



FINANCIAL REPORTS

June 30, 2018

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 June 30, 2018

Financial Position (pp. 3-4)

As of June 30, 2018, HACM has total assets of \$234mm compared to March 31, 2018 at \$223mm. Agency-wide working capital (difference between current assets & current liabilities) was at \$21mm indicating HACM's strong capacity to meet maturing obligations. Total cash & investments as of the end of June was \$31mm. 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	\$9.03mm
Unsubsidized Housing	18.74
Rental Assistance Program	2.69
Central Office	0.90
Home Ownership & Grants	0.74

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

Low Rent Public Housing	\$5.36mm
Unsubsidized Housing	10.37
Rental Assistance Program-Admin	0.47
Central office	1.43

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 .25% under budget (p. 5) and total spending was 9% under budget (p.6). Administrative expenses compared to budgeted expenses were under budget by about 3%. Tenant services were 68% under budget; Utilities were 12% under budget; Maintenance expenses were 10% under budget, protective services 8% under budget and general expenses were 9% under budget. Consolidated net income from operations for the period ended June 30, 2018 was \$539,393 (p. 6).

Low Rent Public Housing (LRPH)

LRPH operations resulted in a net income from operations of \$819,744 (p. 6) in the second quarter. Operating revenue was \$309,084 over budget and total operating expenses for the period were \$1,199,885 under budget. All combined, LRPH posted a positive variance of \$1,508,969 (see p. 7).

Unsubsidized Housing

Unsubsidized Housing has a favorable result of operations during the quarter. Net income from operations was \$955,486 (p.6) before amortization of principal on series 2015 bonds. Revenue was \$103,498 below budget and operating expenses were under budget by \$223,349 during the period. All combined, Unsubsidized Housing has a positive variance of \$119,851 (see p. 8).

Rental Assistance Program (RAP)

RAP has net income of \$173,783 at the end of the period (p. 6). Administrative revenue was \$88,696 over budget and spending was under budget by \$135,103, resulting in an overall positive net income variance of \$223,798 (see p. 9).

The Housing Assistance Payment (HAP) grant during the period was \$17.94mm against total disbursement of \$18.42mm, reflecting a budget utilization of about 100%. RAP continues to issue vouchers. HUD continues to offset HAP reserved in accordance with the new accounting guidelines.

Central Office Cost Center (COCC)

COCC posted a net loss of \$1,336,645 (p.6) at the end of the quarter. Total revenue was under budget by \$317,438 (see p. 10). Operating expenses were under budget by \$96,784. All combined, COCC posted a negative variance of \$220,654 (see p. 10).

Grant Management (pp.11)

As of June 30, 2018, HACM is on track with its obligation and spending timelines as required by the grant agreements. Currently open grants are Capital Fund Programs 2015-2018. As of end of the quarter 67% has been obligated and 47% has been expended. Around 60% 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 JUNE 30, 2018

	June. 30, 2018						Mar. 31, 2018
	LRPH	UNSUBSIDIZED HOUSING	RAP	COCC	GRANTS/DEVT	HOME OWNERSHIP	Total HACM
ASSETS							
CURRENT ASSETS							
CASH							
UNRESTRICTED CASH	8,555,109	13,175,398	1,883,822	0	0	739,547	24,353,876
RESTRICTED CASH (Note 1)		2,994,001	476,650	90,278			3,560,929
<i>TOTAL CASH</i>	<i>8,555,109</i>	<i>16,169,399</i>	<i>2,360,472</i>	<i>90,278</i>	<i>0</i>	<i>739,547</i>	<i>27,914,805</i>
ACCOUNTS RECEIVABLE-TENANTS	272,140	62,449					334,589
ALLOWANCE FOR DOUBTFUL ACCOUNTS (Note 2)	54,982	14,170					69,152
<i>NET ACCOUNTS RECEIVABLE-TENANTS</i>	<i>327,122</i>	<i>76,619</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>403,741</i>
ACCOUNTS RECEIVABLE-MISC							
AR-HUD (Note 3)	1,050,000				4,156,301		5,206,301
AR- DEVELOPMENT FEE (Note 4)				1,617,820			1,617,820
AR - OTHERS	684,434	475	7,682	1,632,747	731,793		3,057,131
<i>TOTAL AR-MISC</i>	<i>1,734,434</i>	<i>475</i>	<i>7,682</i>	<i>3,250,567</i>	<i>4,888,094</i>	<i>0</i>	<i>9,881,252</i>
INVESTMENTS							
RESTRICTED (Note 1)	479,255	2,573,113	332,441	31			3,384,840
<i>TOTAL INVESTMENTS</i>	<i>479,255</i>	<i>2,573,113</i>	<i>332,441</i>	<i>31</i>	<i>0</i>	<i>0</i>	<i>3,384,840</i>
PREPAID EXPENSES AND OTHER ASSETS							
PREPAID EXPENSES AND OTHER ASSETS	139,838	51,106	21,096	249,438	1,407	1,089	463,974
<i>TOTAL PREPAID EXPENSES AND OTHER ASSETS</i>	<i>139,838</i>	<i>51,106</i>	<i>21,096</i>	<i>249,438</i>	<i>1,407</i>	<i>1,089</i>	<i>463,974</i>
CURRENT INTERFUNDS							
<i>TOTAL DUE FROM AMOUNTS - CURRENT (Note 5)</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>5,571,633</i>	<i>(5,571,633)</i>	<i>0</i>	<i>0</i>
TOTAL CURRENT ASSETS	11,235,758	18,870,712	2,721,691	9,161,947	(682,132)	740,636	42,048,612
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	301,653,028
FURNITURES, EQPT. MACHINERY	1,442,753	220,778	72,604	1,800,901			3,537,036
CONSTRUCTION IN PROGRESS	97,510	34,206		152,954	12,497,757	53,217	12,835,644
TOTAL FIXED ASSETS	276,935,554	53,176,141	72,604	10,741,911	12,497,757	124,331	353,548,298
ACCUMULATED DEPRECIATION	(196,474,489)	(44,629,937)	(72,604)	(5,222,993)		(10,394)	(246,410,417)
<i>FIXED ASSETS, NET OF DEPRECIATION</i>	<i>80,461,065</i>	<i>8,546,204</i>	<i>0</i>	<i>5,518,918</i>	<i>12,497,757</i>	<i>113,937</i>	<i>107,137,881</i>
OTHER ASSETS							
NOTES RECEIVABLE (Note 7)	53,634,426			10,094,895	1,031,615	1,086,406	65,847,342
NOTES INTEREST RECEIVABLE (Note 6)	14,336,455			415,460			14,751,915
FINANCING FEES & OTHER ASSETS	1,227,039		757,877	2,093,184			4,078,100
<i>TOTAL OTHER ASSETS</i>	<i>69,197,920</i>	<i>0</i>	<i>757,877</i>	<i>12,603,539</i>	<i>1,031,615</i>	<i>1,086,406</i>	<i>84,677,357</i>
TOTAL NON-CURRENT ASSETS	149,658,985	8,546,204	757,877	18,122,457	13,529,372	1,200,343	191,815,238
TOTAL ASSETS	160,894,743	27,416,916	3,479,568	27,284,404	12,847,240	1,940,979	233,863,850
LIABILITIES AND EQUITY							
CURRENT LIABILITIES							

