



# FINANCIAL REPORTS

SEPTEMBER 30, 2015



HOUSING AUTHORITY OF THE CITY OF MILWAUKEE  
FINANCIAL REPORTS  
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HA of the City Milwaukee  
Financial Highlights  
As of Sept. 30, 2015

Financial Position (pp. 3-4)

As of Sept. 30, 2015, HACM has total assets of \$219.2mm, an increase of about \$294,000 from June 2015. The net proceeds in bond refinancing that was done in March 2015 is temporarily invested and held under trust by USBank. This will be drawn as rehabilitation expenses are incurred. Agency-wide working capital (difference between current assets & current liabilities) was at \$34.6mm indicating HACM's strong capacity to meet maturing obligations. Total cash & investments as of the end of Sept. was \$43.23mm. About \$23.95mm of which are invested in Institutional Trust, \$900,000 in Local Government Investment Pool, and the balance in 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	\$7.42mm
VETS Housing	21.55
Rental Assistance Program	1.09
Central Office	12.65
Home Ownership & Grants	0.52

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

Low Rent Public Housing	\$5.84mm
VETS Housing	5.91
Rental Assistance Program-Admin	0.40
Central office	4.22

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. Central Office had transferred about \$2.5mm to the Low Rent Public Housing to shore up its reserve and maintain its financial score. 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 6% higher than budget (p. 5) and total spending was close to budget (p.6). Administrative expenses were 3% below budget. Tenant services were 34% above budget; Utilities were 16% below budget; Maintenance expenses were 10% above budget, protective services 4% above budget and general expenses were 4% over budget.

Consolidated net income from operations for the period ended Sept 30, 2015 was \$1.12mm (p. 6)

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

LRPH operations resulted in a net income from operations of \$1.05mm (p. 6) during the period. Operating revenue was \$1.78mm over budget. However, total operating expenses for the period were \$263,831 over budget. All combined, LRPH posted a positive variance of \$1.51mm (see p. 7). The resiliency plan was fully implemented in May instead of the 1<sup>st</sup> quarter as planned. However, HUD had allowed PHA's to draw down additional 5% from CFP to support operational cost. In addition, HUD approved our request for waiver for an additional \$500,000 from CFP to support public safety cost. Final funding was also increase by 4% from 82% that we budgeted. The above and the higher CFP allocation for 2015, resulted in an additional HUD operating revenue to LRPH of about \$1.3mm over what we budgeted for the year.

#### *VETS Housing*

VETS Housing has a favorable results of operations during the period. Net income from operation was at \$1.65mm (p.6) before amortization of principal on series 2015 bonds of around \$395,000 for 2015. Revenue was \$95,069 above budget and operating expenses were under the budget by \$622,658 during the period. All combined, VETS posted a positive variance of \$717,728 (see p. 8).

#### *Rental Assistance Program (RAP)*

RAP had a net income of \$179,497 by the end of the period (p. 6). Administrative revenue was \$2,679 below budget and spending was under budget by \$182,176, resulting in an overall positive variance of \$179,497 (see p. 9).

The Housing Assistance Payment (HAP) grant during the period was \$25.10mm against total disbursement of \$24.88mm, reflecting a budget utilization of 99.1%. 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 \$1.5mm (p.6) during the period. Total revenue was over budget by \$127,527 (see p. 10). However, operating expenses were over budget by \$600,340. All combined, COCC posted a negative variance of \$472,813 (see p. 10).

#### Grant Management (pp.11)

As of Sept. 30, 2015, HACM is on track with its obligation and spending timelines as required by the grant agreements. Currently open grants are Capital Fund Programs 2011-2015. As of end of the period 75% has been obligated and 64% has been expended. Around 54% of the total grants will be spent on modernization & mixed finance developments. The balance is supplementing HACM operations.

