



FINANCIAL REPORTS

MARCH 31, 2019

HOUSING AUTHORITY OF THE CITY OF MILWAUKEE
FINANCIAL REPORTS
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HA of the City Milwaukee
Financial Highlights
As of March 31, 2019

Financial Position (pp. 3-4)

As of March 31, 2019, HACM has total assets of \$249mm compared to December 31, 2018 at \$256mm. Agency-wide working capital (difference between current assets & current liabilities) was at \$16mm indicating HACM's strong capacity to meet maturing obligations. Total cash & investments as of the end of March 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	\$8.13mm
Unsubsidized Housing	13.20
Rental Assistance Program	4.86
Central Office	0.58
Grants	8.98

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

Low Rent Public Housing	\$3.91mm
Unsubsidized Housing	11.78
Rental Assistance Program-Admin	(0.27)
Central office	(5.65)

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 6% under budget (p. 5) and total spending was 14% under budget (p.6). Administrative expenses compared to budgeted expenses were under budget by about 6%. Tenant services were 9% over budget; Utilities were 30% under budget; Maintenance expenses were 23% under budget, protective services 2% under budget and general expenses were 16% under budget. Consolidated net income from operations for the period ended March 31, 2019 was \$1,161,731 (p. 6).

Low Rent Public Housing (LRPH)

LRPH operations resulted in a net income from operations of \$630,502 (p. 6) in the first quarter. Operating revenue was \$180,585 under budget and total operating expenses for the period were \$809,556 under budget. All combined, LRPH posted a positive variance of \$628,971 (see p. 7).

Unsubsidized Housing

Unsubsidized Housing has a favorable result of operations during the quarter. Net income from operations was \$956,681 (p.6) before amortization of principal on series 2015 bonds. Revenue was \$19,692 under budget and operating expenses were under budget by \$380,608 during the period. All combined, Unsubsidized Housing has a positive variance of \$360,916 (see p. 8).

Rental Assistance Program (RAP)

RAP has net income of \$141,120 at the end of the period (p. 6). Administrative revenue was \$61,549 over budget and spending was under budget by \$76,052, resulting in an overall positive net income variance of \$137,601 (see p. 9).

The Housing Assistance Payment (HAP) grant during the period was \$9.89mm against total disbursement of \$8.74mm, reflecting a budget utilization of 88%. 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 \$566,572 (p.6) at the end of the quarter. Total revenue was under budget by \$440,552 (see p. 10). Operating expenses were under budget by \$121,786. All combined, COCC posted a negative variance of \$318,767 (see p. 10).

Grant Management (pp.11)

As of March 31, 2019, 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 79% has been obligated and 68% 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 MARCH 31, 2019

	Mar. 31, 2019					Dec. 31, 2018
	LRPH	UNSUBSIDIZED HOUSING	RAP	COCC	GRANTS/DEVT	Total HACM
ASSETS						
CURRENT ASSETS						
CASH						
UNRESTRICTED CASH	7,697,616	10,728,784	2,198,486	0	8,979,291	29,604,177
RESTRICTED CASH (Note 1)		3,282,455	2,315,166	57,976		5,655,597
TOTAL CASH	7,697,616	14,011,239	4,513,652	57,976	8,979,291	35,259,774
ACCOUNTS RECEIVABLE-TENANTS	428,310	51,724				480,034
ALLOWANCE FOR DOUBTFUL ACCOUNTS (Note 2)	(152,768)	(53,788)				(206,556)
NET ACCOUNTS RECEIVABLE-TENANTS	275,542	(2,064)	0	0	0	273,478
ACCOUNTS RECEIVABLE-MISC						
AR-HUD (Note 3)	1,655,691					1,655,691
AR- DEVELOPMENT FEE (Note 4)						0
AR - OTHERS	148,425	475	7,682	1,978,078	3,290	2,137,950
TOTAL AR-MISC	1,804,116	475	7,682	1,978,078	3,290	3,793,641
INVESTMENTS						
RESTRICTED (Note 1)	428,945	2,471,214	342,066	31		3,242,256
TOTAL INVESTMENTS	428,945	2,471,214	342,066	31	0	3,242,256
PREPAID EXPENSES AND OTHER ASSETS						
PREPAID EXPENSES AND OTHER ASSETS	165,307	59,982	49,488	94,775	37	369,589
TOTAL PREPAID EXPENSES AND OTHER ASSETS	165,307	59,982	49,488	94,775	37	369,589
CURRENT INTERFUNDS						
TOTAL DUE FROM AMOUNTS - CURRENT (Note 5)	0	0	0	2,310,195	(2,310,195)	0
TOTAL CURRENT ASSETS	10,371,526	16,540,846	4,912,888	4,441,055	6,672,423	42,938,738
NON-CURRENT ASSETS						
FIXED ASSETS						
LAND & LAND IMPROVEMENTS	32,276,415	2,759,343		461,283	240,000	35,737,041
BUILDINGS	217,240,376	50,203,141		8,516,847		275,960,364
FURNITURES, EQPT. MACHINERY	1,428,388	203,303	72,604	1,785,105		3,489,400
CONSTRUCTION IN PROGRESS	215,442			1,749,094	28,524,052	30,488,588
TOTAL FIXED ASSETS	251,160,621	53,165,787	72,604	12,512,329	28,764,052	345,675,393
ACCUMULATED DEPRECIATION	(174,912,510)	(44,931,358)	(72,604)	(5,425,581)		(225,342,053)
FIXED ASSETS, NET OF DEPRECIATION	76,248,111	8,234,429	0	7,086,748	28,764,052	120,333,340
OTHER ASSETS						
NOTES RECEIVABLE (Note 7)	49,652,391	3,000,000		17,881,297	1,031,615	71,565,303
NOTES INTEREST RECEIVABLE (Note 6)	9,675,126			625,911		10,301,037
FINANCING FEES & OTHER ASSETS	1,122,702		684,841	1,894,944		3,702,487
TOTAL OTHER ASSETS	60,450,219	3,000,000	684,841	20,402,152	1,031,615	85,568,827
TOTAL NON-CURRENT ASSETS	136,698,330	11,234,429	684,841	27,488,900	29,795,667	205,902,167
TOTAL ASSETS	147,069,856	27,775,275	5,597,729	31,929,955	36,468,090	248,840,905
LIABILITIES AND EQUITY						
CURRENT LIABILITIES						