HOUSING AUTHORITY OF THE CITY OF MILWAUKEE
BALANCE SHEETS
AS OF JUNE 30, 2018

	June. 30, 2018						Mar. 31, 2018
	LRPH	UNSUBSIDIZED HOUSING	RAP	COCC	GRANTS/DEVT	HOME OWNERSHIP	Total HACM
ACCOUNTS PAYABLE							
ACCOUNTS PAYABLE	72,526	637,112	103,499	1,806,489	879,830	1,500	3,500,956
<i>TOTAL ACCOUNTS PAYABLE</i>	<i>72,526</i>	<i>637,112</i>	<i>103,499</i>	<i>1,806,489</i>	<i>879,830</i>	<i>1,500</i>	<i>3,500,956</i>
ACCRUED LIABILITIES							
ACCRUED SALARIES & BENEFITS				682,969	10,708		693,677
ACCRUED INTEREST PAYABLE		306,151					306,151
DEFERED REVENUE	99,292		61,327	169,381			330,000
DUE TO GOVERNMENT - PILOT & OTHERS	1,649,516	1,472,637		393,522			3,515,675
ACCRUED COMPENSATED ABSENCES (Note 7)	0	0	0	819,883	12,227	0	832,110
OTHER ACCRUED LIABILITIES	148	1,584		500,000		311,062	812,794
<i>TOTAL ACCRUED LIABILITIES</i>	<i>1,748,956</i>	<i>1,780,372</i>	<i>61,327</i>	<i>2,565,755</i>	<i>22,935</i>	<i>311,062</i>	<i>6,490,407</i>
OTHER CURRENT LIABILITIES							
TENANT SECURITY DEPOSITS	618,127	514,987		4,200			1,137,314
FSS ESCROW ACCOUNT	129,255		332,441				461,696
NOTES PAYABLE					8,554,388		8,554,388
CURRENT PORTION-LT DEBT		745,000					745,000
<i>TOTAL OTHER CURRENT LIABILITIES</i>	<i>747,382</i>	<i>1,259,987</i>	<i>332,441</i>	<i>4,200</i>	<i>8,554,388</i>	<i>0</i>	<i>10,898,398</i>
<i>TOTAL CURRENT LIABILITIES</i>	<i>2,568,864</i>	<i>3,677,471</i>	<i>497,267</i>	<i>4,376,444</i>	<i>9,457,153</i>	<i>312,562</i>	<i>20,889,761</i>
NON-CURRENT LIABILITIES							
LONG TERM DEBT							
MORTGAGE REVENUE BONDS				83,946			83,946
NOTES PAYABLE		16,960,521					16,960,521
TOTAL	0	16,960,521	0	83,946	0	0	17,044,467
LESS CURRENT PORTION		(745,000)					(745,000)
<i>TOTAL LONG TERM DEBT - NET</i>	<i>0</i>	<i>16,215,521</i>	<i>0</i>	<i>83,946</i>	<i>0</i>	<i>0</i>	<i>16,299,467</i>
NONCURRENT LIABILITIES-OTHER							
NET OPEB LIABILITY (Note 8)	1,862,110		1,150,127	3,176,540			6,188,777
NET PENSION LIABILITY	1,440,035		889,434	2,456,531			4,786,000
<i>TOTAL NONCURRENT LIABILITIES-OTHER</i>	<i>3,302,145</i>	<i>0</i>	<i>2,039,561</i>	<i>5,633,071</i>	<i>0</i>	<i>0</i>	<i>10,974,777</i>
<i>TOTAL NON-CURRENT LIABILITIES</i>	<i>3,302,145</i>	<i>16,215,521</i>	<i>2,039,561</i>	<i>5,717,017</i>	<i>0</i>	<i>0</i>	<i>27,274,244</i>
TOTAL LIABILITIES	5,871,009	19,892,992	2,536,828	10,093,461	9,457,153	312,562	48,164,005
EQUITY							
INVESTED IN CAPITAL ASSETS, NET OF DEBT	80,461,065	(8,414,317)	0	5,518,918	12,497,757	113,937	90,177,360
UNRESTRICTED RESERVE	5,364,749	10,371,127	466,090	1,434,708	(10,139,285)	739,136	8,236,525
RESTRICTED RESERVE (Note 9)	69,197,920	5,567,114	476,650	10,237,317	1,031,615	775,344	87,285,960
TOTAL EQUITY	155,023,734	7,523,924	942,740	17,190,943	3,390,087	1,628,417	185,699,845
TOTAL LIABILITIES AND EQUITY	160,894,743	27,416,916	3,479,568	27,284,404	12,847,240	1,940,979	223,863,850

