



FINANCIAL REPORTS

JUNE 30, 2017

HOUSING AUTHORITY OF THE CITY OF MILWAUKEE
FINANCIAL REPORTS
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HA of the City Milwaukee
Financial Highlights
As of June 30, 2017

Financial Position (pp. 3-4)

As of June 30, 2017, HACM has total assets of \$220.6mm compared to March 31, 2017 at \$222.3mm. 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 \$40mm. These funds are invested in Institutional Trust, Local Government Investment Pool, certificate of deposits, money market placements, and regular checking accounts. All deposits are covered under FDIC insurance or are invested in secured US Treasury obligations. Total cash & investments are distributed as follow; (p. 3)

Low Rent Public Housing	\$8.03mm
Unsubsidized Housing	21.45
Rental Assistance Program	1.29
Central Office	9.45
Home Ownership & Grants	0.62

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

Low Rent Public Housing	\$7.00mm
Unsubsidized Housing	7.00
Rental Assistance Program-Admin	1.44
Central office	0.39

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 9% lower than budget (p. 5) and total spending was 7% under budget (p.6). Administrative expenses compared to budgeted expenses were at a variance of 0%. Tenant services were 50% under budget; Utilities were 12% below budget; Maintenance expenses were 12% below budget, protective services 5% under budget and general expenses were 6% under budget. Consolidated net income from operations for the period ended June 30, 2017 was \$310,816 (p. 6).

Low Rent Public Housing (LRPH)

LRPH operations resulted in a net income from operations of \$663,219 (p. 6) in the second quarter. Operating revenue was \$803,381 under budget and total operating expenses for the period were \$1,270,314 under budget. All combined, LRPH posted a positive variance of \$466,933 (see p. 7).

Unsubsidized Housing

Unsubsidized Housing has a favorable result of operations during the quarter. Net income from operation was at \$975,383 (p.6) before amortization of principal on series 2015 bonds of around \$725,000 for 2017. Revenue was \$168,774 below budget and operating expenses were under budget by \$74,902 during the period. All combined, VETS a negative variance of \$93,872 (see p. 8).

Rental Assistance Program (RAP)

RAP had net income of \$34,879 at the end of the period (p. 6). Administrative revenue was \$44,600 over budget and spending was over budget by \$10,730, resulting in an overall positive net income variance of \$33,870 (see p. 9).

The Housing Assistance Payment (HAP) grant during the period was \$18.29mm against total disbursement of \$17.81mm, reflecting a budget utilization of 98%. 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 \$1,361,611 (p.6) at the end of the quarter. Total revenue was under budget by \$929,506 (see p. 10). Operating expenses were under budget by \$17,308. All combined, COCC posted a negative variance of \$912,198 (see p. 10).

Grant Management (pp.11)

As of June 30, 2017, HACM is on track with its obligation and spending timelines as required by the grant agreements. Currently open grants are Capital Fund Programs 2013-2017. As of end of the quarter 81% has been obligated and 69% has been expended. Around 44% 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, 2017

	June 30, 2017						Mar. 31, 2017
	LRPH	UNSUBSIDIZED HOUSING	RAP	COCC	GRANTS/DEVT	HOME OWNERSHIP	Total HACM
ASSETS							
CURRENT ASSETS							
CASH							
UNRESTRICTED CASH	7,486,629	9,689,193	1,006,069	9,227,625	(532,461)	623,173	27,500,228
RESTRICTED CASH (Note 1)		2,695,422		133,565			2,828,987
TOTAL CASH	7,486,629	12,384,615	1,006,069	9,361,190	(532,461)	623,173	30,329,215
ACCOUNTS RECEIVABLE-TENANTS	332,239	90,356					422,595
ALLOWANCE FOR DOUBTFUL ACCOUNTS (Note 2)	(71,535)	(17,876)					(89,411)
NET ACCOUNTS RECEIVABLE-TENANTS	260,704	72,480	0	0	0	0	333,184
ACCOUNTS RECEIVABLE-MISC							
AR-HUD (Note 3)	1,015,014						1,015,014
AR- DEVELOPMENT FEE (Note 4)							
AR - OTHERS	216,640		7,682	271,122			495,444
TOTAL AR-MISC	1,231,654	0	7,682	271,122	0	0	1,510,458
INVESTMENTS							
RESTRICTED (Note 1)	545,794	9,067,749	280,983	84,771			9,979,297
TOTAL INVESTMENTS	545,794	9,067,749	280,983	84,771	0	0	9,979,297
PREPAID EXPENSES AND OTHER ASSETS							
PREPAID EXPENSES AND OTHER ASSETS	154,348	53,481	26,506	229,767	1,407	765	466,274
TOTAL PREPAID EXPENSES AND OTHER ASSETS	154,348	53,481	26,506	229,767	1,407	765	466,274
CURRENT INTERFUNDS							
TOTAL DUE FROM AMOUNTS - CURRENT (Note 5)	0	0	0	267,739	(267,739)	0	0
TOTAL CURRENT ASSETS	9,679,129	21,578,325	1,321,240	10,214,589	(798,793)	623,938	42,618,428
NON-CURRENT ASSETS							
FIXED ASSETS							
LAND & LAND IMPROVEMENTS	32,301,964	2,759,343		454,172		7,111	35,522,590
BUILDINGS	243,085,677	46,503,159		7,890,061		64,003	297,542,900
FURNITURES, EQPT. MACHINERY	1,442,753	220,778	72,604	1,874,937			3,611,072
CONSTRUCTION IN PROGRESS	48,529	21,988		7,871	559,265	118,093	755,746
TOTAL FIXED ASSETS	276,878,923	49,505,268	72,604	10,227,041	559,265	189,207	337,432,308
ACCUMULATED DEPRECIATION	(191,647,493)	(44,115,380)	(72,604)	(4,919,672)		(8,795)	(240,763,944)
FIXED ASSETS, NET OF DEPRECIATION	85,231,430	5,389,888	0	5,307,369	559,265	180,412	96,668,364
OTHER ASSETS							
NOTES RECEIVABLE (Note 7)	53,571,329			8,372,701	0	1,145,240	63,089,270
NOTES INTEREST RECEIVABLE (Note 6)	12,327,565			314,676	0		12,642,241
FINANCING FEES & OTHER ASSETS				5,571,049			6,793,549
TOTAL OTHER ASSETS	65,898,894	0	0	14,258,426	0	1,145,240	81,302,560
TOTAL NON-CURRENT ASSETS	151,130,324	5,389,888	0	19,565,795	559,265	1,325,652	177,970,924
TOTAL ASSETS	160,809,453	26,968,213	1,321,240	29,780,384	(239,528)	1,949,590	220,589,352
LIABILITIES AND EQUITY							
CURRENT LIABILITIES							

