



FINANCIAL REPORTS

March 31, 2018

HOUSING AUTHORITY OF THE CITY OF MILWAUKEE
FINANCIAL REPORTS
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HA of the City Milwaukee
Financial Highlights
As of March 31, 2018

Financial Position (pp. 3-4)

As of March 31, 2018, HACM has total assets of \$223mm compared to December 31, 2017 at \$219mm. Agency-wide working capital (difference between current assets & current liabilities) was at \$23mm indicating HACM's strong capacity to meet maturing obligations. Total cash & investments as of the end of March was \$28mm. 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	\$7.28mm
Unsubsidized Housing	18.00
Rental Assistance Program	1.88
Central Office	0.33
Home Ownership & Grants	0.76

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

Low Rent Public Housing	\$6.44mm
Unsubsidized Housing	8.71
Rental Assistance Program-Admin	0.35
Central office	-5.18

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 4% under budget (p. 5) and total spending was 7% under budget (p.6). Administrative expenses compared to budgeted expenses were over budget by about .50%. Tenant services were 54% under budget; Utilities were 20% under budget; Maintenance expenses were 10% under budget, protective services 6% under budget and general expenses were 4% under budget. Consolidated net loss from operations for the period ended March 31, 2018 was \$130,320 (p. 6).

Low Rent Public Housing (LRPH)

LRPH operations resulted in a net income from operations of \$179,322 (p. 6) in the first quarter. Operating revenue was \$113,645 under budget and total operating expenses for the period were \$544,836 under budget. All combined, LRPH posted a positive variance of \$431,191 (see p. 7).

Unsubsidized Housing

Unsubsidized Housing has a favorable result of operations during the quarter. Net income from operations was \$488,180 (p.6) before amortization of principal on series 2015 bonds. Revenue was \$70,402 below budget and operating expenses were under budget by \$125,380 during the period. All combined, Unsubsidized Housing has a positive variance of \$54,979 (see p. 8).

Rental Assistance Program (RAP)

RAP has net income of \$17,287 at the end of the period (p. 6). Administrative revenue was \$13,189 over budget and spending was under budget by \$29,105, resulting in an overall positive net income variance of \$42,294 (see p. 9).

The Housing Assistance Payment (HAP) grant during the period was \$9.55mm against total disbursement of \$9.28mm, reflecting a budget utilization of about 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 \$771,974 (p.6) at the end of the quarter. Total revenue was under budget by \$196,087 (see p. 10). Operating expenses were over budget by \$15,195. All combined, COCC posted a negative variance of \$211,282 (see p. 10).

Grant Management (pp.11)

As of March 31, 2018, 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 87% has been obligated and 75% 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 MARCH 31, 2018

	Mar. 31, 2018						Dec. 31, 2017
	LRPH	UNSUBSIDIZED HOUSING	RAP	COCC	GRANTS/DEVT	HOME OWNERSHIP	Total HACM
ASSETS							
CURRENT ASSETS							
CASH							
UNRESTRICTED CASH	6,806,074	11,233,981	334,397	42,670	0	760,689	22,486,909
RESTRICTED CASH (Note 1)		2,918,110	1,245,241	90,309			4,165,281
<i>TOTAL CASH</i>	<i>6,806,074</i>	<i>14,152,091</i>	<i>1,579,638</i>	<i>132,979</i>	<i>0</i>	<i>760,689</i>	<i>26,652,190</i>
ACCOUNTS RECEIVABLE-TENANTS	328,423	45,034					504,948
ALLOWANCE FOR DOUBTFUL ACCOUNTS (Note 2)	(97,284)	(19,070)					(74,061)
<i>NET ACCOUNTS RECEIVABLE-TENANTS</i>	<i>231,139</i>	<i>25,964</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>430,887</i>
ACCOUNTS RECEIVABLE-MISC							
AR-HUD (Note 3)	525,000				4,179,976		1,082,811
AR- DEVELOPMENT FEE (Note 4)				1,617,820			534,535
AR - OTHERS	600,571	22,469	7,682	1,623,934	1,890,824	234	1,170,052
<i>TOTAL AR-MISC</i>	<i>1,125,571</i>	<i>22,469</i>	<i>7,682</i>	<i>3,241,754</i>	<i>6,070,800</i>	<i>234</i>	<i>2,787,398</i>
INVESTMENTS							
RESTRICTED (Note 1)	470,864	3,884,369	303,662				6,639,220
<i>TOTAL INVESTMENTS</i>	<i>470,864</i>	<i>3,884,369</i>	<i>303,662</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>6,639,220</i>
PREPAID EXPENSES AND OTHER ASSETS							
PREPAID EXPENSES AND OTHER ASSETS	100,396	37,489	32,547	263,240	1,407	1,228	435,070
<i>TOTAL PREPAID EXPENSES AND OTHER ASSETS</i>	<i>100,396</i>	<i>37,489</i>	<i>32,547</i>	<i>263,240</i>	<i>1,407</i>	<i>1,228</i>	<i>435,070</i>
CURRENT INTERFUNDS							
<i>TOTAL DUE FROM AMOUNTS - CURRENT (Note 5)</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>2,346,718</i>	<i>(2,346,718)</i>	<i>0</i>	<i>(2,041,350)</i>
TOTAL CURRENT ASSETS	8,734,044	18,122,382	1,923,529	5,984,691	3,725,489	762,151	34,903,415
NON-CURRENT ASSETS							
FIXED ASSETS							
LAND & LAND IMPROVEMENTS	32,301,964	2,759,343		454,172		7,111	35,522,590
BUILDINGS	243,093,327	50,161,814		8,333,884		64,003	297,542,900
FURNITURES, EQPT. MACHINERY	1,442,753	220,778	72,604	1,800,901			3,638,267
CONSTRUCTION IN PROGRESS	8,901	13,277		144,630	6,071,873	50,694	7,396,182
TOTAL FIXED ASSETS	276,846,945	53,155,212	72,604	10,733,587	6,071,873	121,808	344,099,939
ACCUMULATED DEPRECIATION	(195,306,742)	(44,524,282)	(72,604)	(5,137,328)		(9,995)	(243,700,766)
<i>FIXED ASSETS, NET OF DEPRECIATION</i>	<i>81,540,203</i>	<i>8,630,930</i>	<i>0</i>	<i>5,596,259</i>	<i>6,071,873</i>	<i>111,813</i>	<i>100,399,173</i>
OTHER ASSETS							
NOTES RECEIVABLE (Note 7)	53,634,426			8,073,983	0	1,086,406	63,360,110
NOTES INTEREST RECEIVABLE (Note 6)	14,336,455			415,460	0		14,549,975
FINANCING FEES & OTHER ASSETS				4,078,100			5,571,049
<i>TOTAL OTHER ASSETS</i>	<i>67,970,881</i>	<i>0</i>	<i>0</i>	<i>12,567,543</i>	<i>0</i>	<i>1,086,406</i>	<i>83,481,134</i>
TOTAL NON-CURRENT ASSETS	149,511,084	8,630,930	0	18,163,802	6,071,873	1,198,219	183,880,307
TOTAL ASSETS	158,245,128	26,753,312	1,923,529	24,148,493	9,797,362	1,960,370	218,783,722
LIABILITIES AND EQUITY							
CURRENT LIABILITIES							