HA OF THE CITY OF MILWAUKEE
CONSOLIDATED STATEMENT OF REVENUE & EXPENSES
BUDGETED PROGRAM ONLY
AS OF JUNE 30, 2018

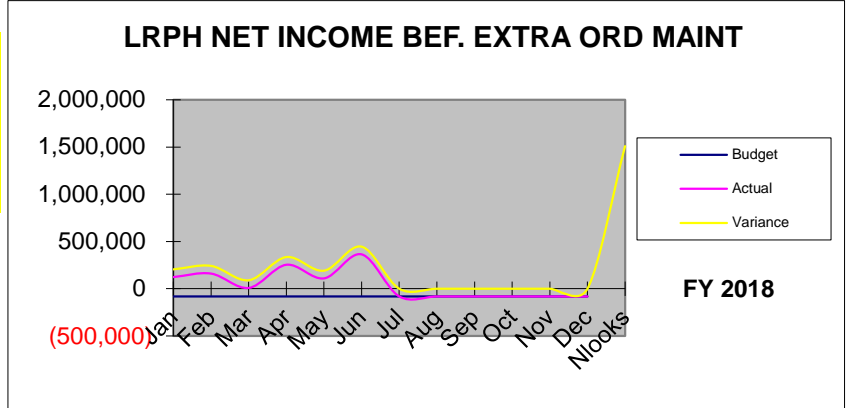
	LRPH	UNSUBSIDIZED HSNG	RAP	COCC	HOME OWN	YTD ACTUAL	YTD BUDGET	VARIANCE		ANNUAL BUDGET
								AMOUNT	PERCENT	
Operating Income										
<i>Operating/admin subsidies</i>	3,763,214		1,726,497			5,489,711	4,695,522	794,190	17%	9,391,043
<i>Dwelling rents</i>	4,406,251	3,557,008				7,963,259	8,434,939	(471,680)	-6%	16,869,877
<i>Excess utilities & other</i>	94,056	75,284				169,340	144,450	24,890	17%	288,900
<i>Capital fund transfer in (Note 10)</i>	1,050,000					1,050,000	1,050,000	0	0%	2,100,000
<i>Other income</i>	379,316	246	62,816	445,813	(3,491)	884,700	1,044,225	(159,525)	-15%	2,088,450
<i>Management fees</i>				1,839,675		1,839,675	2,035,959	(196,284)	-10%	4,071,917
<i>Central maintenance revenue</i>				1,226,622		1,226,622	1,304,761	(78,139)	-6%	2,609,521
<i>Developers fee</i>						0	0	0	0%	1,617,820
<i>Interest on general fund</i>	1,156	88,100	6	18,171		107,433	67,958	39,475	58%	135,916
Total Income	9,693,993	3,720,638	1,789,319	3,530,281	(3,491)	18,730,740	18,777,812	(47,072)	-0.25%	39,173,444
Operating Expenditures										
Administrative										
<i>Salaries</i>	553,814	161,085	742,962	1,894,315	36,347	3,388,523	3,241,169	(147,355)	-5%	6,482,337
<i>Employee benefits</i>	261,644	81,019	343,458	802,359	26,168	1,514,648	1,360,567	(154,081)	-11%	2,721,134
<i>Legal and accounting</i>	4,339	5,836	305	63,298		73,778	110,300	36,522	33%	220,600
<i>Audit</i>	44,334	15,537	11,663	6,220		77,754	70,351	(7,404)	-11%	140,701
<i>Travel and training</i>	2,973		7,307	38,685	365	49,330	133,300	83,970	63%	266,600
<i>Contracted property management</i>				149,439		149,439	147,897	(1,542)	-1%	295,794
<i>Management fees</i>	1,163,114	326,559	350,002			1,839,675	2,035,959	196,284	10%	4,071,917
<i>Housing intake</i>	264,974					264,974	289,875	24,901	9%	579,749
<i>Office supplies & printing</i>	15,000	1,538	10,173	23,404	125	50,240	89,203	38,963	44%	178,405
<i>Telephone</i>	5,875	457	2,664	25,477	597	35,070	45,075	10,005	22%	90,150
<i>Postage</i>	727	1,228	960	1,180	294	4,389	38,080	33,691	88%	76,160
<i>Other contracted services</i>	26,487	18,584	82,688	209,959		337,718	306,900	(30,818)	-10%	613,800
<i>Other</i>	99,656	40,257	5,193	181,653	1,869	328,628	527,122	198,494	38%	1,054,244
Total admin	2,442,937	652,100	1,557,375	3,395,989	65,765	8,114,166	8,395,796	281,630	3%	16,791,591
Tenant Services										
<i>Resident services allocation</i>	(9,266)					(9,266)	127,119	136,385	107%	254,237
<i>Salaries & benefits</i>	61,226			62,450		123,676	177,075	53,399	30%	354,149
<i>Contracts, trainings, others</i>	25,920		150	25,118		51,188	217,753	166,565	76%	435,506
Total tenant services	77,880	0	150	87,568	0	165,598	521,946	356,348	68%	1,043,892