HOUSING AUTHORITY OF THE CITY OF MILWAUKEE
BALANCE SHEETS
AS OF JUNE 30, 2017

	June 30, 2017						Mar. 31, 2017
	LRPH	UNSUBSIDIZED HOUSING	RAP	COCC	GRANTS/DEVT	HOME OWNERSHIP	Total HACM
ACCOUNTS PAYABLE							
ACCOUNTS PAYABLE	72,526	566,784	10,033	952,344	64,963	1,000	1,667,650
TOTAL ACCOUNTS PAYABLE	72,526	566,784	10,033	952,344	64,963	1,000	1,667,650
ACCRUED LIABILITIES							
ACCRUED SALARIES & BENEFITS	(1,810)			240,133	537		238,860
ACCRUED INTEREST PAYABLE		311,683					311,683
DEFERED REVENUE				394,000			394,000
DUE TO GOVERNMENT - PILOT & OTHERS	1,745,183	1,444,514		1,050,590			4,240,287
ACCRUED COMPENSATED ABSENCES (Note 7)	0	0	0	926,965	0	0	926,965
OTHER ACCRUED LIABILITIES	4,992			400,000		337,056	742,048
TOTAL ACCRUED LIABILITIES	1,748,365	1,756,197	0	3,011,688	537	337,056	6,853,843
OTHER CURRENT LIABILITIES							
TENANT SECURITY DEPOSITS	617,169	489,463					1,106,632
FSS ESCROW ACCOUNT	195,794		280,983				476,777
CURRENT PORTION-LT DEBT		725,000					725,000
TOTAL OTHER CURRENT LIABILITIES	812,963	1,214,463	280,983	0	0	0	2,308,409
TOTAL CURRENT LIABILITIES	2,633,854	3,537,444	291,016	3,964,032	65,500	338,056	10,829,902
NON-CURRENT LIABILITIES							
LONG TERM DEBT							
MORTGAGE REVENUE BONDS				126,306			126,306
NOTES PAYABLE		17,691,959			0		17,691,959
TOTAL	0	17,691,959	0	126,306	0	0	17,818,265
LESS CURRENT PORTION		(725,000)					(725,000)
TOTAL LONG TERM DEBT - NET	0	16,966,959	0	126,306	0	0	17,093,265
NONCURRENT LIABILITIES-OTHER							
NET OPEB LIABILITY (Note 8)				5,515,920			5,515,920
NET PENSION LIABILITY				4,904,000			4,904,000
TOTAL NONCURRENT LIABILITIES-OTHER	0	0	0	10,419,920	0	0	10,419,920
TOTAL NON-CURRENT LIABILITIES	0	16,966,959	0	10,546,226	0	0	27,513,185
TOTAL LIABILITIES	2,633,854	20,504,403	291,016	14,510,258	65,500	338,056	38,343,087
EQUITY							
INVESTED IN CAPITAL ASSETS, NET OF DEBT	85,231,430	(12,302,071)	0	5,307,369	559,265	180,412	78,976,405
UNRESTRICTED RESERVE	7,045,275	7,002,710	1,443,570	389,995	(864,293)	622,938	15,640,195
RESTRICTED RESERVE (Note 9)	65,898,894	11,763,171	(413,346)	9,572,762	0	808,184	87,629,665
TOTAL EQUITY	158,175,599	6,463,810	1,030,224	15,270,126	(305,028)	1,611,534	182,246,265
TOTAL LIABILITIES AND EQUITY	160,809,453	26,968,213	1,321,240	29,780,384	(239,528)	1,949,590	222,589,352