HOUSING AUTHORITY OF THE CITY OF MILWAUKEE
BALANCE SHEETS
AS OF MARCH 31, 2018

	Mar. 31, 2018						Dec. 31, 2017
	LRPH	UNSUBSIDIZED HOUSING	RAP	COCC	GRANTS/DEVT	HOME OWNERSHIP	Total HACM
ACCOUNTS PAYABLE							
ACCOUNTS PAYABLE	72,526	637,112	29,099	2,069,265	1,380,396	1,500	4,189,898
TOTAL ACCOUNTS PAYABLE	72,526	637,112	29,099	2,069,265	1,380,396	1,500	4,189,898
ACCRUED LIABILITIES							
ACCRUED SALARIES & BENEFITS	100			691,455	2,507		694,062
ACCRUED INTEREST PAYABLE		153,076					153,076
DEFERED REVENUE				330,000			330,000
DUE TO GOVERNMENT - PILOT & OTHERS	1,509,749	1,309,037		389,629			3,208,415
ACCRUED COMPENSATED ABSENCES (Note 7)	0	0	0	819,883	12,227	0	832,110
OTHER ACCRUED LIABILITIES	(1,098)			500,000		311,062	809,964
TOTAL ACCRUED LIABILITIES	1,508,751	1,462,113	0	2,730,967	14,734	311,062	6,027,627
OTHER CURRENT LIABILITIES							
TENANT SECURITY DEPOSITS	595,046	508,406		4,200			1,107,652
FSS ESCROW ACCOUNT	120,864		303,662				424,526
NOTES PAYABLE					3,769,178		3,769,178
CURRENT PORTION-LT DEBT		725,000					725,000
TOTAL OTHER CURRENT LIABILITIES	715,910	1,233,406	303,662	4,200	3,769,178	0	6,026,356
TOTAL CURRENT LIABILITIES	2,297,187	3,332,631	332,761	4,804,432	5,164,308	312,562	16,243,881
NON-CURRENT LIABILITIES							
LONG TERM DEBT							
MORTGAGE REVENUE BONDS				83,946			83,946
NOTES PAYABLE		17,685,521					17,685,521
TOTAL	0	17,685,521	0	83,946	0	0	17,769,467
LESS CURRENT PORTION		(725,000)					(725,000)
TOTAL LONG TERM DEBT - NET	0	16,960,521	0	83,946	0	0	17,044,467
NONCURRENT LIABILITIES-OTHER							
NET OPEB LIABILITY (Note 8)				6,188,777			6,188,777
NET PENSION LIABILITY				4,786,000			4,786,000
TOTAL NONCURRENT LIABILITIES-OTHER	0	0	0	10,974,777	0	0	10,974,777
TOTAL NON-CURRENT LIABILITIES	0	16,960,521	0	11,058,723	0	0	28,019,244
TOTAL LIABILITIES	2,297,187	20,293,152	332,761	15,863,155	5,164,308	312,562	44,263,125
EQUITY							
INVESTED IN CAPITAL ASSETS, NET OF DEBT	81,540,203	(9,054,591)	0	5,596,259	6,071,873	111,813	84,265,557
UNRESTRICTED RESERVE	6,436,857	8,712,272	345,527	(5,182,773)	(1,438,819)	760,651	9,633,715
RESTRICTED RESERVE (Note 9)	67,970,881	6,802,479	1,245,241	7,871,852	0	775,344	84,665,797
TOTAL EQUITY	155,947,941	6,460,160	1,590,768	8,285,338	4,633,054	1,647,808	178,565,069
TOTAL LIABILITIES AND EQUITY	158,245,128	26,753,312	1,923,529	24,148,493	9,797,362	1,960,370	222,828,194

