



FINANCIAL REPORTS

DECEMBER 31, 2017

HOUSING AUTHORITY OF THE CITY OF MILWAUKEE
FINANCIAL REPORTS
TABLE OF CONTENTS

	PAGES
FINANCIAL HIGHLIGHTS	1-2
BALANCE SHEETS	3-4
CONSOLIDATED STATEMENTS OF REVENUE & EXPENSES	5-6
LOW RENT PUBLIC HOUSING TREND GRAPH	7
UNSUBSIDIZED HOUSING TREND GRAPH	8
RENTAL ASSISTANCE TREND GRAPH	9
CENTRAL OFFICE COST TREND GRAPH	10
SUMMARY OF ALL GRANTS - CHART	11
NOTES TO THE FINANCIAL REPORTS	12-13
GLOSSARY OF TERMS	14-15

HA of the City Milwaukee
Financial Highlights
As of December 31, 2017

Financial Position (pp. 3-4)

As of December 31, 2017, HACM has total assets of \$222.3mm compared to September 30, 2017 at \$220.4mm. 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 \$28mm indicating HACM's strong capacity to meet maturing obligations. Total cash & investments as of the end of December was \$39mm. 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	\$8.59mm
Unsubsidized Housing	17.79
Rental Assistance Program	1.93
Central Office	9.99
Home Ownership & Grants	0.80

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

Low Rent Public Housing	\$7.22mm
Unsubsidized Housing	6.53
Rental Assistance Program-Admin	0.29
Central office	0.45

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 5% under budget (p. 5) and total spending was 2% under budget (p.6). Administrative expenses compared to budgeted expenses were 3% over budget. Tenant services were 34% under budget; Utilities were 2% under budget; Maintenance expenses were 6% under budget, protective services 8% under budget and general expenses were 1% over budget. Consolidated net income from operations for the period ended December 31, 2017 was \$656,564 (p. 6).

Low Rent Public Housing (LRPH)

LRPH operations resulted in a net income from operations of \$390,689 (p. 6) in the fourth quarter. Operating revenue was \$1,103,305 under budget and total operating expenses for the period were \$1,101,422 under budget. All combined, LRPH posted a negative variance of \$1,883 (see p. 7).

Unsubsidized Housing

Unsubsidized Housing has a favorable result of operations during the quarter. Net income from operations was \$1,407,351 (p.6) before amortization of principal on series 2015 bonds of around \$725,000 for 2017. Revenue was \$177,196 below budget and operating expenses were over budget by \$483,777 during the period. All combined, Unsubsidized Housing has a negative variance of \$660,273 (see p. 8).

Rental Assistance Program (RAP)

RAP has net income of \$85,488 at the end of the period (p. 6). Administrative revenue was \$28,217 under budget and spending was under budget by \$115,188, resulting in an overall positive net income variance of \$86,971 (see p. 9).

The Housing Assistance Payment (HAP) grant during the period was \$36.74mm against total disbursement of \$35.66mm, reflecting a budget utilization of 97%. 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 \$1,194,630 (p.6) at the end of the quarter. Total revenue was under budget by \$638,478 (see p. 10). Operating expenses were over budget by \$81,856. All combined, COCC posted a negative variance of \$720,334 (see p. 10).

Grant Management (pp.11)

As of December 31, 2017, HACM is on track with its obligation and spending timelines as required by the grant agreements. Currently open grants are Capital Fund Programs 2014-2017. As of end of the quarter 82% has been obligated and 72% has been expended. Around 43% of the total grants will be spent on modernization. The balance is supplementing HACM operations.