HOUSING AUTHORITY OF THE CITY OF MILWAUKEE
BALANCE SHEETS
AS OF MARCH 31, 2019

	Mar. 31, 2019					Dec. 31, 2018
	LRPH	UNSUBSIDIZED HOUSING	RAP	COCC	GRANTS/DEVT	Total HACM
ACCOUNTS PAYABLE						
ACCOUNTS PAYABLE	72,526	79,613	21,377	613,313	14,966,092	15,752,921
TOTAL ACCOUNTS PAYABLE	72,526	79,613	21,377	613,313	14,966,092	15,752,921
ACCRUED LIABILITIES						
ACCRUED SALARIES & BENEFITS	287			94,660		94,947
ACCRUED INTEREST PAYABLE		148,489				148,489
DEFERED REVENUE	1,035,401		716,603	1,947,987		3,699,991
DUE TO GOVERNMENT - PILOT & OTHERS	718,236	1,256,998		816,476		2,791,710
ACCRUED COMPENSATED ABSENCES (Note 7)	0	0	0	846,412	0	846,412
OTHER ACCRUED LIABILITIES	689			885,069		885,758
TOTAL ACCRUED LIABILITIES	1,754,613	1,405,487	716,603	4,590,604	0	8,467,307
OTHER CURRENT LIABILITIES						
TENANT SECURITY DEPOSITS	635,677	519,050		4,200		1,158,927
FSS ESCROW ACCOUNT	78,945		342,066			421,011
NOTES PAYABLE						0
CURRENT PORTION-LT DEBT		745,000				745,000
TOTAL OTHER CURRENT LIABILITIES	714,622	1,264,050	342,066	4,200	0	2,324,938
TOTAL CURRENT LIABILITIES	2,541,761	2,749,150	1,080,046	5,208,117	14,966,092	26,545,166
NON-CURRENT LIABILITIES						
LONG TERM DEBT						
MORTGAGE REVENUE BONDS				52,098		52,098
NOTES PAYABLE		16,954,083			14,481,460	31,435,543
TOTAL	0	16,954,083	0	52,098	14,481,460	31,487,641
LESS CURRENT PORTION		(745,000)				(745,000)
TOTAL LONG TERM DEBT - NET	0	16,209,083	0	52,098	14,481,460	30,742,641
NONCURRENT LIABILITIES-OTHER						
NET OPEB LIABILITY (Note 8)	2,703,286		1,738,950	4,774,776		9,217,012
NET PENSION LIABILITY	1,214,480		731,545	2,027,975		3,974,000
TOTAL NONCURRENT LIABILITIES-OTHER	3,917,766	0	2,470,495	6,802,751	0	13,191,012
TOTAL NON-CURRENT LIABILITIES	3,917,766	16,209,083	2,470,495	6,854,849	14,481,460	43,933,653
TOTAL LIABILITIES	6,459,527	18,958,233	3,550,541	12,062,966	29,447,552	70,478,819
EQUITY						
INVESTED IN CAPITAL ASSETS, NET OF DEBT	76,248,111	(8,719,654)	0	7,086,748	28,764,052	103,379,257
UNRESTRICTED RESERVE	3,911,999	11,783,027	(267,978)	(5,651,943)	(22,775,129)	(13,000,024)
RESTRICTED RESERVE (Note 9)	60,450,219	5,753,669	2,315,166	18,432,184	1,031,615	87,982,853
TOTAL EQUITY	140,610,329	8,817,042	2,047,188	19,866,989	7,020,538	178,362,086
TOTAL LIABILITIES AND EQUITY	147,069,856	27,775,275	5,597,729	31,929,955	36,468,090	248,840,905

