11%	343,179	427,036	83,857	20%
Total utilities	2,091,449	2,212,378	120,929	5%	1,638,026	2,153,032	515,006	24%	1,592,288	2,326,513	734,225	32%
Ordinary maintenance												
Salaries	1,359,270	1,630,364	271,094	17%	1,281,876	1,680,077	398,201	24%	953,136	1,727,268	774,132	45%
Employee benefits Maint	741,050	682,599	(58,451)	-9%	664,631	667,524	2,893	0%	696,493	721,384	24,891	3%
Maintenance materials	728,322	798,078	69,756	9%	886,390	814,032	(72,359)	-9%	877,361	699,592	(177,770)	-25%
Maintenance contracts	2,711,134	3,112,726	401,592	13%	2,507,198	2,387,731	(119,468)	-5%	2,022,632	2,590,930	568,298	22%
Total maintenance	5,539,776	6,223,766	683,990	11%	5,340,095	5,549,363	209,268	4%	4,549,622	5,739,173	1,189,551	21%
Protective Services												
Public safety allocation	530,822	448,353	(82,470)	-18%	567,640	408,521	(159,119)	-39%	669,243	607,976	(61,268)	-10%
Contracts, others	18,299	12,100	(6,199)	-51%	12,481	12,100	(381)	-3%	23,338	65,100	41,762	64%
Total protective services	549,121	460,453	(88,669)	-19%	580,121	420,621	(159,500)	-38%	692,581	673,076	(19,506)	-3%
General												
Insurance	559,347	634,249	74,902	12%	626,275	596,302	(29,973)	-5%	547,917	606,058	58,141	10%
Pilot	643,330	596,725	(46,605)	-8%	591,488	641,139	49,651	8%	639,380	653,161	13,781	2%
Interest Expense	262,018	254,615	(7,404)	-3%	274,878	268,436	(6,443)	-2%	286,384	280,607	(5,778)	-2%
Subsidy to Mixed finance dev't.	0	95,920	95,920	100%	0	93,420	93,420	100%	0	99,345	99,345	100%
Other general expense	47,645	121,378	73,733	61%	36,524	124,668	88,144	71%	54,857	128,083	73,226	57%
Total general	1,512,340	1,702,886	190,546	11%	1,529,165	1,723,964	194,799	11%	1,528,538	1,767,253	238,715	14%
Total Operating Expenditures	18,039,699	19,536,691	1,496,992	8%	17,639,084	18,417,625	778,541	4%	16,796,810	19,006,589	2,209,779	12%
Excess (deficiency) of total revenue over expenses	2,918,733	1,132,170	1,786,563	158%	2,987,251	1,473,142	1,514,108	103%	3,998,820	673,447	3,325,374	494%
Extra-ordinary maintenance	3,835	1,042,854	1,039,019	100%	326,144	536,433	210,288	39%	455,856	482,803	26,947	6%
Program Income	0	(749,997)	(749,997)	100%	0	(105,000)	(105,000)	100%	0	(105,000)	(105,000)	100%
Net income(loss) from operations	2,914,898	839,313	2,075,586	247%	2,661,106	1,041,710	1,619,396	155%	3,542,964	295,644	3,247,321	1098%

	SPENDING PLAN								END DATE
	BUDGET	OBLIGATED	EXPENDED	OPERATIONS	SUPPORTIVE SVCS	ADMIN	MIXED FINANCE	MOD./REHAB	
CFP2017	6,071,406	6,071,406	6,063,792	2,017,528	376,583	607,140		3,070,155	8/15/2023
CFP2018	8,869,415	8,831,929	7,288,203	1,773,883	-	886,941		6,208,591	5/28/2024
CFP2019	8,399,756	7,395,078	7,395,078	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	2,337,534	2,337,534	1,558,356	-	779,178		5,454,248	2/22/2025
TOTAL	39,434,138	32,891,702	31,340,362	9,469,209	376,583	3,934,620	-	25,653,726	
PERCENT	100%	83%	79%	24%	1%	10%	0%	65%	

## All Grants



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 2<sup>nd</sup> 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](http://www.businesstown.com)