**HOUSING AUTHORITY OF THE CITY OF MILWAUKEE**  
**BALANCE SHEETS**  
**AS OF SEPT. 30, 2015**

	<b>SEPT 30, 2015</b>						<b>JUNE 30, 2015</b>
	<b>LRPH</b>	<b>VETS HSNG</b>	<b>RAP</b>	<b>COCC</b>	<b>GRANTS/DEVT</b>	<b>HOME OWN</b>	<b>Total HACM</b>
<b>ASSETS</b>							
<b>CURRENT ASSETS</b>							
CASH							
UNRESTRICTED CASH	6,860,761	8,160,632	396,264	12,349,259	120,231	404,000	27,882,148
RESTRICTED CASH (Note 1)		2,158,167	560,966	211,855			2,530,542
<b>TOTAL CASH</b>	<b>6,860,761</b>	<b>10,318,799</b>	<b>957,230</b>	<b>12,561,114</b>	<b>120,231</b>	<b>404,000</b>	<b>30,412,690</b>
ACCOUNTS RECEIVABLE-TENANTS	159,618	61,233					110,776
ALLOWANCE FOR DOUBTFUL ACCOUNTS (Note 2)	(27,171)						(43,326)
<b>NET ACCOUNTS RECEIVABLE-TENANTS</b>	<b>132,447</b>	<b>61,233</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>67,450</b>
ACCOUNTS RECEIVABLE-MISC							
AR-HUD (Note 3)	91,607						91,607
AR- DEVELOPMENT FEE (Note 4)				75,000			75,000
AR - OTHERS	294,486	0		325,419			452,874
<b>TOTAL AR-MISC</b>	<b>386,093</b>	<b>0</b>	<b>0</b>	<b>400,419</b>	<b>0</b>	<b>0</b>	<b>619,481</b>
INVESTMENTS							
RESTRICTED (Note 1)	559,011	11,230,684	132,990	84,933			12,040,669
<b>TOTAL INVESTMENTS</b>	<b>559,011</b>	<b>11,230,684</b>	<b>132,990</b>	<b>84,933</b>	<b>0</b>	<b>0</b>	<b>12,040,669</b>
PREPAID EXPENSES AND OTHER ASSETS							
PREPAID EXPENSES AND OTHER ASSETS	6,533	0	10,987	55,531			66,168
<b>TOTAL PREPAID EXPENSES AND OTHER ASSETS</b>	<b>6,533</b>	<b>0</b>	<b>10,987</b>	<b>55,531</b>	<b>0</b>	<b>0</b>	<b>66,168</b>
CURRENT INTERFUNDS							
<b>TOTAL DUE FROM AMOUNTS - CURRENT (Note 5)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>TOTAL CURRENT ASSETS</b>	<b>7,944,845</b>	<b>21,610,716</b>	<b>1,101,207</b>	<b>13,101,997</b>	<b>120,231</b>	<b>404,000</b>	<b>43,206,458</b>
<b>NON-CURRENT ASSETS</b>							
FIXED ASSETS							
LAND & LAND IMPROVEMENTS	32,385,087	2,759,343		454,172		10,703	35,609,305
BUILDINGS	239,283,443	44,333,229		7,775,797		96,330	291,488,799
FURNITURES, EQPT. MACHINERY	1,402,056	187,084	72,604	1,766,782			3,407,516
CONSTRUCTION IN PROGRESS	1,204,234	226,108		113,643	47,870	564,720	1,324,181
<b>TOTAL FIXED ASSETS</b>	<b>274,274,820</b>	<b>47,505,764</b>	<b>72,604</b>	<b>10,110,394</b>	<b>47,870</b>	<b>671,753</b>	<b>331,829,801</b>
ACCUMULATED DEPRECIATION	(183,070,184)	(43,138,671)	(72,604)	(4,589,159)		(8,595)	(229,243,820)
<b>FIXED ASSETS, NET OF DEPRECIATION</b>	<b>91,204,636</b>	<b>4,367,093</b>	<b>0</b>	<b>5,521,235</b>	<b>47,870</b>	<b>663,158</b>	<b>102,585,981</b>
OTHER ASSETS							
NOTES RECEIVABLE (Note 7)	53,571,329			8,293,354	0	1,214,537	63,079,648
NOTES INTEREST RECEIVABLE (Note 6)	9,590,711			417,772	0		10,008,483
FINANCING FEES & OTHER ASSETS						0	0
<b>TOTAL OTHER ASSETS</b>	<b>63,162,040</b>	<b>0</b>	<b>0</b>	<b>8,711,126</b>	<b>0</b>	<b>1,214,537</b>	<b>73,088,131</b>
<b>TOTAL NON-CURRENT ASSETS</b>	<b>154,366,676</b>	<b>4,367,093</b>	<b>0</b>	<b>14,232,361</b>	<b>47,870</b>	<b>1,877,695</b>	<b>175,674,112</b>
<b>TOTAL ASSETS</b>	<b>162,311,521</b>	<b>25,977,809</b>	<b>1,101,207</b>	<b>27,334,358</b>	<b>168,101</b>	<b>2,281,695</b>	<b>218,880,570</b>

**HOUSING AUTHORITY OF THE CITY OF MILWAUKEE**  
**BALANCE SHEETS**  
**AS OF SEPT. 30, 2015**

	<b>SEPT 30, 2015</b>						<b>JUNE 30, 2015</b>
	<b>LRPH</b>	<b>VETS HSNG</b>	<b>RAP</b>	<b>COCC</b>	<b>GRANTS/DEVT</b>	<b>HOME OWN</b>	<b>Total HACM</b>
<b>LIABILITIES AND EQUITY</b>							
<b>CURRENT LIABILITIES</b>							
ACCOUNTS PAYABLE							
ACCOUNTS PAYABLE	123,451	565,287		1,780,371	55,463	900	2,525,472
<i>TOTAL ACCOUNTS PAYABLE</i>	<i>123,451</i>	<i>565,287</i>	<i>0</i>	<i>1,780,371</i>	<i>55,463</i>	<i>900</i>	<i>2,525,472</i>
ACCRUED LIABILITIES							
ACCRUED SALARIES & BENEFITS	0	0		36,727	0	0	36,727
ACCRUED INTEREST PAYABLE		157,131		0	0		157,131
DEFERED REVENUE				1,040,149		0	1,040,149
DUE TO GOVERNMENT - PILOT & OTHERS	1,033,131	1,114,223		129,278		0	2,276,632
ACCRUED COMPENSATED ABSENCES (Note 7)	0	0	0	923,183	0	0	923,183
OTHER ACCRUED LIABILITIES	6,858	1,028		200,000		437,204	645,090
<i>TOTAL ACCRUED LIABILITIES</i>	<i>1,039,989</i>	<i>1,272,382</i>	<i>0</i>	<i>2,329,337</i>	<i>0</i>	<i>437,204</i>	<i>5,078,912</i>
OTHER CURRENT LIABILITIES							
TENANT SECURITY DEPOSITS	728,822	470,320					1,199,142
FSS ESCROW ACCOUNT	209,011		132,990				342,001
CURRENT PORTION-LT DEBT		535,000					535,000
<i>TOTAL OTHER CURRENT LIABILITIES</i>	<i>937,833</i>	<i>1,005,320</i>	<i>132,990</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>2,076,143</i>
<b>TOTAL CURRENT LIABILITIES</b>	<b>2,101,273</b>	<b>2,842,989</b>	<b>132,990</b>	<b>4,109,708</b>	<b>55,463</b>	<b>438,104</b>	<b>9,680,527</b>
<b>NON-CURRENT LIABILITIES</b>							
LONG TERM DEBT							
MORTGAGE REVENUE BONDS				203,055			203,055
NOTES PAYABLE		19,045,000			0		19,045,000
TOTAL	0	19,045,000	0	203,055	0	0	19,248,055
LESS CURRENT PORTION		(535,000)					(535,000)
<i>TOTAL LONG TERM DEBT - NET</i>	<i>0</i>	<i>18,510,000</i>	<i>0</i>	<i>203,055</i>	<i>0</i>	<i>0</i>	<i>18,713,055</i>
NONCURRENT LIABILITIES-OTHER							
NET OPEB LIABILITY (Note 8)	0	0	0	4,274,317			4,274,317
<i>TOTAL NONCURRENT LIABILITIES-OTHER</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>4,274,317</i>	<i>0</i>	<i>0</i>	<i>4,274,317</i>
<b>TOTAL NON-CURRENT LIABILITIES</b>	<b>0</b>	<b>18,510,000</b>	<b>0</b>	<b>4,477,372</b>	<b>0</b>	<b>0</b>	<b>22,987,372</b>
<b>TOTAL LIABILITIES</b>	<b>2,101,273</b>	<b>21,352,989</b>	<b>132,990</b>	<b>8,587,080</b>	<b>55,463</b>	<b>438,104</b>	<b>32,667,899</b>
<b>EQUITY</b>							
INVESTED IN CAPITAL ASSETS, NET OF DEBT	91,204,636	(14,677,907)	0	5,521,235	47,870	663,158	82,758,992
UNRESTRICTED RESERVE	5,843,572	5,913,876	407,251	4,218,129	64,768	403,100	16,850,696
RESTRICTED RESERVE (Note 9)	63,162,040	13,388,851	560,966	9,007,914	0	777,333	86,897,104
<b>TOTAL EQUITY</b>	<b>160,210,248</b>	<b>4,624,820</b>	<b>968,217</b>	<b>18,747,278</b>	<b>112,638</b>	<b>1,843,591</b>	<b>186,506,792</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>162,311,521</b>	<b>25,977,809</b>	<b>1,101,207</b>	<b>27,334,358</b>	<b>168,101</b>	<b>2,281,695</b>	<b>219,174,691</b>