HOUSING AUTHORITY OF THE CITY OF MILWAUKEE

BALANCE SHEETS

AS OF DECEMBER 31, 2017

	Dec. 31, 2017						Sept. 30, 2017
	LRPH	UNSUBSIDIZED HOUSING	RAP	COCC	GRANTS/DEVT	HOME OWNERSHIP	Total HACM
ASSETS							
CURRENT ASSETS							
CASH							
UNRESTRICTED CASH	8,123,422	9,076,237	437,846	9,855,538	0	802,424	28,295,467
RESTRICTED CASH (Note 1)		2,842,803	1,188,913	133,565			4,165,281
<i>TOTAL CASH</i>	<i>8,123,422</i>	<i>11,919,040</i>	<i>1,626,759</i>	<i>9,989,103</i>	<i>0</i>	<i>802,424</i>	<i>32,460,748</i>
ACCOUNTS RECEIVABLE-TENANTS	384,012	120,936					504,948
ALLOWANCE FOR DOUBTFUL ACCOUNTS (Note 2)	(57,406)	(16,655)					(74,061)
<i>NET ACCOUNTS RECEIVABLE-TENANTS</i>	<i>326,606</i>	<i>104,281</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>430,887</i>
ACCOUNTS RECEIVABLE-MISC							
AR-HUD (Note 3)							0
AR- DEVELOPMENT FEE (Note 4)				534,535			534,535
AR - OTHERS	425,862		7,682	736,508			1,170,052
<i>TOTAL AR-MISC</i>	<i>425,862</i>	<i>0</i>	<i>7,682</i>	<i>1,271,043</i>	<i>0</i>	<i>0</i>	<i>1,704,587</i>
INVESTMENTS							
RESTRICTED (Note 1)	463,690	5,868,399	307,101	30			6,639,220
<i>TOTAL INVESTMENTS</i>	<i>463,690</i>	<i>5,868,399</i>	<i>307,101</i>	<i>30</i>	<i>0</i>	<i>0</i>	<i>6,639,220</i>
PREPAID EXPENSES AND OTHER ASSETS							
PREPAID EXPENSES AND OTHER ASSETS	105,662	34,351	17,586	263,665	12,158	291	433,713
<i>TOTAL PREPAID EXPENSES AND OTHER ASSETS</i>	<i>105,662</i>	<i>34,351</i>	<i>17,586</i>	<i>263,665</i>	<i>12,158</i>	<i>291</i>	<i>433,713</i>
CURRENT INTERFUNDS							
<i>TOTAL DUE FROM AMOUNTS - CURRENT (Note 5)</i>	<i>0</i>			<i>782</i>	<i>(2,042,132)</i>		<i>(2,041,350)</i>
TOTAL CURRENT ASSETS	9,445,242	17,926,071	1,959,128	11,524,623	(2,029,974)	802,715	39,627,805
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	1,902,132			3,611,072
CONSTRUCTION IN PROGRESS	90,212	3,563,170		11,753	2,453,344	43,141	6,161,620
TOTAL FIXED ASSETS	276,920,606	53,046,450	72,604	10,258,118	2,453,344	114,255	342,865,377
ACCUMULATED DEPRECIATION	(194,124,569)	(44,399,088)	(72,604)	(5,094,904)		(9,601)	(243,700,766)
<i>FIXED ASSETS, NET OF DEPRECIATION</i>	<i>82,796,037</i>	<i>8,647,362</i>	<i>0</i>	<i>5,163,214</i>	<i>2,453,344</i>	<i>104,654</i>	<i>99,164,611</i>
OTHER ASSETS							
NOTES RECEIVABLE (Note 7)	53,571,329			8,643,541	0	1,145,240	63,360,110
NOTES INTEREST RECEIVABLE (Note 6)	14,069,294			480,681	0		14,549,975
FINANCING FEES & OTHER ASSETS				5,571,049			5,571,049
<i>TOTAL OTHER ASSETS</i>	<i>67,640,623</i>	<i>0</i>	<i>0</i>	<i>14,695,271</i>	<i>0</i>	<i>1,145,240</i>	<i>83,481,134</i>
TOTAL NON-CURRENT ASSETS	150,436,660	8,647,362	0	19,858,485	2,453,344	1,249,894	182,645,745
TOTAL ASSETS	159,881,902	26,573,433	1,959,128	31,383,108	423,370	2,052,609	222,273,550
LIABILITIES AND EQUITY							
CURRENT LIABILITIES							
ACCOUNTS PAYABLE							

HOUSING AUTHORITY OF THE CITY OF MILWAUKEE

BALANCE SHEETS

AS OF DECEMBER 31, 2017

	Dec. 31, 2017						Sept. 30, 2017
	LRPH	UNSUBSIDIZED HOUSING	RAP	COCC	GRANTS/DEVT	HOME OWNERSHIP	Total HACM
ACCOUNTS PAYABLE	72,526	688,269	172,883	1,931,395	134,901	2,000	3,001,974
TOTAL ACCOUNTS PAYABLE	72,526	688,269	172,883	1,931,395	134,901	2,000	3,001,974
ACCRUED LIABILITIES							
ACCRUED SALARIES & BENEFITS	(2,250)			458,764	(4,633)		451,881
ACCRUED INTEREST PAYABLE		306,151					306,151
DEFERED REVENUE	2,500			394,000			396,500
DUE TO GOVERNMENT - PILOT & OTHERS	1,406,823	1,155,214		1,133,243			3,695,280
ACCRUED COMPENSATED ABSENCES (Note 7)	0	0	0	926,965	0	0	926,965
OTHER ACCRUED LIABILITIES	36,270	38,899		500,000		337,056	912,225
TOTAL ACCRUED LIABILITIES	1,443,343	1,500,264	0	3,412,972	(4,633)	337,056	6,689,002
OTHER CURRENT LIABILITIES							
TENANT SECURITY DEPOSITS	596,122	494,828					1,090,950
FSS ESCROW ACCOUNT	113,690		307,101				420,791
CURRENT PORTION-LT DEBT		725,000					725,000
TOTAL OTHER CURRENT LIABILITIES	709,812	1,219,828	307,101	0	0	0	2,236,741
TOTAL CURRENT LIABILITIES	2,225,681	3,408,361	479,984	5,344,367	130,268	339,056	11,927,717
NON-CURRENT LIABILITIES							
LONG TERM DEBT							
MORTGAGE REVENUE BONDS				83,946			83,946
NOTES PAYABLE		17,691,959			0		17,691,959
TOTAL	0	17,691,959	0	83,946	0	0	17,775,905
LESS CURRENT PORTION		(725,000)					(725,000)
TOTAL LONG TERM DEBT - NET	0	16,966,959	0	83,946	0	0	17,050,905
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	10,503,866	0	0	27,470,825
TOTAL LIABILITIES	2,225,681	20,375,320	479,984	15,848,233	130,268	339,056	39,398,542
EQUITY							
INVESTED IN CAPITAL ASSETS, NET OF DEBT	82,796,037	(9,044,597)	0	5,163,214	2,453,344	104,654	81,472,652
UNRESTRICTED RESERVE	7,219,561	6,531,508	290,231	446,795	(2,160,242)	800,715	13,128,568
RESTRICTED RESERVE (Note 9)	67,640,623	8,711,202	1,188,913	9,924,866	0	808,184	88,273,788
TOTAL EQUITY	157,656,221	6,198,113	1,479,144	15,534,875	293,102	1,713,553	182,875,008
TOTAL LIABILITIES AND EQUITY	159,881,902	26,573,433	1,959,128	31,383,108	423,370	2,052,609	222,273,550