HA OF THE CITY OF MILWAUKEE
CONSOLIDATED STATEMENT OF REVENUE & EXPENSES
BUDGETED PROGRAM ONLY
AS OF MARCH 31, 2019

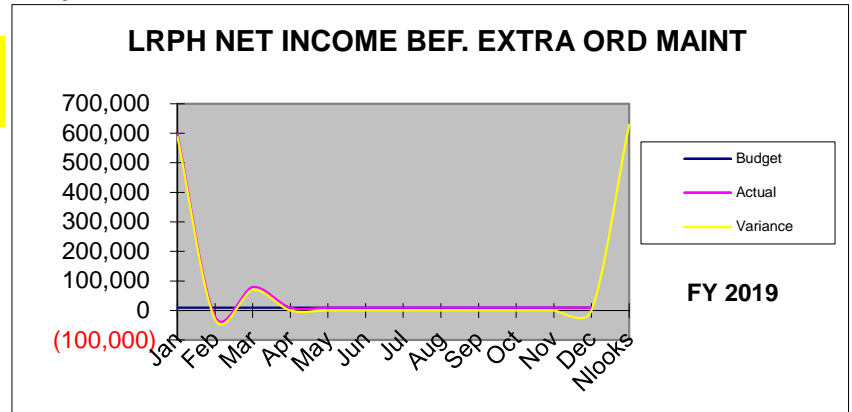
	LRPH	UNSUBSIDIZED HSNG	RAP	COCC	YTD ACTUAL	YTD BUDGET	VARIANCE	
							AMOUNT	PERCENT
Operating Income								
<i>Operating/admin subsidies</i>	1,429,502		914,902		2,344,404	2,331,133	13,272	1%
<i>Dwelling rents</i>	2,421,808	1,808,599			4,230,407	4,393,696	(163,289)	-4%
<i>Excess utilities & other</i>	42,437	29,974			72,411	132,053	(59,642)	-45%
<i>Capital fund transfer in (Note 10)</i>	768,750				768,750	768,750	0	0%
<i>Other income</i>	132,070	40,476	34,850	113,140	320,536	349,892	(29,356)	-8%
<i>Management fees</i>				1,004,211	1,004,211	1,111,746	(107,535)	-10%
<i>Central maintenance revenue</i>				599,359	599,359	855,665	(256,306)	-30%
<i>Developers fee</i>					0	0	0	0%
<i>Interest on general fund</i>	518	44,859	4	12,148	57,529	33,954	23,575	69%
Total Income	4,795,085	1,923,908	949,756	1,728,858	9,397,607	9,976,888	(579,281)	-6%
Operating Expenditures								
Administrative								
<i>Salaries</i>	264,727	31,357	343,237	767,835	1,407,156	1,563,688	156,532	10%
<i>Employee benefits</i>	146,473	37,333	215,246	490,813	889,865	660,000	(229,865)	-35%
<i>Legal and accounting</i>		1,422			1,422	49,163	47,741	97%
<i>Audit</i>					0	36,231	36,231	100%
<i>Travel and training</i>	1,640		4,664	17,811	24,115	60,950	36,835	60%
<i>Contracted property management</i>				49,147	49,147	73,949	24,802	34%
<i>Management fees</i>	664,202	165,010	174,999		1,004,211	1,111,746	107,535	10%
<i>Housing intake</i>	151,292				151,292	130,853	(20,440)	-16%
<i>Office supplies & printing</i>	8,576	290	3,206	8,030	20,102	31,356	11,254	36%
<i>Telephone</i>	7,625	723	3,623	14,691	26,662	20,715	(5,947)	-29%
<i>Postage</i>	1,587	100		1,564	3,251	17,340	14,089	81%
<i>Other contracted services</i>	343		24,139	92,651	117,133	159,875	42,742	27%
<i>Other</i>	44,288	25,877	1,564	166,116	237,845	282,671	44,826	16%
Total admin	1,290,753	262,112	770,678	1,608,658	3,932,201	4,198,535	266,334	6%
Tenant Services								
<i>Resident services allocation</i>	(57,167)				(57,167)	(28,062)	29,105	104%
<i>Salaries & benefits</i>	32,374			32,061	64,435	72,653	8,218	11%
<i>Contracts, trainings, others</i>	186,384	6,020	30	1,038	193,472	140,085	(53,387)	-38%
Total tenant services	161,591	6,020	30	33,099	200,740	184,676	(16,065)	-9%