**HA OF THE CITY OF MILWAUKEE**  
**CONSOLIDATED STATEMENT OF REVENUE & EXPENSES**  
**BUDGETED PROGRAM ONLY**  
**AS OF SEPT. 30, 2015**

9

25%

	LRPH	VETS HSNG	RAP	COCC	HOME OWN	YTD ACTUAL	YTD BUDGET	VARIANCE		ANNUAL BUDGET	REMAINING	
								AMOUNT	PERCENT		AMOUNT	PERCENT
<b>Operating Income</b>												
<i>Operating/admin subsidies</i>	6,368,212		2,313,233			8,681,445	8,404,228	277,217	3%	11,205,638	2,524,193	23%
<i>Dwelling rents</i>	7,584,972	5,272,627				12,857,599	12,701,395	156,204	1%	16,935,194	4,077,595	24%
<i>Excess utilities &amp; other</i>	190,562	77,277				267,839	309,751	(41,912)	-14%	413,002		0%
<i>Capital fund transfer in (Note 10)</i>	2,295,262					2,295,262	1,057,500	1,237,762	117%	1,410,000	0	0%
<i>Other income</i>	590,819	7,452	60,554	678,474	78,321	1,415,620	1,160,892	254,728	22%	1,547,856	132,236	9%
<i>Management fees</i>				2,841,723		2,841,723	2,955,607	(113,884)	-4%	3,940,810	1,099,087	28%
<i>Central maintenance revenue</i>				2,280,396		2,280,396	2,420,182	(139,786)	-6%	3,226,910	0	0%
<i>Developers fee</i>						0	0	0	0%	400,000	400,000	100%
<i>Interest on general fund</i>	923	136,124		76,974		214,021	12,767	201,254	1576%	17,023	0	0%
<b>Total Income</b>	<b>17,030,750</b>	<b>5,493,480</b>	<b>2,373,787</b>	<b>5,877,567</b>	<b>78,321</b>	<b>30,853,905</b>	<b>29,022,324</b>	<b>1,831,581</b>	<b>6%</b>	<b>39,096,432</b>	<b>8,242,527</b>	<b>21%</b>
<b>Operating Expenditures</b>												
<b>Administrative</b>												
<i>Salaries</i>	1,084,182	196,159	1,035,932	2,312,082	141,273	4,769,628	4,971,943	202,315	4%	6,629,258	1,859,630	28%
<i>Employee benefits</i>	537,887	82,315	524,491	852,022	57,854	2,054,569	1,771,521	(283,048)	-16%	2,362,028	307,459	13%
<i>Legal and accounting</i>	18,074	4,772	1,945	31,397		56,188	187,471	131,283	70%	249,961	193,773	78%
<i>Audit</i>	74,599	19,621	18,354	29,919		142,493	144,980	2,487	2%	144,980	0	0%
<i>Travel and training</i>	4,389	1,500	12,614	115,534	3,781	137,818	203,756	65,938	32%	271,675	133,857	49%
<i>Contracted property management</i>				201,000		201,000	221,846	20,846	9%	295,794	94,794	32%
<i>Management fees</i>	2,087,823	491,400	262,500			2,841,723	2,955,607	113,884	4%	3,940,809	1,099,086	28%
<i>Housing intake</i>	274,402	165,803				440,205	460,032	19,827	4%	613,376	173,171	28%
<i>Office supplies &amp; printing</i>	18,901	5,008	16,404	35,581	805	76,699	138,131	61,432	44%	184,175	107,476	58%
<i>Telephone</i>	15,870	1,042	6,812	23,927	321	47,972	96,444	48,472	50%	128,592	80,620	63%
<i>Postage</i>	2,070	809	19,074	2,076	294	24,323	51,124	26,801	52%	68,166	43,843	64%
<i>Other contracted services</i>	79,849	12,750	132,956	195,286	253	421,094	552,256	131,162	24%	736,342	315,248	43%
<i>Other</i>	182,620	73,056	10,979	583,935	5,200	855,790	715,056	(140,734)	-20%	953,408	97,618	10%
<b>Total admin</b>	<b>4,380,666</b>	<b>1,054,235</b>	<b>2,042,061</b>	<b>4,382,759</b>	<b>209,781</b>	<b>12,069,502</b>	<b>12,433,923</b>	<b>364,421</b>	<b>3%</b>	<b>16,578,564</b>	<b>4,509,062</b>	<b>27%</b>
<b>Tenant Services</b>												
<i>Resident services allocation</i>	411,261					411,261	272,687	(138,574)	-51%	363,583	(47,678)	-13%
<i>Salaries &amp; benefits</i>	23,565		32,084	117,731		173,380	156,862	(16,518)	-11%	209,149	0	0%
<i>Contracts, trainings, others</i>	9,364			59,692		69,056	58,444	(10,612)	-18%	77,925	0	0%
<b>Total tenant services</b>	<b>444,190</b>	<b>0</b>	<b>32,084</b>	<b>177,423</b>	<b>0</b>	<b>653,697</b>	<b>487,993</b>	<b>(165,704)</b>	<b>-34%</b>	<b>650,658</b>	<b>(3,039)</b>	<b>0%</b>

**HA OF THE CITY OF MILWAUKEE**  
**CONSOLIDATED STATEMENT OF REVENUE & EXPENSES**  
**BUDGETED PROGRAM ONLY**  
**AS OF SEPT. 30, 2015**