HA OF THE CITY OF MILWAUKEE
CONSOLIDATED STATEMENT OF REVENUE & EXPENSES
BUDGETED PROGRAM ONLY
AS OF DECEMBER 31, 2017

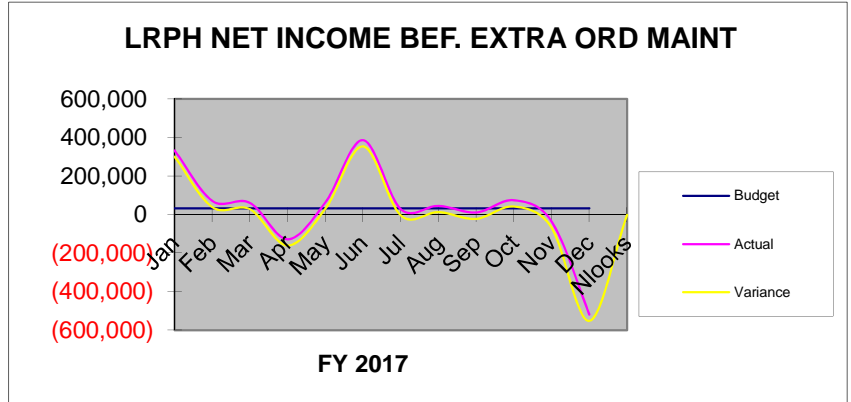
	LRPH	UNSUBSIDIZED HSNG	RAP	COCC	HOME OWN	YTD ACTUAL	YTD BUDGET	VARIANCE		ANNUAL BUDGET
								AMOUNT	PERCENT	
Operating Income										
<i>Operating/admin subsidies</i>	7,789,561		3,138,852			10,928,413	11,592,698	(664,285)	-6%	11,592,698
<i>Dwelling rents</i>	9,206,763	6,941,842				16,148,605	17,506,864	(1,358,259)	-8%	17,506,864
<i>Excess utilities & other</i>	215,387	131,554				346,941	331,508	15,433	5%	331,508
<i>Capital fund transfer in (Note 10)</i>	2,624,668					2,624,668	2,030,000	594,668	29%	2,030,000
<i>Other income</i>	894,293	113,525	149,564	599,505	84,885	1,841,772	2,050,178	(208,406)	-10%	2,050,178
<i>Management fees</i>				4,305,821		4,305,821	4,506,069	(200,248)	-4%	4,506,069
<i>Central maintenance revenue</i>				2,678,758		2,678,758	3,043,525	(364,767)	-12%	3,043,525
<i>Developers fee</i>				534,535		534,535	534,500	35	0%	534,500
<i>Interest on general fund</i>	24,367	164,397	7	100,997		289,768	135,050	154,718	115%	135,050
Total Income	20,755,039	7,351,318	3,288,423	8,219,616	84,885	39,699,281	41,730,392	(2,031,111)	-5%	41,730,392
Operating Expenditures										
Administrative										
<i>Salaries</i>	1,210,846	295,723	1,441,490	4,098,580	46,853	7,093,492	6,462,830	(630,662)	-10%	6,462,830
<i>Employee benefits</i>	505,735	136,348	625,149	1,144,603	44,575	2,456,410	2,346,485	(109,925)	-5%	2,346,485
<i>Legal and accounting</i>	33,879	12,219	2,465	115,911		164,474	231,940	67,466	29%	231,940
<i>Audit</i>	100,232	28,001	24,980	13,323		166,536	148,400	(18,136)	-12%	148,400
<i>Travel and training</i>	2,905	301	14,781	228,405	1,568	247,960	263,200	15,240	6%	263,200
<i>Contracted property management</i>				312,178		312,178	295,795	(16,383)	-6%	295,795
<i>Management fees</i>	2,862,748	743,073	700,000			4,305,821	4,506,069	200,248	4%	4,506,069
<i>Housing intake</i>	540,850					540,850	574,462	33,612	6%	574,462
<i>Office supplies & printing</i>	34,468	5,340	23,131	42,925	2,808	108,672	182,630	73,958	40%	182,630
<i>Telephone</i>	18,713	1,360	7,683	49,889	1,397	79,042	96,505	17,463	18%	96,505
<i>Postage</i>	4,703	1,321	24,080	6,527	11	36,642	74,200	37,558	51%	74,200
<i>Other contracted services</i>	91,157	17,500	169,276	306,620	2,119	586,672	702,000	115,328	16%	702,000
<i>Other</i>	296,381	76,046	8,574	627,512	6,923	1,015,436	790,225	(225,211)	-28%	790,225
Total admin	5,702,617	1,317,232	3,041,609	6,946,473	106,254	17,114,185	16,674,741	(439,444)	-3%	16,674,741
Tenant Services										
<i>Resident services allocation</i>	213,339					213,339	210,220	(3,119)	-1%	210,220
<i>Salaries & benefits</i>	104,867		11,000	59,041		174,908	314,630	139,722	44%	314,630
<i>Contracts, trainings, others</i>	156,716	12,178	300	45,862		215,056	386,557	171,501	44%	386,557
Total tenant services	474,922	12,178	11,300	104,903	0	603,303	911,407	308,104	34%	911,407