HA OF THE CITY OF MILWAUKEE
CONSOLIDATED STATEMENT OF REVENUE & EXPENSES
BUDGETED PROGRAM ONLY
AS OF JUNE 30, 2018

	LRPH	UNSUBSIDIZED HSNG	RAP	COCC	HOME OWN	YTD ACTUAL	YTD BUDGET	VARIANCE		ANNUAL BUDGET
								AMOUNT	PERCENT	
<i>Utilities</i>										
Water	655,805	251,390		3,577		910,772	1,166,467	255,695	22%	2,332,934
Electric	449,375	21,661		18,164		489,200	663,511	174,311	26%	1,327,022
Gas	465,875	18,433		11,094		495,402	322,507	(172,896)	-54%	645,013
Total utilities	1,571,055	291,484	0	32,835	0	1,895,374	2,152,485	257,111	12%	4,304,969
<i>Ordinary maintenance</i>										
Salaries	488,760	179,057		809,322		1,477,139	1,555,342	78,203	5%	3,110,684
Employee benefits Maint	222,959	85,264		345,735		653,958	658,305	4,347	1%	1,316,610
Maintenance materials	535,297	96,214	522	18,691	106	650,830	699,559	48,729	7%	1,399,118
Maintenance contracts	1,557,060	381,905	4,310	74,222	1,943	2,019,440	2,400,882	381,442	16%	4,801,764
Total maintenance	2,804,076	742,440	4,832	1,247,970	2,049	4,801,367	5,314,088	512,721	10%	10,628,176
<i>Protective Services</i>										
Public safety allocation	648,614	60,074	569	7,545		716,802	781,212	64,410	8%	1,562,424
Contracts, others	12,289			955		13,244	13,500	256	2%	27,000
Total protective services	660,903	60,074	569	8,500	0	730,046	794,712	64,666	8%	1,589,424
<i>General</i>										
Insurance	342,826	119,805	44,839	65,339	1,670	574,479	615,267	40,788	7%	1,230,533
Pilot	289,400	333,337				622,737	637,318	14,581	2%	1,274,635
Interest Expense		306,150				306,150	302,500	(3,650)	-1%	605,000
Subsidy to Mixed finance dev't.	469,116					469,116	493,159	24,043	5%	986,318
Other general expense	15,564		7,771	2,000		25,335	152,013	126,678	83%	304,025
Total general	1,116,906	759,292	52,610	67,339	1,670	1,997,817	2,200,256	202,439	9%	4,400,511
Total Operating Expenditures	8,673,757	2,505,390	1,615,536	4,840,201	69,484	17,704,368	19,379,282	1,674,914	9%	38,758,563
Excess (deficiency) of total revenue over expenses	1,020,236	1,215,248	173,783	(1,309,920)	(72,975)	1,026,372	(601,470)	1,627,842	-271%	414,881
Extra-ordinary maintenance	205,994	259,762		26,725		492,481	612,955	120,474	20%	1,225,910
Program Income	(5,502)					(5,502)	0	5,502	0	0
Net income(loss) from operation:	819,744	955,486	173,783	(1,336,645)	(72,975)	539,393	(1,214,425)	1,753,818	-144%	(811,029)
Depreciation expense	1,181,662	104,494		85,606	394	1,372,156				
Net Income (loss)	(361,918)	850,992	173,783	(1,422,251)	(73,369)	(832,763)				

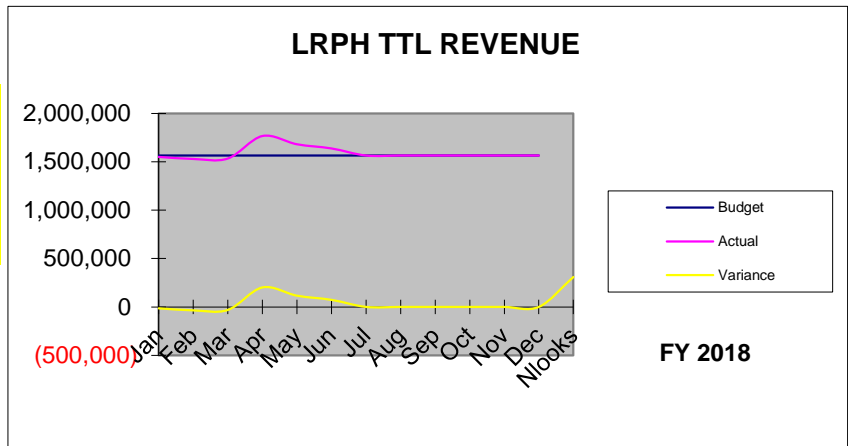
NET INCOME BEF. EXTRA ORDINARY MAINTENANCE

	Budget	Actual	Variance
Jan	(81,455)	123,750	205,205
Feb	(81,455)	160,386	241,841
Mar	(81,455)	8,472	89,927
Apr	(81,455)	253,954	335,409
May	(81,455)	109,746	191,201
Jun	(81,455)	363,928	445,383
Jul	(81,455)	(81,455)	0
Aug	(81,455)	(81,455)	0
Sep	(81,455)	(81,455)	0
Oct	(81,455)	(81,455)	0
Nov	(81,455)	(81,455)	0
Dec	(81,455)	(81,455)	0
Nlooks			1,508,969
	(977,465)	531,504	