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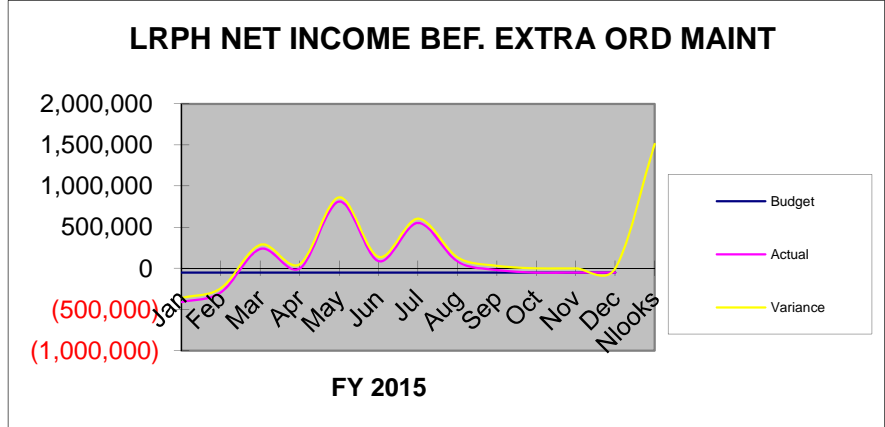
25%

	LRPH	VETS HSNG	RAP	COCC	HOME OWN	YTD ACTUAL	YTD BUDGET	VARIANCE		ANNUAL BUDGET	REMAINING	
								AMOUNT	PERCENT		AMOUNT	PERCENT
<i>Utilities</i>												
Water	1,115,771	407,999		5,504		1,529,274	1,675,725	146,451	9%	2,234,300	705,026	32%
Electric	1,082,187	30,832		38,788		1,151,807	1,295,175	143,368	11%	1,726,900	575,093	33%
Gas	594,433	10,653		13,066		618,152	937,290	319,138	34%	1,249,720	0	0%
<b>Total utilities</b>	<b>2,792,391</b>	<b>449,484</b>	<b>0</b>	<b>57,358</b>	<b>0</b>	<b>3,299,233</b>	<b>3,908,190</b>	<b>608,957</b>	<b>16%</b>	<b>5,210,920</b>	<b>1,911,687</b>	<b>37%</b>
<i>Ordinary maintenance</i>												
Salaries	1,101,052	186,558		1,573,109	24,545	2,885,264	2,779,111	(106,153)	-4%	3,705,482	820,218	22%
Employee benefits Maint	616,028	78,948		704,304	18,286	1,417,566	1,306,672	(110,894)	-8%	1,742,229	324,663	19%
Maintenance materials	728,597	180,421	684	89,349	2,464	1,001,515	901,759	(99,756)	-11%	1,202,345	200,830	17%
Maintenance contracts	2,612,573	555,893	13,654	249,189	49,100	3,480,409	3,030,869	(449,540)	-15%	4,041,159	560,750	14%
<b>Total maintenance</b>	<b>5,058,250</b>	<b>1,001,820</b>	<b>14,338</b>	<b>2,615,951</b>	<b>94,395</b>	<b>8,784,754</b>	<b>8,018,411</b>	<b>(766,343)</b>	<b>-10%</b>	<b>10,691,215</b>	<b>1,906,461</b>	<b>18%</b>
<i>Protective Services</i>												
Public safety allocation	877,316	101,690	383	6,062		985,451	920,864	(64,587)	-7%	1,227,819	242,368	20%
Contracts, others	20,394	747	280	6,894		28,315	55,350	27,035	49%	73,800	45,485	62%
<b>Total protective services</b>	<b>897,710</b>	<b>102,437</b>	<b>663</b>	<b>12,956</b>	<b>0</b>	<b>1,013,766</b>	<b>976,214</b>	<b>(37,552)</b>	<b>-4%</b>	<b>1,301,619</b>	<b>287,853</b>	<b>22%</b>
<i>General</i>												
Insurance	528,146	157,975	88,604	156,618	8,994	940,337	858,654	(81,683)	-10%	1,068,205	127,868	12%
Pilot	498,236	487,681				985,917	892,042	(93,875)	-11%	1,189,390	203,473	17%
Interest Expense		444,368				444,368	584,925	140,557	24%	779,900	335,532	43%
Subsidy to Mixed finance dev't.	1,297,259					1,297,259	1,129,311	(167,948)	-15%	1,505,748	208,489	14%
Other general expense	83,673	316	16,540	372		100,901	226,690	125,789	55%	302,253	201,352	67%
<b>Total general</b>	<b>2,407,314</b>	<b>1,090,340</b>	<b>105,144</b>	<b>156,990</b>	<b>8,994</b>	<b>3,768,782</b>	<b>3,634,122</b>	<b>(134,660)</b>	<b>-4%</b>	<b>4,845,496</b>	<b>1,076,714</b>	<b>22%</b>
<b>Total Operating Expenditures</b>	<b>15,980,521</b>	<b>3,698,316</b>	<b>2,194,290</b>	<b>7,403,437</b>	<b>313,170</b>	<b>29,589,734</b>	<b>29,458,853</b>	<b>(130,881)</b>	<b>0%</b>	<b>39,278,471</b>	<b>9,688,737</b>	<b>25%</b>
<b>Excess (deficiency) of total revenue over expenses</b>	<b>1,050,229</b>	<b>1,795,164</b>	<b>179,497</b>	<b>(1,525,870)</b>	<b>(234,849)</b>	<b>1,264,171</b>	<b>(436,529)</b>	<b>1,700,700</b>	<b>-390%</b>	<b>(182,039)</b>	<b>(1,446,210)</b>	<b>794%</b>
Extra-ordinary maintenance	640,406	142,312				782,718	2,157,631	1,374,913	64%	2,876,841	2,094,123	73%
Program Income	(640,406)					(640,406)	(1,945,279)	(1,304,873)	67%	(2,593,705)	(1,953,299)	75%
<b>Net income(loss) from operation:</b>	<b>1,050,229</b>	<b>1,652,852</b>	<b>179,497</b>	<b>(1,525,870)</b>	<b>(234,849)</b>	<b>1,121,859</b>	<b>(648,881)</b>	<b>1,770,740</b>	<b>-273%</b>	<b>(465,175)</b>	<b>(1,587,034)</b>	<b>341%</b>
Depreciation expense	4,174,141	542,118		241,282	1,799	4,959,340						
<b>Net Income (loss)</b>	<b>(3,123,912)</b>	<b>1,110,734</b>	<b>179,497</b>	<b>(1,767,152)</b>	<b>(236,648)</b>	<b>(3,837,481)</b>						



