



# FINANCIAL REPORTS

## SEPTEMBER 30, 2017

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

Financial Position (pp. 3-4)

As of September 30, 2017, HACM has total assets of \$220.4mm compared to June 30, 2017 at \$220.6mm. 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 \$29mm indicating HACM's strong capacity to meet maturing obligations. Total cash & investments as of the end of September was \$37mm. 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	\$7.90mm
Unsubsidized Housing	19.81
Rental Assistance Program	1.92
Central Office	9.06
Home Ownership & Grants	0.79

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

Low Rent Public Housing	\$7.50mm
Unsubsidized Housing	5.20
Rental Assistance Program-Admin	0.52
Central office	(0.37)

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 10% 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 2% under budget. Tenant services were 52% under budget; Utilities were 13% below budget; Maintenance expenses were 9% below budget, protective services 8% under budget and general expenses were 6% under budget. Consolidated net income from operations for the period ended September 30, 2017 was \$491,620 (p. 6).

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

LRPH operations resulted in a net income from operations of \$816,397 (p. 6) in the third quarter. Operating revenue was \$1,412,623 under budget and total operating expenses for the period were \$1,934,591 under budget. All combined, LRPH posted a positive variance of \$521,968 (see p. 7).

### *Unsubsidized Housing*

Unsubsidized Housing has a favorable result of operations during the quarter. Net income from operation was at \$1,110,063 (p.6) before amortization of principal on series 2015 bonds of around \$725,000 for 2017. Revenue was \$215,557 below budget and operating expenses were over budget by \$198,904 during the period. All combined, Unsubsidized Housing has a negative variance of \$414,460 (see p. 8).

### *Rental Assistance Program (RAP)*

RAP had net income of \$100,165 at the end of the period (p. 6). Administrative revenue was \$22,976 over budget and spending was under budget by \$75,676, resulting in an overall positive net income variance of \$98,652 (see p. 9).

The Housing Assistance Payment (HAP) grant during the period was \$27.75mm against total disbursement of \$26.67mm, reflecting a budget utilization of 96%. 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 \$1,482,350 (p.6) at the end of the quarter. Total revenue was under budget by \$1,432,511 (see p. 10). Operating expenses were under budget by \$299,263. All combined, COCC posted a negative variance of \$1,133,248 (see p. 10).

### Grant Management (pp.11)

As of September 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 84% has been obligated and 76% 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 SEPTEMBER 30, 2017

	Sept. 30, 2017						June 30, 2017
	LRPH	UNSUBSIDIZED HOUSING	RAP	COCC	GRANTS/DEVT	HOME OWNERSHIP	Total HACM
<b>ASSETS</b>							
<b>CURRENT ASSETS</b>							
CASH							
UNRESTRICTED CASH	7,383,331	7,947,264	490,576	8,838,014	(2,060,734)	791,021	23,389,472
RESTRICTED CASH (Note 1)		2,774,185	1,129,762	133,565			4,037,512
<b>TOTAL CASH</b>	<b>7,383,331</b>	<b>10,721,449</b>	<b>1,620,338</b>	<b>8,971,579</b>	<b>(2,060,734)</b>	<b>791,021</b>	<b>27,426,984</b>
ACCOUNTS RECEIVABLE-TENANTS	377,584	53,201					430,785
ALLOWANCE FOR DOUBTFUL ACCOUNTS (Note 2)	(24,690)	21,749					(2,941)
<b>NET ACCOUNTS RECEIVABLE-TENANTS</b>	<b>352,894</b>	<b>74,950</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>427,844</b>
ACCOUNTS RECEIVABLE-MISC							
AR-HUD (Note 3)	1,522,521						1,522,521
AR- DEVELOPMENT FEE (Note 4)							
AR - OTHERS	319,750		7,682	614,591			942,023
<b>TOTAL AR-MISC</b>	<b>1,842,271</b>	<b>0</b>	<b>7,682</b>	<b>614,591</b>	<b>0</b>	<b>0</b>	<b>2,464,544</b>
INVESTMENTS							
RESTRICTED (Note 1)	521,318	9,088,809	299,519	84,979			9,994,625
<b>TOTAL INVESTMENTS</b>	<b>521,318</b>	<b>9,088,809</b>	<b>299,519</b>	<b>84,979</b>	<b>0</b>	<b>0</b>	<b>9,994,625</b>
PREPAID EXPENSES AND OTHER ASSETS							
PREPAID EXPENSES AND OTHER ASSETS	137,637	47,284	34,084	220,881	1,407	1,115	442,408
<b>TOTAL PREPAID EXPENSES AND OTHER ASSETS</b>	<b>137,637</b>	<b>47,284</b>	<b>34,084</b>	<b>220,881</b>	<b>1,407</b>	<b>1,115</b>	<b>442,408</b>
CURRENT INTERFUNDS							
<b>TOTAL DUE FROM AMOUNTS - CURRENT (Note 5)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>231,059</b>	<b>(231,059)</b>	<b>0</b>	<b>0</b>
<b>TOTAL CURRENT ASSETS</b>	<b>10,237,451</b>	<b>19,932,492</b>	<b>1,961,623</b>	<b>10,123,089</b>	<b>(2,290,386)</b>	<b>792,136</b>	<b>40,756,405</b>
<b>NON-CURRENT ASSETS</b>							
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	66,336	1,331,117		7,985	2,395,059	49,335	3,849,832
<b>TOTAL FIXED ASSETS</b>	<b>276,896,730</b>	<b>50,814,397</b>	<b>72,604</b>	<b>10,227,155</b>	<b>2,395,059</b>	<b>120,449</b>	<b>340,526,394</b>
ACCUMULATED DEPRECIATION	(192,887,828)	(44,256,876)	(72,604)	(5,007,715)		(9,198)	(242,234,221)
<b>FIXED ASSETS, NET OF DEPRECIATION</b>	<b>84,008,902</b>	<b>6,557,521</b>	<b>0</b>	<b>5,219,440</b>	<b>2,395,059</b>	<b>111,251</b>	<b>98,292,173</b>
OTHER ASSETS							
NOTES RECEIVABLE (Note 7)	53,571,329			8,372,228	0	1,145,240	63,088,797
NOTES INTEREST RECEIVABLE (Note 6)	12,327,565			314,676	0		12,642,241
FINANCING FEES & OTHER ASSETS				5,571,049			5,571,049
<b>TOTAL OTHER ASSETS</b>	<b>65,898,894</b>	<b>0</b>	<b>0</b>	<b>14,257,953</b>	<b>0</b>	<b>1,145,240</b>	<b>81,302,087</b>
<b>TOTAL NON-CURRENT ASSETS</b>	<b>149,907,796</b>	<b>6,557,521</b>	<b>0</b>	<b>19,477,393</b>	<b>2,395,059</b>	<b>1,256,491</b>	<b>179,594,260</b>
<b>TOTAL ASSETS</b>	<b>160,145,247</b>	<b>26,490,013</b>	<b>1,961,623</b>	<b>29,600,482</b>	<b>104,673</b>	<b>2,048,627</b>	<b>220,350,665</b>
<b>LIABILITIES AND EQUITY</b>							

