

HACM FINANCIAL REPORT
1ST QUARTER PERIOD ENDING MARCH 31, 2016
DISCUSSION POINTS - BOARD PRESENTATION

ENTITY-WIDE

- ❖ **FINANCIAL POSITION** – major changes compared to Dec. 2015.
 - Total assets are about the same at about \$220mm
 - Unrestricted reserve = \$12mm
- ❖ **RESULTS OF OPERATIONS**
 - Consolidated Net Loss from operations = \$90.00
 - Individual program results follows:

LOW RENT PUBLIC HOUSING PROGRAM

- ❖ Net Income for the period = \$13,308 vs. budget loss of \$9,332
- ❖ Revenue was \$73,346 above budget
 - Rental income was above budget by \$117,193
 - Average vacancy rate= 3%
- ❖ Expenses were \$50,708 higher than budget resulting largely from insurance and maintenance contracts being over budget
 - These expenses were offset from actual utility costs being under budget
- ❖ Grant of \$100,000 will be received for the Juvenile Reentry Assistance Program
 - One of 18 to receive this grant

UNSUBSIDIZED HOUSING

- ❖ Net income for the period = \$512,414
- ❖ Revenue was \$31,800 over budget
 - Average vacancy rate = 6%
 - Interest income was over budget by \$92,621 mainly due to interest earned from the bonds
- ❖ Expenses were lower by \$27,617 compared to budget
- ❖ Major rehab work is continuing

RAP PROGRAM

- ❖ Net Loss for the period= \$3,509
- ❖ Revenue was higher by \$43,383 compared to budget
 - Admin fee was \$48,385 over budget
- ❖ HAP Budget utilization = 100%
 - RAP continues to issue vouchers to replace regular turnovers
 - Unit lease up end of period= 5,573 of the total 6,200 allowable.

CENTRAL OFFICE

- ❖ Net loss for the period = \$515,139
- ❖ Revenue was higher by \$25,117 compared to budget
- ❖ Expenses were higher by \$285,562 compared to budget
 - Insurance was over budget this period due to expenses for the entire year recognized in the first quarter

HOME OWNERSHIP PROGRAM

- ❖ Net loss for the period = \$7,164
 - Operations will continue to be funded by the COCC
 - 1 rehab home was sold during the period
 - 3 offers on other homes have been submitted

GRANTS/DEVT

- ❖ Total grants still open = \$19.4mm (see page 11)
 - Obligated amount = 65%
 - Expended amount = 52%
 - All grants are in compliance with obligation and expenditure deadlines.



FINANCIAL REPORTS

March 31, 2016



**HOUSING AUTHORITY OF THE CITY OF MILWAUKEE
FINANCIAL REPORTS**

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Housing Authority of the City Milwaukee

Financial Highlights

As of March 31, 2016

Financial Position (pp. 3-4)

As of March 31, 2016, HACM has total assets of \$220mm. There was no major change from December 2015. The net proceeds in bond refinancing that was done in March 2015 is temporarily invested and held under trust by US Bank. This will be drawn as rehabilitation expenses are incurred. Agency-wide working capital (difference between current assets & current liabilities) was at \$29.1mm indicating HACM's strong capacity to meet maturing obligations. Total cash & investments as of the end of Mar. was \$39mm. About \$22mm 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	\$ 4.9mm
VETS Housing	20.95
Rental Assistance Program	0.72
Central Office	11.70
Home Ownership & Grants	0.81

Net unrestricted reserves as of March 31, of the major programs are as follow: (p. 4)

Low Rent Public Housing	\$2.43mm
VETS Housing	5.94
Rental Assistance Program-Admin	0.59
Central office	2.60

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% higher than budget (p. 5) and total spending was 4% over budget (p.6). Administrative expenses were below budget. Tenant services were

77% below budget; Utilities were 37% below budget; Maintenance expenses were 21% over budget, protective services 4% over budget and general expenses were 39% over budget. Consolidated net loss from operations for the period ended Mar. 31, 2016 was \$90 (p. 6)

Low Rent Public Housing (LRPH)

LRPH operations resulted in a net income from operations of \$13,308 (p. 6) in the first quarter. Operating revenue was \$73,346 over budget and total operating expenses for the period were \$50,708 over budget. All combined, LRPH posted a positive variance of \$22,639 (see p. 7).

Unsubsidized Housing

Unsubsidized Housing has a favorable result of operations during the quarter. Net income from operation was at \$512,414 (p.6) before amortization of principal on series 2015 bonds of around \$535,000 for 2016. Revenue was \$31,800 above budget and operating expenses were under the budget by \$27,617 during the period. All combined, VETS posted a positive variance of \$59,417 (see p. 8).

Rental Assistance Program (RAP)

RAP had a net loss of \$3,509 by the end of the period (p. 6). Administrative revenue was \$48,385 above budget and spending was over budget by \$65,350, resulting in an overall negative variance of \$21,967 (see p. 9).

The Housing Assistance Payment (HAP) grant during the period was \$8mm against total disbursement of \$8.3mm, reflecting a budget utilization of 100%. 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 \$515,139 (p.6) during the quarter. Total revenue was over budget by \$25,117 (see p. 10). However, operating expenses were over budget by \$285,562. All combined, COCC posted a negative variance of \$260,445 (see p. 10).