HA OF THE CITY OF MILWAUKEE
CONSOLIDATED STATEMENT OF REVENUE & EXPENSES
BUDGETED PROGRAM ONLY
AS OF MARCH 31, 2018

	LRPH	UNSUBSIDIZED HSNG	RAP	COCC	HOME OWN	YTD ACTUAL	YTD BUDGET	VARIANCE		ANNUAL BUDGET
								AMOUNT	PERCENT	
Operating Income										
<i>Operating/admin subsidies</i>	1,642,024		824,060			2,466,084	2,347,761	118,323	5%	9,391,043
<i>Dwelling rents</i>	2,186,004	1,761,887				3,947,891	4,217,469	(269,578)	-6%	16,869,877
<i>Excess utilities & other</i>	49,920	32,250				82,170	72,225	9,945	14%	288,900
<i>Capital fund transfer in (Note 10)</i>	525,000					525,000	525,000	0	0%	2,100,000
<i>Other income</i>	175,053	2,923	39,439	181,243	(3,491)	395,167	522,113	(126,946)	-24%	2,088,450
<i>Management fees</i>				915,711		915,711	1,017,979	(102,268)	-10%	4,071,917
<i>Central maintenance revenue</i>				622,351		622,351	652,380	(30,029)	-5%	2,609,521
<i>Developers fee</i>						0	0	0	0%	1,617,820
<i>Interest on general fund</i>	809	44,606	2	8,468		53,885	33,979	19,906	59%	135,916
Total Income	4,578,810	1,841,666	863,501	1,727,773	(3,491)	9,008,259	9,388,906	(380,647)	-4%	39,173,444
Operating Expenditures										
Administrative										
<i>Salaries</i>	256,217	82,529	341,630	946,386	16,853	1,643,615	1,620,584	(23,031)	-1%	6,482,337
<i>Employee benefits</i>	157,320	54,820	237,525	523,180	19,176	992,021	680,284	(311,738)	-46%	2,721,134
<i>Legal and accounting</i>		2,070				2,070	55,150	53,080	96%	220,600
<i>Audit</i>	7,554	2,110	1,883	1,004		12,551	35,175	22,624	64%	140,701
<i>Travel and training</i>	587		2,676	13,662		16,925	66,650	49,725	75%	266,600
<i>Contracted property management</i>				76,156		76,156	73,949	(2,208)	-3%	295,794
<i>Management fees</i>	578,430	162,278	175,003			915,711	1,017,979	102,268	10%	4,071,917
<i>Housing intake</i>	128,966					128,966	144,937	15,971	11%	579,749
<i>Office supplies & printing</i>	10,070	506	5,231	12,424	125	28,356	44,601	16,245	36%	178,405
<i>Telephone</i>	833		269	11,008	315	12,425	22,538	10,113	45%	90,150
<i>Postage</i>	202	538	960	1,050		2,750	19,040	16,290	86%	76,160
<i>Other contracted services</i>	21,863	17,500	44,876	107,381		191,620	153,450	(38,170)	-25%	613,800
<i>Other</i>	50,268	25,312	1,908	116,135	440	194,063	263,561	69,498	26%	1,054,244
Total admin	1,212,310	347,663	811,961	1,808,386	36,909	4,217,229	4,197,898	(19,331)	0%	16,791,591
Tenant Services										
<i>Resident services allocation</i>	52,533					52,533	63,559	11,026	17%	254,237
<i>Salaries & benefits</i>	30,056		3,300	23,490		56,846	88,537	31,691	36%	354,149
<i>Contracts, trainings, others</i>	11,175		60	325		11,560	108,877	97,317	89%	435,506
Total tenant services	93,764	0	3,360	23,815	0	120,939	260,973	140,034	54%	1,043,892

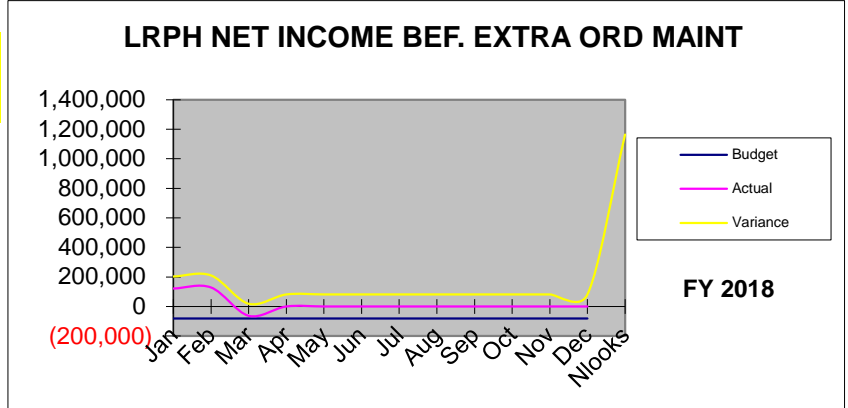
HA OF THE CITY OF MILWAUKEE
CONSOLIDATED STATEMENT OF REVENUE & EXPENSES
BUDGETED PROGRAM ONLY
AS OF MARCH 31, 2018

