



FINANCIAL REPORTS

June 30, 2016



HOUSING AUTHORITY OF THE CITY OF MILWAUKEE
FINANCIAL REPORTS
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Housing Authority of the City Milwaukee

Financial Highlights

As of June 30, 2016

Financial Position (pp. 3-4)

As of June 30, 2016, HACM has total assets of \$221.1mm, which is not a significant difference when compared to March 31, 2016 at \$219.8mm. 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 \$31.8mm indicating HACM's strong capacity to meet maturing obligations. Total cash & investments as of the end of June was \$41.7mm. About \$21.4mm of which are invested in Institutional Trust, \$1mm 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	\$9.28mm
Unsubsidized Housing	21.0
Rental Assistance Program	0.56
Central Office	9.92
Home Ownership & Grants	0.92

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

Low Rent Public Housing	\$5.97mm
Unsubsidized Housing	6.11
Rental Assistance Program-Admin	0.43
Central office	2.29

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 3% under budget (p.6). Administrative expenses were over budget by 2%. Tenant services were 21% below budget; Utilities were 25% below budget; Maintenance expenses were 7% over budget, protective services 8% under budget and general expenses were 2% over budget. Consolidated net income from operations for the period ended June 30, 2016 was \$499,101 (p. 6).

Low Rent Public Housing (LRPH)

LRPH operations resulted in a net income from operations of \$1,366,612 (p. 6) in the second quarter. Operating revenue was \$359,796 over budget and total operating expenses for the period were \$1,025,482 under budget. All combined, LRPH posted a positive variance of \$1,385,278 (see p. 7).

Unsubsidized Housing

Unsubsidized Housing has a favorable result of operations during the quarter. Net income from operation was at \$881,976 (p.6) before amortization of principal on series 2015 bonds of around \$540,000 for 2016. Revenue was \$15,774 below budget and operating expenses were over budget by \$1,810 during the period. All combined, VETS posted a negative variance of \$17,584 (see p. 8).

Rental Assistance Program (RAP)

RAP had a net income of \$26,785 by the end of the period (p. 6). Administrative revenue was \$11,931 above budget and spending was over budget by \$22,064, resulting in an overall negative variance of \$10,134 (see p. 9).

The Housing Assistance Payment (HAP) grant during the period was \$16.21mm against total disbursement of \$16.72mm, 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 \$1,048,559 (p.6) during the quarter. Total revenue was under budget by \$132,377 (see p. 10). However, operating expenses were over budget by \$405,585. All combined, COCC posted a negative variance of \$537,961 (see p. 10).

Grant Management (pp.11)

As of June 30, 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 71% has been obligated and 70% 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 JUNE 30, 2016

	JUNE 30, 2016						MAR. 31, 2016
	LRPH	UNSUBSIDIZED HOUSING	RAP	COCC	GRANTS/DEVT	HOME OWNERSHIP	Total HACM
ASSETS							
CURRENT ASSETS							
CASH							
UNRESTRICTED CASH	8,763,998	8,911,832	266,590	9,661,039	183,909	733,370	25,522,036
RESTRICTED CASH (Note 1)		2,392,698		174,489			2,488,261
TOTAL CASH	8,763,998	11,304,530	266,590	9,835,528	183,909	733,370	28,010,297
ACCOUNTS RECEIVABLE-TENANTS	169,602	58,791					146,474
ALLOWANCE FOR DOUBTFUL ACCOUNTS (Note 2)	(22,541)	23,286					(41,655)
NET ACCOUNTS RECEIVABLE-TENANTS	147,061	82,077	0	0	0	0	104,819
ACCOUNTS RECEIVABLE-MISC							
AR-HUD (Note 3)	166,672		8,643				451,794
AR- DEVELOPMENT FEE (Note 4)				75,000			75,000
AR - OTHERS	13,156	0		328,673			797,960
TOTAL AR-MISC	179,828	0	8,643	403,673	0	0	1,324,754
INVESTMENTS							
RESTRICTED (Note 1)	516,856	9,733,483	294,470	85,134			11,071,072
TOTAL INVESTMENTS	516,856	9,733,483	294,470	85,134	0	0	11,071,072
PREPAID EXPENSES AND OTHER ASSETS							
PREPAID EXPENSES AND OTHER ASSETS	149,149	50,855	49,131	125,948		2,736	45,180
TOTAL PREPAID EXPENSES AND OTHER ASSETS	149,149	50,855	49,131	125,948	0	2,736	45,180
CURRENT INTERFUNDS							
TOTAL DUE FROM AMOUNTS - CURRENT (Note 5)	0	0	0	318,014	(318,014)	0	0
TOTAL CURRENT ASSETS	9,756,892	21,170,945	618,834	10,768,297	(134,105)	736,106	40,556,122
NON-CURRENT ASSETS							
FIXED ASSETS							
LAND & LAND IMPROVEMENTS	32,359,538	2,759,343		454,172		7,111	35,580,164
BUILDINGS	239,232,397	44,333,229		7,890,061		64,003	291,511,377
FURNITURES, EQPT. MACHINERY	1,609,662	220,778	72,604	1,944,980			3,729,359
CONSTRUCTION IN PROGRESS	3,637,900	1,921,148		62,782	89,449	141,059	5,130,690
TOTAL FIXED ASSETS	276,839,497	49,234,498	72,604	10,351,995	89,449	212,173	335,951,590
ACCUMULATED DEPRECIATION	(186,941,914)	(43,610,344)	(72,604)	(4,638,212)		(7,197)	(233,885,852)
FIXED ASSETS, NET OF DEPRECIATION	89,897,583	5,624,154	0	5,713,783	89,449	204,976	102,065,738
OTHER ASSETS							
NOTES RECEIVABLE (Note 7)	53,571,329			8,383,428	0	1,173,758	63,282,226
NOTES INTEREST RECEIVABLE (Note 6)	10,970,728			279,751	0		11,571,694
FINANCING FEES & OTHER ASSETS				2,309,471			2,309,471
TOTAL OTHER ASSETS	64,542,057	0	0	10,972,650	0	1,173,758	77,163,391
TOTAL NON-CURRENT ASSETS	154,439,640	5,624,154	0	16,686,433	89,449	1,378,734	179,229,129
TOTAL ASSETS	164,196,532	26,795,099	618,834	27,454,730	(44,656)	2,114,840	219,785,251
LIABILITIES AND EQUITY							