HA OF THE CITY OF MILWAUKEE
CONSOLIDATED STATEMENT OF REVENUE & EXPENSES
BUDGETED PROGRAM ONLY
AS OF DECEMBER 31, 2017

	LRPH	UNSUBSIDIZED HSNG	RAP	COCC	HOME OWN	YTD ACTUAL	YTD BUDGET	VARIANCE		ANNUAL BUDGET
								AMOUNT	PERCENT	
<i>Utilities</i>										
<i>Water</i>	1,814,365	744,217		12,832		2,571,414	2,510,400	(61,014)	-2%	2,510,400
<i>Electric</i>	1,280,282	58,043		50,293		1,388,618	1,515,600	126,982	8%	1,515,600
<i>Gas</i>	689,402	35,408		13,338		738,148	748,600	10,452	1%	748,600
Total utilities	3,784,049	837,668	0	76,463	0	4,698,180	4,774,600	76,420	2%	4,774,600
<i>Ordinary maintenance</i>										
<i>Salaries</i>	990,336	412,687		1,151,729		2,554,752	3,551,572	996,820	28%	3,551,572
<i>Employee benefits Maint</i>	473,649	164,413		682,079		1,320,141	1,376,649	56,508	4%	1,376,649
<i>Maintenance materials</i>	975,886	292,311	507	47,696	1,229	1,317,629	1,170,416	(147,213)	-13%	1,170,416
<i>Maintenance contracts</i>	3,413,249	889,627	4,078	203,723	4,889	4,515,566	4,256,566	(259,000)	-6%	4,256,566
Total maintenance	5,853,120	1,759,038	4,585	2,085,227	6,118	9,708,088	10,355,203	647,115	6%	10,355,203
<i>Protective Services</i>										
<i>Public safety allocation</i>	1,258,208	117,951	752	9,447		1,386,358	1,461,531	75,173	5%	1,461,531
<i>Contracts, others</i>	18,993			616		19,609	62,900	43,291	69%	62,900
Total protective services	1,277,201	117,951	752	10,063	0	1,405,967	1,524,431	118,464	8%	1,524,431
<i>General</i>										
<i>Insurance</i>	676,605	230,890	125,230	171,919	4,847	1,209,491	1,165,503	(43,988)	-4%	1,165,503
<i>Pilot</i>	606,823	632,879				1,239,702	1,285,021	45,319	4%	1,285,021
<i>Interest Expense</i>		617,833				617,833	620,000	2,167	0%	620,000
<i>Subsidy to Mixed finance dev't.</i>	1,829,411					1,829,411	1,663,636	(165,775)	-10%	1,663,636
<i>Other general expense</i>	159,602	47,055	15,959			222,616	346,780	124,164	36%	346,780
Total general	3,272,441	1,528,657	141,189	171,919	4,847	5,119,053	5,080,940	(38,113)	-1%	5,080,940
Total Operating Expenditures	20,364,350	5,572,724	3,199,435	9,395,048	117,219	38,648,776	39,321,322	672,546	2%	39,321,322
Excess (deficiency) of total revenue over expenses	390,689	1,778,594	88,988	(1,175,432)	(32,334)	1,050,505	2,409,070	(1,358,565)	-56%	2,409,070
<i>Extra-ordinary maintenance</i>	180,440	371,243	3,500	19,198		574,381	1,238,616	664,235	54%	1,238,616
<i>Program Income</i>	(180,440)					(180,440)	(485,381)	(304,941)	63%	(485,381)
Net income(loss) from operation.	390,689	1,407,351	85,488	(1,194,630)	(32,334)	656,564	1,655,835	(999,271)	-60%	1,655,835
Depreciation expense	4,930,542	563,097		350,007	1,599	5,845,245				
Net Income (loss)	(4,539,853)	844,254	85,488	(1,544,637)	(33,933)	(5,188,681)				

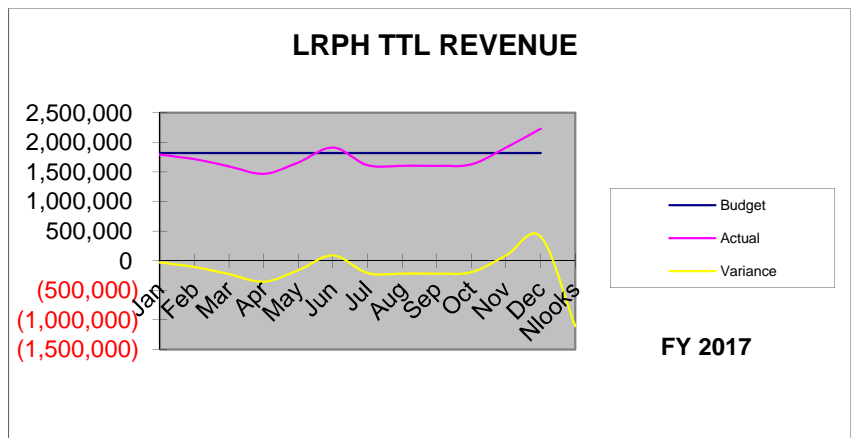
NET INCOME BEF. EXTRA ORDINARY MAINTENANCE