	LRPH	UNSUBSIDIZED HSNG	RAP	COCC	HOME OWN	YTD ACTUAL	YTD BUDGET	VARIANCE		ANNUAL BUDGET
								AMOUNT	PERCENT	
<i>Utilities</i>										
Water	219,352	65,573		425		285,350	583,234	297,884	51%	2,332,934
Electric	247,217	8,541		9,321		265,079	331,756	66,677	20%	1,327,022
Gas	287,385	10,898		8,439		306,722	161,253	(145,469)	-90%	645,013
Total utilities	753,954	85,012	0	18,185	0	857,151	1,076,242	219,091	20%	4,304,969
<i>Ordinary maintenance</i>										
Salaries	205,231	92,515		341,437		639,183	777,671	138,488	18%	3,110,684
Employee benefits Maint	147,127	57,051		219,345		423,523	329,153	(94,371)	-29%	1,316,610
Maintenance materials	219,356	51,844	357	6,214	53	277,824	349,780	71,956	21%	1,399,118
Maintenance contracts	808,619	194,612	3,672	29,747	1,856	1,038,506	1,200,441	161,935	13%	4,801,764
Total maintenance	1,380,333	396,022	4,029	596,743	1,909	2,379,036	2,657,044	278,008	10%	10,628,176
<i>Protective Services</i>										
Public safety allocation	338,722	27,576	110	1,948		368,356	390,606	22,250	6%	1,562,424
Contracts, others	5,302			948		6,250	6,750	500	7%	27,000
Total protective services	344,024	27,576	110	2,896	0	374,606	397,356	22,750	6%	1,589,424
<i>General</i>										
Insurance	171,138	59,904	22,766	33,663	826	288,297	307,633	19,336	6%	1,230,533
Pilot	149,632	169,737				319,369	318,659	(710)	0%	1,274,635
Interest Expense		153,075				153,075	151,250	(1,825)	-1%	605,000
Subsidy to Mixed finance dev't.	279,656					279,656	246,580	(33,077)	-13%	986,318
Other general expense	7,174		3,988			11,162	76,006	64,844	85%	304,025
Total general	607,600	382,716	26,754	33,663	826	1,051,559	1,100,128	48,569	4%	4,400,511
Total Operating Expenditures	4,391,985	1,238,989	846,214	2,483,688	39,644	9,000,520	9,689,641	689,121	7%	38,758,563
Excess (deficiency) of total revenue over expenses	186,825	602,677	17,287	(755,915)	(43,135)	7,739	(300,735)	308,474	-103%	414,881
Extra-ordinary maintenance	8,902	114,497		16,059		139,458	306,478	167,020	54%	1,225,910
Program Income	(1,399)					(1,399)	0	1,399	0	0
Net income(loss) from operation:	179,322	488,180	17,287	(771,974)	(43,135)	(130,320)	(607,212)	476,892	-79%	(811,029)
Depreciation expense	1,181,662	104,494		85,606	394	1,372,156				
Net Income (loss)	(1,002,340)	383,686	17,287	(857,580)	(43,529)	(1,502,476)				

NET INCOME BEF. EXTRA ORDINARY MAINTENANCE

	Budget	Actual	Variance
Jan	(81,455)	121,567	203,022
Feb	(81,455)	128,541	209,996
Mar	(81,455)	(63,283)	18,172
Apr	(81,455)	0	81,455
May	(81,455)	0	81,455
Jun	(81,455)	0	81,455
Jul	(81,455)	0	81,455
Aug	(81,455)	0	81,455
Sep	(81,455)	0	81,455
Oct	(81,455)	0	81,455
Nov	(81,455)	0	81,455
Dec	(81,455)	0	81,455
Nlooks			1,164,290

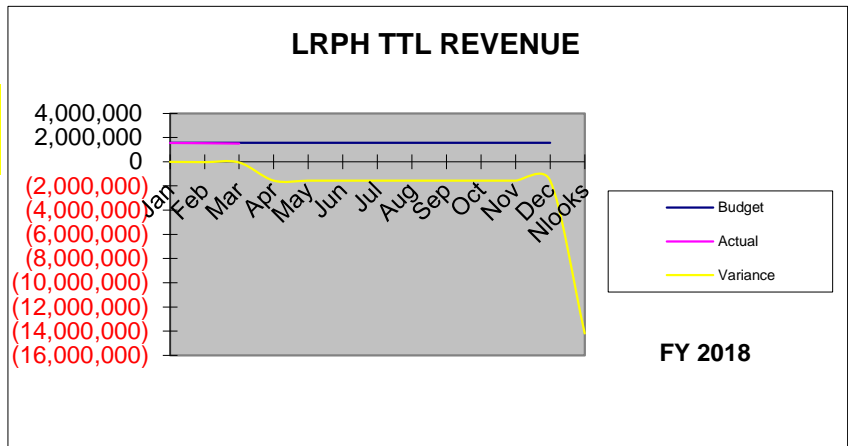
(977,465) 186,825



OPERATING REVENUE

	Budget	Actual	Variance
Jan	1,564,152	1,550,578	(13,574)
Feb	1,564,152	1,528,235	(35,917)
Mar	1,564,152	1,499,997	(64,155)
Apr	1,564,152		(1,564,152)
May	1,564,152		(1,564,152)
Jun	1,564,152		(1,564,152)
Jul	1,564,152		(1,564,152)
Aug	1,564,152		(1,564,152)
Sep	1,564,152		(1,564,152)
Oct	1,564,152		(1,564,152)
Nov	1,564,152		(1,564,152)
Dec	1,564,152		(1,564,152)
Nlooks			(14,191,008)