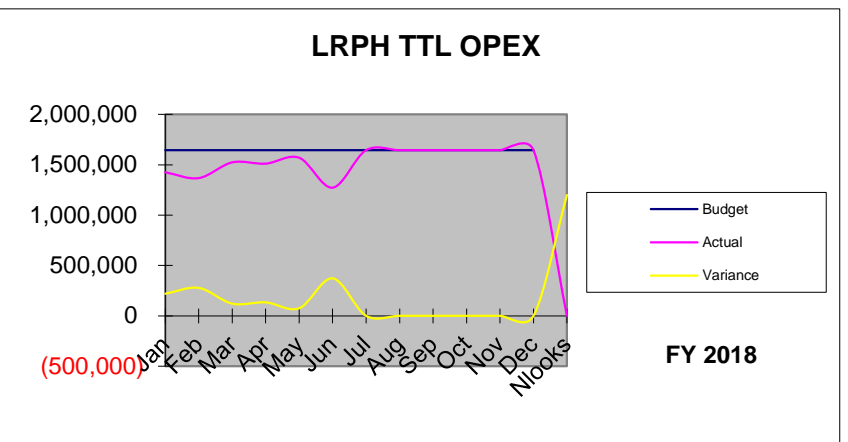
OPERATING REVENUE

	Budget	Actual	Variance
Jan	1,564,152	1,549,628	(14,524)
Feb	1,564,152	1,528,563	(35,589)
Mar	1,564,152	1,532,895	(31,257)
Apr	1,564,152	1,765,555	201,404
May	1,564,152	1,680,313	116,162
Jun	1,564,152	1,637,039	72,888
Jul	1,564,152	1,564,152	0
Aug	1,564,152	1,564,152	0
Sep	1,564,152	1,564,152	0
Oct	1,564,152	1,564,152	0
Nov	1,564,152	1,564,152	0
Dec	1,564,152	1,564,152	0
Nlooks			309,084
	18,769,818	19,078,902	



OPERATING EXPENSES

	Budget	Actual	Variance
Jan	1,645,607	1,425,878	219,729
Feb	1,645,607	1,368,177	277,430
Mar	1,645,607	1,524,423	121,184
Apr	1,645,607	1,511,601	134,006
May	1,645,607	1,570,567	75,040
Jun	1,645,607	1,273,111	372,496
Jul	1,645,607	1,645,607	0
Aug	1,645,607	1,645,607	0
Sep	1,645,607	1,645,607	0
Oct	1,645,607	1,645,607	0
Nov	1,645,607	1,645,607	0
Dec	1,645,607	1,645,607	0
Nlooks		0	1,199,885
	19,747,283	18,547,399	

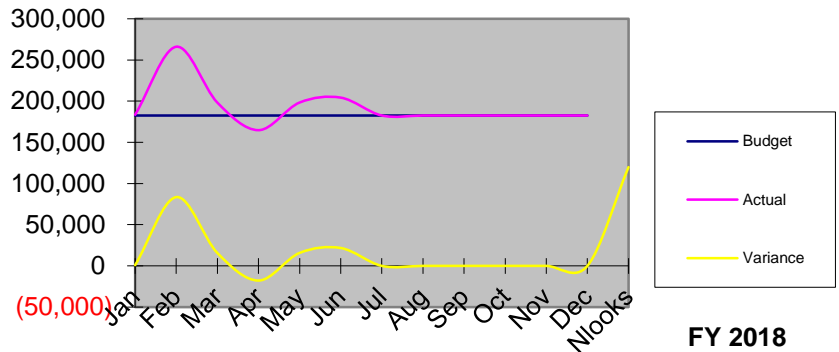


NL - Nlooks = Actual year to date (highlighted in yellow) + remaining budget of the year

NET INCOME BEF. EXTRA ORDINARY MAINTENANCE

	Budget	Actual	Variance
Jan	182,566	183,522	956
Feb	182,566	266,087	83,521
Mar	182,566	198,225	15,659
Apr	182,566	164,781	(17,785)
May	182,566	198,330	15,764
Jun	182,566	204,303	21,737
Jul	182,566	182,566	0
Aug	182,566	182,566	0
Sep	182,566	182,566	0
Oct	182,566	182,566	0
Nov	182,566	182,566	0
Dec	182,566	182,566	0
Nlooks			119,851
	2,190,794	2,310,645	

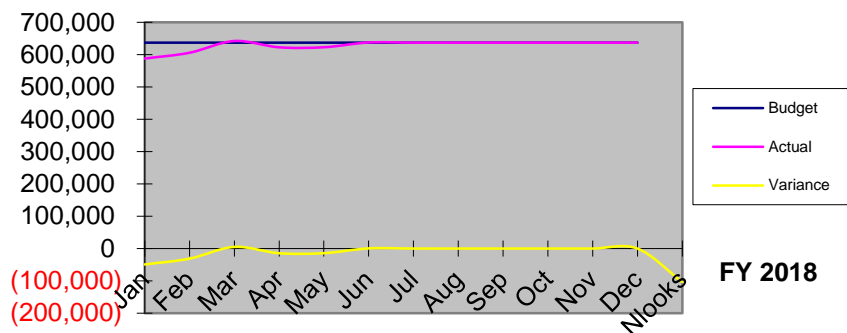
UNSUBSIDIZED HSNB NET INCOME BEF. EXTRA ORD MAINT



OPERATING REVENUE

	Budget	Actual	Variance
Jan	637,356	588,203	(49,153)
Feb	637,356	606,099	(31,257)
Mar	637,356	642,457	5,101
Apr	637,356	622,913	(14,443)
May	637,356	623,104	(14,252)
Jun	637,356	637,862	506
Jul	637,356	637,356	0
Aug	637,356	637,356	0
Sep	637,356	637,356	0
Oct	637,356	637,356	0
Nov	637,356	637,356	0
Dec	637,356	637,356	0
Nlooks			(103,498)
	7,648,271	7,544,774	