Grant Management (pp.11)

As of March 31, 2016, HACM is on track with its obligation and spending timelines as required by the grant agreements. Currently open grants are Capital Fund Programs 2013-2016. As of end of the quarter 65% has been obligated and 52% has been expended. Around 60% 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 MARCH 31, 2016

MAR. 31, 2016

DEC. 31, 2015

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

LIABILITIES AND EQUITY

CURRENT LIABILITIES

ACCOUNTS PAYABLE

ACCOUNTS PAYABLE

TOTAL ACCOUNTS PAYABLE

ACCRUED LIABILITIES

LRPH	UNSUBSIDIZED HOUSING	RAP	COCC	GRANTS/DEVT	HOME OWNERSHIP	Total HACM	Total HACM
4,348,137	8,390,542	536,687	11,439,779	255,548	551,343	25,522,036	25,823,173
	2,313,772		174,489			2,488,261	2,752,340
4,348,137	10,704,314	536,687	11,614,268	255,548	551,343	28,010,297	28,575,513
92,025	54,449					146,474	372,067
(34,954)	(6,701)					(41,655)	(50,919)
57,071	47,748	0	0	0	0	104,819	321,148
437,502		14,292				451,794	0
			75,000			75,000	75,000
442,072	0		355,888			797,960	735,847
879,574	0	14,292	430,888	0	0	1,324,754	810,847
550,366	10,250,268	185,392	85,046			11,071,072	11,698,346
550,366	10,250,268	185,392	85,046	0	0	11,071,072	11,698,346
			45,180			45,180	1,206,616
0	0	0	45,180	0	0	45,180	1,206,616
0	0	0	79,117	(79,117)	0	0	0
5,835,148	21,002,330	736,371	12,254,499	176,431	551,343	40,556,122	42,612,470
32,359,538	2,759,343		454,172		7,111	35,580,164	35,609,305
239,224,084	44,333,229		7,890,061		64,003	291,511,377	291,488,799
1,456,768	178,182	72,604	2,021,805			3,729,359	3,515,042
3,322,255	1,449,848		57,355	5,380	295,852	5,130,690	4,499,126
276,362,645	48,720,602	72,604	10,423,393	5,380	366,966	335,951,590	335,112,272
(185,674,373)	(43,505,637)	(72,604)	(4,626,440)		(6,798)	(233,885,852)	(232,488,231)
90,688,272	5,214,965	0	5,796,953	5,380	360,168	102,065,738	102,624,041
53,571,329			8,523,022	0	1,187,875	63,282,226	63,320,841
11,225,430			346,264	0		11,571,694	11,429,949
			2,309,471			2,309,471	0
64,796,759	0	0	11,178,757	0	1,187,875	77,163,391	74,750,790
155,485,031	5,214,965	0	16,975,710	5,380	1,548,043	179,229,129	177,374,831
161,320,179	26,217,295	736,371	29,230,209	181,811	2,099,386	219,785,251	219,987,301
189,837	568,220		1,290,495	83,018	1,500	2,133,070	3,454,607
189,837	568,220	0	1,290,495	83,018	1,500	2,133,070	3,454,607

HOUSING AUTHORITY OF THE CITY OF MILWAUKEE

BALANCE SHEETS

AS OF MARCH 31, 2016

MAR. 31, 2016

DEC. 31, 2015

	LRPH	UNSUBSIDIZED HOUSING	RAP	COCC	GRANTS/DEVT	HOME OWNERSHIP	Total HACM	Total HACM
ACCRUED SALARIES & BENEFITS				801,472			801,472	642,712
ACCRUED INTEREST PAYABLE		157,207		0	0		157,207	314,415
DEFERED REVENUE	687,025						687,025	1,070,434
DUE TO GOVERNMENT - PILOT & OTHERS	1,605,459	1,312,349		1,046,842			3,964,650	1,307,583
ACCRUED COMPENSATED ABSENCES (Note 7)	0	0	0	923,621	0	0	923,621	923,621
OTHER ACCRUED LIABILITIES	1,866	356		300,000		371,850	674,072	878,098
TOTAL ACCRUED LIABILITIES	2,294,033	1,469,836	0	3,071,935	0	371,850	7,207,654	5,136,863
OTHER CURRENT LIABILITIES								
TENANT SECURITY DEPOSITS	715,930	463,402					1,179,332	1,190,246
FSS ESCROW ACCOUNT	200,366		185,392				385,758	361,513
CURRENT PORTION-LT DEBT		535,000					535,000	535,000
TOTAL OTHER CURRENT LIABILITIES	916,296	998,402	185,392	0	0	0	2,100,090	2,086,759
TOTAL CURRENT LIABILITIES	3,400,166	3,036,458	185,392	4,362,430	83,018	373,350	11,440,814	10,678,229
NON-CURRENT LIABILITIES								
LONG TERM DEBT								
MORTGAGE REVENUE BONDS				166,450			166,450	166,450
NOTES PAYABLE		18,650,000			0		18,650,000	18,650,000
TOTAL	0	18,650,000	0	166,450	0	0	18,816,450	18,816,450
LESS CURRENT PORTION		(535,000)					(535,000)	(535,000)
TOTAL LONG TERM DEBT - NET	0	18,115,000	0	166,450	0	0	18,281,450	18,281,450
NONCURRENT LIABILITIES-OTHER								
NET OPEB LIABILITY (Note 8)				4,869,697			4,869,697	4,869,697
NET PENSION LIABILITY				1,450,000			1,450,000	
TOTAL NONCURRENT LIABILITIES-OTHER	0	0	0	6,319,697	0	0	6,319,697	4,869,697
TOTAL NON-CURRENT LIABILITIES	0	18,115,000	0	6,486,147	0	0	24,601,147	23,151,147
TOTAL LIABILITIES	3,400,166	21,151,458	185,392	10,848,577	83,018	373,350	36,041,961	33,829,376
EQUITY								
INVESTED IN CAPITAL ASSETS, NET OF DEBT	90,688,272	(13,435,035)	0	5,796,953	5,380	360,168	83,415,738	83,974,041
UNRESTRICTED RESERVE	2,434,982	5,936,832	595,360	2,596,387	93,413	549,843	12,206,817	14,131,125
RESTRICTED RESERVE (Note 9)	64,796,759	12,564,040	(44,381)	9,988,292	0	816,025	88,120,735	88,052,759
TOTAL EQUITY	157,920,013	5,065,837	550,979	18,381,632	98,793	1,726,036	183,743,290	186,157,925
TOTAL LIABILITIES AND EQUITY	161,320,179	26,217,295	736,371	29,230,209	181,811	2,099,386	219,785,252	219,987,301