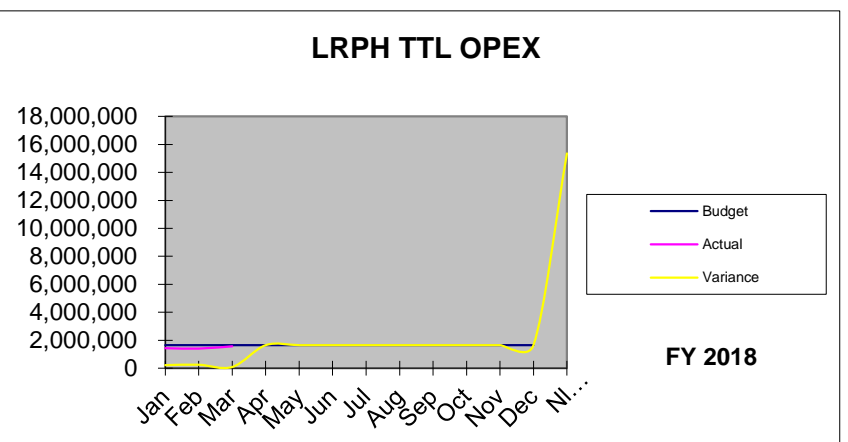
18,769,818 4,578,810



OPERATING EXPENSES

	Budget	Actual	Variance
Jan	1,645,607	1,429,011	216,596
Feb	1,645,607	1,399,694	245,913
Mar	1,645,607	1,563,280	82,327
Apr	1,645,607		1,645,607
May	1,645,607		1,645,607
Jun	1,645,607		1,645,607
Jul	1,645,607		1,645,607
Aug	1,645,607		1,645,607
Sep	1,645,607		1,645,607
Oct	1,645,607		1,645,607
Nov	1,645,607		1,645,607
Dec	1,645,607		1,645,607
Nlooks		0	15,355,298

19,747,283 4,391,985

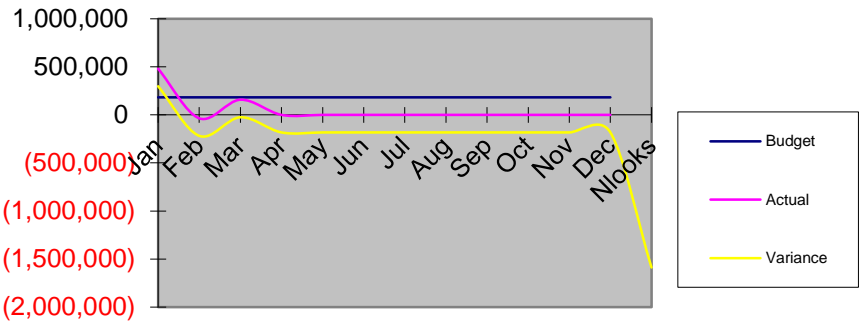


NL - Nlooks = Actual year to date (highlighted in yellow) + remaining budget of the year

NET INCOME BEF. EXTRA ORDINARY MAINTENANCE

	Budget	Actual	Variance
Jan	182,566	480,379	297,813
Feb	182,566	(35,721)	(218,287)
Mar	182,566	158,019	(24,547)
Apr	182,566	0	(182,566)
May	182,566	0	(182,566)
Jun	182,566	0	(182,566)
Jul	182,566	0	(182,566)
Aug	182,566	0	(182,566)
Sep	182,566	0	(182,566)
Oct	182,566	0	(182,566)
Nov	182,566	0	(182,566)
Dec	182,566	0	(182,566)
Nlooks			(1,588,117)
	2,190,794	602,677	

UNSUBSIDIZED HSNB NET INCOME BEF. EXTRA ORD MAINT

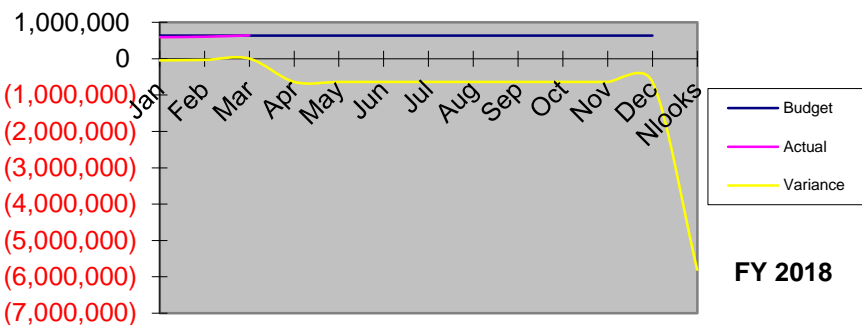


FY 2018

OPERATING REVENUE

	Budget	Actual	Variance
Jan	637,356	593,110	(44,246)
Feb	637,356	606,098	(31,258)
Mar	637,356	642,458	5,102
Apr	637,356		(637,356)
May	637,356		(637,356)
Jun	637,356		(637,356)
Jul	637,356		(637,356)
Aug	637,356		(637,356)
Sep	637,356		(637,356)
Oct	637,356		(637,356)
Nov	637,356		(637,356)
Dec	637,356		(637,356)
Nlooks			(5,806,605)
	7,648,271	1,841,666	