HA OF THE CITY OF MILWAUKEE
CONSOLIDATED STATEMENT OF REVENUE & EXPENSES
BUDGETED PROGRAM ONLY
AS OF JUNE 30, 2017

6

50%

	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>	3,868,873		1,596,889			5,465,762	5,796,349	(330,587)	-6%	11,592,698	6,126,936	53%
<i>Dwelling rents</i>	4,822,930	3,443,525				8,266,455	8,753,432	(486,977)	-6%	17,506,864	9,240,409	53%
<i>Excess utilities & other</i>	100,553	71,847				172,400	165,754	6,646	4%	331,508	159,108	48%
<i>Capital fund transfer in (Note 10)</i>	1,015,014					1,015,014	1,015,000	14	0%	2,030,000	1,014,986	50%
<i>Other income</i>	309,606	1,222	106,028	49,721	87,968	554,545	1,025,089	(470,544)	-46%	2,050,178	1,495,633	73%
<i>Management fees</i>				1,917,717		1,917,717	2,253,035	(335,318)	-15%	4,506,069	2,588,352	57%
<i>Central maintenance revenue</i>				1,294,881		1,294,881	1,521,763	(226,882)	-15%	3,043,525	1,748,644	57%
<i>Developers fee</i>						0	0	0	0%	534,500	534,500	100%
<i>Interest on general fund</i>	8,815	78,889	3	18,307		106,014	67,525	38,489	57%	135,050	29,036	22%
Total Income	10,125,791	3,595,483	1,702,920	3,280,626	87,968	18,792,788	20,597,946	(1,805,158)	-9%	41,730,392	22,937,604	55%
Operating Expenditures												
Administrative												
<i>Salaries</i>	638,015	125,267	738,650	1,942,709	37,914	3,482,555	3,231,415	(251,140)	-8%	6,462,830	2,980,275	46%
<i>Employee benefits</i>	300,616	74,827	381,371	629,863	29,711	1,416,388	1,173,243	(243,146)	-21%	2,346,485	930,097	40%
<i>Legal and accounting</i>	12,706	4,629	293	41,492		59,120	115,970	56,850	49%	231,940	172,820	75%
<i>Audit</i>	61,574	17,201	15,346	8,184		102,305	74,200	(28,105)	-38%	148,400	46,095	31%
<i>Travel and training</i>	1,814		6,769	121,527	1,526	131,636	131,600	(36)	0%	263,200	131,564	50%
<i>Contracted property management</i>				130,074		130,074	147,898	17,824	12%	295,795	165,721	56%
<i>Management fees</i>	1,256,235	311,480	350,002			1,917,717	2,253,035	335,318	15%	4,506,069	2,588,352	57%
<i>Housing intake</i>	284,627					284,627	287,231	2,604	1%	574,462	289,835	50%
<i>Office supplies & printing</i>	13,758	1,601	12,411	20,810	790	49,370	91,315	41,945	46%	182,630	133,260	73%
<i>Telephone</i>	10,285	789	4,382	21,803	360	37,619	48,253	10,634	22%	96,505	58,886	61%
<i>Postage</i>	2,750	646	928	192		4,516	37,100	32,584	88%	74,200	69,684	94%
<i>Other contracted services</i>	27,187	17,500	87,911	195,856	239	328,693	351,000	22,307	6%	702,000	373,307	53%
<i>Other</i>	123,408	39,034	5,168	231,766	2,182	401,558	395,113	(6,446)	-2%	790,225	388,667	49%
Total admin	2,732,975	592,974	1,603,231	3,344,276	72,722	8,346,178	8,337,371	(8,808)	0%	16,674,741	8,328,563	50%
Tenant Services												
<i>Resident services allocation</i>	96,666					96,666	105,110	8,444	8%	210,220	113,554	54%
<i>Salaries & benefits</i>	50,843		6,600	17,204		74,647	157,315	82,668	53%	314,630	239,983	76%
<i>Contracts, trainings, others</i>	50,967		150	7,160		58,277	193,279	135,002	70%	386,557	328,280	85%
Total tenant services	198,476	0	6,750	24,364	0	229,590	455,704	226,114	50%	911,407	681,817	75%

HA OF THE CITY OF MILWAUKEE
CONSOLIDATED STATEMENT OF REVENUE & EXPENSES
BUDGETED PROGRAM ONLY
AS OF JUNE 30, 2017

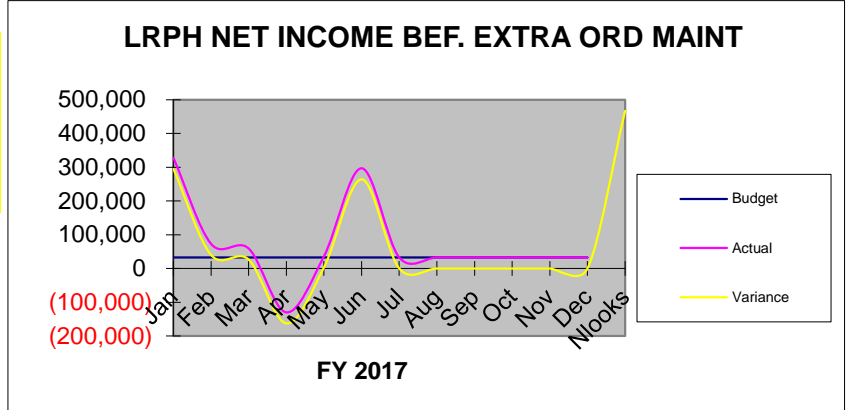
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50%