	Budget	Actual	Variance
Jan	32,714	333,085	300,371
Feb	32,714	71,005	38,291
Mar	32,714	60,728	28,014
Apr	32,714	(128,225)	(160,939)
May	32,714	63,137	30,423
Jun	32,714	386,725	354,011
Jul	32,714	27,768	(4,946)
Aug	32,714	45,554	12,840
Sep	32,714	10,714	(22,000)
Oct	32,714	74,492	41,778
Nov	32,714	(34,958)	(67,672)
Dec	32,714	(519,336)	(552,050)
Nlooks			(1,883)
	392,572	390,689	



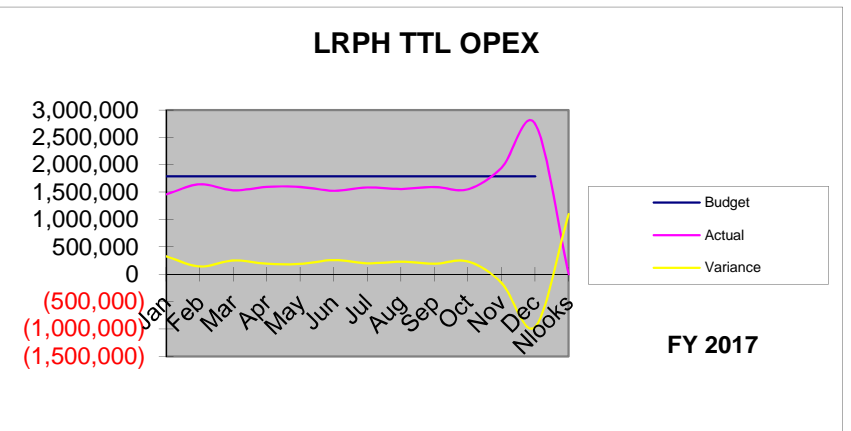
OPERATING REVENUE

	Budget	Actual	Variance
Jan	1,821,529	1,793,492	(28,037)
Feb	1,821,529	1,717,037	(104,492)
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	1,914,360	92,831
Jul	1,821,529	1,615,725	(205,804)
Aug	1,821,529	1,605,681	(215,848)
Sep	1,821,529	1,606,937	(214,592)
Oct	1,821,529	1,629,095	(192,434)
Nov	1,821,529	1,913,413	91,884
Dec	1,821,529	2,231,397	409,868
Nlooks			(1,103,305)
	21,858,344	20,755,039	



OPERATING EXPENSES

	Budget	Actual	Variance
Jan	1,788,814	1,460,407	328,407
Feb	1,788,814	1,646,032	142,782
Mar	1,788,814	1,536,188	252,626
Apr	1,788,814	1,597,243	191,571
May	1,788,814	1,598,831	189,983
Jun	1,788,814	1,527,635	261,179
Jul	1,788,814	1,587,957	200,857
Aug	1,788,814	1,560,127	228,687
Sep	1,788,814	1,596,223	192,591
Oct	1,788,814	1,554,603	234,211
Nov	1,788,814	1,948,371	(159,557)
Dec	1,788,814	2,750,733	(961,919)
Nlooks		0	1,101,422
	21,465,772	20,364,350	

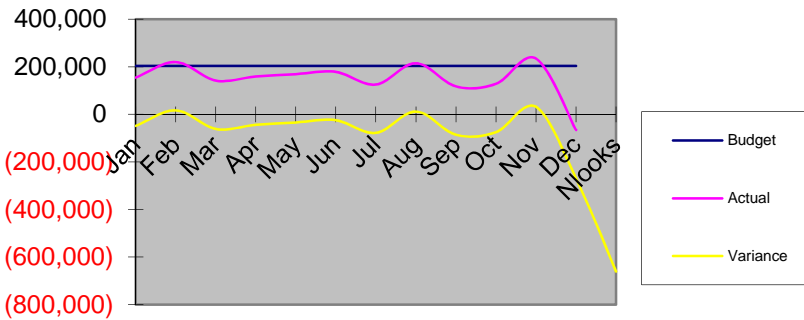


NL - Nlooks = Actual year to date (highlighted in yellow) + remaining budget of the year

NET INCOME BEF. EXTRA ORDINARY MAINTENANCE

	Budget	Actual	Variance
Jan	203,239	154,595	(48,644)
Feb	203,239	220,122	16,883
Mar	203,239	142,004	(61,235)
Apr	203,239	159,359	(43,880)
May	203,239	169,354	(33,885)
Jun	203,239	178,434	(24,805)
Jul	203,239	125,184	(78,055)
Aug	203,239	215,017	11,778
Sep	203,239	117,425	(85,814)
Oct	203,239	128,054	(75,185)
Nov	203,239	234,920	31,681
Dec	203,239	(65,874)	(269,113)
Nlooks			(660,273)
	2,438,867	1,778,594	