HA OF THE CITY OF MILWAUKEE
CONSOLIDATED STATEMENT OF REVENUE & EXPENSES
BUDGETED PROGRAM ONLY
AS OF MARCH 31, 2019

	LRPH	UNSUBSIDIZED HSNG	RAP	COCC	YTD ACTUAL	YTD BUDGET	VARIANCE	
							AMOUNT	PERCENT
<i>Utilities</i>								
Water	237,571	67,297		132	305,000	585,727	280,727	48%
Electric	195,935	11,489		9,193	216,617	322,611	105,994	33%
Gas	222,955	10,796		5,333	239,084	179,987	(59,097)	-33%
Total utilities	656,461	89,582	0	14,658	760,701	1,088,325	327,624	30%
<i>Ordinary maintenance</i>								
Salaries	217,164	41,793		338,816	597,773	807,429	209,656	26%
Employee benefits Maint	156,055	42,540		220,653	419,248	330,899	(88,349)	-27%
Maintenance materials	221,621	16,900	79	13,571	252,171	423,300	171,129	40%
Maintenance contracts	747,904	153,528	4,188	23,610	929,230	1,298,602	369,372	28%
Total maintenance	1,342,744	254,761	4,267	596,650	2,198,422	2,860,231	661,809	23%
<i>Protective Services</i>								
Public safety allocation	324,494	29,909		1,059	355,462	361,985	6,523	2%
Contracts, others	5,854				5,854	7,775	1,921	25%
Total protective services	330,348	29,909	0	1,059	361,316	369,760	8,444	2%
<i>General</i>								
Insurance	181,147	63,222	29,563	38,877	312,809	285,501	(27,308)	-10%
Pilot	125,684	113,132			238,816	334,837	96,021	29%
Interest Expense		148,489			148,489	145,834	(2,655)	-2%
Subsidy to Mixed finance dev't.	42,648				42,648	48,701	6,053	12%
Other general expense	6,343		3,680		10,023	77,769	67,746	87%
Total general	355,822	324,843	33,243	38,877	752,785	892,641	139,856	16%
Total Operating Expenditures	4,137,719	967,227	808,218	2,293,001	8,206,165	9,594,167	1,388,002	14%
Excess (deficiency) of total revenue over expenses	657,366	956,681	141,538	(564,143)	1,191,442	382,721	808,721	211%
Extra-ordinary maintenance	38,245		418	2,429	41,092	570,404	529,312	93%
Program Income	(11,381)				(11,381)	(369,600)	(358,219)	97%
Net income(loss) from operation:	630,502	956,681	141,120	(566,572)	1,161,731	181,917	979,814	539%
Depreciation expense	1,052,589	105,032		86,950	1,244,571			
Net Income (loss)	(422,087)	851,649	141,120	(653,522)	(82,840)			

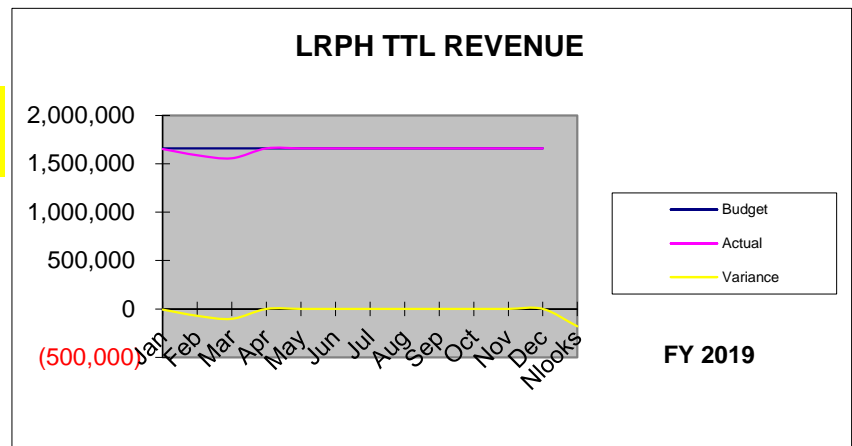
NET INCOME BEF. EXTRA ORDINARY MAINTENANCE

	Budget	Actual	Variance
Jan	9,465	598,133	588,668
Feb	9,465	(20,265)	(29,730)
Mar	9,465	79,498	70,033
Apr	9,465	9,465	0
May	9,465	9,465	0
Jun	9,465	9,465	0
Jul	9,465	9,465	0
Aug	9,465	9,465	0
Sep	9,465	9,465	0
Oct	9,465	9,465	0
Nov	9,465	9,465	0
Dec	9,465	9,465	0
Nlooks	113,580	742,551	628,971



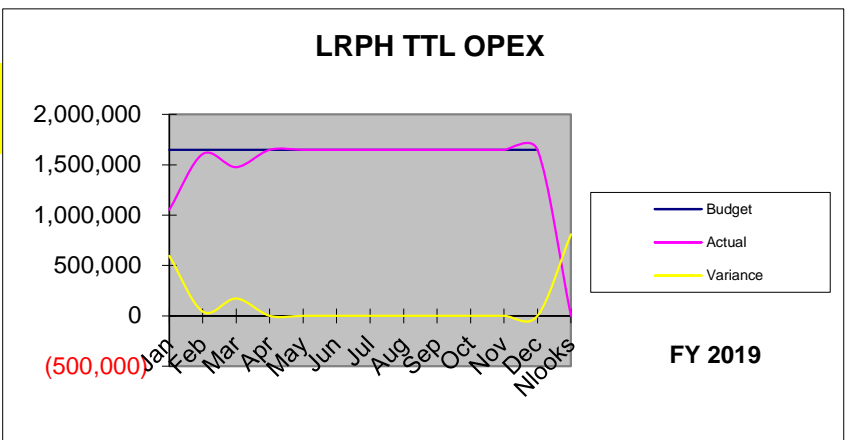
OPERATING REVENUE

	Budget	Actual	Variance
Jan	1,658,557	1,651,483	(7,074)
Feb	1,658,557	1,587,337	(71,220)
Mar	1,658,557	1,556,265	(102,292)
Apr	1,658,557	1,658,557	0
May	1,658,557	1,658,557	0
Jun	1,658,557	1,658,557	0
Jul	1,658,557	1,658,557	0
Aug	1,658,557	1,658,557	0
Sep	1,658,557	1,658,557	0
Oct	1,658,557	1,658,557	0
Nov	1,658,557	1,658,557	0
Dec	1,658,557	1,658,557	0
Nlooks	19,902,681	19,722,096	(180,585)



