



FINANCIAL REPORTS

SEPTEMBER 30, 2019

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 September 30, 2019

Financial Position (pp. 3-4)

As of September 30, 2019, HACM has total assets of \$317mm compared to June 30, 2019 at \$266mm. Agency-wide working capital (difference between current assets & current liabilities) was at \$39mm indicating HACM's strong capacity to meet maturing obligations. Total cash & investments as of the end of June was \$42mm. 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	\$9.30mm
Unsubsidized Housing	16.92
Rental Assistance Program	6.63
Central Office	0.58

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

Low Rent Public Housing	\$5.94mm
Unsubsidized Housing	12.38
Rental Assistance Program-Admin	.71
Central office	(.57)

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 3% under budget (p. 5) and total spending was 15% under budget (p.6). Administrative expenses compared to budgeted expenses were under budget by about 11%. Tenant services were 8% over budget; Utilities were 14% under budget; Maintenance expenses were 21% under budget, protective services 11% under budget and general expenses were 19% under budget. Consolidated net income from operations for the period ended September 30, 2019 was \$4,070,334 (p. 6).

Low Rent Public Housing (LRPH)

LRPH operations resulted in a net income from operations of \$2,167,178 (p. 6) in the third quarter. Operating revenue was \$123,553 under budget and total operating expenses for the period were \$2,402,523 under budget. All combined, LRPH posted a positive variance of \$2,278,970 (see p. 7).

Unsubsidized Housing

Unsubsidized Housing has a favorable result of operations during the quarter. Net income from operations was \$2,090,250 (p.6) before amortization of principal on series 2015 bonds. Revenue was \$118,871 under budget and operating expenses were under budget by \$543,080 during the period. All combined, Unsubsidized Housing has a positive variance of \$424,209 (see p. 8).

Rental Assistance Program (RAP)

RAP has net income of \$499,200 at the end of the period (p. 6). Administrative revenue was \$205,738 over budget and spending was under budget by \$283,047, resulting in an overall positive net income variance of \$488,785 (see p. 9).

The Housing Assistance Payment (HAP) grant during the period was \$28.38mm against total disbursement of \$25.81mm, reflecting a budget utilization of 91%. 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 \$686,294 (p.6) at the end of the quarter. Total revenue was under budget by \$921,168 (see p. 10). Operating expenses were under budget by \$979,757. All combined, COCC posted a positive variance of \$58,589 (see p. 10).

Grant Management (pp.11)

As of September 30, 2019, HACM is on track with its obligation and spending timelines as required by the grant agreements. Currently open grants are Capital Fund Programs 2016-2019. As of end of the quarter 68% has been obligated and 67% has been expended. Around 63% 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 SEPTEMBER. 30, 2019