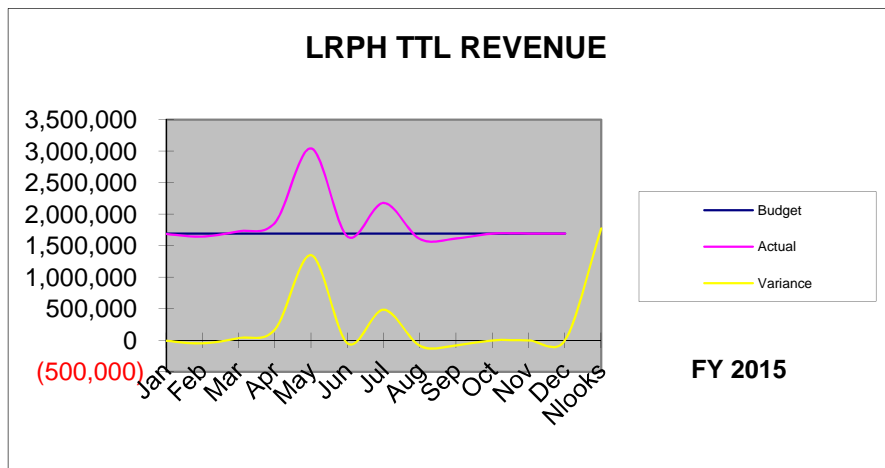
# NET INCOME BEF. EXTRA ORDINARY MAINTENANCE

	Budget	Actual	Variance
Jan	(51,323)	(410,896)	(359,573)
Feb	(51,323)	(291,701)	(240,378)
Mar	(51,323)	236,413	287,736
Apr	(51,323)	(677)	50,646
May	(51,323)	813,185	864,508
Jun	(51,323)	87,232	138,555
Jul	(51,323)	553,128	604,451
Aug	(51,323)	83,074	134,397
Sep	(51,323)	(19,528)	31,795
Oct	(51,323)	(51,323)	0
Nov	(51,323)	(51,323)	0
Dec	(51,323)	(51,323)	0
Nlooks			1,512,136
	(615,876)	896,260	



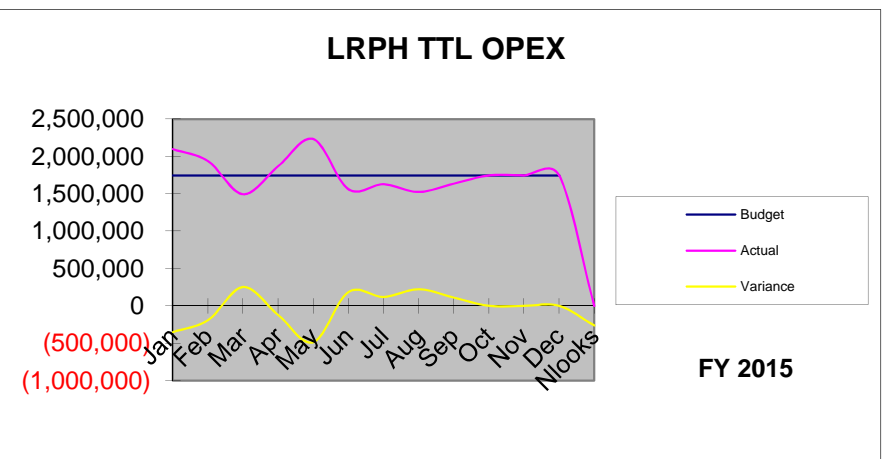
## OPERATING REVENUE

	Budget	Actual	Variance
Jan	1,694,976	1,687,206	(7,770)
Feb	1,694,976	1,646,613	(48,362)
Mar	1,694,976	1,730,593	35,618
Apr	1,694,976	1,868,468	173,492
May	1,694,976	3,046,406	1,351,430
Jun	1,694,976	1,647,427	(47,549)
Jul	1,694,976	2,180,832	485,856
Aug	1,694,976	1,607,307	(87,669)
Sep	1,694,976	1,615,898	(79,078)
Oct	1,694,976	1,694,976	0
Nov	1,694,976	1,694,976	0
Dec	1,694,976	1,694,976	0
Nlooks			1,775,967
	20,339,711	22,115,678	



## OPERATING EXPENSES

	Budget	Actual	Variance
Jan	1,746,299	2,098,102	(351,803)
Feb	1,746,299	1,938,315	(192,016)
Mar	1,746,299	1,494,180	252,119
Apr	1,746,299	1,869,145	(122,846)
May	1,746,299	2,233,221	(486,922)
Jun	1,746,299	1,560,195	186,104
Jul	1,746,299	1,627,704	118,595
Aug	1,746,299	1,524,233	222,066
Sep	1,746,299	1,635,426	110,873
Oct	1,746,299	1,746,299	0
Nov	1,746,299	1,746,299	0
Dec	1,746,299	1,746,299	0
Nlooks		0	(263,831)
	20,955,587	21,219,418	

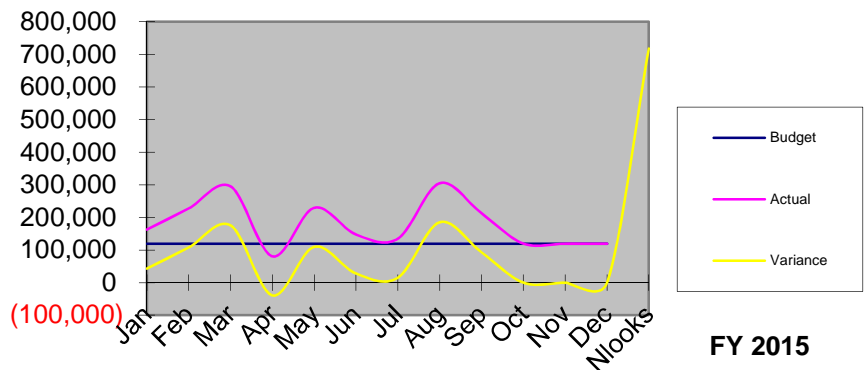


NL - Nlooks = Actual year to date (highlighted in yellow) + remaining budget of the year