OPERATING EXPENSES

	Budget	Actual	Variance
Jan	1,649,092	1,053,350	595,742
Feb	1,649,092	1,607,602	41,490
Mar	1,649,092	1,476,767	172,325
Apr	1,649,092	1,649,092	0
May	1,649,092	1,649,092	0
Jun	1,649,092	1,649,092	0
Jul	1,649,092	1,649,092	0
Aug	1,649,092	1,649,092	0
Sep	1,649,092	1,649,092	0
Oct	1,649,092	1,649,092	0
Nov	1,649,092	1,649,092	0
Dec	1,649,092	1,649,092	0
Nlooks	19,789,101	18,979,545	809,556

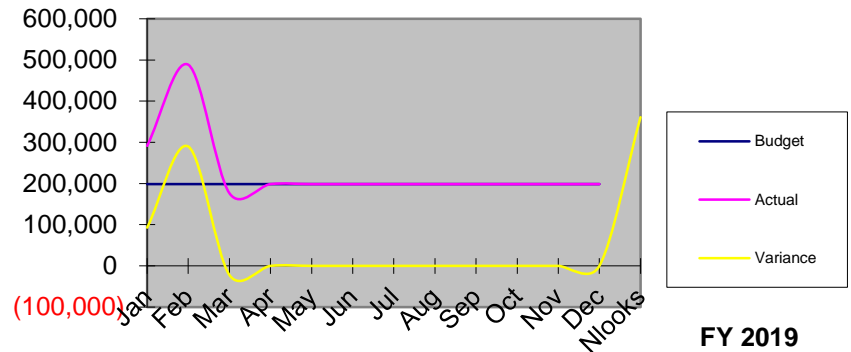


NL - Nlooks = Actual year to date (highlighted in yellow) + remaining budget of the year

NET INCOME BEF. EXTRA ORDINARY MAINTENANCE

	Budget	Actual	Variance
Jan	198,589	291,587	92,999
Feb	198,589	488,430	289,842
Mar	198,589	176,664	(21,924)
Apr	198,589	198,589	0
May	198,589	198,589	0
Jun	198,589	198,589	0
Jul	198,589	198,589	0
Aug	198,589	198,589	0
Sep	198,589	198,589	0
Oct	198,589	198,589	0
Nov	198,589	198,589	0
Dec	198,589	198,589	0
Nlooks	2,383,062	2,743,978	360,916

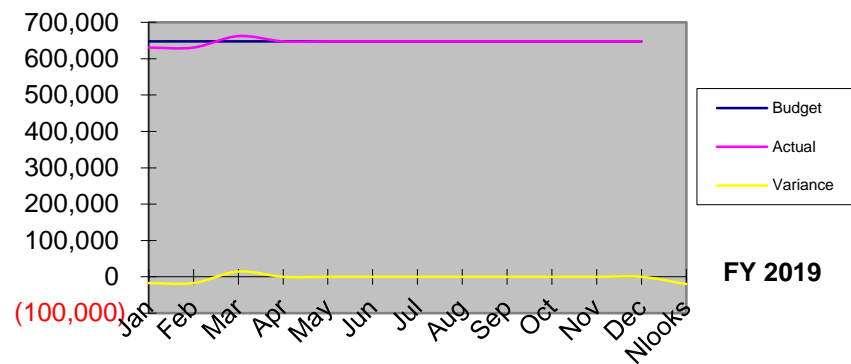
UNSUBSIDIZED HSNB NET INCOME BEF. EXTRA ORD MAINT



OPERATING REVENUE

	Budget	Actual	Variance
Jan	647,867	630,745	(17,122)
Feb	647,867	630,803	(17,064)
Mar	647,867	662,360	14,493
Apr	647,867	647,867	0
May	647,867	647,867	0
Jun	647,867	647,867	0
Jul	647,867	647,867	0
Aug	647,867	647,867	0
Sep	647,867	647,867	0
Oct	647,867	647,867	0
Nov	647,867	647,867	0
Dec	647,867	647,867	0
Nlooks	7,774,400	7,754,708	(19,692)