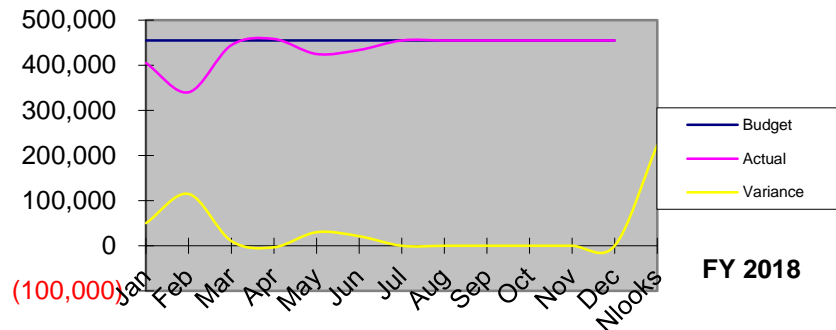
UNSUBSIDIZED HSNB. OPERATING REVENUE



OPERATING EXPENSES

	Budget	Actual	Variance
Jan	454,790	404,681	50,109
Feb	454,790	340,012	114,778
Mar	454,790	444,232	10,558
Apr	454,790	458,132	(3,342)
May	454,790	424,774	30,016
Jun	454,790	433,559	21,231
Jul	454,790	454,790	0
Aug	454,790	454,790	0
Sep	454,790	454,790	0
Oct	454,790	454,790	0
Nov	454,790	454,790	0
Dec	454,790	454,790	0
Nlooks			223,349
	5,457,477	5,234,129	

UNSUBSIDIZED HSNB. OPEX

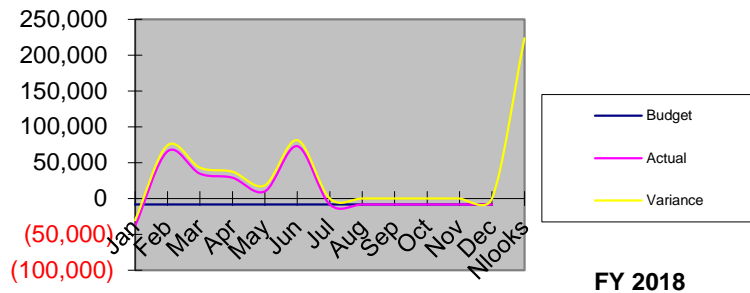


NL - Nlooks = Actual year to date (highlighted in yellow) + remaining budget of the year

NET INCOME

	Budget	Actual	Variance
Jan	(8,336)	(38,812)	(30,476)
Feb	(8,336)	65,819	74,155
Mar	(8,336)	34,629	42,965
Apr	(8,336)	29,083	37,419
May	(8,336)	9,975	18,311
Jun	(8,336)	73,089	81,425
Jul	(8,336)	(8,336)	0
Aug	(8,336)	(8,336)	0
Sep	(8,336)	(8,336)	0
Oct	(8,336)	(8,336)	0
Nov	(8,336)	(8,336)	0
Dec	(8,336)	(8,336)	0
Nlooks			223,798
	(100,030)	123,768	

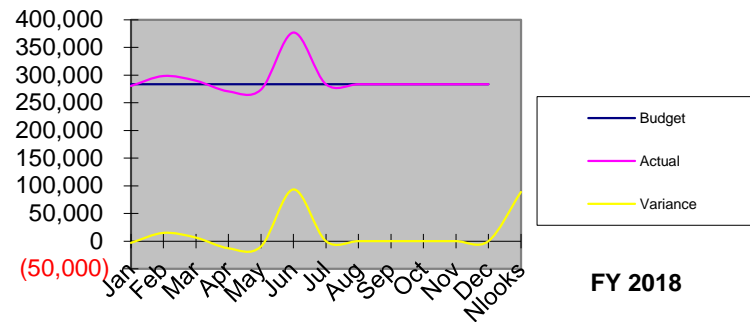
RAP NET INCOME BEF. EXTRA ORD MAINTENANCE



OPERATING REVENUE

	Budget	Actual	Variance
Jan	283,437	280,346	(3,091)
Feb	283,437	298,286	14,849
Mar	283,437	289,780	6,343
Apr	283,437	270,504	(12,933)
May	283,437	273,618	(9,819)
Jun	283,437	376,785	93,348
Jul	283,437	283,437	0
Aug	283,437	283,437	0
Sep	283,437	283,437	0
Oct	283,437	283,437	0
Nov	283,437	283,437	0
Dec	283,437	283,437	0
Nlooks			88,696
	3,401,247	3,489,943	

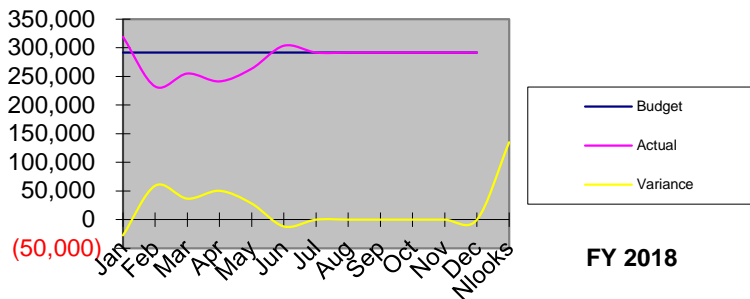
RAP OPERATING REV.