HOUSING AUTHORITY OF THE CITY OF MILWAUKEE

BALANCE SHEETS

AS OF JUNE 30, 2016

	JUNE 30, 2016						MAR. 31, 2016
	LRPH	UNSUBSIDIZED HOUSING	RAP	COCC	GRANTS/DEVT	HOME OWNERSHIP	Total HACM
CURRENT LIABILITIES							
ACCOUNTS PAYABLE							
ACCOUNTS PAYABLE	142,681	695,615	17,433	601,943	55,463	500	1,513,635
<i>TOTAL ACCOUNTS PAYABLE</i>	<i>142,681</i>	<i>695,615</i>	<i>17,433</i>	<i>601,943</i>	<i>55,463</i>	<i>500</i>	<i>1,513,635</i>
ACCRUED LIABILITIES							
ACCRUED SALARIES & BENEFITS				313,676			313,676
ACCRUED INTEREST PAYABLE		314,415		0	0		314,415
DEFERED REVENUE	1,001,102						1,001,102
DUE TO GOVERNMENT - PILOT & OTHERS	1,770,123	1,463,458		1,046,842			4,280,423
ACCRUED COMPENSATED ABSENCES (Note 7)	0	0	0	923,621	0	0	923,621
OTHER ACCRUED LIABILITIES	5,089	1,418		300,000		371,850	678,357
<i>TOTAL ACCRUED LIABILITIES</i>	<i>2,775,997</i>	<i>1,779,215</i>	<i>0</i>	<i>2,584,139</i>	<i>0</i>	<i>371,850</i>	<i>7,511,201</i>
OTHER CURRENT LIABILITIES							
TENANT SECURITY DEPOSITS	698,894	461,892					1,160,786
FSS ESCROW ACCOUNT	166,856		218,352				385,208
CURRENT PORTION-LT DEBT		540,000					540,000
<i>TOTAL OTHER CURRENT LIABILITIES</i>	<i>865,750</i>	<i>1,001,892</i>	<i>218,352</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>2,085,994</i>
TOTAL CURRENT LIABILITIES	3,784,428	3,476,722	235,785	3,186,082	55,463	372,350	11,110,830
NON-CURRENT LIABILITIES							
LONG TERM DEBT							
MORTGAGE REVENUE BONDS				166,450			166,450
NOTES PAYABLE		18,115,000			0		18,115,000
TOTAL	0	18,115,000	0	166,450	0	0	18,281,450
LESS CURRENT PORTION		(540,000)					(540,000)
<i>TOTAL LONG TERM DEBT - NET</i>	<i>0</i>	<i>17,575,000</i>	<i>0</i>	<i>166,450</i>	<i>0</i>	<i>0</i>	<i>17,741,450</i>
NONCURRENT LIABILITIES-OTHER							
NET OPEB LIABILITY (Note 8)				4,869,697			4,869,697
NET PENSION LIABILITY				1,450,000			1,450,000
<i>TOTAL NONCURRENT LIABILITIES-OTHER</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>6,319,697</i>	<i>0</i>	<i>0</i>	<i>6,319,697</i>
TOTAL NON-CURRENT LIABILITIES	0	17,575,000	0	6,486,147	0	0	24,061,147
TOTAL LIABILITIES	3,784,428	21,051,722	235,785	9,672,229	55,463	372,350	35,171,977
EQUITY							
INVESTED IN CAPITAL ASSETS, NET OF DEBT	89,897,583	(12,490,846)	0	5,713,783	89,449	204,976	83,414,945
UNRESTRICTED RESERVE	5,972,464	6,108,042	427,430	2,286,445	(189,568)	735,606	15,340,419
RESTRICTED RESERVE (Note 9)	64,542,057	12,126,181	(44,381)	9,782,273	0	801,908	87,208,039
TOTAL EQUITY	160,412,104	5,743,377	383,049	17,782,501	(100,119)	1,742,490	185,963,403
TOTAL LIABILITIES AND EQUITY	164,196,532	26,795,099	618,834	27,454,730	(44,656)	2,114,840	221,135,380