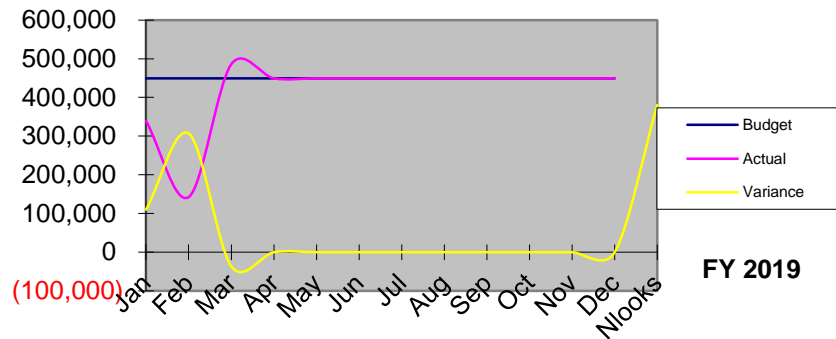
UNSUBSIDIZED HSNB. OPERATING REVENUE



OPERATING EXPENSES

	Budget	Actual	Variance
Jan	449,278	339,158	110,120
Feb	449,278	142,373	306,905
Mar	449,278	485,696	(36,418)
Apr	449,278	449,278	0
May	449,278	449,278	0
Jun	449,278	449,278	0
Jul	449,278	449,278	0
Aug	449,278	449,278	0
Sep	449,278	449,278	0
Oct	449,278	449,278	0
Nov	449,278	449,278	0
Dec	449,278	449,278	0
Nlooks	5,391,338	5,010,731	380,608

UNSUBSIDIZED HSNB. OPEX

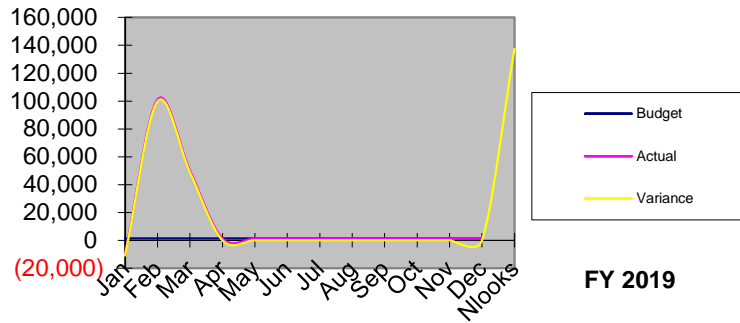


NL - Nlooks = Actual year to date (highlighted in yellow) + remaining budget of the year

NET INCOME

	Budget	Actual	Variance
Jan	1,312	(9,700)	(11,012)
Feb	1,312	101,080	99,768
Mar	1,312	50,158	48,846
Apr	1,312	1,312	0
May	1,312	1,312	0
Jun	1,312	1,312	0
Jul	1,312	1,312	0
Aug	1,312	1,312	0
Sep	1,312	1,312	0
Oct	1,312	1,312	0
Nov	1,312	1,312	0
Dec	1,312	1,312	0
Nlooks			137,601
	15,747	153,348	

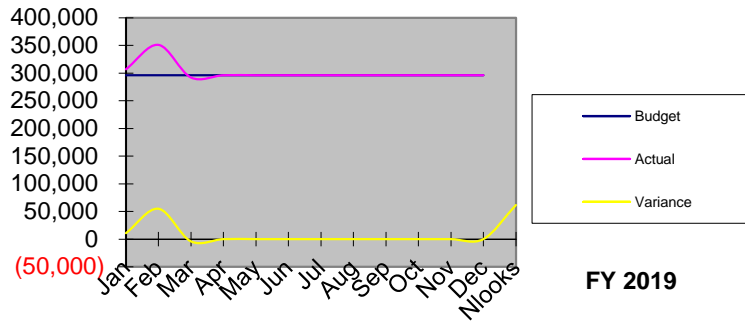
RAP NET INCOME BEF. EXTRA ORD MAINTENANCE



OPERATING REVENUE

	Budget	Actual	Variance
Jan	296,069	306,829	10,760
Feb	296,069	350,923	54,854
Mar	296,069	292,004	(4,065)
Apr	296,069	296,069	0
May	296,069	296,069	0
Jun	296,069	296,069	0
Jul	296,069	296,069	0
Aug	296,069	296,069	0
Sep	296,069	296,069	0
Oct	296,069	296,069	0
Nov	296,069	296,069	0
Dec	296,069	296,069	0
Nlooks			61,549
	3,552,829	3,614,378	

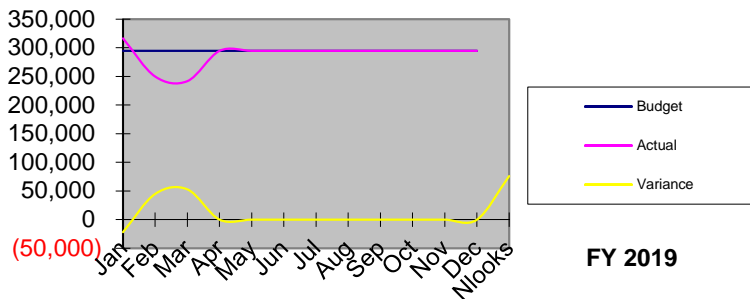
RAP OPERATING REV.