HOUSING AUTHORITY OF THE CITY OF MILWAUKEE
CONSOLIDATED STATEMENT OF REVENUE & EXPENSES
BUDGETED PROGRAM ONLY
AS OF MARCH 31, 2016

3

75%

	LRPH	UNSUBSIDIZED HSNG	RAP	COCC	HOME OWN	YTD ACTUAL	YTD BUDGET	VARIANCE		ANNUAL BUDGET	REMAINING	
								AMOUNT	PERCENT		AMOUNT	PERCENT
Operating Income												
<i>Operating/admin subsidies</i>	2,135,965		845,639			2,981,604	2,936,242	45,362	2%	11,744,967	8,763,363	75%
<i>Dwelling rents</i>	2,586,696	1,718,817				4,305,513	4,268,027	37,486	1%	17,072,107	12,766,594	75%
<i>Excess utilities & other</i>	61,194	36,381				97,575	94,156	3,419	4%	376,625		0%
<i>Capital fund transfer in (Note 10)</i>	437,502					437,502	437,500	2	0%	1,750,000	0	0%
<i>Other income</i>	220,868	17,499	20,747	33,660	46,562	339,336	508,729	(169,393)	-33%	2,034,916	1,695,580	83%
<i>Management fees</i>				947,482		947,482	1,055,202	(107,720)	-10%	4,220,809	3,273,327	78%
<i>Central maintenance revenue</i>				1,133,463		1,133,463	902,762	230,701	26%	3,611,048	0	0%
<i>Developers fee</i>						0	0	0	0%	400,000	400,000	100%
<i>Interest on general fund</i>	2,780	94,121		20,726		117,627	5,402	112,226	2078%	21,606	0	0%
Total Income	5,445,005	1,866,818	866,386	2,135,331	46,562	10,360,102	10,208,020	152,083	1%	41,232,078	30,871,976	75%
Operating Expenditures												
Administrative												
<i>Salaries</i>	349,655	48,497	360,827	727,879	16,431	1,503,289	1,643,720	140,431	9%	6,574,881	5,071,592	77%
<i>Employee benefits</i>	224,504	36,453	235,209	396,250	17,998	910,414	592,338	(318,076)	-54%	2,369,353	1,458,939	62%
<i>Legal and accounting</i>	3,149	1,675		205		5,029	60,485	55,456	92%	241,940	236,911	98%
<i>Audit</i>	9,021	2,520	2,248	1,199		14,988	155,200	140,212	90%	155,200	0	0%
<i>Travel and training</i>		11	5,135	48,905	720	54,771	63,625	8,854	14%	254,500	199,729	78%
<i>Contracted property management</i>				75,054		75,054	73,949	(1,105)	-1%	295,795	220,741	75%
<i>Management fees</i>	640,783	156,699	150,000			947,482	1,055,733	108,251	10%	4,222,931	3,275,449	78%
<i>Housing intake</i>	159,918	50,837				210,755	153,051	(57,704)	-38%	612,203	401,448	66%
<i>Office supplies & printing</i>	14,196	1,589	6,682	10,787	236	33,490	45,525	12,035	26%	182,100	148,610	82%
<i>Telephone</i>	1,187		1,103	7,897		10,187	22,525	12,338	55%	90,100	79,913	89%
<i>Postage</i>	186	7		4	343	540	16,800	16,260	97%	67,200	66,660	99%
<i>Other contracted services</i>	9,655	10,248	30,254	178,151		228,308	165,125	(63,183)	-38%	660,500	432,192	65%
<i>Other</i>	62,508	17,340	1,105	69,848	2,406	153,207	219,154	65,947	30%	876,617	723,410	83%
Total admin	1,474,762	325,876	792,563	1,516,179	38,134	4,147,514	4,150,830	3,316	0%	16,603,320	12,455,806	75%
Tenant Services												
<i>Resident services allocation</i>	9,963					9,963	70,177	60,214	86%	280,709	270,746	96%
<i>Salaries & benefits</i>	6,369		2,200			8,569	52,377	43,808	84%	209,507	0	0%
<i>Contracts, trainings, others</i>	25,554		60	0		25,614	66,171	40,557	61%	264,682	0	0%
Total tenant services	41,886	0	2,260	0	0	44,146	188,725	144,579	77%	754,898	710,752	94%