	LRPH	UNSUBSIDIZED HSNG	RAP	COCC	HOME OWN	YTD ACTUAL	YTD BUDGET	VARIANCE		ANNUAL BUDGET	REMAINING	
								AMOUNT	PERCENT		AMOUNT	PERCENT
<i>Utilities</i>												
Water	679,549	251,409		3,141		934,099	1,255,200	321,101	26%	2,510,400	1,576,301	63%
Electric	598,039	27,118		22,507		647,664	757,800	110,136	15%	1,515,600	867,936	57%
Gas	483,309	22,588		9,187		515,084	374,300	(140,784)	-38%	748,600	233,516	31%
Total utilities	1,760,897	301,115	0	34,835	0	2,096,847	2,387,300	290,453	12%	4,774,600	2,677,753	56%
<i>Ordinary maintenance</i>												
Salaries	531,737	162,219		649,664		1,343,620	1,775,786	432,166	24%	3,551,572	2,207,952	62%
Employee benefits Maint	307,986	85,881		424,087	11,400	829,354	688,325	(141,030)	-20%	1,376,649	547,295	40%
Maintenance materials	381,324	121,582	198	16,464	164	519,732	585,208	65,476	11%	1,170,416	650,684	56%
Maintenance contracts	1,374,427	404,166	2,098	55,682	2,472	1,838,845	2,128,283	289,438	14%	4,256,566	2,417,721	57%
Total maintenance	2,595,474	773,848	2,296	1,145,897	14,036	4,531,551	5,177,602	646,051	12%	10,355,203	5,823,652	56%
<i>Protective Services</i>												
Public safety allocation	649,500	63,448	286	4,601		717,835	730,766	12,931	2%	1,461,531	743,696	51%
Contracts, others	9,053			131		9,184	31,450	22,266	71%	62,900	53,716	85%
Total protective services	658,553	63,448	286	4,732	0	727,019	762,216	35,197	5%	1,524,431	797,412	52%
<i>General</i>												
Insurance	319,380	108,707	48,042	85,184	2,264	563,577	582,752	19,175	3%	1,165,503	601,926	52%
Pilot	317,171	318,147				635,318	642,511	7,193	1%	1,285,021	649,703	51%
Interest Expense		311,683				311,683	310,000	(1,683)	-1%	620,000	308,317	50%
Subsidy to Mixed finance dev't.	844,343					844,343	831,818	(12,525)	-2%	1,663,636	819,293	49%
Other general expense	35,303		7,436			42,739	173,390	130,651	75%	346,780	304,041	88%
Total general	1,516,197	738,537	55,478	85,184	2,264	2,397,660	2,540,470	142,810	6%	5,080,940	2,683,280	53%
Total Operating Expenditures	9,462,572	2,469,922	1,668,041	4,639,288	89,022	18,328,845	19,660,661	1,331,816	7%	39,321,322	20,992,477	53%
Excess (deficiency) of total revenue over expenses	663,219	1,125,561	34,879	(1,358,662)	(1,054)	463,943	937,285	(473,342)	-51%	2,409,070	1,945,127	81%
Extra-ordinary maintenance	139,954	150,178		2,949		293,081	619,308	326,227	53%	1,238,616	945,535	76%
Program Income	(139,954)					(139,954)	(242,691)	(102,737)	42%	(485,381)	(345,427)	71%
Net income(loss) from operation:	663,219	975,383	34,879	(1,361,611)	(1,054)	310,816	560,668	(249,852)	-45%	1,655,835	1,345,019	81%
Depreciation expense	2,453,466	279,390		174,776	793	2,908,425						
Net Income (loss)	(1,790,247)	695,993	34,879	(1,536,387)	(1,847)	(2,597,609)						

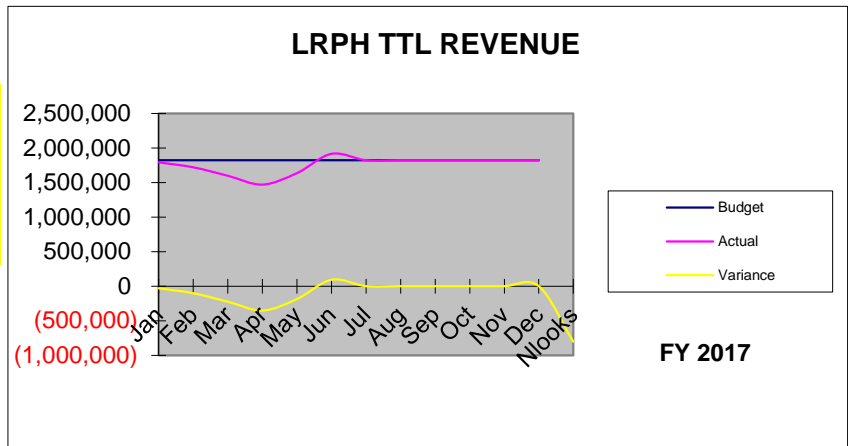
NET INCOME BEF. EXTRA ORDINARY MAINTENANCE

	Budget	Actual	Variance
Jan	32,714	327,781	295,067
Feb	32,714	72,999	40,285
Mar	32,714	59,162	26,448
Apr	32,714	(129,969)	(162,683)
May	32,714	36,234	3,520
Jun	32,714	297,012	264,298
Jul	32,714	32,714	0
Aug	32,714	32,714	0
Sep	32,714	32,714	0
Oct	32,714	32,714	0
Nov	32,714	32,714	0
Dec	32,714	32,714	0
Nlooks			466,933
	392,572	859,505	