# NET INCOME BEF. EXTRA ORDINARY MAINTENANCE

	Budget	Actual	Variance
Jan	119,715	162,624	42,908
Feb	119,715	227,437	107,721
Mar	119,715	295,139	175,424
Apr	119,715	80,551	(39,164)
May	119,715	229,508	109,793
Jun	119,715	147,697	27,981
Jul	119,715	134,691	14,976
Aug	119,715	304,915	185,200
Sep	119,715	212,603	92,887
Oct	119,715	119,715	0
Nov	119,715	119,715	0
Dec	119,715	119,715	0
Nlooks			717,728
	1,436,582	2,154,310	

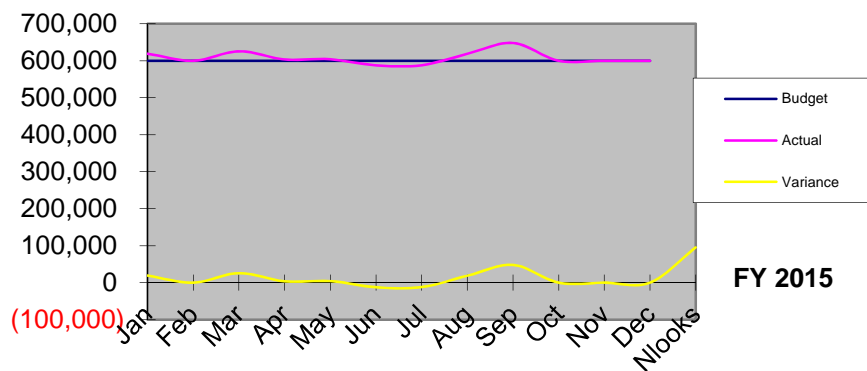
## VETS NET INCOME BEF. EXTRA ORD MAINT



# OPERATING REVENUE

	Budget	Actual	Variance
Jan	599,823	619,111	19,288
Feb	599,823	599,784	(40)
Mar	599,823	625,430	25,607
Apr	599,823	603,548	3,725
May	599,823	604,013	4,190
Jun	599,823	587,438	(12,386)
Jul	599,823	587,713	(12,111)
Aug	599,823	618,491	18,667
Sep	599,823	647,953	48,129
Oct	599,823	599,823	0
Nov	599,823	599,823	0
Dec	599,823	599,823	0
Nlooks			95,069
	7,197,881	7,292,950	

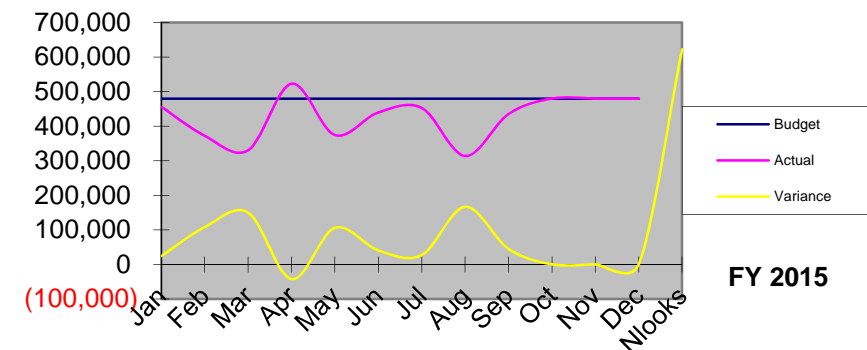
## VETS HSNG. OPERATING REVENUE



# OPERATING EXPENSES

	Budget	Actual	Variance
Jan	480,108	456,487	23,621
Feb	480,108	372,347	107,761
Mar	480,108	330,291	149,817
Apr	480,108	522,997	(42,888)
May	480,108	374,505	105,603
Jun	480,108	439,741	40,367
Jul	480,108	453,022	27,087
Aug	480,108	313,575	166,533
Sep	480,108	435,350	44,758
Oct	480,108	480,108	0
Nov	480,108	480,108	0
Dec	480,108	480,108	0
Nlooks			622,658
	5,761,299	5,138,641	

## VETS HSNG. OPEX

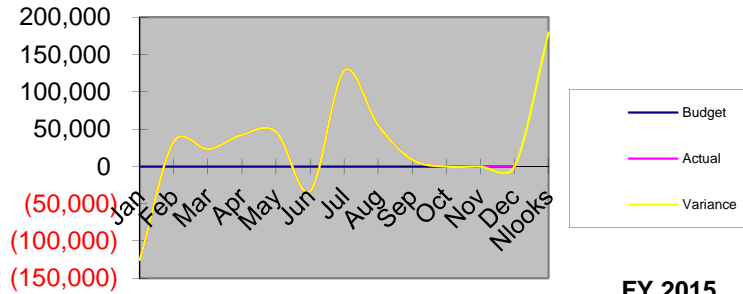


NL - Nlooks = Actual year to date (highlighted in yellow) + remaining budget of the year

# NET INCOME

	Budget	Actual	Variance
Jan	0	(125,271)	(125,271)
Feb	0	33,906	33,906
Mar	0	22,973	22,973
Apr	0	42,433	42,433
May	0	46,318	46,318
Jun	0	(33,055)	(33,055)
Jul	0	128,382	128,382
Aug	0	54,828	54,828
Sep	0	8,983	8,983
Oct	0	0	0
Nov	0	0	0
Dec	0	0	0
Nlooks			179,497
	0	179,497	