OPERATING EXPENSES

	Budget	Actual	Variance
Jan	291,773	319,158	(27,385)
Feb	291,773	232,467	59,306
Mar	291,773	255,151	36,622
Apr	291,773	241,421	50,352
May	291,773	263,643	28,130
Jun	291,773	303,696	(11,923)
Jul	291,773	291,773	0
Aug	291,773	291,773	0
Sep	291,773	291,773	0
Oct	291,773	291,773	0
Nov	291,773	291,773	0
Dec	291,773	291,773	0
Nlooks			135,103
	3,501,277	3,366,175	

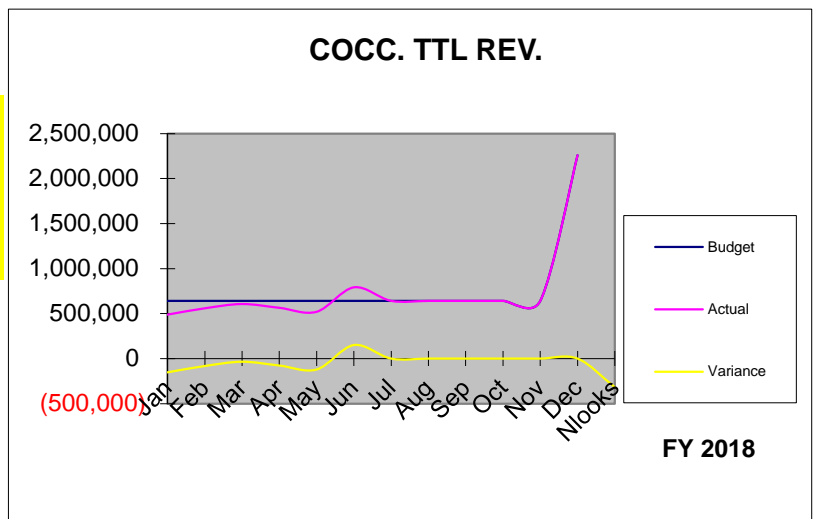
RAP OPEX



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

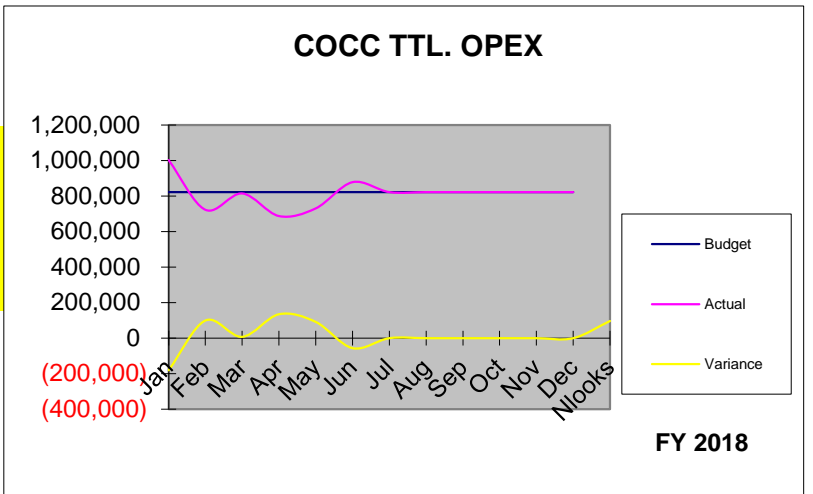
OPERATING REVENUE

	Budget	Actual	Variance
Jan	641,287	488,745	(152,542)
Feb	641,287	558,950	(82,337)
Mar	641,287	606,371	(34,916)
Apr	641,287	564,202	(77,085)
May	641,287	520,156	(121,131)
Jun	641,287	791,857	150,571
Jul	641,287	641,287	0
Aug	641,287	641,287	0
Sep	641,287	641,287	0
Oct	641,287	641,287	0
Nov	641,287	641,287	0
Dec	2,259,107	2,259,107	0
Nlooks	9,313,258	8,995,820	(317,438)



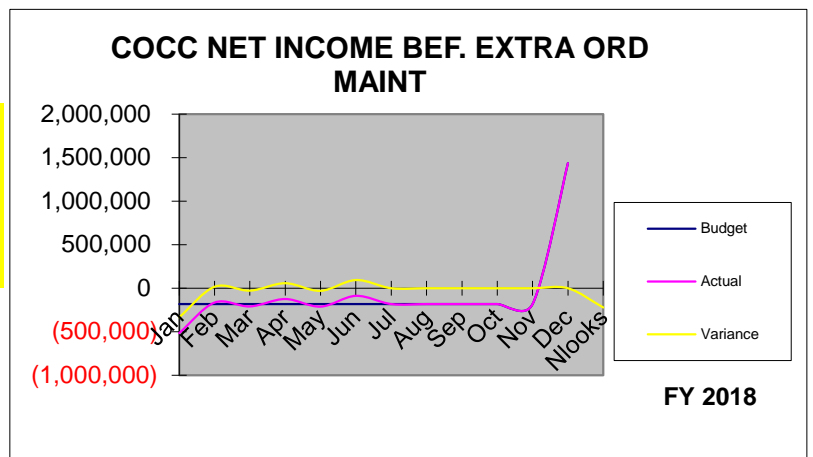
OPERATING EXPENSES

	Budget	Actual	Variance
Jan	822,831	1,003,614	(180,783)
Feb	822,831	723,312	99,519
Mar	822,831	815,312	7,519
Apr	822,831	687,918	134,913
May	822,831	731,097	91,734
Jun	822,831	878,948	(56,117)
Jul	822,831	822,831	0
Aug	822,831	822,831	0
Sep	822,831	822,831	0
Oct	822,831	822,831	0
Nov	822,831	822,831	0
Dec	822,831	822,831	0
Nlooks	9,873,970	9,777,186	96,784