HOUSING AUTHORITY OF THE CITY OF MILWAUKEE

CONSOLIDATED STATEMENT OF REVENUE & EXPENSES

BUDGETED PROGRAM ONLY

AS OF MARCH 31, 2016

3

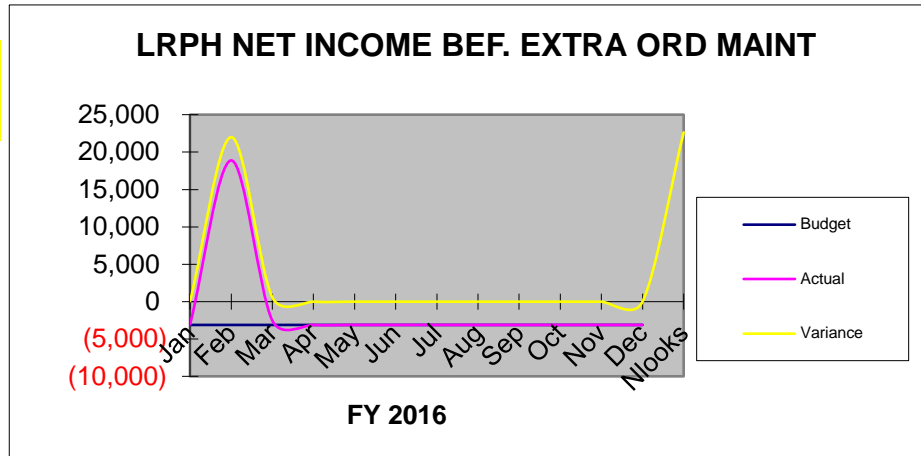
75%

	LRPH	UNSUBSIDIZED HSNG	RAP	COCC	HOME OWN	YTD ACTUAL	YTD BUDGET	VARIANCE		ANNUAL BUDGET	REMAINING	
								AMOUNT	PERCENT		AMOUNT	PERCENT
<i>Utilities</i>												
Water	214,338	65,627		132		280,097	621,800	341,703	55%	2,487,200	2,207,103	89%
Electric	309,458	8,807		8,920		327,185	449,450	122,265	27%	1,797,800	1,470,615	82%
Gas	275,115	9,591		7,776		292,482	355,775	63,293	18%	1,423,100	0	0%
Total utilities	798,911	84,025	0	16,828	0	899,764	1,427,025	527,261	37%	5,708,100	4,808,336	84%
<i>Ordinary maintenance</i>												
Salaries	357,870	58,175		581,011		997,056	954,341	(42,715)	-4%	3,817,365	2,820,309	74%
Employee benefits Maint	238,356	31,915		295,046	7,501	572,818	404,404	(168,414)	-42%	1,617,617	1,044,799	65%
Maintenance materials	199,054	90,819	193	12,822	88	302,976	307,591	4,615	2%	1,230,365	927,389	75%
Maintenance contracts	1,004,949	281,191	664	56,376	1,856	1,345,036	987,270	(357,766)	-36%	3,949,079	2,604,043	66%
Total maintenance	1,800,229	462,100	857	945,255	9,445	3,217,886	2,653,607	(564,280)	-21%	10,614,426	7,396,540	70%
<i>Protective Services</i>												
Public safety allocation	345,725	33,573	95	3,261		382,654	355,788	(26,866)	-8%	1,423,153	1,040,499	73%
Contracts, others	2,794			1,385	433	4,612	15,525	10,913	70%	62,100	57,488	93%
Total protective services	348,519	33,573	95	4,646	433	387,266	371,313	(15,953)	-4%	1,485,253	1,097,987	74%
<i>General</i>												
Insurance	351,058	118,581	67,823	164,380	5,714	707,556	435,888	(271,668)	-62%	1,053,552	345,996	33%
Pilot	184,140	165,259				349,399	287,641	(61,758)	-21%	1,150,565	801,166	70%
Interest Expense		157,207				157,207	157,000	(207)	0%	628,000	470,793	75%
Subsidy to Mixed finance dev't.	398,383					398,383	404,428	6,045	1%	1,617,710	1,219,327	75%
Other general expense	33,809		6,297			40,106	78,415	38,309	49%	313,660	273,554	87%
Total general	967,390	441,047	74,120	164,380	5,714	1,652,651	1,190,872	(461,779)	-39%	4,763,487	3,110,836	65%
Total Operating Expenditures	5,431,697	1,346,621	869,895	2,647,288	53,726	10,349,227	9,982,371	(366,856)	-4%	39,929,484	29,580,257	74%
Excess (deficiency) of total revenue over expenses	13,308	520,197	(3,509)	(511,957)	(7,164)	10,875	225,649	(214,774)	-95%	1,302,594	1,291,719	99%
Extra-ordinary maintenance	464,556	7,783		3,182		475,521	492,732	17,211	3%	1,970,929	1,495,408	76%
Program Income	(464,556)					(464,556)	(375,155)	89,401	-24%	(1,500,619)	(1,036,063)	69%
Net income(loss) from operation:	13,308	512,414	(3,509)	(515,139)	(7,164)	(90)	108,071	(108,161)	-100%	832,284	832,374	100%
Depreciation expense	1,330,059	193,127		82,440	399	1,606,025						
Net Income (loss)	(1,316,751)	319,287	(3,509)	(597,579)	(7,563)	(1,606,115)						

6

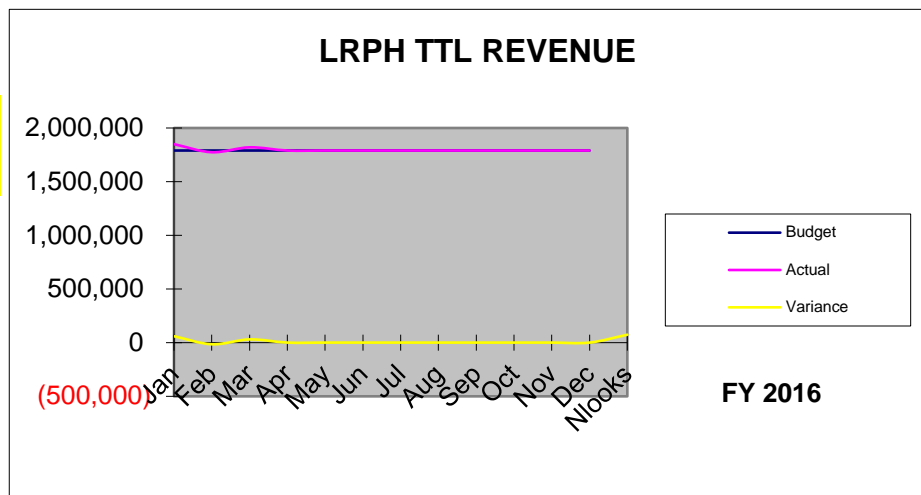
NET INCOME BEF. EXTRA ORDINARY MAINTENANCE

	Budget	Actual	Variance
Jan	(3,111)	(3,040)	71
Feb	(3,111)	18,891	22,001
Mar	(3,111)	(2,545)	566
Apr	(3,111)	(3,111)	0
May	(3,111)	(3,111)	0
Jun	(3,111)	(3,111)	0
Jul	(3,111)	(3,111)	0
Aug	(3,111)	(3,111)	0
Sep	(3,111)	(3,111)	0
Oct	(3,111)	(3,111)	0
Nov	(3,111)	(3,111)	0
Dec	(3,111)	(3,111)	0
Nlooks			22,639
	(37,329)	(14,690)	