	Sept. 30, 2019					June 30, 2019
	LRPH	UNSUBSIDIZED HOUSING	RAP	COCC	GRANTS/DEVT	Total HACM
ASSETS						
CURRENT ASSETS						
CASH						
UNRESTRICTED CASH	8,877,853	10,927,324	2,539,291	0	9,131,626	31,476,094
RESTRICTED CASH (Note 1)		3,492,493	3,737,692	57,976	18,000	7,306,161
TOTAL CASH	8,877,853	14,419,817	6,276,983	57,976	9,149,626	38,782,255
ACCOUNTS RECEIVABLE-TENANTS	711,013	198,443				909,456
ALLOWANCE FOR DOUBTFUL ACCOUNTS (Note 2)	(153,509)	(55,316)				(208,825)
NET ACCOUNTS RECEIVABLE-TENANTS	557,504	143,127	0	0	0	700,631
ACCOUNTS RECEIVABLE-MISC						
AR-HUD (Note 3)	2,123,167					2,123,167
AR- DEVELOPMENT FEE (Note 4)						0
AR - OTHERS	433,400	475	31,741	1,347,514	5,441	1,818,571
TOTAL AR-MISC	2,556,567	475	31,741	1,347,514	5,441	3,941,738
INVESTMENTS						
RESTRICTED (Note 1)	421,084	2,495,757	356,895	32		3,273,768
TOTAL INVESTMENTS	421,084	2,495,757	356,895	32	0	3,273,768
PREPAID EXPENSES AND OTHER ASSETS						
PREPAID EXPENSES AND OTHER ASSETS	131,589	44,386	20,649	5,507,717	26,787	5,731,128
TOTAL PREPAID EXPENSES AND OTHER ASSETS	131,589	44,386	20,649	5,507,717	26,787	5,731,128
CURRENT INTERFUNDS						
TOTAL DUE FROM AMOUNTS - CURRENT (Note 5)	0	0	0	274,098	(274,098)	0
TOTAL CURRENT ASSETS	12,544,597	17,103,562	6,686,268	7,187,337	8,907,756	52,429,520
NON-CURRENT ASSETS						
FIXED ASSETS						
LAND & LAND IMPROVEMENTS	32,160,967	2,759,343		291,283	835,493	36,047,086
BUILDINGS	213,066,995	50,203,141		8,516,847	25,971,001	297,757,984
FURNITURES, EQPT. MACHINERY	1,428,388	203,303	72,604	1,817,729	288,109	3,810,133
CONSTRUCTION IN PROGRESS	108,862			1,967,733	49,044,452	51,121,047
TOTAL FIXED ASSETS	246,765,212	53,165,787	72,604	12,593,592	76,139,055	388,736,250
ACCUMULATED DEPRECIATION	(172,872,936)	(45,144,892)	(72,604)	(5,606,721)	(24,452)	(223,721,605)
FIXED ASSETS, NET OF DEPRECIATION	73,892,276	8,020,895	0	6,986,871	76,114,603	165,014,645
OTHER ASSETS						
NOTES RECEIVABLE (Note 7)	50,052,391	3,000,000		16,677,197	15,441,640	85,171,228
NOTES INTEREST RECEIVABLE (Note 6)	9,675,126			748,526	4,271	10,427,923
FINANCING FEES & OTHER ASSETS	1,122,702		684,841	1,894,944	199,038	3,901,525
TOTAL OTHER ASSETS	60,850,219	3,000,000	684,841	19,320,667	15,644,949	99,500,676
TOTAL NON-CURRENT ASSETS	134,742,495	11,020,895	684,841	26,307,538	91,759,552	264,515,321
TOTAL ASSETS	147,287,092	28,124,457	7,371,109	33,494,875	100,667,308	316,944,841
LIABILITIES AND EQUITY						