UNSUBSIDIZED HSNG NET INCOME BEF. EXTRA ORD MAINT

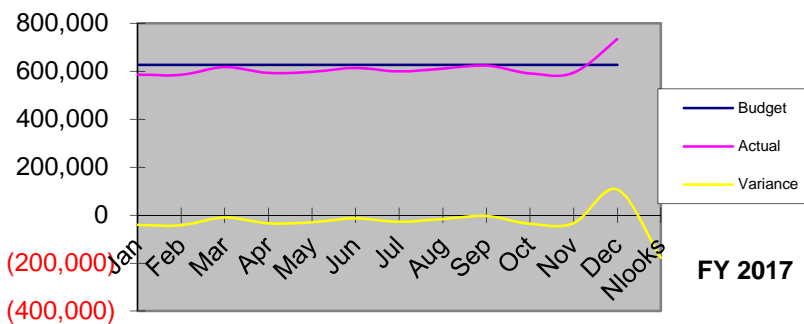


FY 2017

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	611,389	(15,987)
Sep	627,376	624,196	(3,180)
Oct	627,376	591,416	(35,960)
Nov	627,376	594,177	(33,199)
Dec	627,376	734,567	107,191
Nlooks			(177,196)
	7,528,514	7,351,318	

UNSUBSIDIZED HSNG. OPERATING REVENUE

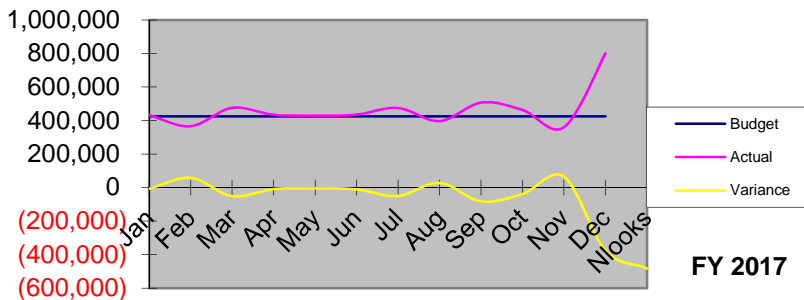


FY 2017

OPERATING EXPENSES

	Budget	Actual	Variance
Jan	424,137	432,026	(7,889)
Feb	424,137	365,683	58,454
Mar	424,137	475,922	(51,785)
Apr	424,137	433,857	(9,720)
May	424,137	428,976	(4,839)
Jun	424,137	435,333	(11,196)
Jul	424,137	474,724	(50,587)
Aug	424,137	396,372	27,765
Sep	424,137	506,771	(82,634)
Oct	424,137	463,362	(39,225)
Nov	424,137	359,257	64,880
Dec	424,137	800,441	(376,304)
Nlooks			(483,077)
	5,089,647	5,572,724	

UNSUBSIDIZED HSNG. OPEX



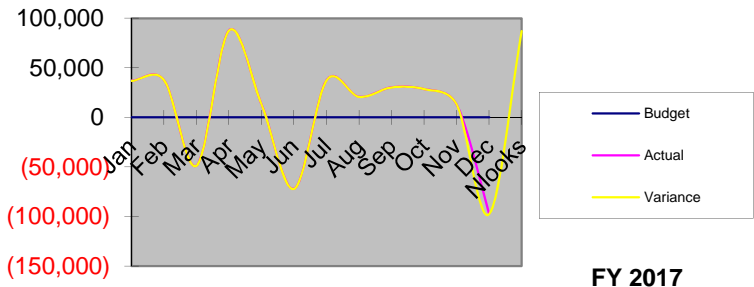
FY 2017

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

NET INCOME

	Budget	Actual	Variance
Jan	168	37,069	36,901
Feb	168	37,746	37,578
Mar	168	(48,503)	(48,671)
Apr	168	87,899	87,731
May	168	13,079	12,911
Jun	168	(71,880)	(72,048)
Jul	168	37,673	37,505
Aug	168	20,879	20,711
Sep	168	30,462	30,294
Oct	168	28,669	28,501
Nov	168	13,128	12,960
Dec	168	(97,233)	(97,401)
Nlooks			86,971
	2,017	88,988	

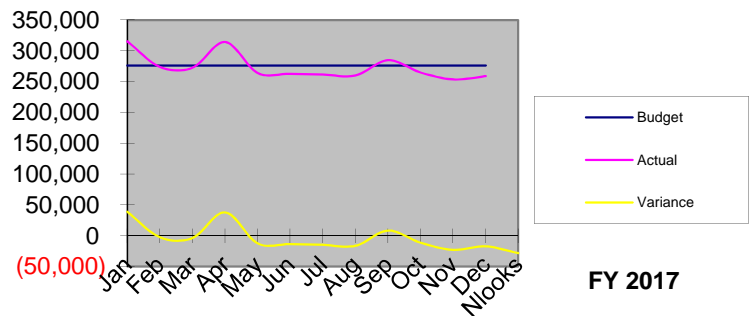
RAP NET INCOME BEF. EXTRA ORD MAINTENANCE



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	265,139	(11,248)
Nov	276,387	253,703	(22,684)
Dec	276,387	259,125	(17,262)
Nlooks			(28,217)
	3,316,640	3,288,423	

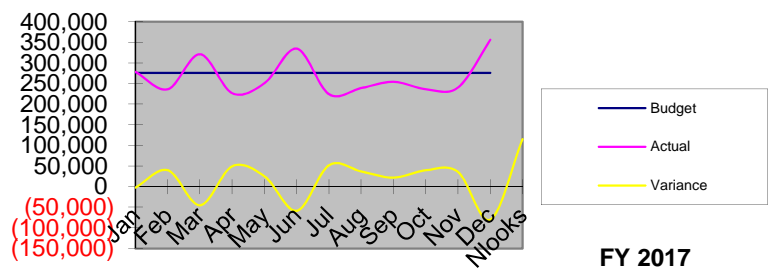
RAP OPERATING REV.