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

	<b>Sept. 30, 2017</b>						<b>June 30, 2017</b>
	<b>LRPH</b>	<b>UNSUBSIDIZED HOUSING</b>	<b>RAP</b>	<b>COCC</b>	<b>GRANTS/DEVT</b>	<b>HOME OWNERSHIP</b>	<b>Total HACM</b>
<b>CURRENT LIABILITIES</b>							
ACCOUNTS PAYABLE							
ACCOUNTS PAYABLE	72,526	626,450	9,733	1,681,988	97,688	2,000	2,490,385
<b>TOTAL ACCOUNTS PAYABLE</b>	<b>72,526</b>	<b>626,450</b>	<b>9,733</b>	<b>1,681,988</b>	<b>97,688</b>	<b>2,000</b>	<b>2,490,385</b>
ACCRUED LIABILITIES							
ACCRUED SALARIES & BENEFITS	(2,250)		(1,166)	177,192	(16,356)		157,420
ACCRUED INTEREST PAYABLE		153,075					153,075
DEFERED REVENUE				394,000			394,000
DUE TO GOVERNMENT - PILOT & OTHERS	1,895,088	1,602,286		1,050,590			4,547,964
ACCRUED COMPENSATED ABSENCES (Note 7)	0	0	0	926,965	0	0	926,965
OTHER ACCRUED LIABILITIES	8,175			400,000		337,056	745,231
<b>TOTAL ACCRUED LIABILITIES</b>	<b>1,901,013</b>	<b>1,755,361</b>	<b>(1,166)</b>	<b>2,948,747</b>	<b>(16,356)</b>	<b>337,056</b>	<b>6,924,655</b>
OTHER CURRENT LIABILITIES							
TENANT SECURITY DEPOSITS	585,772	490,805					1,076,577
FSS ESCROW ACCOUNT	171,318		299,519				470,837
CURRENT PORTION-LT DEBT		725,000					725,000
<b>TOTAL OTHER CURRENT LIABILITIES</b>	<b>757,090</b>	<b>1,215,805</b>	<b>299,519</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2,272,414</b>
<b>TOTAL CURRENT LIABILITIES</b>	<b>2,730,629</b>	<b>3,597,616</b>	<b>308,086</b>	<b>4,630,735</b>	<b>81,332</b>	<b>339,056</b>	<b>11,687,454</b>
<b>NON-CURRENT LIABILITIES</b>							
LONG TERM DEBT							
MORTGAGE REVENUE BONDS				126,306			126,306
NOTES PAYABLE		17,196,959			0		17,196,959
TOTAL	0	17,196,959	0	126,306	0	0	17,323,265
LESS CURRENT PORTION		(725,000)					(725,000)
<b>TOTAL LONG TERM DEBT - NET</b>	<b>0</b>	<b>16,471,959</b>	<b>0</b>	<b>126,306</b>	<b>0</b>	<b>0</b>	<b>16,598,265</b>
NONCURRENT LIABILITIES-OTHER							
NET OPEB LIABILITY (Note 8)				5,515,920			5,515,920
NET PENSION LIABILITY				4,904,000			4,904,000
<b>TOTAL NONCURRENT LIABILITIES-OTHER</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>10,419,920</b>	<b>0</b>	<b>0</b>	<b>10,419,920</b>
<b>TOTAL NON-CURRENT LIABILITIES</b>	<b>0</b>	<b>16,471,959</b>	<b>0</b>	<b>10,546,226</b>	<b>0</b>	<b>0</b>	<b>27,018,185</b>
<b>TOTAL LIABILITIES</b>	<b>2,730,629</b>	<b>20,069,575</b>	<b>308,086</b>	<b>15,176,961</b>	<b>81,332</b>	<b>339,056</b>	<b>38,705,639</b>
<b>EQUITY</b>							
INVESTED IN CAPITAL ASSETS, NET OF DEBT	84,008,902	(10,639,438)	0	5,219,440	2,395,059	111,251	81,095,214
UNRESTRICTED RESERVE	7,506,822	5,196,882	523,775	(368,416)	(2,371,718)	790,136	11,277,481
RESTRICTED RESERVE (Note 9)	65,898,894	11,862,994	1,129,762	9,572,497	0	808,184	89,272,331
<b>TOTAL EQUITY</b>	<b>157,414,618</b>	<b>6,420,438</b>	<b>1,653,537</b>	<b>14,423,521</b>	<b>23,341</b>	<b>1,709,571</b>	<b>181,645,026</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>160,145,247</b>	<b>26,490,013</b>	<b>1,961,623</b>	<b>29,600,482</b>	<b>104,673</b>	<b>2,048,627</b>	<b>220,350,665</b>