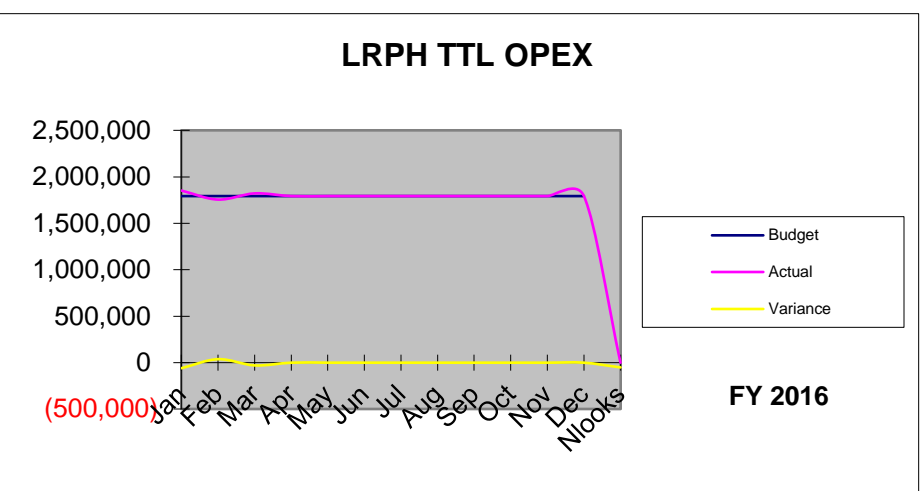
OPERATING REVENUE

	Budget	Actual	Variance
Jan	1,790,553	1,849,866	59,313
Feb	1,790,553	1,774,837	(15,716)
Mar	1,790,553	1,820,301	29,749
Apr	1,790,553	1,790,553	0
May	1,790,553	1,790,553	0
Jun	1,790,553	1,790,553	0
Jul	1,790,553	1,790,553	0
Aug	1,790,553	1,790,553	0
Sep	1,790,553	1,790,553	0
Oct	1,790,553	1,790,553	0
Nov	1,790,553	1,790,553	0
Dec	1,790,553	1,790,553	0
Nlooks			73,346
	21,486,632		



OPERATING EXPENSES

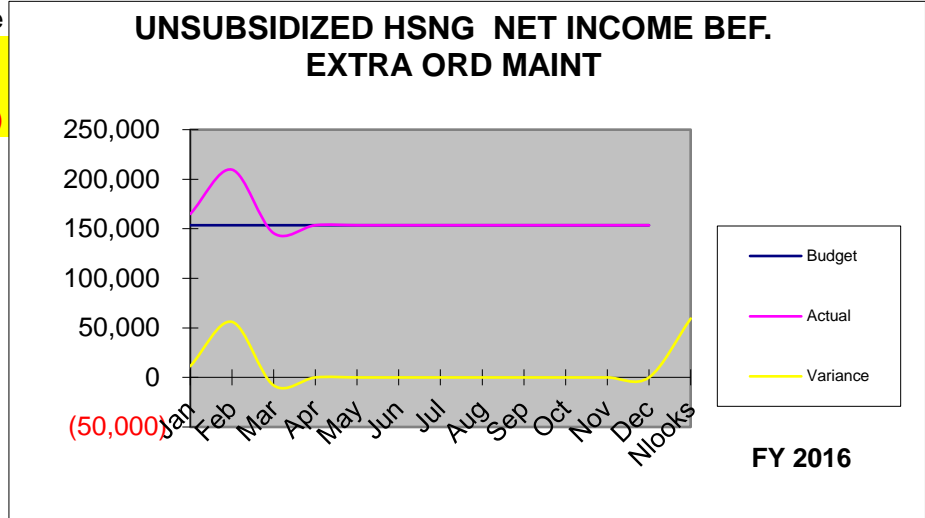
	Budget	Actual	Variance
Jan	1,793,663	1,852,905	(59,242)
Feb	1,793,663	1,755,946	37,717
Mar	1,793,663	1,822,846	(29,183)
Apr	1,793,663	1,793,663	0
May	1,793,663	1,793,663	0
Jun	1,793,663	1,793,663	0
Jul	1,793,663	1,793,663	0
Aug	1,793,663	1,793,663	0
Sep	1,793,663	1,793,663	0
Oct	1,793,663	1,793,663	0
Nov	1,793,663	1,793,663	0
Dec	1,793,663	1,793,663	0
Nlooks		0	(50,708)
	21,523,961	21,574,669	



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

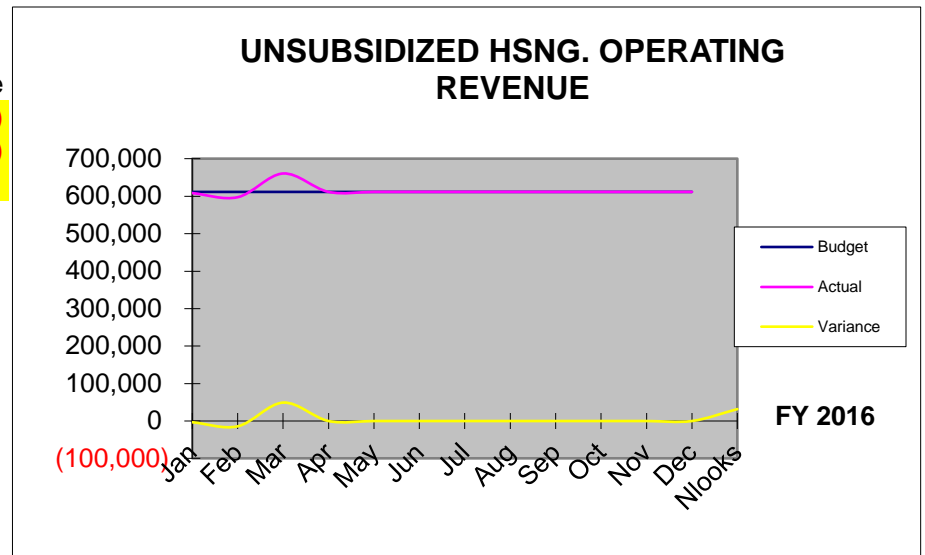
NET INCOME BEF. EXTRA ORDINARY MAINTENANCE