OPERATING EXPENSES

	Budget	Actual	Variance
Jan	294,757	316,529	(21,772)
Feb	294,757	249,843	44,914
Mar	294,757	241,846	52,911
Apr	294,757	294,757	0
May	294,757	294,757	0
Jun	294,757	294,757	0
Jul	294,757	294,757	0
Aug	294,757	294,757	0
Sep	294,757	294,757	0
Oct	294,757	294,757	0
Nov	294,757	294,757	0
Dec	294,757	294,757	0
Nlooks			76,052
	3,537,082	3,461,030	

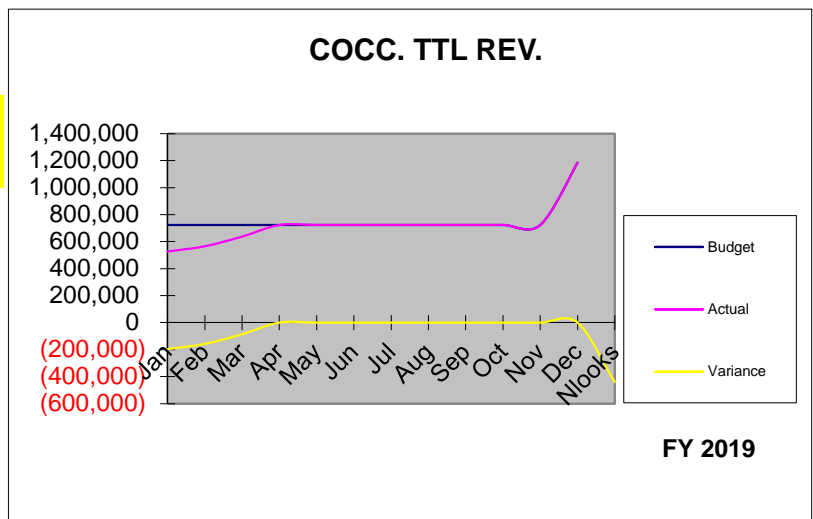
RAP OPEX



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

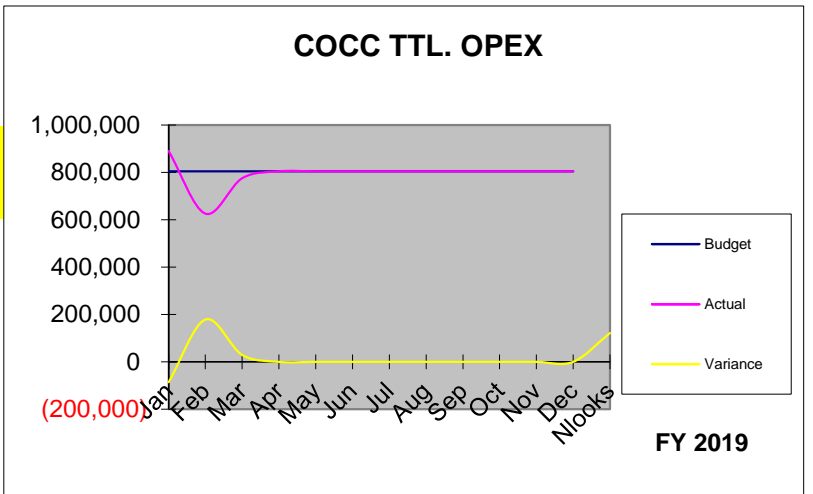
OPERATING REVENUE

	Budget	Actual	Variance
Jan	723,137	526,627	(196,510)
Feb	723,137	565,371	(157,766)
Mar	723,137	636,860	(86,277)
Apr	723,137	723,137	0
May	723,137	723,137	0
Jun	723,137	723,137	0
Jul	723,137	723,137	0
Aug	723,137	723,137	0
Sep	723,137	723,137	0
Oct	723,137	723,137	0
Nov	723,137	723,137	0
Dec	1,184,587	1,184,587	0
Nlooks	9,139,091	8,698,539	(440,552)



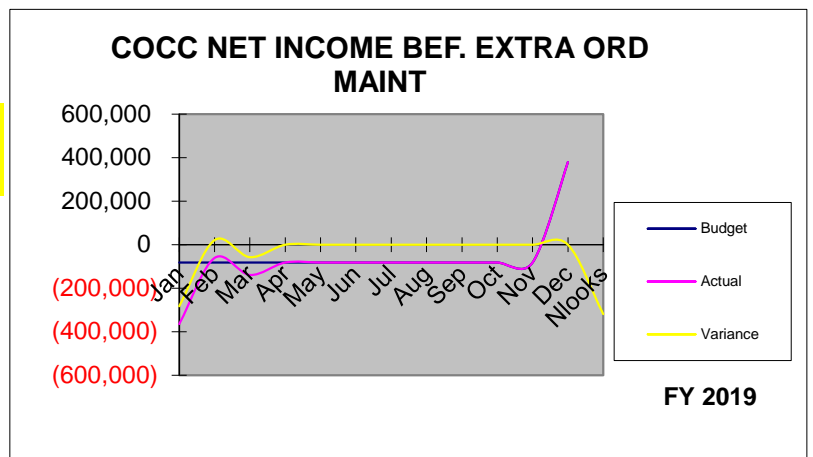
OPERATING EXPENSES

	Budget	Actual	Variance
Jan	804,929	890,973	(86,044)
Feb	804,929	626,185	178,744
Mar	804,929	775,843	29,086
Apr	804,929	804,929	0
May	804,929	804,929	0
Jun	804,929	804,929	0
Jul	804,929	804,929	0
Aug	804,929	804,929	0
Sep	804,929	804,929	0
Oct	804,929	804,929	0
Nov	804,929	804,929	0
Dec	804,929	804,929	0
Nlooks	9,659,147	9,537,361	121,786