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

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25%

	LRPH	UNSUBSIDIZED HSNG	RAP	COCC	HOME OWN	YTD ACTUAL	YTD BUDGET	VARIANCE		ANNUAL BUDGET	REMAINING	
								AMOUNT	PERCENT		AMOUNT	PERCENT
<b>Operating Income</b>												
<i>Operating/admin subsidies</i>	5,800,577		2,387,848			8,188,425	8,694,524	(506,099)	-6%	11,592,698	3,404,273	29%
<i>Dwelling rents</i>	7,052,770	5,195,906				12,248,676	13,130,148	(881,472)	-7%	17,506,864	5,258,188	30%
<i>Excess utilities &amp; other</i>	170,119	103,716				273,835	248,631	25,204	10%	331,508	57,673	17%
<i>Capital fund transfer in (Note 10)</i>	1,522,521					1,522,521	1,522,500	21	0%	2,030,000	507,479	25%
<i>Other income</i>	416,862	13,364	122,603	119,004	93,303	765,136	1,537,634	(772,498)	-50%	2,050,178	1,285,042	63%
<i>Management fees</i>				2,858,516		2,858,516	3,379,552	(521,036)	-15%	4,506,069	1,647,553	37%
<i>Central maintenance revenue</i>				1,870,130		1,870,130	2,282,644	(412,514)	-18%	3,043,525	1,173,395	39%
<i>Developers fee</i>				334,535		334,535	400,875	(66,340)	-17%	534,500	199,965	37%
<i>Interest on general fund</i>	18,286	117,843	5	28,875		165,009	101,288	63,722	63%	135,050	(29,959)	-22%
<b>Total Income</b>	<b>14,981,135</b>	<b>5,430,829</b>	<b>2,510,456</b>	<b>5,211,060</b>	<b>93,303</b>	<b>28,226,783</b>	<b>31,297,794</b>	<b>(3,071,011)</b>	<b>-10%</b>	<b>41,730,392</b>	<b>13,503,609</b>	<b>32%</b>
<b>Operating Expenditures</b>												
<b>Administrative</b>												
<i>Salaries</i>	904,824	223,892	1,056,420	2,914,847	68,987	5,168,970	4,847,123	(321,848)	-7%	6,462,830	1,293,860	20%
<i>Employee benefits</i>	390,332	116,030	515,996	842,533	42,805	1,907,696	1,759,864	(147,832)	-8%	2,346,485	438,789	19%
<i>Legal and accounting</i>	29,766	8,456	365	84,455		123,042	173,955	50,913	29%	231,940	108,898	47%
<i>Audit</i>	86,075	24,046	21,452	11,441		143,014	111,300	(31,714)	-28%	148,400	5,386	4%
<i>Travel and training</i>	2,727		10,120	160,877	1,568	175,292	197,400	22,108	11%	263,200	87,908	33%
<i>Contracted property management</i>				234,133		234,133	221,846	(12,287)	-6%	295,795	61,662	21%
<i>Management fees</i>	1,864,570	468,944	525,001			2,858,515	3,379,552	521,037	15%	4,506,069	1,647,554	37%
<i>Housing intake</i>	401,562					401,562	430,847	29,285	7%	574,462	172,900	30%
<i>Office supplies &amp; printing</i>	25,855	3,086	18,530	33,747	1,261	82,479	136,973	54,494	40%	182,630	100,151	55%
<i>Telephone</i>	17,507	1,360	7,331	36,675	887	63,760	72,379	8,619	12%	96,505	32,745	34%
<i>Postage</i>	4,308	1,081	24,080	6,241	11	35,721	55,650	19,929	36%	74,200	38,479	52%
<i>Other contracted services</i>	70,679	17,500	123,182	238,434	2,119	451,914	526,500	74,586	14%	702,000	250,086	36%
<i>Other</i>	174,988	57,103	7,588	359,324	4,464	603,467	592,669	(10,798)	-2%	790,225	186,758	24%
<b>Total admin</b>	<b>3,973,193</b>	<b>921,498</b>	<b>2,310,065</b>	<b>4,922,707</b>	<b>122,102</b>	<b>12,249,565</b>	<b>12,506,056</b>	<b>256,491</b>	<b>2%</b>	<b>16,674,741</b>	<b>4,425,176</b>	<b>27%</b>
<b>Tenant Services</b>												
<i>Resident services allocation</i>	91,801					91,801	157,665	65,864	42%	210,220	118,419	56%
<i>Salaries &amp; benefits</i>	75,367		9,900	21,001		106,268	235,973	129,705	55%	314,630	208,362	66%
<i>Contracts, trainings, others</i>	112,674	12,178	210	8,326		133,388	289,918	156,530	54%	386,557	253,169	65%
<b>Total tenant services</b>	<b>279,842</b>	<b>12,178</b>	<b>10,110</b>	<b>29,327</b>	<b>0</b>	<b>331,457</b>	<b>683,555</b>	<b>352,098</b>	<b>52%</b>	<b>911,407</b>	<b>579,950</b>	<b>64%</b>
<b>Utilities</b>												
<i>Water</i>	1,122,104	431,745		6,039		1,559,888	1,882,800	322,912	17%	2,510,400	950,512	38%
<i>Electric</i>	913,331	38,362		37,209		988,902	1,136,700	147,798	13%	1,515,600	526,698	35%
<i>Gas</i>	527,366	25,451		9,657		562,474	561,450	(1,024)	0%	748,600	186,126	25%

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

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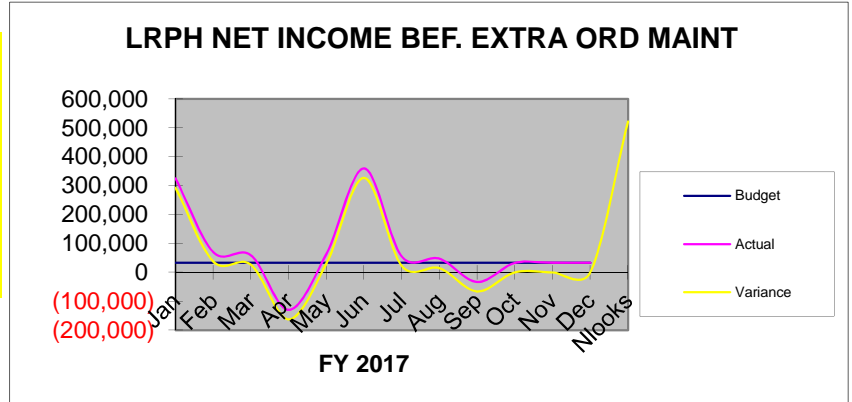
25%