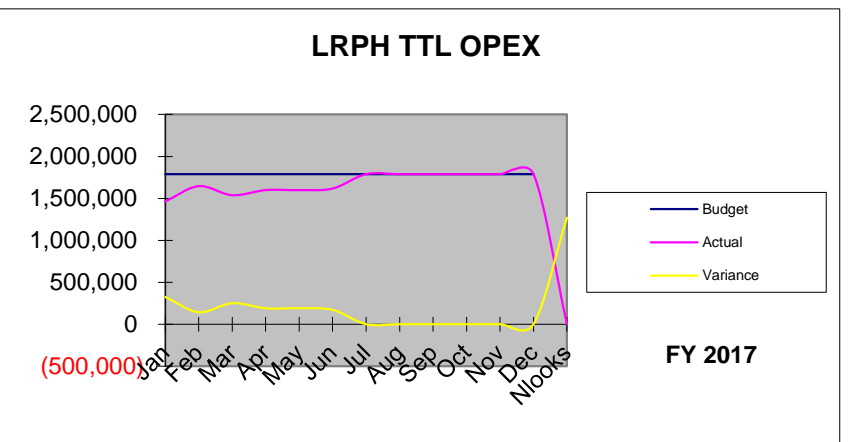
OPERATING REVENUE

	Budget	Actual	Variance
Jan	1,821,529	1,791,493	(30,036)
Feb	1,821,529	1,719,037	(102,492)
Mar	1,821,529	1,596,916	(224,613)
Apr	1,821,529	1,469,018	(352,511)
May	1,821,529	1,634,968	(186,561)
Jun	1,821,529	1,914,359	92,830
Jul	1,821,529	1,821,529	0
Aug	1,821,529	1,821,529	0
Sep	1,821,529	1,821,529	0
Oct	1,821,529	1,821,529	0
Nov	1,821,529	1,821,529	0
Dec	1,821,529	1,821,529	0
Nlooks			(803,381)
	21,858,344	21,054,963	



OPERATING EXPENSES

	Budget	Actual	Variance
Jan	1,788,814	1,463,712	325,102
Feb	1,788,814	1,646,038	142,776
Mar	1,788,814	1,537,754	251,060
Apr	1,788,814	1,598,987	189,827
May	1,788,814	1,598,734	190,080
Jun	1,788,814	1,617,347	171,467
Jul	1,788,814	1,788,814	0
Aug	1,788,814	1,788,814	0
Sep	1,788,814	1,788,814	0
Oct	1,788,814	1,788,814	0
Nov	1,788,814	1,788,814	0
Dec	1,788,814	1,788,814	0
Nlooks		0	1,270,314
	21,465,772	20,195,458	

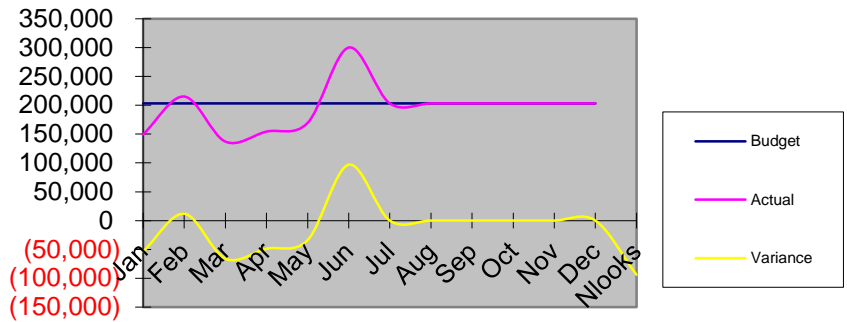


NL - Nlooks = Actual year to date (highlighted in yellow) + remaining budget of the year

NET INCOME BEF. EXTRA ORDINARY MAINTENANCE

	Budget	Actual	Variance
Jan	203,239	149,595	(53,644)
Feb	203,239	215,122	11,883
Mar	203,239	137,004	(66,235)
Apr	203,239	154,359	(48,880)
May	203,239	169,354	(33,885)
Jun	203,239	300,127	96,888
Jul	203,239	203,239	0
Aug	203,239	203,239	0
Sep	203,239	203,239	0
Oct	203,239	203,239	0
Nov	203,239	203,239	0
Dec	203,239	203,239	0
Nlooks			(93,872)
	2,438,867	2,344,995	

UNSUBSIDIZED HSNB NET INCOME BEF. EXTRA ORD MAINT

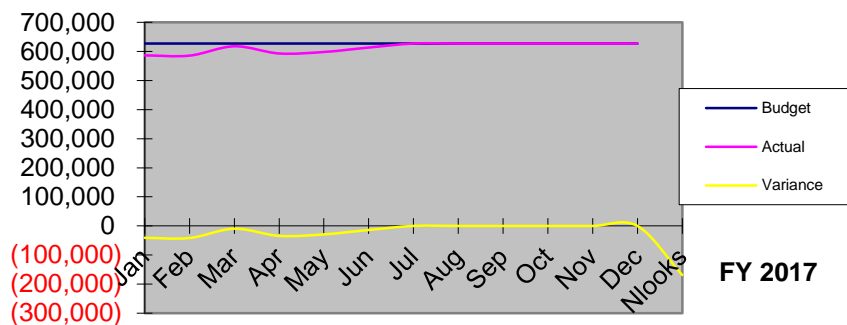


FY 2017

OPERATING REVENUE

	Budget	Actual	Variance
Jan	627,376	586,621	(40,755)
Feb	627,376	585,805	(41,571)
Mar	627,376	617,926	(9,450)
Apr	627,376	593,216	(34,160)
May	627,376	598,330	(29,046)
Jun	627,376	613,585	(13,791)
Jul	627,376	627,376	0
Aug	627,376	627,376	0
Sep	627,376	627,376	0
Oct	627,376	627,376	0
Nov	627,376	627,376	0
Dec	627,376	627,376	0
Nlooks			(168,774)
	7,528,514	7,359,740	