NET INCOME

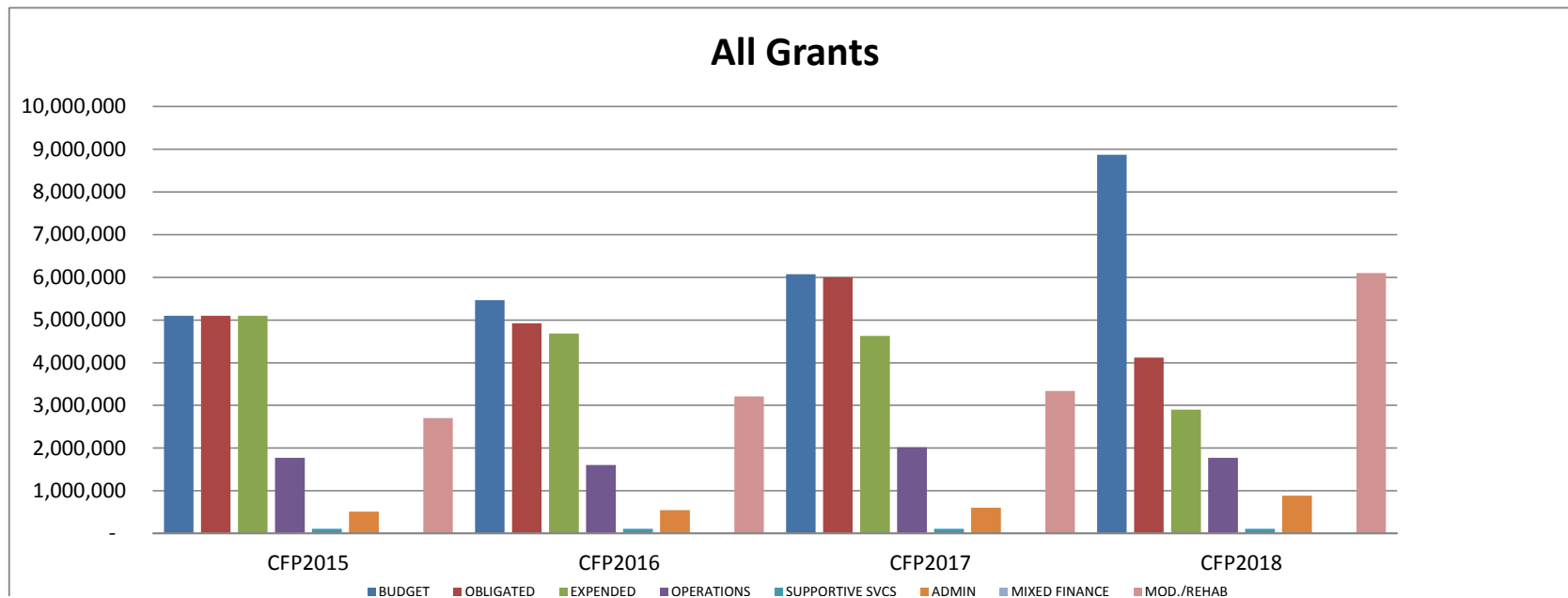
	Budget	Actual	Variance
Jan	(81,792)	(364,346)	(282,554)
Feb	(81,792)	(60,814)	20,978
Mar	(81,792)	(138,983)	(57,191)
Apr	(81,792)	(81,792)	0
May	(81,792)	(81,792)	0
Jun	(81,792)	(81,792)	0
Jul	(81,792)	(81,792)	0
Aug	(81,792)	(81,792)	0
Sep	(81,792)	(81,792)	0
Oct	(81,792)	(81,792)	0
Nov	(81,792)	(81,792)	0
Dec	379,658	379,658	0
Nlooks	(520,056)	(838,823)	(318,767)



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

HACM
MAJOR GRANTS SUMMARY
31-Mar-19

	SPENDING PLAN								END DATE
	BUDGET	OBLIGATED	EXPENDED	OPERATIONS	SUPPORTIVE SVCS	ADMIN	MIXED FINANCE	MOD./REHAB	
CFP2015	5,098,171	5,098,171	5,098,171	1,774,946	110,000	509,817		2,703,408	9/15/2019
CFP2016	5,467,349	4,923,939	4,687,095	1,601,933	110,000	546,734		3,208,682	4/12/2020
CFP2017	6,071,406	6,000,530	4,628,283	2,017,528	110,000	607,140		3,336,738	8/16/2021
CFP2018	8,869,415	4,119,273	2,903,493	1,773,883	110,000	886,941		6,098,591	5/28/2022
TOTAL	25,506,341	20,141,913	17,317,042	7,168,290	440,000	2,550,632	-	15,347,419	
PERCENT	100%	79%	68%	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