	LRPH	UNSUBSIDIZED HSNG	RAP	COCC	HOME OWN	YTD ACTUAL	YTD BUDGET	VARIANCE		ANNUAL BUDGET	REMAINING	
								AMOUNT	PERCENT		AMOUNT	PERCENT
<i>Total utilities</i>	2,562,801	495,558	0	52,905	0	3,111,264	3,580,950	469,686	13%	4,774,600	1,663,336	35%
<i>Ordinary maintenance</i>												
Salaries	754,140	313,957		902,517		1,970,614	2,663,679	693,065	26%	3,551,572	1,580,958	45%
Employee benefits Maint	407,399	133,462		547,483	17,100	1,105,444	1,032,487	(72,957)	-7%	1,376,649	271,205	20%
Maintenance materials	671,592	228,688	462	31,445	697	932,884	877,812	(55,072)	-6%	1,170,416	237,532	20%
Maintenance contracts	2,293,250	711,926	2,972	63,150	2,472	3,073,770	3,192,425	118,655	4%	4,256,566	1,182,796	28%
<i>Total maintenance</i>	4,126,381	1,388,033	3,434	1,544,595	20,269	7,082,712	7,766,402	683,690	9%	10,355,203	3,272,491	32%
<i>Protective Services</i>												
Public safety allocation	931,998	91,765	667	7,623		1,032,053	1,096,148	64,095	6%	1,461,531	429,478	29%
Contracts, others	14,696			131		14,827	47,175	32,348	69%	62,900	48,073	76%
<i>Total protective services</i>	946,694	91,765	667	7,754	0	1,046,880	1,143,323	96,443	8%	1,524,431	477,551	31%
<i>General</i>												
Insurance	495,993	166,430	74,185	128,343	3,587	868,538	874,127	5,589	1%	1,165,503	296,965	25%
Pilot	467,076	475,919				942,995	963,766	20,771	2%	1,285,021	342,026	27%
Interest Expense		464,758				464,758	465,000	242	0%	620,000	155,242	25%
Subsidy to Mixed finance dev't.	1,266,515					1,266,515	1,247,727	(18,788)	-2%	1,663,636	397,121	24%
Other general expense	46,243		11,830			58,073	260,085	202,012	78%	346,780	288,707	83%
<i>Total general</i>	2,275,827	1,107,107	86,015	128,343	3,587	3,600,879	3,810,705	209,826	6%	5,080,940	1,480,061	29%
<i>Total Operating Expenditures</i>	14,164,738	4,016,139	2,410,291	6,685,631	145,958	27,422,757	29,490,992	2,068,235	7%	39,321,322	11,898,565	30%
<i>Excess (deficiency) of total revenue over expenses</i>	816,397	1,414,690	100,165	(1,474,571)	(52,655)	804,026	1,806,803	(1,002,777)	-56%	2,409,070	1,605,044	67%
<i>Extra-ordinary maintenance</i>	146,136	304,627		7,779		458,542	928,962	470,420	51%	1,238,616	780,074	63%
<i>Program Income</i>	(146,136)					(146,136)	(364,036)	(217,900)	60%	(485,381)	(339,245)	70%
<i>Net income(loss) from operations:</i>	816,397	1,110,063	100,165	(1,482,350)	(52,655)	491,620	1,241,876	(750,256)	-60%	1,655,835	1,164,215	70%
Depreciation expense	3,693,802	420,886		262,819	1,196	4,378,703						
<i>Net Income (loss)</i>	(2,877,405)	689,177	100,165	(1,745,169)	(53,851)	(3,887,083)						



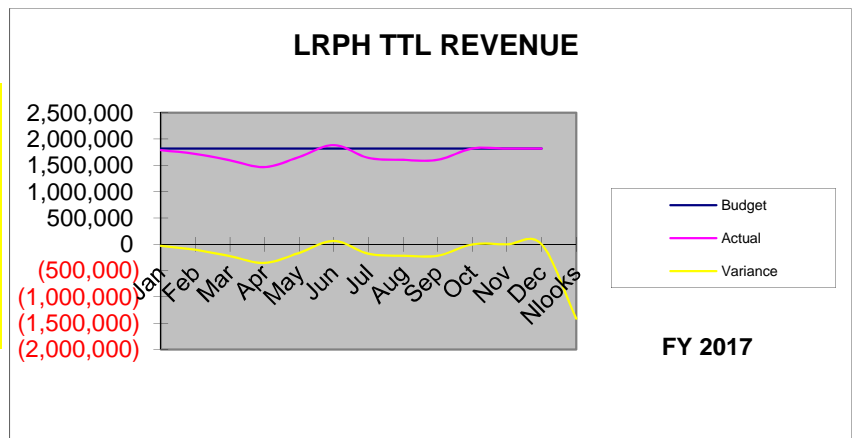
# NET INCOME BEF. EXTRA ORDINARY MAINTENANCE

	Budget	Actual	Variance
Jan	32,714	325,465	292,751
Feb	32,714	70,265	37,551
Mar	32,714	59,092	26,378
Apr	32,714	(130,036)	(162,750)
May	32,714	63,136	30,422
Jun	32,714	359,725	327,011
Jul	32,714	54,768	22,054
Aug	32,714	47,291	14,577
Sep	32,714	(33,309)	(66,023)
Oct	32,714	32,714	0
Nov	32,714	32,714	0
Dec	32,714	32,714	0
Nlooks			521,968
	392,572	914,540	



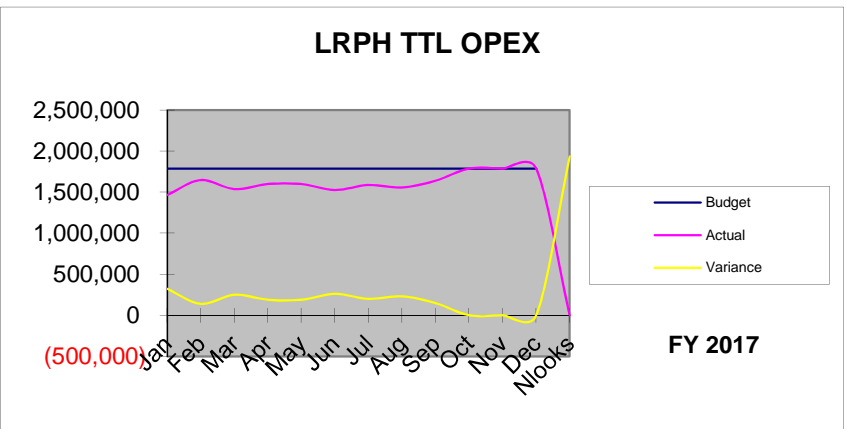
## OPERATING REVENUE

	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	1,661,968	(159,561)
Jun	1,821,529	1,887,360	65,831
Jul	1,821,529	1,642,725	(178,804)
Aug	1,821,529	1,605,681	(215,848)
Sep	1,821,529	1,606,937	(214,592)
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			(1,412,623)
	21,858,344	20,445,721	