HA OF THE CITY OF MILWAUKEE
CONSOLIDATED STATEMENT OF REVENUE & EXPENSES
BUDGETED PROGRAM ONLY

6

50%

AS OF JUNE 30, 2016

	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>	4,393,797		1,609,876			6,003,673	5,872,484	131,190	2%	11,744,967	5,741,294	49%
<i>Dwelling rents</i>	5,172,798	3,428,446				8,601,244	8,536,054	65,191	1%	17,072,107	8,470,863	50%
<i>Excess utilities & other</i>	123,536	62,412				185,948	188,313	(2,365)	-1%	376,625		0%
<i>Capital fund transfer in (Note 10)</i>	986,773			29,850		1,016,623	875,000	141,623	16%	1,750,000	0	0%
<i>Other income</i>	419,866	36,679	48,061	318,763	167,841	991,210	1,017,458	(26,248)	-3%	2,034,916	1,043,706	51%
<i>Management fees</i>				1,833,474		1,833,474	2,111,466	(277,992)	-13%	4,222,931	2,389,457	57%
<i>Central maintenance revenue</i>				1,863,818		1,863,818	1,805,524	58,294	3%	3,611,048	0	0%
<i>Developers fee</i>						0	0	0	0%	400,000	400,000	100%
<i>Interest on general fund</i>	6,341	126,726		42,147		175,214	10,803	164,411	1522%	21,606	0	0%
Total Income	11,103,111	3,654,263	1,657,937	4,088,052	167,841	20,671,204	20,417,100	254,104	1%	41,234,200	20,562,996	50%
Operating Expenditures												
Administrative												
<i>Salaries</i>	623,251	129,890	790,448	1,644,185	33,259	3,221,033	3,287,441	66,408	2%	6,574,881	3,353,848	51%
<i>Employee benefits</i>	252,468	74,167	362,053	572,983	31,468	1,293,139	1,184,677	(108,463)	-9%	2,369,353	1,076,214	45%
<i>Legal and accounting</i>	13,604	4,613	129	32,490		50,836	120,970	70,134	58%	241,940	191,104	79%
<i>Audit</i>	39,120	10,929	9,750	5,200		64,999	155,200	90,201	58%	155,200	0	0%
<i>Travel and training</i>	3,664	11	9,825	118,898	2,748	135,146	127,250	(7,896)	-6%	254,500	119,354	47%
<i>Contracted property management</i>		6,570		152,440		159,010	147,898	(11,113)	-8%	295,795	136,785	46%
<i>Management fees</i>	1,214,337	319,137	300,000			1,833,474	2,111,466	277,992	13%	4,222,931	2,389,457	57%
<i>Housing intake</i>	247,170	65,230				312,400	306,102	(6,299)	-2%	612,203	299,803	49%
<i>Office supplies & printing</i>	22,692	1,596	12,262	30,791	737	68,078	91,050	22,972	25%	182,100	114,022	63%
<i>Telephone</i>	10,079	722	5,142	18,716	222	34,881	45,050	10,169	23%	90,100	55,219	61%
<i>Postage</i>	654	7	938	20	493	2,112	33,600	31,488	94%	67,200	65,088	97%
<i>Other contracted services</i>	31,184	43,137	64,770	294,095		433,186	330,250	(102,936)	-31%	660,500	227,314	34%
<i>Other</i>	142,256	34,515	3,120	343,580	4,251	527,722	438,309	(89,414)	-20%	876,617	348,895	40%
Total admin	2,600,479	690,524	1,558,437	3,213,398	73,178	8,136,016	8,301,660	165,644	2%	16,603,320	8,467,304	51%
Tenant Services												
<i>Resident services allocation</i>	93,000					93,000	140,355	47,354	34%	280,709	187,709	67%
<i>Salaries & benefits</i>	69,662		5,500	556		75,718	104,754	29,035	28%	209,507	0	0%
<i>Contracts, trainings, others</i>	77,301		180	50,782		128,263	132,341	4,078	3%	264,682	0	0%
Total tenant services	239,963	0	5,680	51,338	0	296,981	377,449	80,468	21%	754,898	457,917	61%
Utilities												
<i>Water</i>	696,531	248,686		2,804		948,021	1,243,600	295,579	24%	2,487,200	1,539,179	62%
<i>Electric</i>	658,522	28,981		22,042		709,545	898,900	189,355	21%	1,797,800	1,088,255	61%