NET INCOME

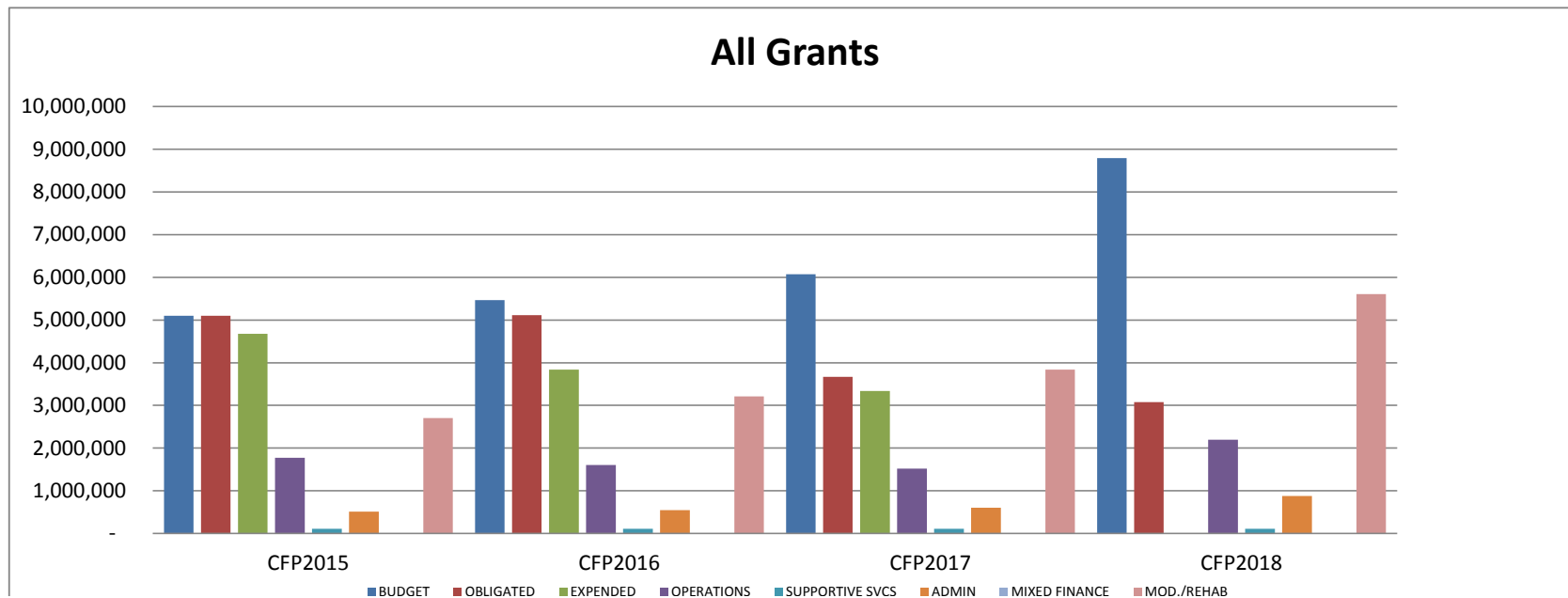
	Budget	Actual	Variance
Jan	(181,544)	(514,869)	(333,325)
Feb	(181,544)	(164,362)	17,182
Mar	(181,544)	(208,941)	(27,397)
Apr	(181,544)	(123,716)	57,828
May	(181,544)	(210,941)	(29,397)
Jun	(181,544)	(87,091)	94,453
Jul	(181,544)	(181,544)	0
Aug	(181,544)	(181,544)	0
Sep	(181,544)	(181,544)	0
Oct	(181,544)	(181,544)	0
Nov	(181,544)	(181,544)	0
Dec	1,436,276	1,436,276	0
Nlooks	(560,712)	(781,366)	(220,654)



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

HACM
MAJOR GRANTS SUMMARY
30-Jun-18

	SPENDING PLAN								END DATE
	BUDGET	OBLIGATED	EXPENDED	OPERATIONS	SUPPORTIVE SVCS	ADMIN	MIXED FINANCE	MOD./REHAB	
CFP2015	5,098,171	5,098,171	4,675,049	1,774,946	110,000	509,817		2,703,408	9/15/2019
CFP2016	5,467,349	5,111,304	3,837,154	1,601,933	110,000	546,734		3,208,682	4/12/2020
CFP2017	6,071,406	3,667,849	3,336,140	1,517,851	110,000	607,140		3,836,415	8/16/2021
CFP2018	8,789,890	3,076,461	-	2,197,472	110,000	878,989		5,603,429	5/28/2022
TOTAL	25,426,816	16,953,785	11,848,343	7,092,202	440,000	2,542,680	-	15,351,934	
PERCENT	100%	67%	47%	28%	2%	10%	0%	60%	



HOUSING AUTHORITY OF THE CITY OF MILWAUKEE
NOTES TO FINANCIAL REPORT

1. Restricted Cash & investments

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

2. Allowance for Doubtful Accounts

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

3. Accounts Receivable (AR) – HUD

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

4. AR Development Fee

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

5. Due From Accounts

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

6. Notes Receivable & Accrued Interest

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

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

7. Accrued Compensated Absences

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

8. Net OPEB Liability

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

9. Restricted Reserved

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

10. Capital Fund Transfer – in

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

11. Contingent Liabilities

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

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

HACM

FINANCIAL REPORTS

GLOSSARY OF TERMS & BASIC DEFINITIONS

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

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

CFP – Capital fund program

COCC – Central office cost center

FSS – Family self sufficiency

HAP – Housing assistance payment

HUD – Housing and Urban Development

IT – Information technology

LRPH – Low rent public housing

OPEX – operating expenses

PILOT – Payment in-lieu of taxes

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

ROSS – Resident opportunity and supportive services

VETS – Veterans housing projects

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

Balance Sheets

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

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

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

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

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

Statement of revenue and expenses

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

What are income statements used for?

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

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

Source: www.businesstown.com