## OPERATING EXPENSES

	Budget	Actual	Variance
Jan	1,788,814	1,466,028	322,786
Feb	1,788,814	1,648,772	140,042
Mar	1,788,814	1,537,824	250,990
Apr	1,788,814	1,599,054	189,760
May	1,788,814	1,598,832	189,982
Jun	1,788,814	1,527,635	261,179
Jul	1,788,814	1,587,957	200,857
Aug	1,788,814	1,558,390	230,424
Sep	1,788,814	1,640,246	148,568
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	1,934,591
	21,465,772	19,531,181	

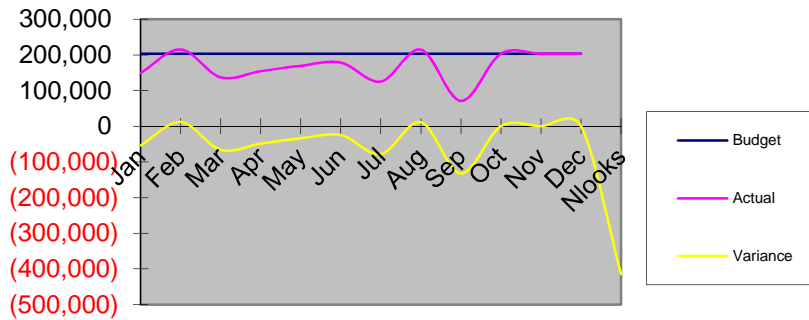


NL - Nlooks = Actual year to date (highlighted in yellow) + remaining budget of the year

# 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	178,434	(24,805)
Jul	203,239	125,183	(78,056)
Aug	203,239	214,684	11,445
Sep	203,239	70,955	(132,284)
Oct	203,239	203,239	0
Nov	203,239	203,239	0
Dec	203,239	203,239	0
Nlooks			(414,460)
	2,438,867	2,024,407	

## UNSUBSIDIZED HSNG NET INCOME BEF. EXTRA ORD MAINT

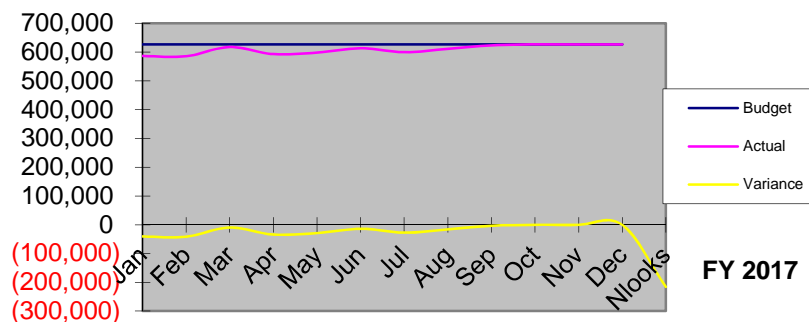


FY 2017

# 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	613,767	(13,609)
Jul	627,376	599,908	(27,468)
Aug	627,376	611,214	(16,162)
Sep	627,376	624,042	(3,334)
Oct	627,376	627,376	0
Nov	627,376	627,376	0
Dec	627,376	627,376	0
Nlooks			(215,557)
	7,528,514	7,312,958	

## UNSUBSIDIZED HSNG. OPERATING REVENUE

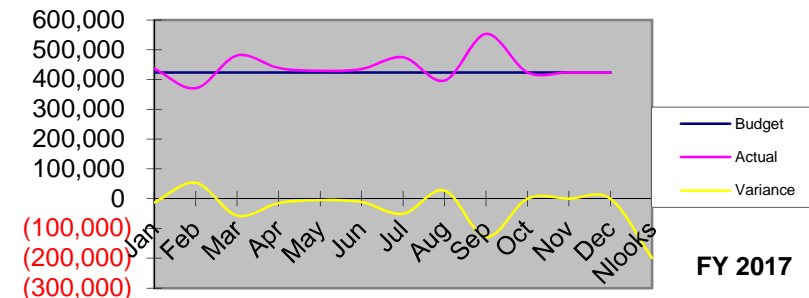


FY 2017

# 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	435,333	(11,196)
Jul	424,137	474,725	(50,588)
Aug	424,137	396,530	27,607
Sep	424,137	553,087	(128,950)
Oct	424,137	424,137	0
Nov	424,137	424,137	0
Dec	424,137	424,137	0
Nlooks			(198,904)
	5,089,647	5,288,551	

## UNSUBSIDIZED HSNG. OPEX



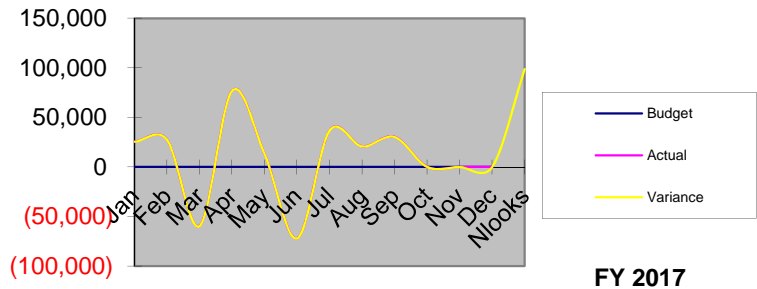
FY 2017

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	(71,880)	(72,048)
Jul	168	36,857	36,689
Aug	168	20,877	20,709
Sep	168	30,403	30,235
Oct	168	168	0
Nov	168	168	0
Dec	168	168	0
Nlooks			98,652
	2,017	100,669	

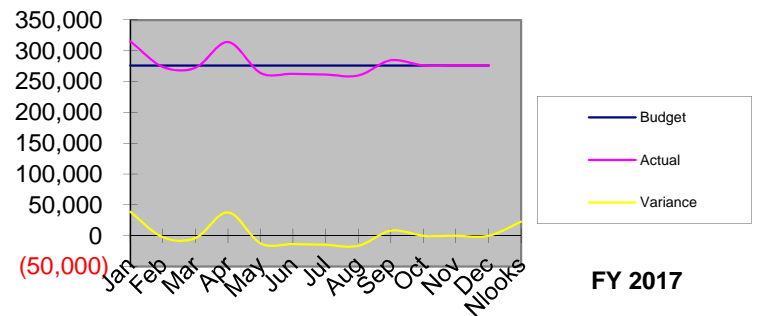
## RAP NET INCOME BEF. EXTRA ORD MAINTENANCE