UNSUBSIDIZED HSNB. OPERATING REVENUE

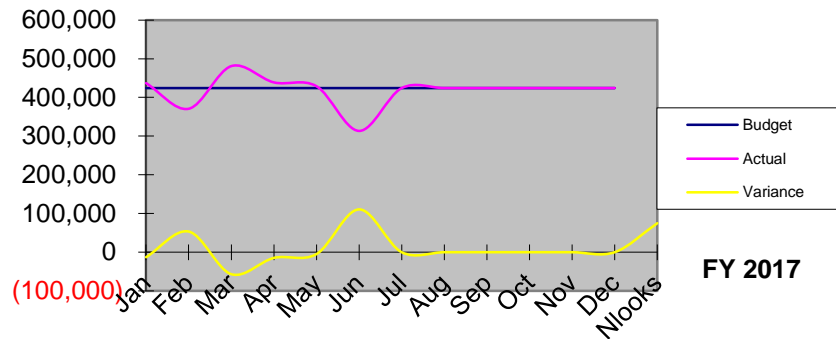


FY 2017

OPERATING EXPENSES

	Budget	Actual	Variance
Jan	424,137	437,026	(12,889)
Feb	424,137	370,683	53,454
Mar	424,137	480,922	(56,785)
Apr	424,137	438,857	(14,720)
May	424,137	428,976	(4,839)
Jun	424,137	313,458	110,679
Jul	424,137	424,137	0
Aug	424,137	424,137	0
Sep	424,137	424,137	0
Oct	424,137	424,137	0
Nov	424,137	424,137	0
Dec	424,137	424,137	0
Nlooks			74,902
	5,089,647	5,014,746	

UNSUBSIDIZED HSNB. OPEX



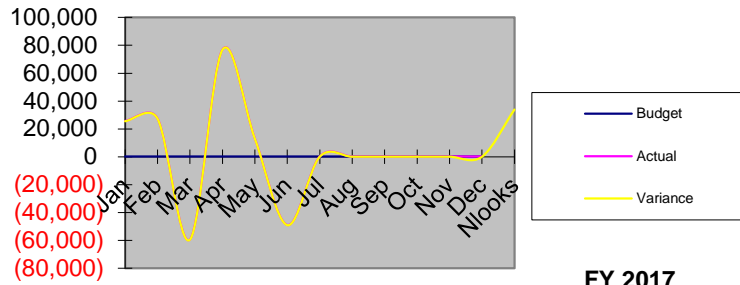
FY 2017

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

NET INCOME

	Budget	Actual	Variance
Jan	168	25,673	25,505
Feb	168	27,527	27,359
Mar	168	(59,394)	(59,562)
Apr	168	76,963	76,795
May	168	13,139	12,971
Jun	168	(49,029)	(49,197)
Jul	168	168	0
Aug	168	168	0
Sep	168	168	0
Oct	168	168	0
Nov	168	168	0
Dec	168	168	0
Nlooks			33,870
	2,017	35,888	

RAP NET INCOME BEF. EXTRA ORD MAINTENANCE

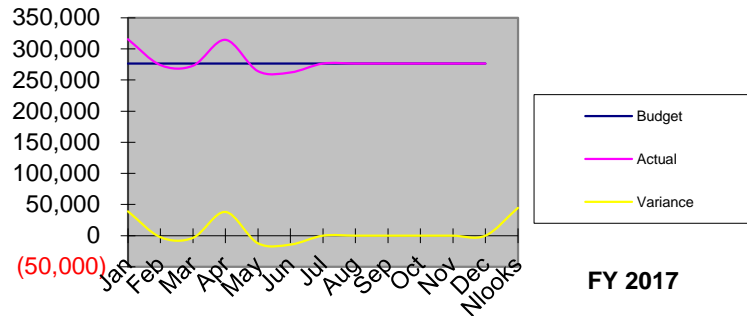


FY 2017

OPERATING REVENUE

	Budget	Actual	Variance
Jan	276,387	315,434	39,047
Feb	276,387	273,969	(2,418)
Mar	276,387	272,839	(3,548)
Apr	276,387	314,467	38,080
May	276,387	264,162	(12,225)
Jun	276,387	262,049	(14,338)
Jul	276,387	276,387	0
Aug	276,387	276,387	0
Sep	276,387	276,387	0
Oct	276,387	276,387	0
Nov	276,387	276,387	0
Dec	276,387	276,387	0
Nlooks			44,600
	3,316,640	3,361,240	

RAP OPERATING REV.