HA OF THE CITY OF MILWAUKEE
CONSOLIDATED STATEMENT OF REVENUE & EXPENSES
BUDGETED PROGRAM ONLY

6

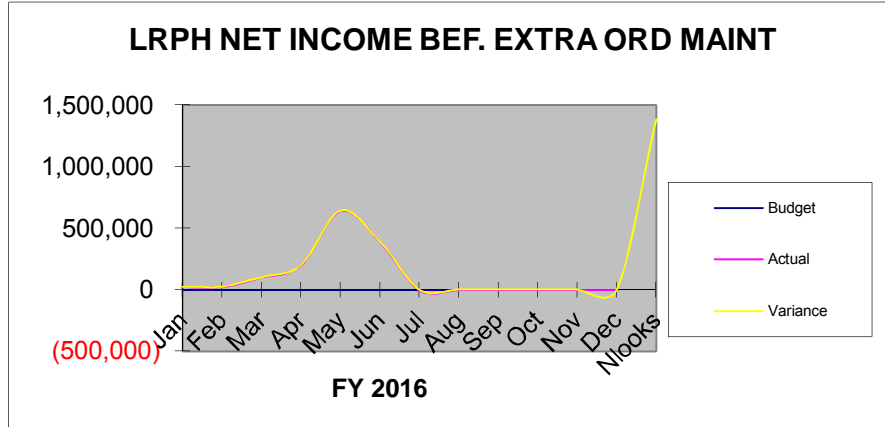
50%

AS OF JUNE 30, 2016

	LRPH	UNSUBSIDIZED HSNG	RAP	COCC	HOME OWN	YTD ACTUAL	YTD BUDGET	VARIANCE		ANNUAL BUDGET	REMAINING	
								AMOUNT	PERCENT		AMOUNT	PERCENT
Gas	438,896	22,288		10,246		471,430	711,550	240,120	34%	1,423,100	0	0%
Total utilities	1,793,949	299,955	0	35,092	0	2,128,996	2,854,050	725,054	25%	5,708,100	3,579,104	63%
Ordinary maintenance												
Salaries	674,869	153,951		1,121,661		1,950,481	1,908,683	(41,799)	-2%	3,817,365	1,866,884	49%
Employee benefits Maint	353,991	67,760		434,382	9,500	865,633	808,809	(56,825)	-7%	1,617,617	751,984	46%
Maintenance materials	415,802	179,789	3,487	39,577	596	639,251	615,183	(24,069)	-4%	1,230,365	591,114	48%
Maintenance contracts	1,519,496	545,765	1,786	134,837	3,143	2,205,027	1,974,540	(230,488)	-12%	3,949,079	1,744,052	44%
Total maintenance	2,964,158	947,265	5,273	1,730,457	13,239	5,660,392	5,307,213	(353,179)	-7%	10,614,426	4,954,034	47%
Protective Services												
Public safety allocation	606,773	66,345	232	6,353		679,703	711,577	31,874	4%	1,423,153	743,450	52%
Contracts, others	4,694			1,458	434	6,586	31,050	24,464	79%	62,100	55,514	89%
Total protective services	611,467	66,345	232	7,811	434	686,289	742,627	56,338	8%	1,485,253	798,964	54%
General												
Insurance	348,418	115,415	49,573	90,942	2,818	607,166	641,776	34,610	5%	1,053,552	446,386	42%
Pilot	348,804	316,368				665,172	575,283	(89,890)	-16%	1,150,565	485,393	42%
Interest Expense		314,415				314,415	314,000	(415)	0%	628,000	313,585	50%
Subsidy to Mixed finance dev't.	775,250					775,250	808,855	33,605	4%	1,617,710	842,460	52%
Other general expense	54,011		11,957			65,968	156,830	90,862	58%	313,660	247,692	79%
Total general	1,526,483	746,198	61,530	90,942	2,818	2,427,971	2,381,744	(46,228)	-2%	4,763,487	2,335,516	49%
Total Operating Expenditures	9,736,499	2,750,287	1,631,152	5,129,038	89,669	19,336,645	19,964,742	628,097	3%	39,929,484	20,592,839	52%
Excess (deficiency) of total revenue over expenses	1,366,612	903,976	26,785	(1,040,986)	78,172	1,334,559	452,358	882,201	195%	1,304,716	(29,843)	-2%
Extra-ordinary maintenance	805,821	22,000		7,573	64	835,458	985,465	150,007	15%	1,970,929	1,135,471	58%
Program Income	(805,821)									(1,970,929)		
Net income(loss) from operation:	1,366,612	881,976	26,785	(1,048,559)	78,108	499,101	(533,107)	1,032,207	-194%	1,304,716	805,615	62%
Depreciation expense	2,597,600	297,834	0	173,318	797	3,069,549						
Net Income (loss)	(1,230,988)	584,142	26,785	(1,221,877)	77,311	(2,570,448)						

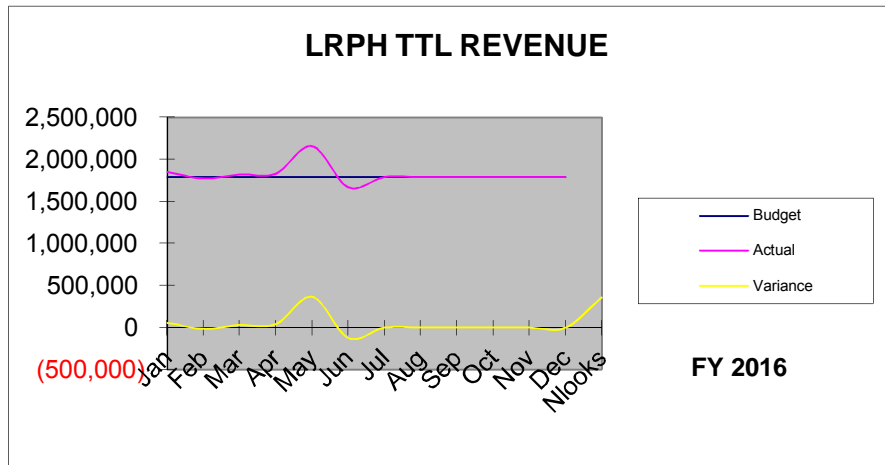
NET INCOME BEF. EXTRA ORDINARY MAINTENANCE