## RAP NET INCOME BEF. EXTRA ORD MAINTENANCE

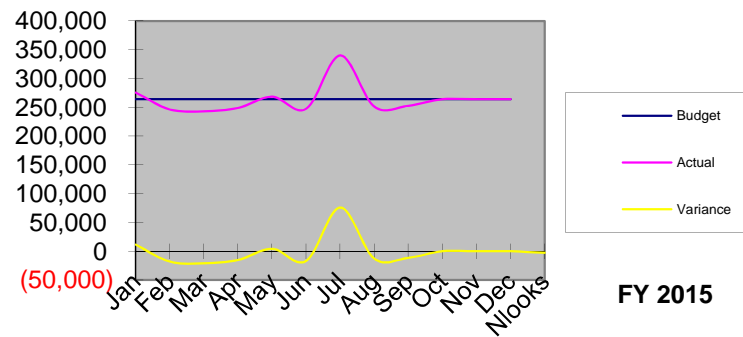


FY 2015

# OPERATING REVENUE

	Budget	Actual	Variance
Jan	264,052	275,584	11,532
Feb	264,052	246,210	(17,842)
Mar	264,052	243,285	(20,767)
Apr	264,052	248,913	(15,139)
May	264,052	268,401	4,350
Jun	264,052	247,310	(16,742)
Jul	264,052	340,094	76,042
Aug	264,052	251,230	(12,821)
Sep	264,052	252,759	(11,293)
Oct	264,052	264,052	0
Nov	264,052	264,052	0
Dec	264,052	264,052	0
Nlooks			(2,679)
	3,168,621	3,165,942	

## RAP OPERATING REV.

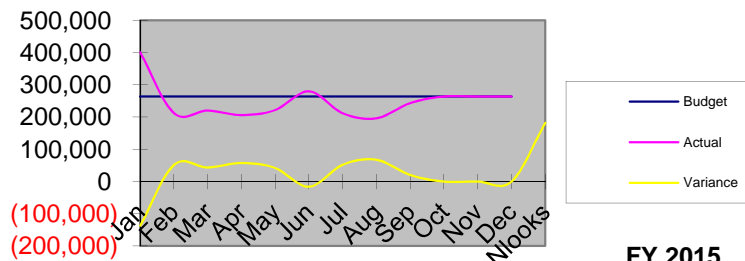


FY 2015

# OPERATING EXPENSES

	Budget	Actual	Variance
Jan	264,052	400,855	(136,804)
Feb	264,052	212,304	51,748
Mar	264,052	220,312	43,739
Apr	264,052	206,480	57,571
May	264,052	222,083	41,969
Jun	264,052	280,365	(16,313)
Jul	264,052	211,712	52,340
Aug	264,052	196,402	67,649
Sep	264,052	243,776	20,276
Oct	264,052	264,052	0
Nov	264,052	264,052	0
Dec	264,052	264,052	0
Nlooks			182,176
	3,168,621	2,986,445	

## RAP OPEX

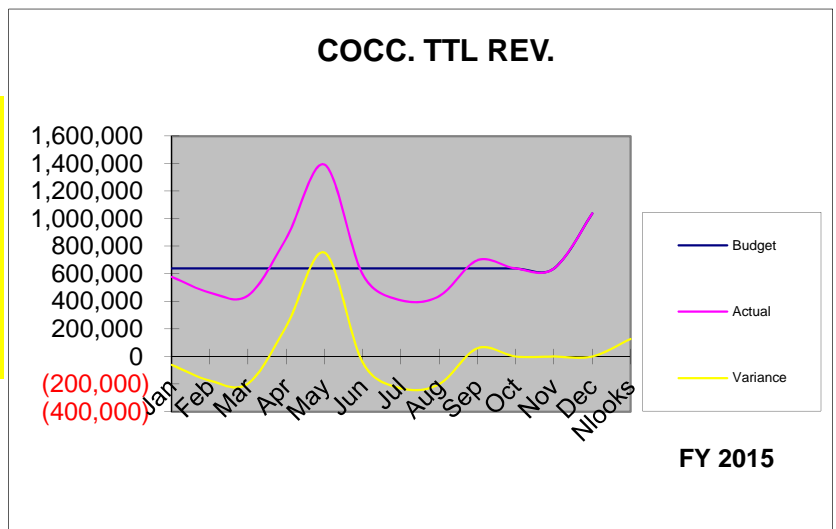


FY 2015

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

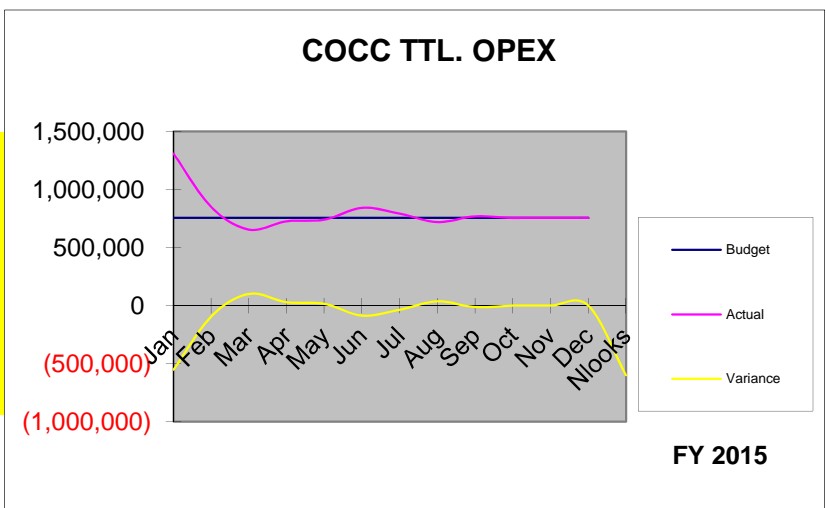
## OPERATING REVENUE

	Budget	Actual	Variance
Jan	638,893	578,233	(60,660)
Feb	638,893	463,791	(175,103)
Mar	638,893	443,491	(195,402)
Apr	638,893	860,507	221,614
May	638,893	1,392,726	753,833
Jun	638,893	592,240	(46,654)
Jul	638,893	408,190	(230,703)
Aug	638,893	439,023	(199,870)
Sep	638,893	699,366	60,473
Oct	638,893	638,893	0
Nov	638,893	638,893	0
Dec	1,038,893	1,038,893	0
Nlooks			127,527
Nlooks	8,066,720	8,194,247	