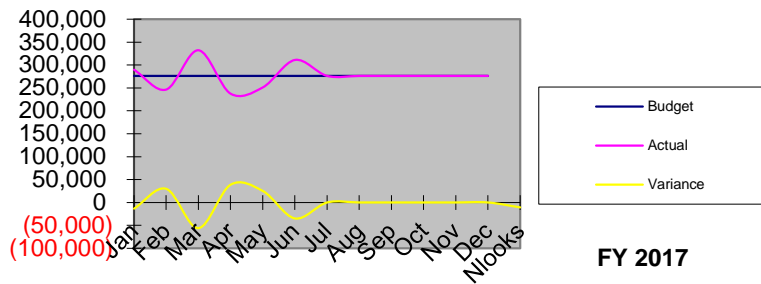


FY 2017

OPERATING EXPENSES

	Budget	Actual	Variance
Jan	276,219	289,761	(13,542)
Feb	276,219	246,442	29,777
Mar	276,219	332,233	(56,014)
Apr	276,219	237,504	38,715
May	276,219	251,023	25,196
Jun	276,219	311,078	(34,859)
Jul	276,219	276,219	0
Aug	276,219	276,219	0
Sep	276,219	276,219	0
Oct	276,219	276,219	0
Nov	276,219	276,219	0
Dec	276,219	276,219	0
Nlooks			(10,730)
	3,314,623	3,325,353	

RAP OPEX

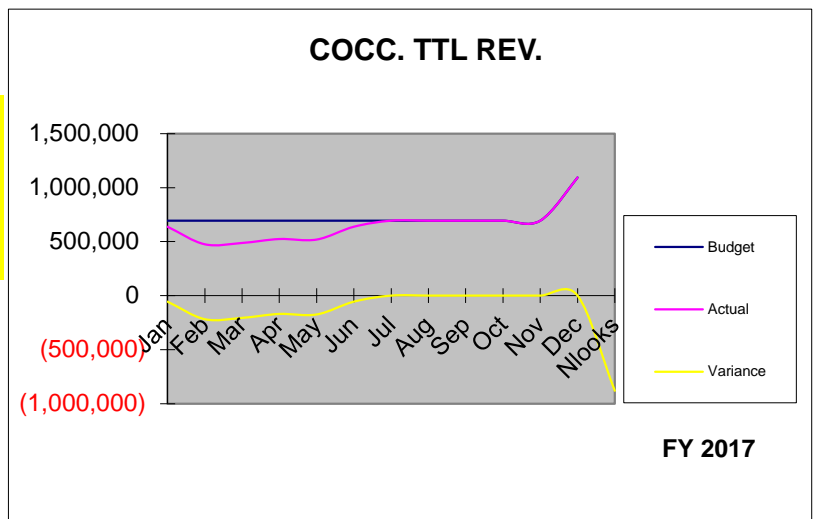


FY 2017

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

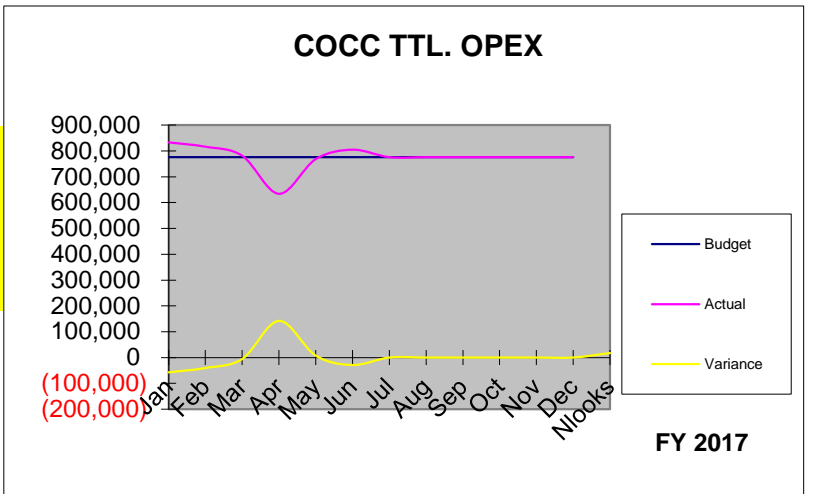
OPERATING REVENUE

	Budget	Actual	Variance
Jan	693,633	637,706	(55,927)
Feb	693,633	475,106	(218,527)
Mar	693,633	487,410	(206,223)
Apr	693,633	523,843	(169,790)
May	693,633	518,804	(174,829)
Jun	693,633	637,757	(55,876)
Jul	693,633	693,633	0
Aug	693,633	693,633	0
Sep	693,633	693,633	0
Oct	693,633	693,633	0
Nov	693,633	693,633	0
Dec	1,093,633	1,093,633	0
Nlooks	8,723,594	7,842,423	(881,171)



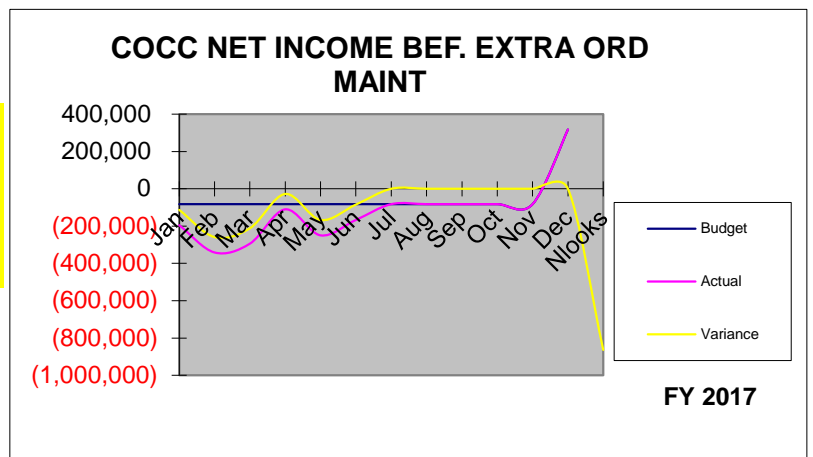
OPERATING EXPENSES

	Budget	Actual	Variance
Jan	776,099	833,318	(57,219)
Feb	776,099	816,597	(40,498)
Mar	776,099	781,713	(5,614)
Apr	776,099	634,127	141,972
May	776,099	768,566	7,533
Jun	776,099	804,967	(28,868)
Jul	776,099	776,099	0
Aug	776,099	776,099	0
Sep	776,099	776,099	0
Oct	776,099	776,099	0
Nov	776,099	776,099	0
Dec	776,099	776,099	0
Nlooks	9,313,192	9,295,884	17,308