	Budget	Actual	Variance
Jan	(3,111)	22,306	25,417
Feb	(3,111)	22,179	25,290
Mar	(3,111)	99,216	102,327
Apr	(3,111)	195,351	198,462
May	(3,111)	639,755	642,866
Jun	(3,111)	387,806	390,917
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			1,385,278
	(37,329)	1,347,949	



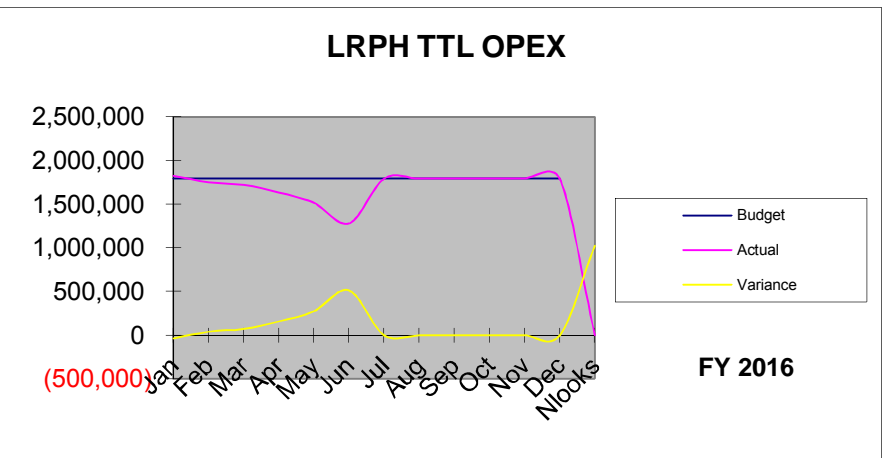
OPERATING REVENUE

	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	1,821,013	30,460
Apr	1,790,553	1,830,945	40,392
May	1,790,553	2,158,222	367,669
Jun	1,790,553	1,668,229	(122,324)
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			359,796
	21,486,632		



OPERATING EXPENSES

	Budget	Actual	Variance
Jan	1,793,663	1,827,560	(33,897)
Feb	1,793,663	1,752,658	41,005
Mar	1,793,663	1,721,797	71,866
Apr	1,793,663	1,635,594	158,069
May	1,793,663	1,518,467	275,196
Jun	1,793,663	1,280,423	513,240
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	1,025,482
	21,523,961	20,498,480	

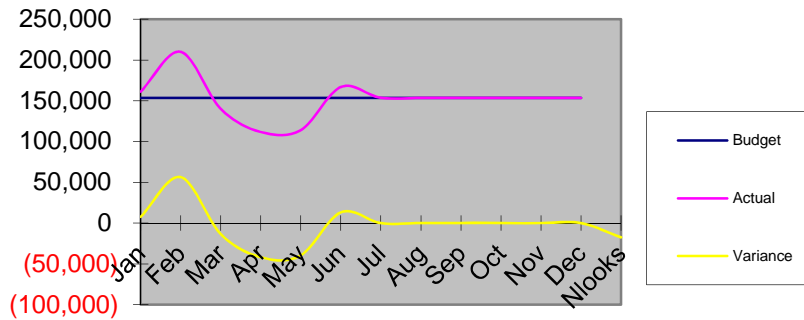


NL - Nlooks = Actual year to date (highlighted in yellow) + remaining budget of the year

NET INCOME BEF. EXTRA ORDINARY MAINTENANCE

	Budget	Actual	Variance
Jan	153,594	161,241	7,647
Feb	153,594	210,004	56,410
Mar	153,594	140,134	(13,460)
Apr	153,594	111,770	(41,824)
May	153,594	114,006	(39,588)
Jun	153,594	166,822	13,228
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			(17,584)
	1,843,122	1,825,538	