OPERATING EXPENSES

	Budget	Actual	Variance
Jan	276,219	278,365	(2,146)
Feb	276,219	236,223	39,996
Mar	276,219	321,342	(45,123)
Apr	276,219	226,568	49,651
May	276,219	251,083	25,136
Jun	276,219	334,746	(58,527)
Jul	276,219	224,112	52,107
Aug	276,219	239,207	37,012
Sep	276,219	254,386	21,833
Oct	276,219	236,470	39,749
Nov	276,219	240,575	35,644
Dec	276,219	356,358	(80,139)
Nlooks			115,188
	3,314,623	3,199,435	

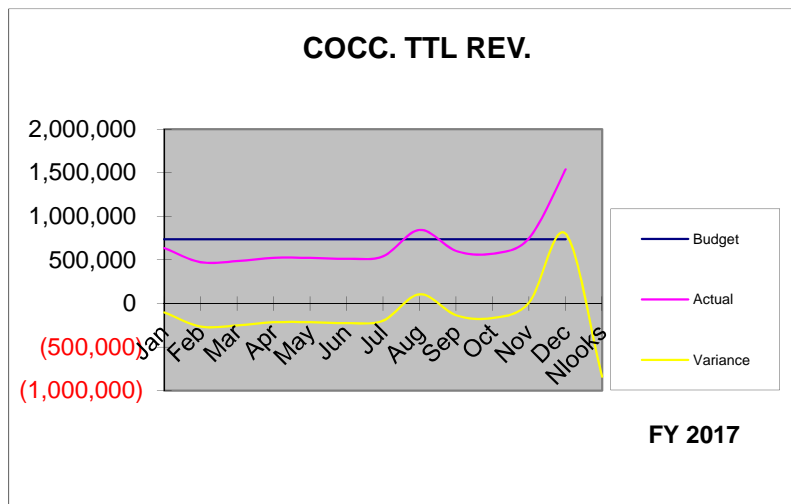
RAP OPEX



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

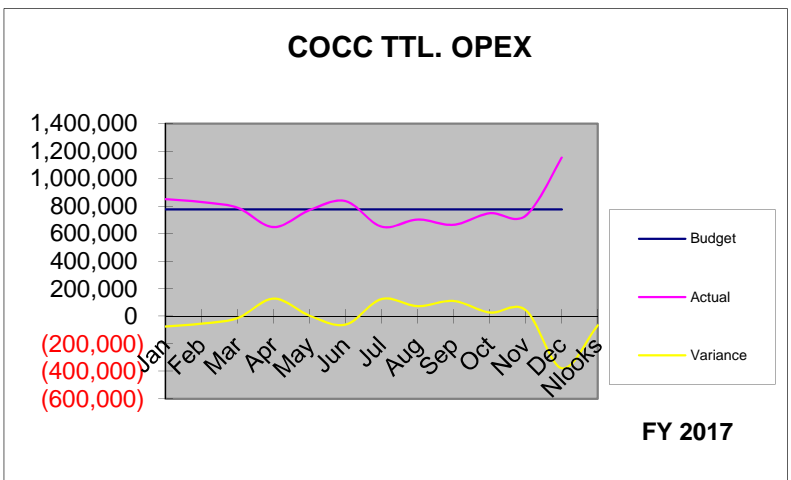
OPERATING REVENUE

	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	542,826	(195,349)
Aug	738,175	845,921	107,747
Sep	738,175	604,440	(133,735)
Oct	738,175	573,119	(165,056)
Nov	738,175	751,543	13,369
Dec	738,175	1,539,342	801,168
Nlooks	8,858,094	8,019,616	(838,478)



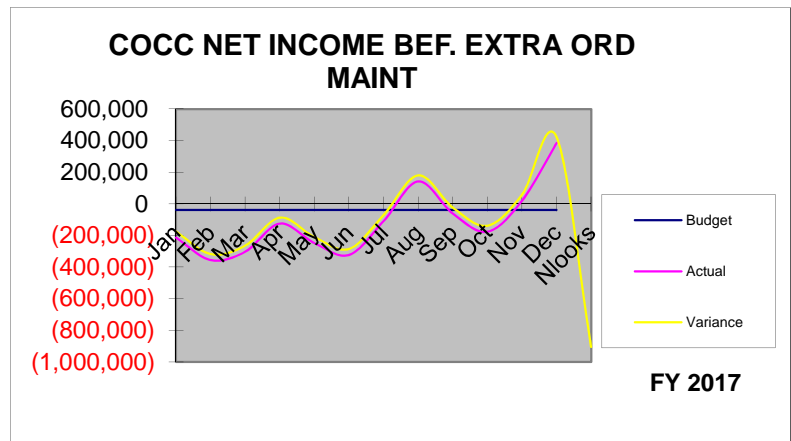
OPERATING EXPENSES

	Budget	Actual	Variance
Jan	776,099	850,886	(74,787)
Feb	776,099	830,157	(54,058)
Mar	776,099	789,315	(13,216)
Apr	776,099	647,853	128,246
May	776,099	771,882	4,217
Jun	776,099	836,768	(60,669)
Jul	776,099	650,801	125,298
Aug	776,099	703,003	73,096
Sep	776,099	664,897	111,202
Oct	776,099	749,037	27,062
Nov	776,099	731,372	44,727
Dec	776,099	1,153,877	(377,778)
Nlooks	9,313,192	9,379,848	(66,656)