UNSUBSIDIZED HSNB. OPERATING REVENUE

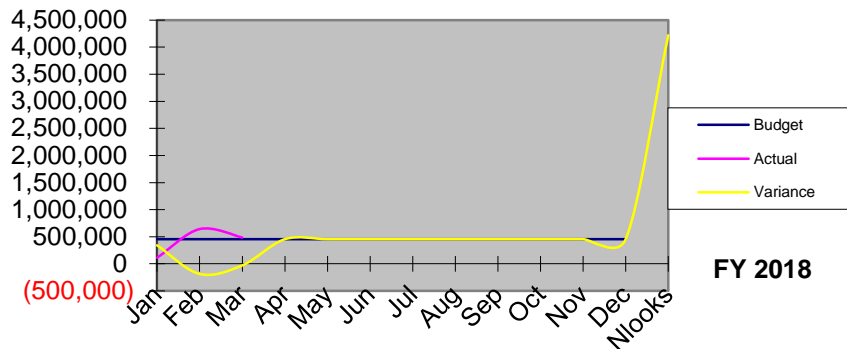


FY 2018

OPERATING EXPENSES

	Budget	Actual	Variance
Jan	454,790	112,731	342,059
Feb	454,790	641,819	(187,029)
Mar	454,790	484,439	(29,649)
Apr	454,790		454,790
May	454,790		454,790
Jun	454,790		454,790
Jul	454,790		454,790
Aug	454,790		454,790
Sep	454,790		454,790
Oct	454,790		454,790
Nov	454,790		454,790
Dec	454,790		454,790
Nlooks			4,218,488
	5,457,477	1,238,989	

UNSUBSIDIZED HSNB. OPEX



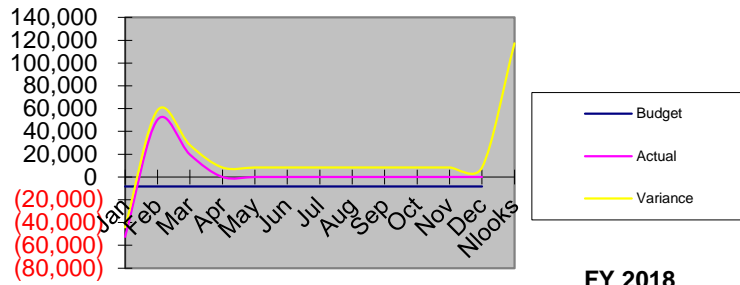
FY 2018

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

NET INCOME

	Budget	Actual	Variance
Jan	(8,336)	(52,558)	(44,222)
Feb	(8,336)	50,246	58,582
Mar	(8,336)	19,599	27,935
Apr	(8,336)	0	8,336
May	(8,336)	0	8,336
Jun	(8,336)	0	8,336
Jul	(8,336)	0	8,336
Aug	(8,336)	0	8,336
Sep	(8,336)	0	8,336
Oct	(8,336)	0	8,336
Nov	(8,336)	0	8,336
Dec	(8,336)	0	8,336
Nlooks			117,317
	(100,030)	17,287	

RAP NET INCOME BEF. EXTRA ORD MAINTENANCE

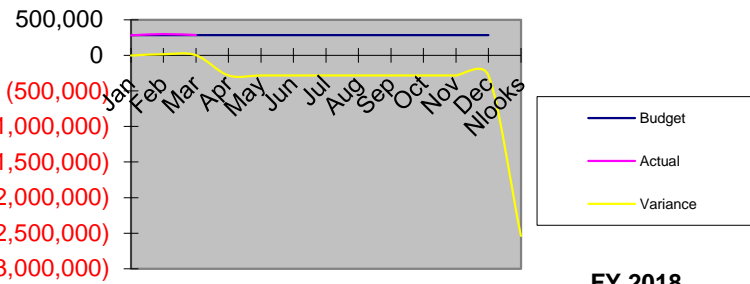


FY 2018

OPERATING REVENUE

	Budget	Actual	Variance
Jan	283,437	280,346	(3,091)
Feb	283,437	298,286	14,849
Mar	283,437	284,869	1,432
Apr	283,437		(283,437)
May	283,437		(283,437)
Jun	283,437		(283,437)
Jul	283,437		(283,437)
Aug	283,437		(283,437)
Sep	283,437		(283,437)
Oct	283,437		(283,437)
Nov	283,437		(283,437)
Dec	283,437		(283,437)
Nlooks			(2,537,746)
	3,401,247	863,501	

RAP OPERATING REV.