# 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	262,866	(13,521)
Jul	276,387	261,785	(14,602)
Aug	276,387	260,086	(16,301)
Sep	276,387	284,848	8,461
Oct	276,387	276,387	0
Nov	276,387	276,387	0
Dec	276,387	276,387	0
Nlooks			22,976
	3,316,640	3,339,616	

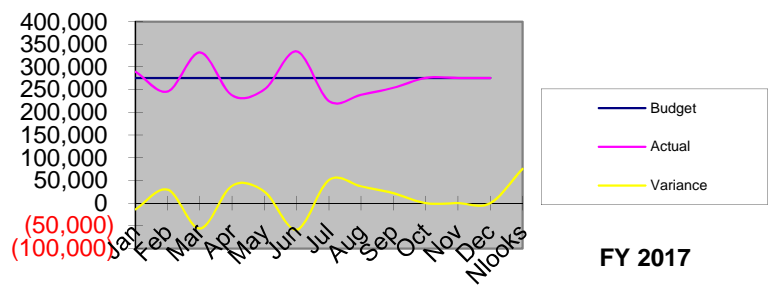
## RAP OPERATING REV.



# 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	334,746	(58,527)
Jul	276,219	224,928	51,291
Aug	276,219	239,209	37,010
Sep	276,219	254,445	21,774
Oct	276,219	276,219	0
Nov	276,219	276,219	0
Dec	276,219	276,219	0
Nlooks			75,676
	3,314,623	3,238,947	

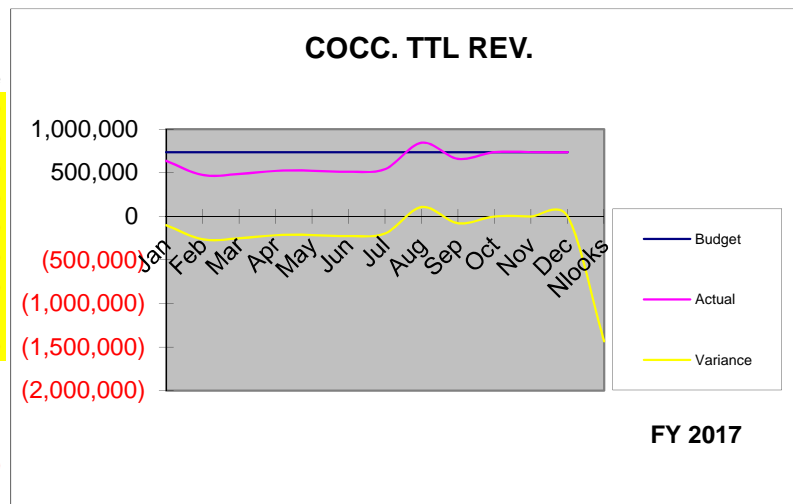
## RAP OPEX



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

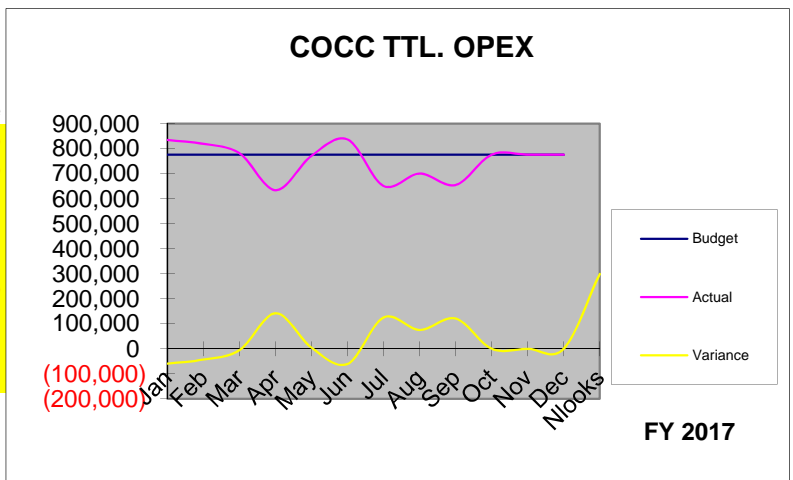
## OPERATING REVENUE

	Budget	Actual	Variance
Jan	738,175	637,706	(100,469)
Feb	738,175	475,106	(263,069)
Mar	738,175	487,410	(250,765)
Apr	738,175	523,843	(214,332)
May	738,175	524,299	(213,876)
Jun	738,175	514,061	(224,114)
Jul	738,175	542,828	(195,347)
Aug	738,175	845,921	107,747
Sep	738,175	659,886	(78,289)
Oct	738,175	738,175	0
Nov	738,175	738,175	0
Dec	738,175	738,175	0
Nlooks			(1,432,511)
Nlooks	8,858,094	7,425,584	



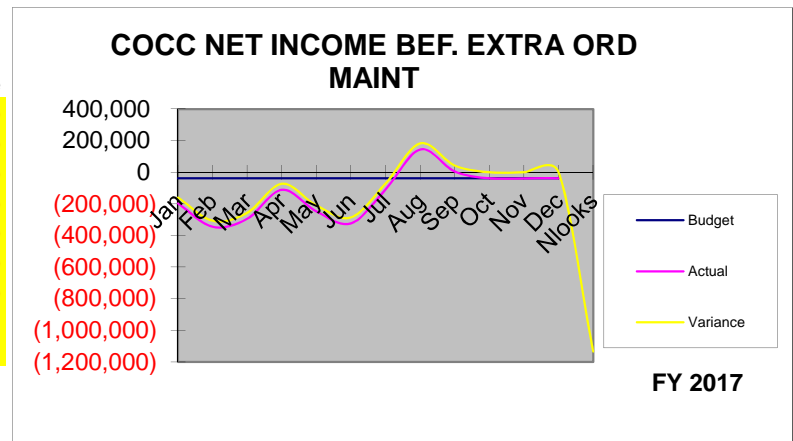
## OPERATING EXPENSES

	Budget	Actual	Variance
Jan	776,099	835,087	(58,988)
Feb	776,099	819,528	(43,429)
Mar	776,099	781,642	(5,543)
Apr	776,099	634,060	142,039
May	776,099	771,882	4,217
Jun	776,099	836,768	(60,669)
Jul	776,099	650,802	125,297
Aug	776,099	700,810	75,289
Sep	776,099	655,052	121,047
Oct	776,099	776,099	0
Nov	776,099	776,099	0
Dec	776,099	776,099	0
Nlooks			299,263
Nlooks	9,313,192	9,013,929	