UNSUBSIDIZED HSNG NET INCOME BEF. EXTRA ORD MAINT

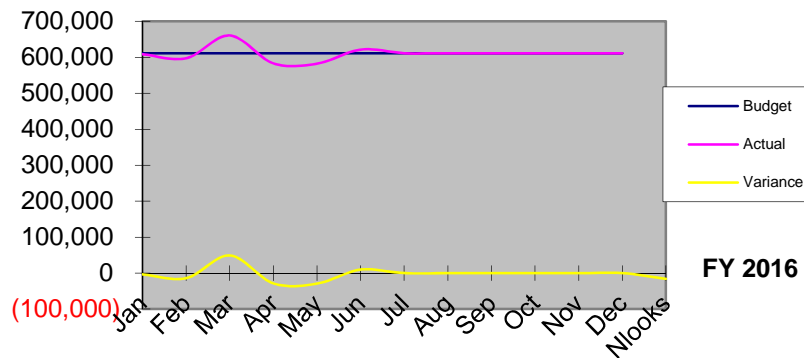


FY 2016

OPERATING REVENUE

	Budget	Actual	Variance
Jan	611,673	608,474	(3,199)
Feb	611,673	597,564	(14,109)
Mar	611,673	660,936	49,263
Apr	611,673	583,170	(28,503)
May	611,673	582,483	(29,190)
Jun	611,673	621,636	9,963
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			(15,774)
	7,340,074	7,324,300	

UNSUBSIDIZED HSNG. OPERATING REVENUE

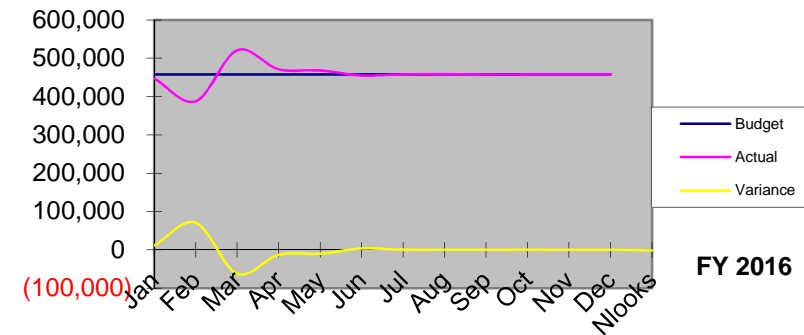


FY 2016

OPERATING EXPENSES

	Budget	Actual	Variance
Jan	458,079	447,233	10,846
Feb	458,079	387,560	70,519
Mar	458,079	520,802	(62,723)
Apr	458,079	471,400	(13,321)
May	458,079	468,477	(10,398)
Jun	458,079	454,814	3,265
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			(1,810)
	5,496,952	5,498,762	

UNSUBSIDIZED HSNG. OPEX



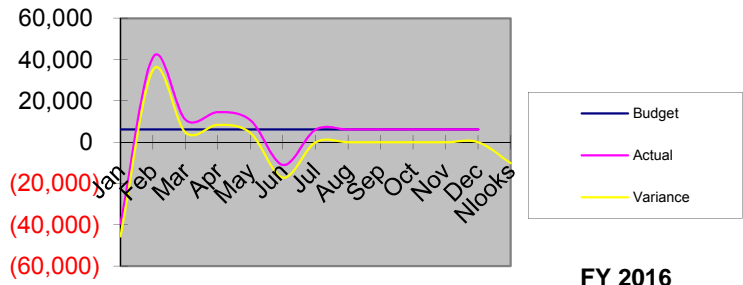
FY 2016

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

NET INCOME

	Budget	Actual	Variance
Jan	6,153	(39,414)	(45,567)
Feb	6,153	41,239	35,086
Mar	6,153	10,826	4,673
Apr	6,153	14,582	8,429
May	6,153	10,576	4,423
Jun	6,153	(11,023)	(17,176)
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			(10,134)
	73,839	63,706	

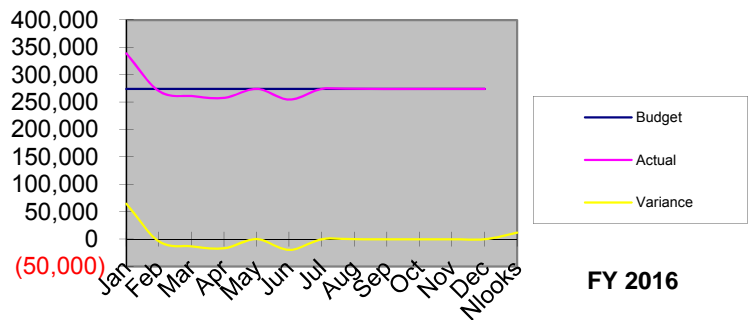
RAP NET INCOME BEF. EXTRA ORD MAINTENANCE



OPERATING REVENUE

	Budget	Actual	Variance
Jan	274,335	339,123	64,788
Feb	274,335	270,248	(4,087)
Mar	274,335	261,309	(13,026)
Apr	274,335	257,859	(16,476)
May	274,335	274,516	181
Jun	274,335	254,883	(19,452)
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			11,931
	3,292,015	3,303,946	

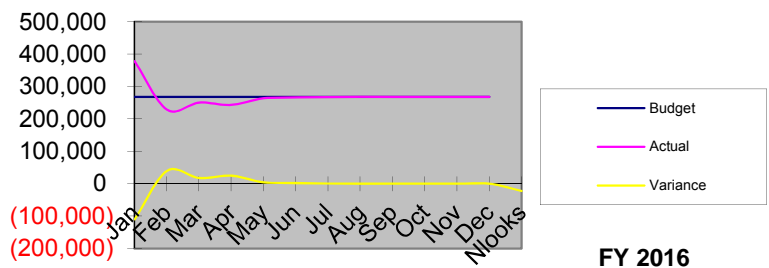
RAP OPERATING REV.