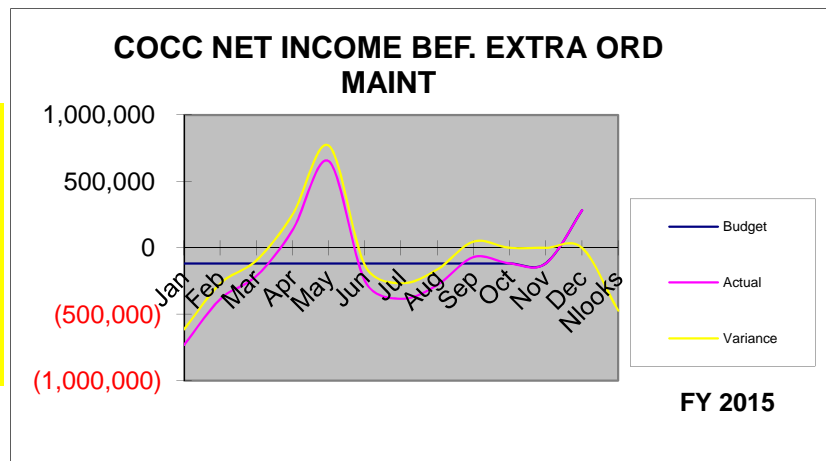
## OPERATING EXPENSES

	Budget	Actual	Variance
Jan	755,900	1,309,475	(553,575)
Feb	755,900	849,334	(93,434)
Mar	755,900	655,047	100,853
Apr	755,900	726,929	28,971
May	755,900	740,502	15,398
Jun	755,900	842,281	(86,382)
Jul	755,900	791,583	(35,684)
Aug	755,900	719,173	36,726
Sep	755,900	769,112	(13,213)
Oct	755,900	755,900	0
Nov	755,900	755,900	0
Dec	755,900	755,900	0
Nlooks			(600,340)
Nlooks	9,070,796	9,671,136	



## NET INCOME

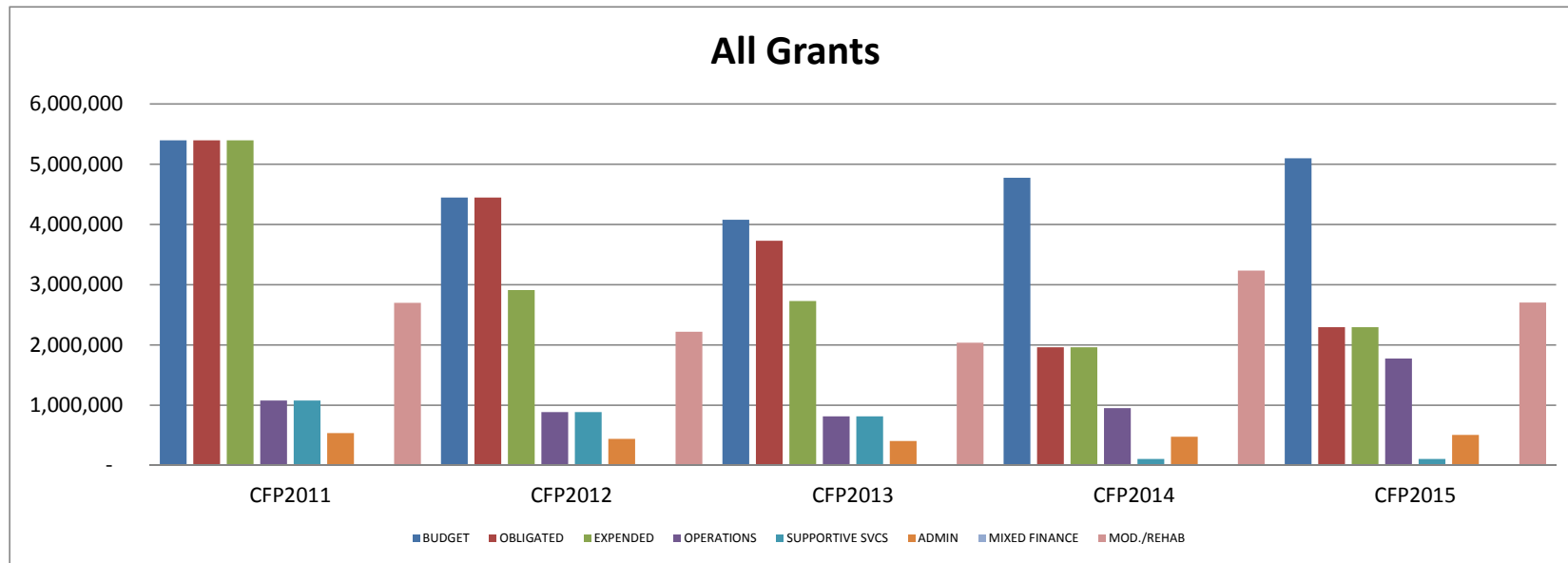
	Budget	Actual	Variance
Jan	(117,006)	(731,242)	(614,236)
Feb	(117,006)	(385,543)	(268,537)
Mar	(117,006)	(211,556)	(94,549)
Apr	(117,006)	133,578	250,585
May	(117,006)	652,224	769,231
Jun	(117,006)	(250,042)	(133,035)
Jul	(117,006)	(383,393)	(266,387)
Aug	(117,006)	(280,150)	(163,144)
Sep	(117,006)	(69,746)	47,260
Oct	(117,006)	(117,006)	0
Nov	(117,006)	(117,006)	0
Dec	282,994	282,994	0
Nlooks			(472,813)
	(1,004,076)	(1,476,889)	



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

HACM  
MAJOR GRANTS SUMMARY  
30-Sep-15

	SPENDING PLAN								END DATE
	BUDGET	OBLIGATED	EXPENDED	OPERATIONS	SUPPORTIVE SVCS	ADMIN	MIXED FINANCE	MOD./REHAB	
CFP2011	5,398,790	5,398,790	5,398,790	1,079,758	1,079,758	539,879		2,699,395	8/2/2015
CFP2012	4,445,679	4,445,678	2,910,582	889,136	889,136	444,568		2,222,839	3/11/2016
CFP2013	4,079,190	3,729,854	2,728,852	815,838	815,638	407,919	-	2,039,795	9/8/2017
CFP2014	4,776,258	1,965,608	1,965,608	955,252	110,000	477,626		3,233,380	5/12/2018
CFP2015	5,099,786	2,294,248	2,294,248	1,774,946	110,000	509,979		2,704,861	9/15/2019
<b>TOTAL</b>	<b>23,799,703</b>	<b>17,834,179</b>	<b>15,298,080</b>	<b>5,514,930</b>	<b>3,004,532</b>	<b>2,379,971</b>	<b>-</b>	<b>12,900,270</b>	
<b>PERCENT</b>	<b>100%</b>	<b>75%</b>	<b>64%</b>	<b>23%</b>	<b>13%</b>	<b>10%</b>	<b>0%</b>	<b>54%</b>	



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)