	Budget	Actual	Variance
Jan	153,594	164,943	11,350
Feb	153,594	209,695	56,101
Mar	153,594	145,559	(8,035)
Apr	153,594	153,594	0
May	153,594	153,594	0
Jun	153,594	153,594	0
Jul	153,594	153,594	0
Aug	153,594	153,594	0
Sep	153,594	153,594	0
Oct	153,594	153,594	0
Nov	153,594	153,594	0
Dec	153,594	153,594	0
Nlooks			59,417
	1,843,122	1,902,539	



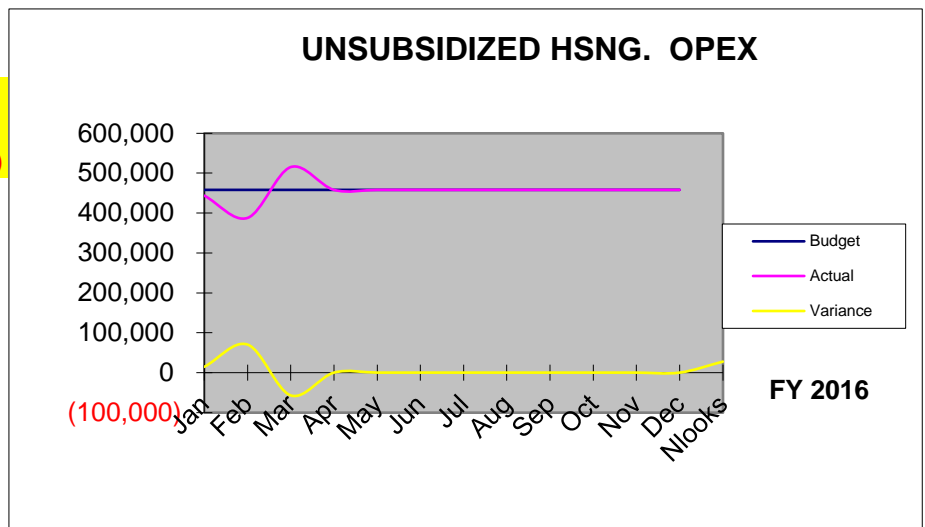
OPERATING REVENUE

	Budget	Actual	Variance
Jan	611,673	608,474	(3,198)
Feb	611,673	597,503	(14,170)
Mar	611,673	660,841	49,168
Apr	611,673	611,673	0
May	611,673	611,673	0
Jun	611,673	611,673	0
Jul	611,673	611,673	0
Aug	611,673	611,673	0
Sep	611,673	611,673	0
Oct	611,673	611,673	0
Nov	611,673	611,673	0
Dec	611,673	611,673	0
Nlooks			31,800
	7,340,074	7,371,874	



OPERATING EXPENSES

	Budget	Actual	Variance
Jan	458,079	443,531	14,548
Feb	458,079	387,808	70,271
Mar	458,079	515,282	(57,203)
Apr	458,079	458,079	0
May	458,079	458,079	0
Jun	458,079	458,079	0
Jul	458,079	458,079	0
Aug	458,079	458,079	0
Sep	458,079	458,079	0
Oct	458,079	458,079	0
Nov	458,079	458,079	0
Dec	458,079	458,079	0
Nlooks			27,617
	5,496,952	5,469,335	

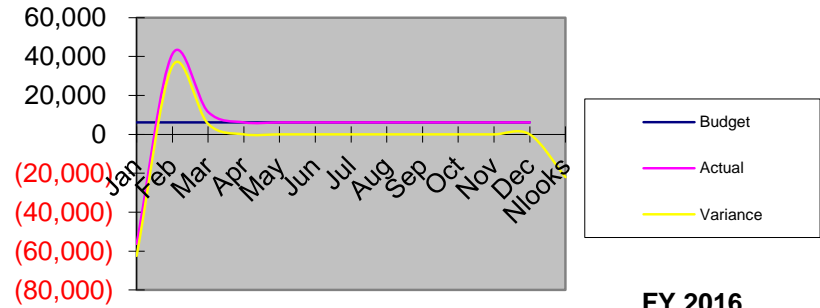


NL - Nlooks = Actual year to date (highlighted in yellow) + remaining budget of the year

NET INCOME

	Budget	Actual	Variance
Jan	6,153	(56,279)	(62,432)
Feb	6,153	41,239	35,086
Mar	6,153	11,533	5,380
Apr	6,153	6,153	0
May	6,153	6,153	0
Jun	6,153	6,153	0
Jul	6,153	6,153	0
Aug	6,153	6,153	0
Sep	6,153	6,153	0
Oct	6,153	6,153	0
Nov	6,153	6,153	0
Dec	6,153	6,153	0
Nlooks			(21,967)
	73,839	51,872	

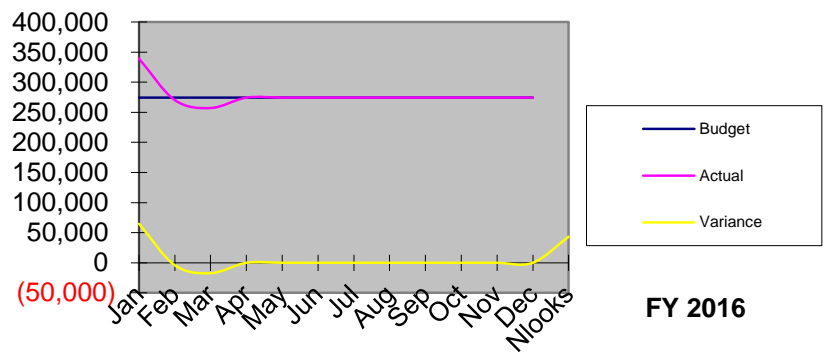
RAP NET INCOME BEF. EXTRA ORD MAINTENANCE



OPERATING REVENUE

	Budget	Actual	Variance
Jan	274,335	339,123	64,789
Feb	274,335	270,248	(4,087)
Mar	274,335	257,016	(17,319)
Apr	274,335	274,335	0
May	274,335	274,335	0
Jun	274,335	274,335	0
Jul	274,335	274,335	0
Aug	274,335	274,335	0
Sep	274,335	274,335	0
Oct	274,335	274,335	0
Nov	274,335	274,335	0
Dec	274,335	274,335	0
Nlooks			43,383
	3,292,015	3,335,398	