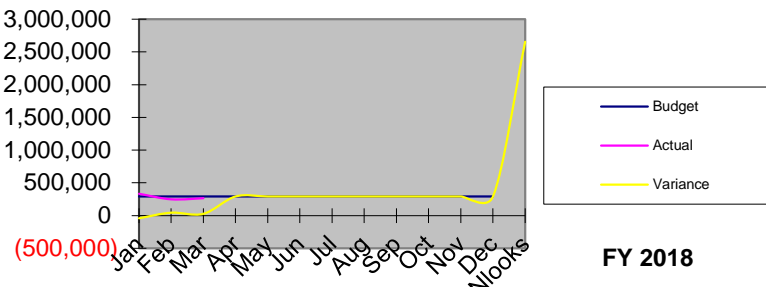


FY 2018

OPERATING EXPENSES

	Budget	Actual	Variance
Jan	291,773	332,904	(41,131)
Feb	291,773	248,040	43,733
Mar	291,773	265,270	26,503
Apr	291,773		291,773
May	291,773		291,773
Jun	291,773		291,773
Jul	291,773		291,773
Aug	291,773		291,773
Sep	291,773		291,773
Oct	291,773		291,773
Nov	291,773		291,773
Dec	291,773		291,773
Nlooks			2,655,063
	3,501,277	846,214	

RAP OPEX

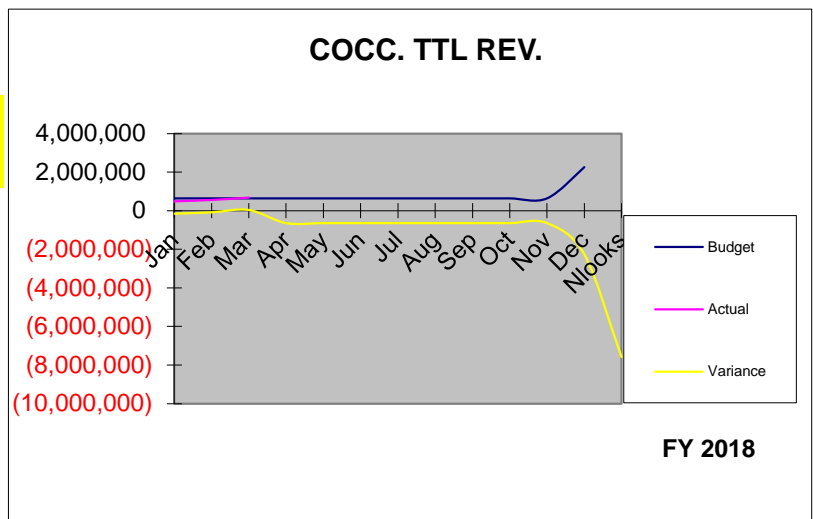


FY 2018

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

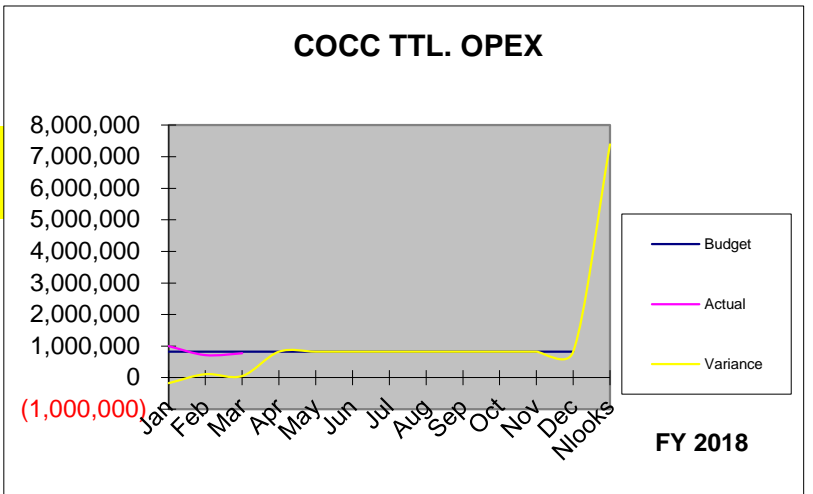
OPERATING REVENUE

	Budget	Actual	Variance
Jan	641,287	488,745	(152,542)
Feb	641,287	558,950	(82,337)
Mar	641,287	680,078	38,792
Apr	641,287		(641,287)
May	641,287		(641,287)
Jun	641,287		(641,287)
Jul	641,287		(641,287)
Aug	641,287		(641,287)
Sep	641,287		(641,287)
Oct	641,287		(641,287)
Nov	641,287		(641,287)
Dec	2,259,107		(2,259,107)
Nlooks	9,313,258	1,727,773	(7,585,485)



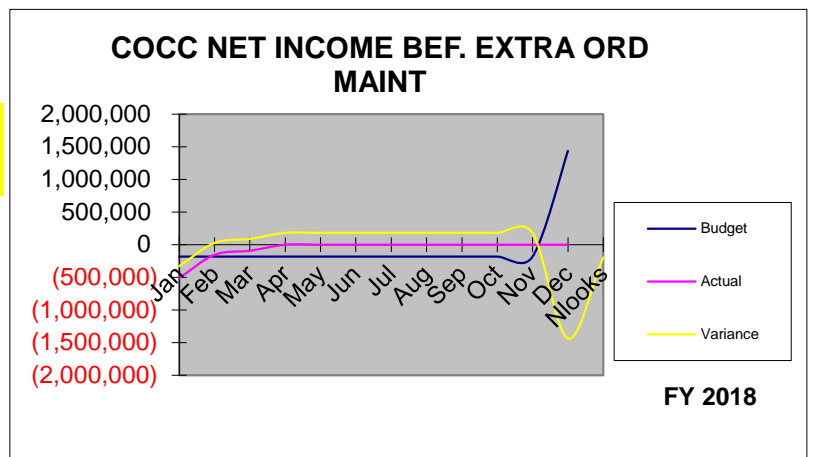
OPERATING EXPENSES

	Budget	Actual	Variance
Jan	822,831	998,266	(175,435)
Feb	822,831	713,326	109,505
Mar	822,831	772,096	50,735
Apr	822,831		822,831
May	822,831		822,831
Jun	822,831		822,831
Jul	822,831		822,831
Aug	822,831		822,831
Sep	822,831		822,831
Oct	822,831		822,831
Nov	822,831		822,831
Dec	822,831		822,831
Nlooks	9,873,970	2,483,688	7,390,282