## NET INCOME

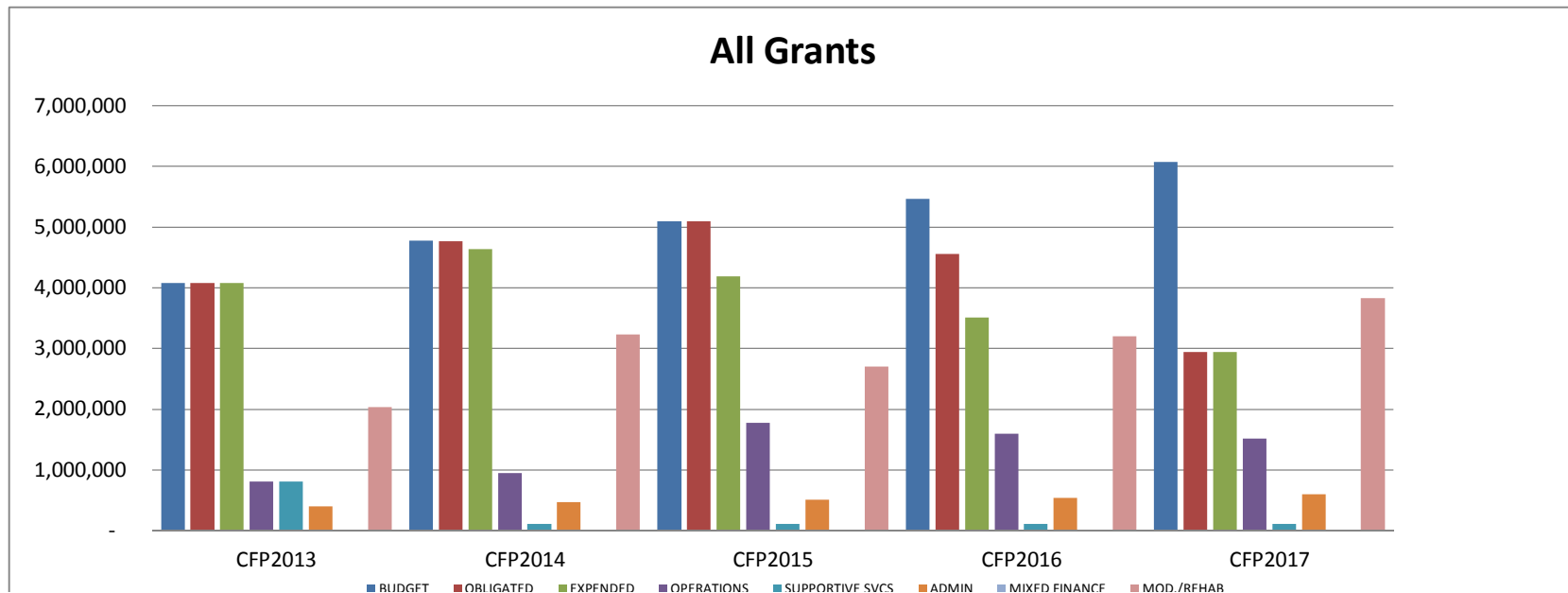
	Budget	Actual	Variance
Jan	(37,925)	(197,381)	(159,456)
Feb	(37,925)	(344,422)	(306,497)
Mar	(37,925)	(294,232)	(256,307)
Apr	(37,925)	(110,217)	(72,292)
May	(37,925)	(247,583)	(209,658)
Jun	(37,925)	(322,707)	(284,782)
Jul	(37,925)	(107,974)	(70,049)
Aug	(37,925)	145,111	183,036
Sep	(37,925)	4,834	42,759
Oct	(37,925)	(37,925)	0
Nov	(37,925)	(37,925)	0
Dec	(37,925)	(37,925)	0
Nlooks			(1,133,248)
Nlooks	(455,098)	(1,588,346)	



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

HACM  
MAJOR GRANTS SUMMARY  
30-Sep-17

	SPENDING PLAN								END DATE
	BUDGET	OBLIGATED	EXPENDED	OPERATIONS	SUPPORTIVE SVCS	ADMIN	MIXED FINANCE	MOD./REHAB	
CFP2013	4,079,190	4,079,190	4,079,190	815,838	815,638	407,919	-	2,039,795	9/8/2017
CFP2014	4,776,259	4,766,260	4,641,263	955,252	110,000	477,626		3,233,381	5/12/2018
CFP2015	5,098,171	5,098,171	4,189,738	1,774,946	110,000	509,817		2,703,408	9/15/2019
CFP2016	5,467,349	4,560,959	3,514,325	1,601,933	110,000	546,734		3,208,682	4/12/2020
CFP2017	6,071,406	2,942,661	2,942,661	1,517,851	110,000	607,140		3,836,415	8/16/2021
<b>TOTAL</b>	<b>25,492,375</b>	<b>21,447,241</b>	<b>19,367,177</b>	<b>5,147,969</b>	<b>1,145,638</b>	<b>1,942,096</b>	<b>-</b>	<b>11,185,266</b>	
<b>PERCENT</b>	<b>76%</b>	<b>84%</b>	<b>76%</b>	<b>20%</b>	<b>4%</b>	<b>8%</b>	<b>0%</b>	<b>44%</b>	



HOUSING AUTHORITY OF THE CITY OF MILWAUKEE  
NOTES TO FINANCIAL REPORT

1. Restricted Cash & investments

The amount presented is restricted either by regulation or contractual agreements. RAP restricted cash represents the net housing assistance payments (HAP). Excess of HAP grants over HAP disbursements to landlords can be spent only for rental assistance. Under the terms of mortgage agreement, certain developments (VETS Housing) are required to maintain replacement reserved to pay major rehabilitation expenses in the future. Disbursements from this money need the approval of lender or investor. Hence, restricted cash is not available to be used for general operations of the agency.