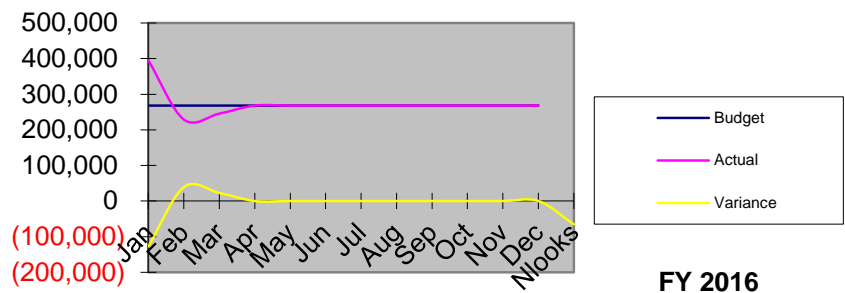
RAP OPERATING REV.



OPERATING EXPENSES

	Budget	Actual	Variance
Jan	268,181	395,402	(127,221)
Feb	268,181	229,009	39,172
Mar	268,181	245,483	22,698
Apr	268,181	268,181	0
May	268,181	268,181	0
Jun	268,181	268,181	0
Jul	268,181	268,181	0
Aug	268,181	268,181	0
Sep	268,181	268,181	0
Oct	268,181	268,181	0
Nov	268,181	268,181	0
Dec	268,181	268,181	0
Nlooks			(65,350)
	3,218,176	3,283,526	

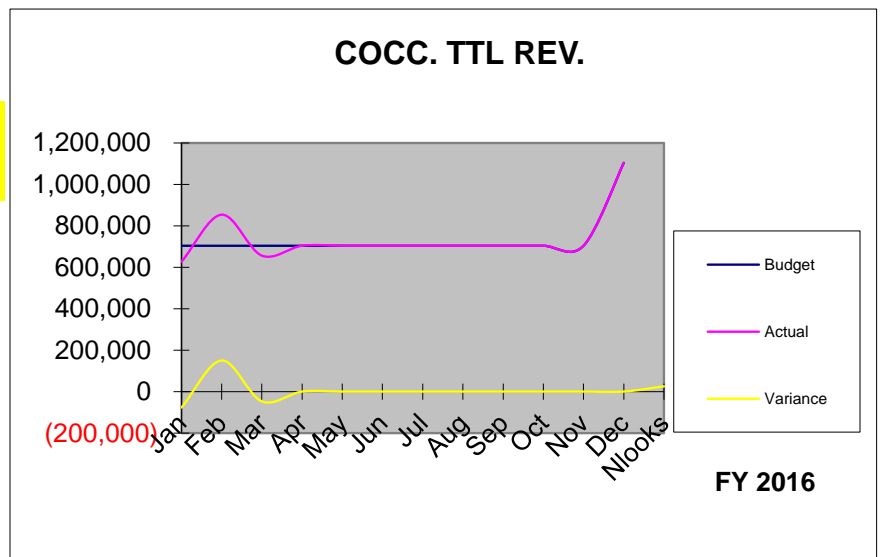
RAP OPEX



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

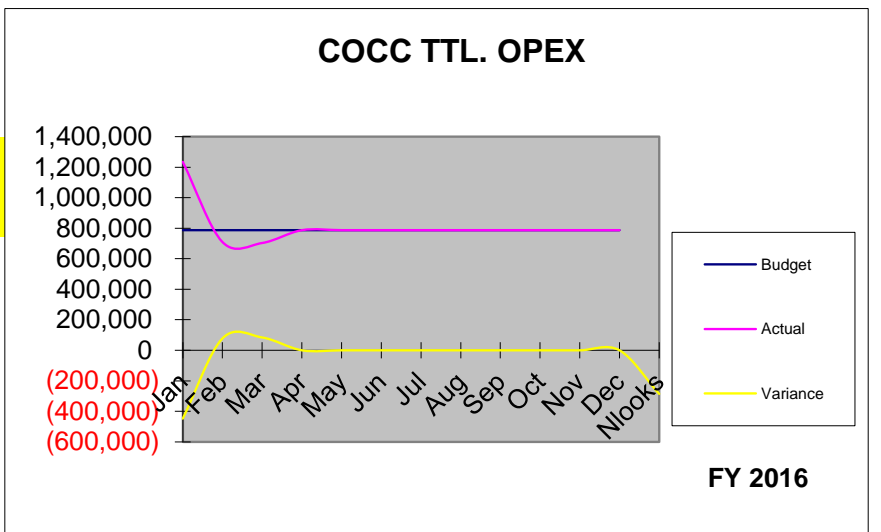
OPERATING REVENUE

	Budget	Actual	Variance
Jan	703,405	626,131	(77,273)
Feb	703,405	853,355	149,950
Mar	703,405	655,845	(47,560)
Apr	703,405	703,405	0
May	703,405	703,405	0
Jun	703,405	703,405	0
Jul	703,405	703,405	0
Aug	703,405	703,405	0
Sep	703,405	703,405	0
Oct	703,405	703,405	0
Nov	703,405	703,405	0
Dec	1,103,405	1,103,405	0
Nlooks	8,840,857	8,865,974	25,117