OPERATING EXPENSES

	Budget	Actual	Variance
Jan	268,181	378,537	(110,356)
Feb	268,181	229,009	39,172
Mar	268,181	250,483	17,698
Apr	268,181	243,277	24,904
May	268,181	263,940	4,241
Jun	268,181	265,906	2,275
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			(22,064)
	3,218,176	3,240,240	

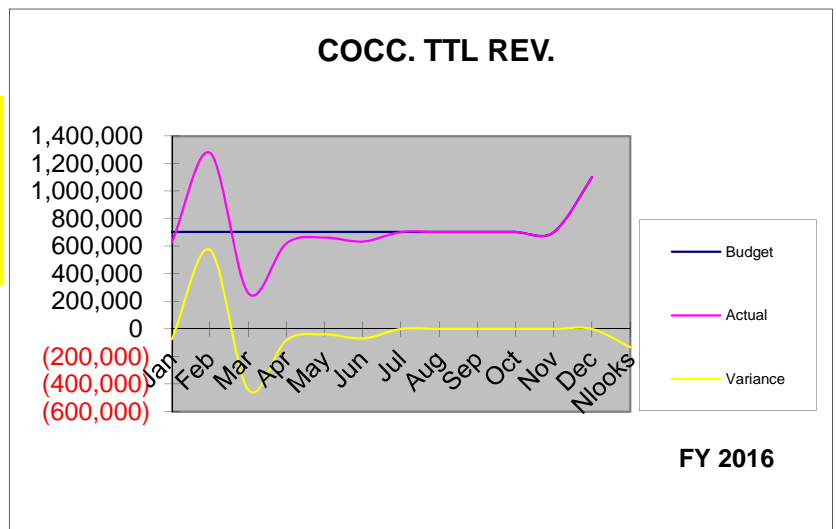
RAP OPEX



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

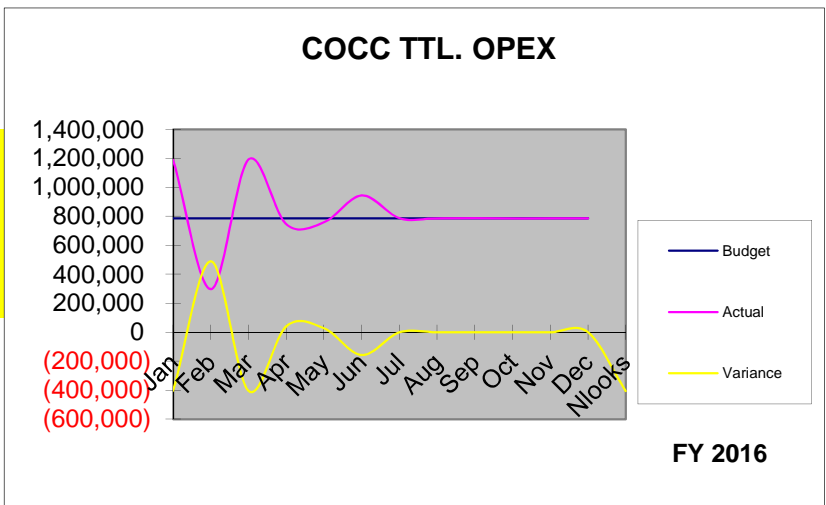
OPERATING REVENUE

	Budget	Actual	Variance
Jan	703,405	630,162	(73,243)
Feb	703,405	1,278,051	574,646
Mar	703,405	260,085	(443,320)
Apr	703,405	621,887	(81,518)
May	703,405	663,759	(39,646)
Jun	703,405	634,108	(69,297)
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	8,708,481	(132,377)



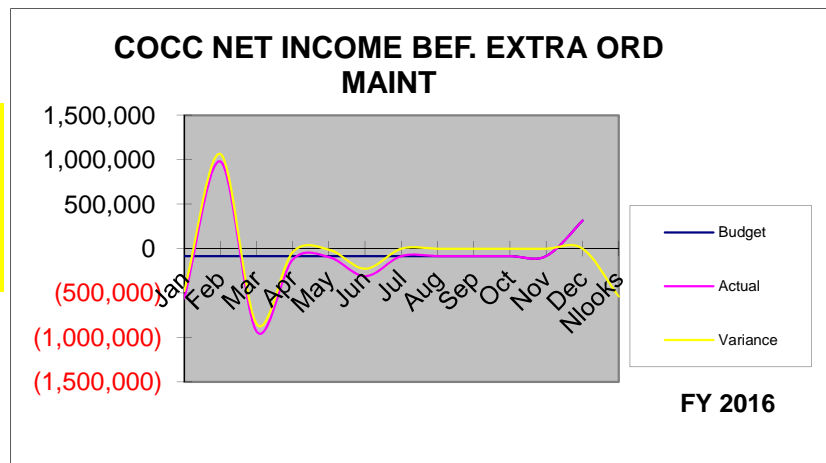
OPERATING EXPENSES

	Budget	Actual	Variance
Jan	787,242	1,190,130	(402,888)
Feb	787,242	297,558	489,684
Mar	787,242	1,192,307	(405,065)
Apr	787,242	745,422	41,820
May	787,242	759,055	28,187
Jun	787,242	944,565	(157,323)
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	9,852,490	(405,585)