NET INCOME

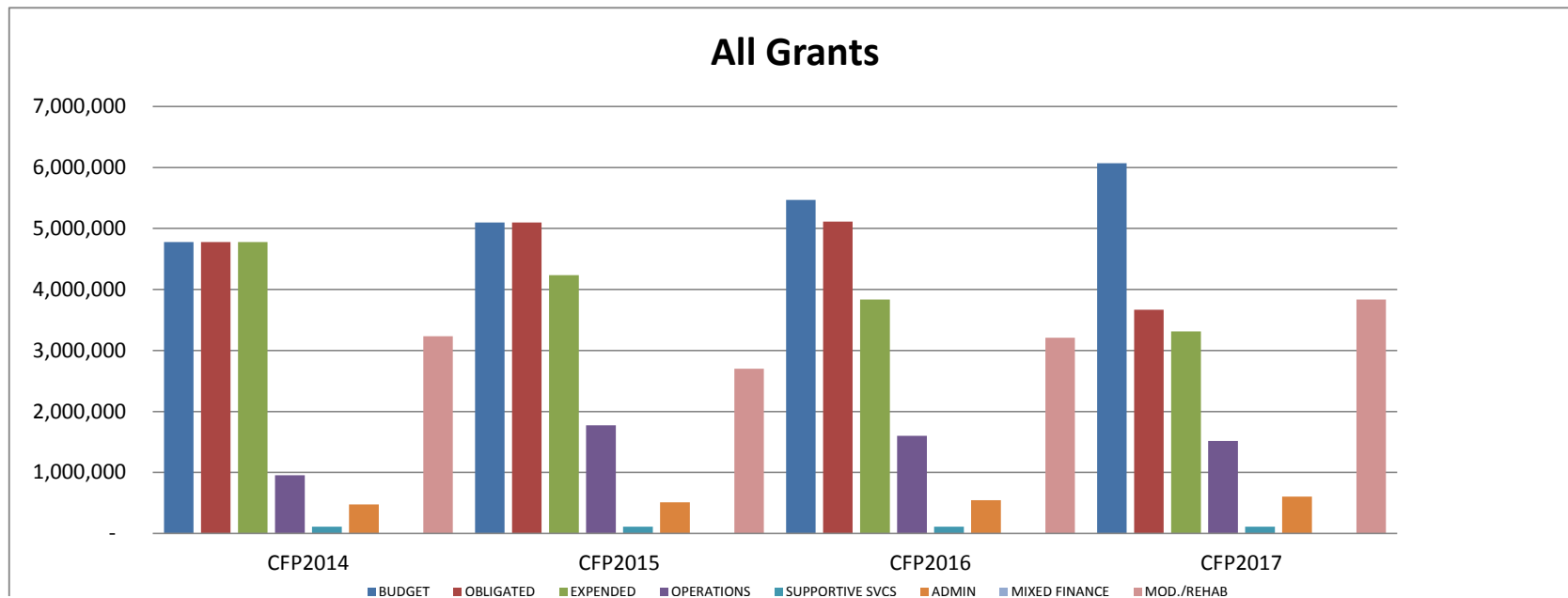
	Budget	Actual	Variance
Jan	(181,544)	(509,521)	(327,977)
Feb	(181,544)	(154,376)	27,168
Mar	(181,544)	(92,018)	89,526
Apr	(181,544)	0	181,544
May	(181,544)	0	181,544
Jun	(181,544)	0	181,544
Jul	(181,544)	0	181,544
Aug	(181,544)	0	181,544
Sep	(181,544)	0	181,544
Oct	(181,544)	0	181,544
Nov	(181,544)	0	181,544
Dec	1,436,276	0	(1,436,276)
Nlooks	(560,712)	(755,915)	(195,203)



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

HACM
MAJOR GRANTS SUMMARY
31-Mar-18

	SPENDING PLAN								END DATE
	BUDGET	OBLIGATED	EXPENDED	OPERATIONS	SUPPORTIVE SVCS	ADMIN	MIXED FINANCE	MOD./REHAB	
CFP2014	4,776,258	4,776,258	4,776,258	955,252	110,000	477,626		3,233,380	5/12/2018
CFP2015	5,098,171	5,098,171	4,234,272	1,774,946	110,000	509,817		2,703,408	9/15/2019
CFP2016	5,467,349	5,111,304	3,836,062	1,601,933	110,000	546,734		3,208,682	4/12/2020
CFP2017	6,071,406	3,667,365	3,315,075	1,517,851	110,000	607,140		3,836,415	8/16/2021
TOTAL	21,413,184	18,653,098	16,161,667	4,332,131	330,000	1,534,177	-	9,145,470	
PERCENT	72%	87%	75%	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