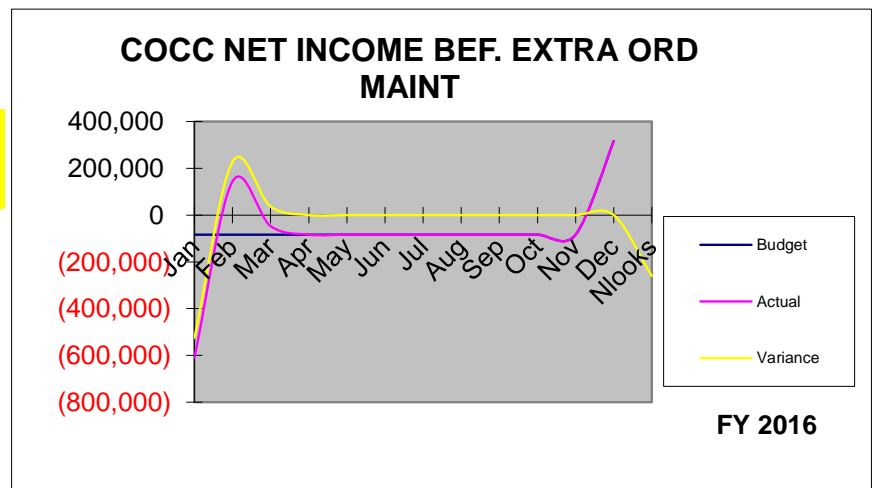
OPERATING EXPENSES

	Budget	Actual	Variance
Jan	787,242	1,234,803	(447,561)
Feb	787,242	709,281	77,961
Mar	787,242	703,204	84,038
Apr	787,242	787,242	0
May	787,242	787,242	0
Jun	787,242	787,242	0
Jul	787,242	787,242	0
Aug	787,242	787,242	0
Sep	787,242	787,242	0
Oct	787,242	787,242	0
Nov	787,242	787,242	0
Dec	787,242	787,242	0
Nlooks	9,446,905	9,732,467	(285,562)



NET INCOME

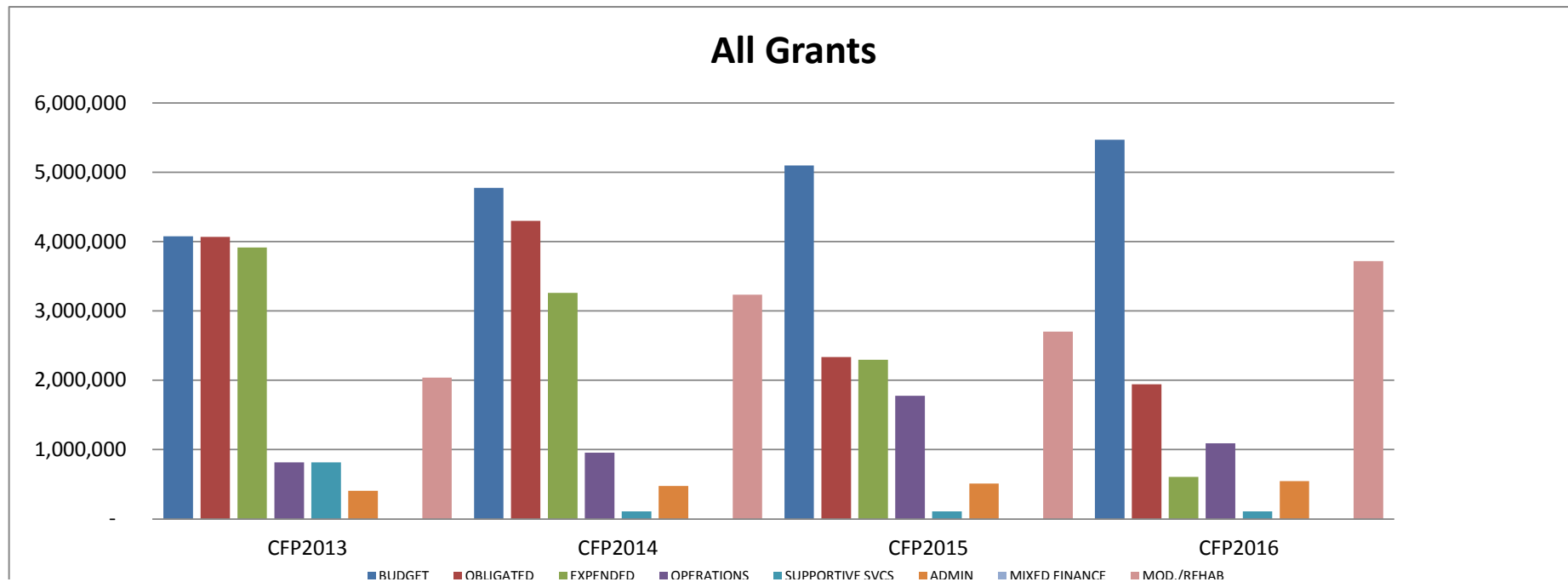
	Budget	Actual	Variance
Jan	(83,837)	(608,672)	(524,835)
Feb	(83,837)	144,074	227,912
Mar	(83,837)	(47,359)	36,479
Apr	(83,837)	(83,837)	0
May	(83,837)	(83,837)	0
Jun	(83,837)	(83,837)	0
Jul	(83,837)	(83,837)	0
Aug	(83,837)	(83,837)	0
Sep	(83,837)	(83,837)	0
Oct	(83,837)	(83,837)	0
Nov	(83,837)	(83,837)	0
Dec	316,163	316,163	0
Nlooks	(606,048)	(866,493)	(260,445)



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

HACM
MAJOR GRANTS SUMMARY
31-Mar-16

	SPENDING PLAN								END DATE
	BUDGET	OBLIGATED	EXPENDED	OPERATIONS	SUPPORTIVE SVCS	ADMIN	MIXED FINANCE	MOD./REHAB	
CFP2013	4,079,190	4,066,520	3,913,497	815,838	815,638	407,919	-	2,039,795	9/8/2017
CFP2014	4,776,258	4,298,632	3,261,819	955,252	110,000	477,626		3,233,380	5/12/2018
CFP2015	5,098,171	2,334,281	2,295,027	1,774,946	110,000	509,817		2,703,408	9/15/2019
CFP2016	5,467,349	1,942,778	605,150	1,093,469	110,000	546,734		3,717,146	4/12/2020
TOTAL	19,420,968	12,642,211	10,075,493	4,639,505	1,145,638	1,942,096	-	11,693,729	
PERCENT	100%	65%	52%	24%	6%	10%	0%	60%	



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