2. Allowance for Doubtful Accounts

This amount represents charges to tenants who have already moved out/evicted from the housing units. These amounts are deemed uncollectible and will be written off or removed from the records once the board approval is obtained to charge off the accounts. Collection is pursued through tax lien or when the tenants try to re-apply for public housing or RAP assistance in the future.

3. Accounts Receivable (AR) – HUD

These represent advanced disbursements on grants (from capital fund & stimulus grants) that are yet to be reimbursed by Housing and Urban Development (HUD). Grants are operated on reimbursement type basis. Grant expenditures during the month are usually paid or reimbursed the following month. Also included in this account are accruals of management fee on capital grant programs.

4. AR Development Fee

This represents development fee income from the mixed finance developments. The amount is usually paid once the tax credit investors pay their final capital contribution to the project.

5. Due From Accounts

This represents inter-program receivable (payable) balances. HACM maintains a central disbursing account under the Central Office Cost Center (COCC). Cost/expense allocation and charges result in inter-program transactions. Each program regularly settles their accounts through cash transfers.

6. Notes Receivable & Accrued Interest

This represents various loans extended to the different mixed finance developments. The loans have various terms of up to a maximum of 50 yrs. Interest rates vary from zero to 8%. Principal and accrued interest are payable depending the excess cash flow of each development. Considering that the mixed finance developments are supposed to operate at breakeven, loans and accrued interest are usually not paid until the end of the compliance period (15 years). After the 15 years, HACM will exercise its option to purchase the property. The Notes & accrued

interest accumulated balances are set-off during the process. Also included in this account are 2<sup>nd</sup> loans extended to the homeownership program participants. These loans are forgivable over a certain period of time.

7. Accrued Compensated Absences

This is the accumulated unused vacation & sick leave balances of employees. The leave balances are paid out when employees resign or retire from the agency.

8. Net OPEB Liability

This amount represents the accrued actuarial liability on Other Post Employment Benefits (OPEB). HACM provides post-employment health care benefits through a non-contributory single employer defined benefit health care plan. The plan provides medical insurance benefits to eligible retirees and their spouses. In 2007, an actuarial valuation was made to determine the amount of future liabilities. The total projected unfunded actuarial accrued liability (UAAL) was \$5,200,400. Every year, HACM accrues 1/10 of the UAAL as required under Governmental Accounting Standards Board (GASB) statement 45.

9. Restricted Reserved

This is the difference between restricted cash & investments and the related liabilities. Notes receivables from mixed finance developments are also restricted as these are expected to pay off the acquisition of the property at the end of the compliance period, hence may not available for general operations.

10. Capital Fund Transfer – in

This is the amount of money transferred from capital fund program to support the operations of the housing developments. HUD regulations allows up to a maximum of 40% of the capital fund grant to supplement the operating subsidy received by the public housing development. The amount of capital transfer is determined based on the current operating needs of the project.

11. Contingent Liabilities

Under the terms of the mixed finance agreements, HACM provides guarantee on the low-income tax credits generated by the project and operating deficit subsidies to the various mixed finance projects. The total cumulative not to exceed guarantee is \$8,926,000, broken down as follows:

Highland Park	\$1,000,000
Olga Village	1,026,000
Town Homes at Carver Park	800,000
Cherry Court	300,000
Convent Hill	100,000
Scattered Sites I	100,000
Scattered Sites II	100,000
Lapham Park LLC	2,000,000
Westlawn Renaissance	3,500,000
Total	\$8,926,000

HACM

FINANCIAL REPORTS

GLOSSARY OF TERMS & BASIC DEFINITIONS

AMP – Asset management projects. These are the various developments or rental property sites that HACM owned.

ARRA – American Recovery and Reinvestments Act, otherwise known as “stimulus”

CFP – Capital fund program

COCC – Central office cost center

FSS – Family self sufficiency

HAP – Housing assistance payment

HUD – Housing and Urban Development

IT – Information technology

LRPH – Low rent public housing

OPEX – operating expenses

PILOT – Payment in-lieu of taxes

RAP – Rental assistance program. Also, referred to Section 8 or Housing Voucher Choice Program

ROSS – Resident opportunity and supportive services

VETS – Veterans housing projects

NL – Now looks. As presented in the trend graph, Now looks is the expected balance of the revenue, expense or income item at the end of the year. Now looks is calculated at: ***Actual year to date expense plus the remaining budget or projected balances if known at the time of the report presentation.***



## Balance Sheets

A **balance sheet** is a snapshot of a business' financial condition at a specific moment in time, usually at the close of an accounting period. A **balance sheet** comprises assets, liabilities, and owners' or stockholders' equity. Assets and liabilities are divided into short- and long-term obligations including cash accounts such as checking, money market, or government securities. At any given time, assets must equal liabilities plus owners' equity. An asset is anything the business owns that has monetary value. Liabilities are the claims of creditors against the assets of the business.

What is a **balance sheet** used for?

A **balance sheet** helps a small business owner quickly get a handle on the financial strength and capabilities of the business. Is the business in a position to expand? Can the business easily handle the normal financial ebbs and flows of revenues and expenses? Or should the business take immediate steps to bolster cash reserves?

**Balance** sheets can identify and analyze trends, particularly in the area of receivables and payables. Is the receivables cycle lengthening? Can receivables be collected more aggressively? Is some debt uncollectable? Has the business been slowing down payables to forestall an inevitable cash shortage?

**Balance** sheets, along with income statements, are the most basic elements in providing financial reporting to potential lenders such as banks, investors, and vendors who are considering how much credit to grant the firm.

## Statement of revenue and expenses

Otherwise known as income statement or a profit and loss **statement**, is a summary of a company's profit or loss during any one given period of time, such as a month, three months, or one year. The **income statement** records all revenues for a business during this given period, as well as the operating expenses for the business.

**What are income statements used for?**

You use an **income statement** to track revenues and expenses so that you can determine the operating performance of your business over a period of time. Small business owners use these statements to find out what areas of their business are over budget or under budget. Specific items that are causing unexpected expenditures can be pinpointed, such as phone, fax, mail, or supply expenses

**Income** statements, along with balance sheets, are the most basic elements required by potential lenders, such as banks, investors, and vendors. They will use the financial reporting contained therein to determine credit limits.

Source: [www.businesstown.com](http://www.businesstown.com)