NET INCOME

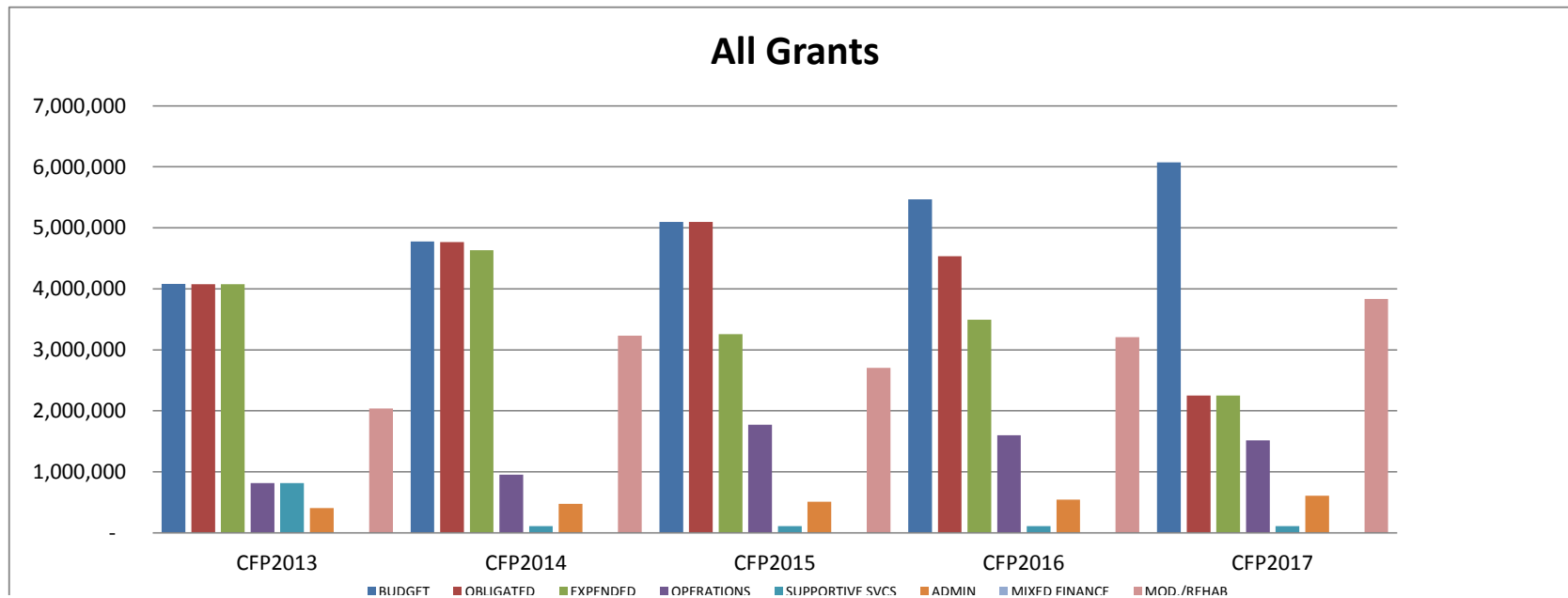
	Budget	Actual	Variance
Jan	(82,467)	(195,612)	(113,146)
Feb	(82,467)	(341,491)	(259,025)
Mar	(82,467)	(294,303)	(211,837)
Apr	(82,467)	(110,284)	(27,818)
May	(82,467)	(249,762)	(167,296)
Jun	(82,467)	(167,210)	(84,744)
Jul	(82,467)	(82,467)	0
Aug	(82,467)	(82,467)	0
Sep	(82,467)	(82,467)	0
Oct	(82,467)	(82,467)	0
Nov	(82,467)	(82,467)	0
Dec	317,534	317,534	0
Nlooks	(589,598)	(1,453,461)	(863,863)



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

HACM
MAJOR GRANTS SUMMARY
30-Jun-17

	SPENDING PLAN								END DATE
	BUDGET	OBLIGATED	EXPENDED	OPERATIONS	SUPPORTIVE SVCS	ADMIN	MIXED FINANCE	MOD./REHAB	
CFP2013	4,079,190	4,078,015	4,078,015	815,838	815,638	407,919	-	2,039,795	9/8/2017
CFP2014	4,776,259	4,766,260	4,632,324	955,252	110,000	477,626		3,233,381	5/12/2018
CFP2015	5,098,171	5,098,171	3,258,343	1,774,946	110,000	509,817		2,703,408	9/15/2019
CFP2016	5,467,349	4,536,743	3,493,626	1,601,933	110,000	546,734		3,208,682	4/12/2020
CFP2017	6,071,406	2,250,380	2,250,380	1,517,851	110,000	607,140		3,836,415	8/16/2021
TOTAL	25,492,375	20,729,569	17,712,688	5,147,969	1,145,638	1,942,096	-	11,185,266	
PERCENT	76%	81%	69%	20%	4%	8%	0%	44%	



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