NET INCOME

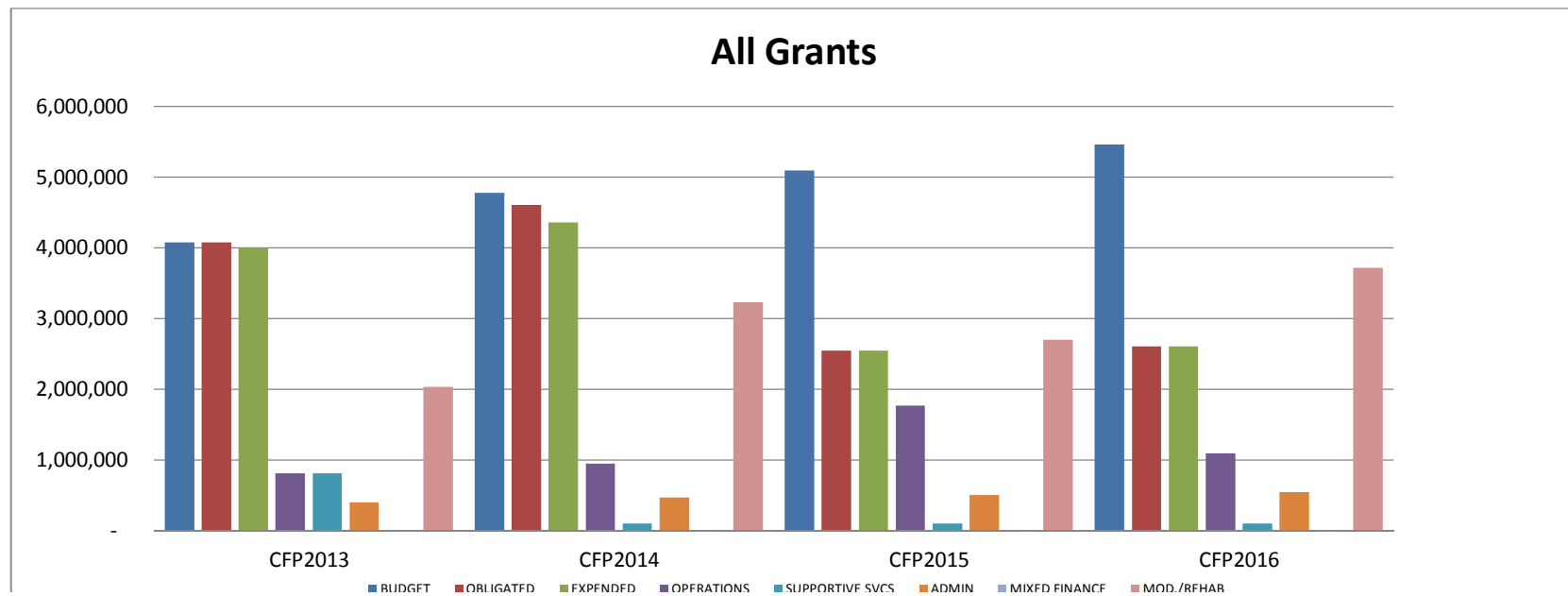
	Budget	Actual	Variance
Jan	(83,837)	(559,968)	(476,131)
Feb	(83,837)	980,493	1,064,330
Mar	(83,837)	(932,222)	(848,385)
Apr	(83,837)	(123,535)	(39,698)
May	(83,837)	(95,296)	(11,459)
Jun	(83,837)	(310,457)	(226,620)
Jul	(83,837)	(83,837)	0
Aug	(83,837)	(83,837)	0
Sep	(83,837)	(83,837)	0
Oct	(83,837)	(83,837)	0
Nov	(83,837)	(83,837)	0
Dec	316,163	316,163	0
Nlooks	(606,048)	(1,144,009)	(537,961)



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

HACM
MAJOR GRANTS SUMMARY
30-Jun-16

	SPENDING PLAN								END DATE
	BUDGET	OBLIGATED	EXPENDED	OPERATIONS	SUPPORTIVE SVCS	ADMIN	MIXED FINANCE	MOD./REHAB	
CFP2013	4,079,190	4,075,975	4,006,334	815,838	815,638	407,919	-	2,039,795	9/8/2017
CFP2014	4,776,258	4,606,627	4,359,165	955,252	110,000	477,626		3,233,380	5/12/2018
CFP2015	5,098,171	2,549,244	2,547,189	1,774,946	110,000	509,817		2,703,408	9/15/2019
CFP2016	5,467,349	2,607,171	2,607,171	1,093,469	110,000	546,734		3,717,146	4/12/2020
TOTAL	19,420,968	13,839,017	13,519,859	4,639,505	1,145,638	1,942,096	-	11,693,729	
PERCENT	100%	71%	70%	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