NET INCOME

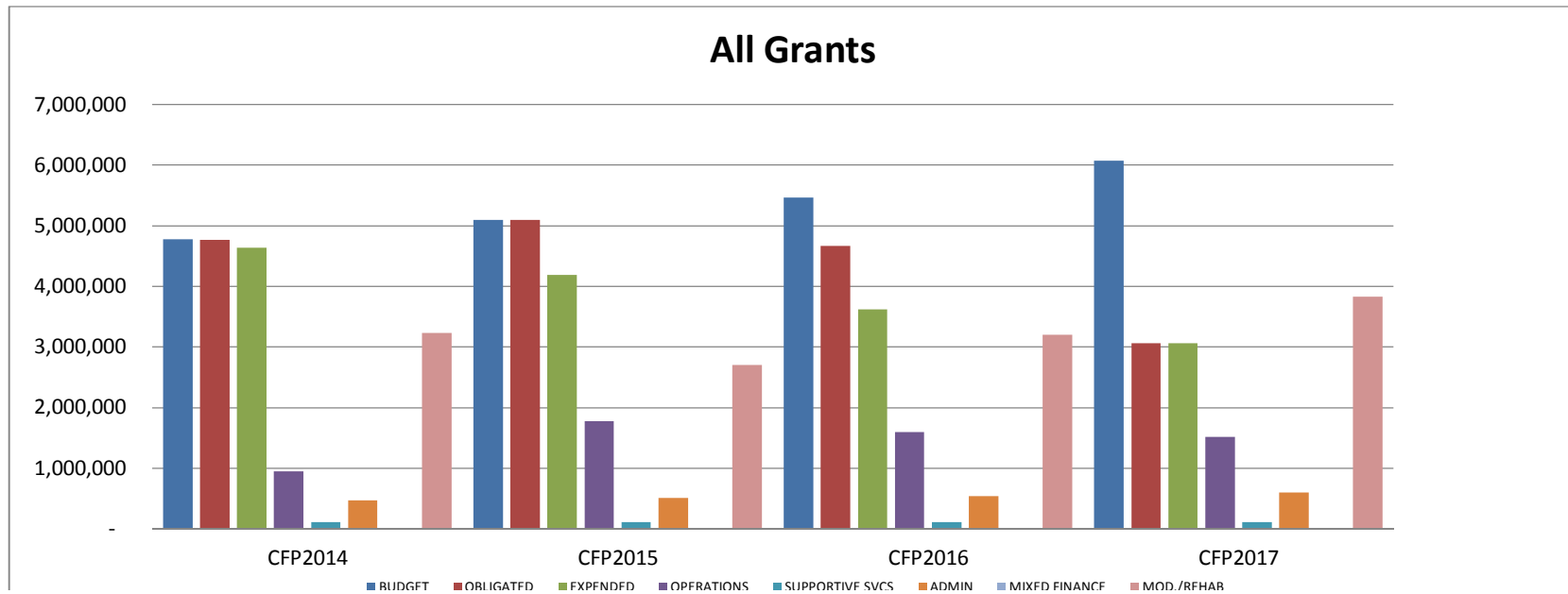
	Budget	Actual	Variance
Jan	(37,925)	(213,180)	(175,255)
Feb	(37,925)	(355,051)	(317,126)
Mar	(37,925)	(301,905)	(263,980)
Apr	(37,925)	(124,010)	(86,085)
May	(37,925)	(247,583)	(209,658)
Jun	(37,925)	(322,707)	(284,782)
Jul	(37,925)	(107,975)	(70,050)
Aug	(37,925)	142,918	180,843
Sep	(37,925)	(60,457)	(22,532)
Oct	(37,925)	(175,918)	(137,993)
Nov	(37,925)	20,171	58,096
Dec	(37,925)	385,465	423,390
Nlooks	(455,098)	(1,360,232)	(905,134)



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

HACM
MAJOR GRANTS SUMMARY
31-Dec-17

	SPENDING PLAN								END DATE
	BUDGET	OBLIGATED	EXPENDED	OPERATIONS	SUPPORTIVE SVCS	ADMIN	MIXED FINANCE	MOD./REHAB	
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	4,667,823	3,619,840	1,601,933	110,000	546,734		3,208,682	4/12/2020
CFP2017	6,071,406	3,060,500	3,060,500	1,517,851	110,000	607,140		3,836,415	8/16/2021
TOTAL	21,413,185	17,592,754	15,511,341	4,332,131	330,000	1,534,177	-	9,145,471	
PERCENT	72%	82%	72%	20%	2%	7%	0%	43%	



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