HOUSING AUTHORITY OF THE CITY OF MILWAUKEE

BALANCE SHEETS

AS OF SEPTEMBER. 30, 2019

AS OF SEPTEMBER. 30, 2019					Sept. 30, 2019	June 30, 2019	
	LRPH	UNSUBSIDIZED HOUSING	RAP	COCC	GRANTS/DEVT	Total HACM	Total HACM
CURRENT LIABILITIES							
ACCOUNTS PAYABLE							
ACCOUNTS PAYABLE	70,582	46,429	21,427	796,033	6,111,307	7,045,778	17,712,101
TOTAL ACCOUNTS PAYABLE	70,582	46,429	21,427	796,033	6,111,307	7,045,778	17,712,101
ACCRUED LIABILITIES							
ACCRUED SALARIES & BENEFITS	287		(204)	75,013	745	75,841	498,108
ACCRUED INTEREST PAYABLE		143,192			284,452	427,644	296,978
DEFERED REVENUE						0	0
DUE TO GOVERNMENT - PILOT & OTHERS	881,180	1,024,722		262,865		2,168,767	2,088,353
ACCRUED COMPENSATED ABSENCES (Note 7)	0	0	0	846,412	0	846,412	846,412
OTHER ACCRUED LIABILITIES	8,385			885,069		893,454	886,153
TOTAL ACCRUED LIABILITIES	889,852	1,167,914	(204)	2,069,359	285,197	4,412,118	4,616,004
OTHER CURRENT LIABILITIES							
TENANT SECURITY DEPOSITS	616,491	519,634		4,200		1,140,325	1,155,292
FSS ESCROW ACCOUNT	71,576		354,412			425,988	440,869
NOTES PAYABLE						0	0
CURRENT PORTION-LT DEBT		765,000				765,000	745,000
TOTAL OTHER CURRENT LIABILITIES	688,067	1,284,634	354,412	4,200	0	2,331,313	2,341,161
TOTAL CURRENT LIABILITIES	1,648,501	2,498,977	375,635	2,869,592	6,396,504	13,789,209	24,669,266
NON-CURRENT LIABILITIES							
LONG TERM DEBT							
MORTGAGE REVENUE BONDS		16,209,083		52,098	4,735,000	20,996,181	16,261,181
NOTES PAYABLE					70,364,229	70,364,229	23,522,361
TOTAL	0	16,209,083	0	52,098	75,099,229	91,360,410	39,783,542
LESS CURRENT PORTION		(765,000)				(765,000)	(765,000)
TOTAL LONG TERM DEBT - NET	0	15,444,083	0	52,098	75,099,229	90,595,410	39,018,542
NONCURRENT LIABILITIES-OTHER							
NET OPEB LIABILITY (Note 8)	2,703,286		1,738,950	4,774,776		9,217,012	9,217,012
NET PENSION LIABILITY	2,249,881		1,448,148	3,975,962		7,673,991	7,673,991
TOTAL NONCURRENT LIABILITIES-OTHER	4,953,167	0	3,187,098	8,750,738	0	16,891,003	16,891,003
TOTAL NON-CURRENT LIABILITIES	4,953,167	15,444,083	3,187,098	8,802,836	75,099,229	107,486,413	55,909,545
TOTAL LIABILITIES	6,601,668	17,943,060	3,562,733	11,672,428	81,495,733	121,275,622	80,578,811
EQUITY							
INVESTED IN CAPITAL ASSETS, NET OF DEBT	73,892,276	(8,188,188)	0	6,986,871	76,114,603	148,805,562	110,723,281
UNRESTRICTED RESERVE	5,942,929	12,381,335	70,684	(567,137)	(72,587,977)	(54,760,166)	(12,020,901)
RESTRICTED RESERVE (Note 9)	60,850,219	5,988,250	3,737,692	15,402,713	15,644,949	101,623,823	86,670,707
TOTAL EQUITY	140,685,424	10,181,397	3,808,376	21,822,447	19,171,575	195,669,219	185,373,087
TOTAL LIABILITIES AND EQUITY	147,287,092	28,124,457	7,371,109	33,494,875	100,667,308	316,944,841	265,951,898

HA OF THE CITY OF MILWAUKEE
CONSOLIDATED STATEMENT OF REVENUE & EXPENSES
BUDGETED PROGRAM ONLY
AS OF SEPTEMBER 30, 2019

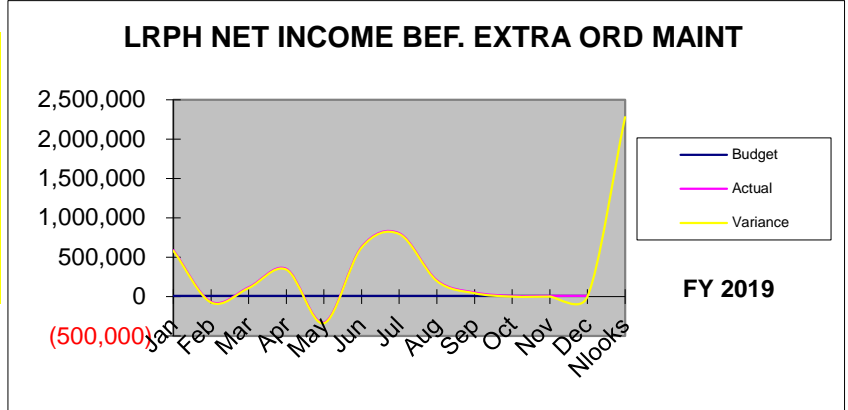
	LRPH	UNSUBSIDIZED HSNG	RAP	COCC	YTD ACTUAL	YTD BUDGET	VARIANCE	
							AMOUNT	PERCENT
Operating Income								
<i>Operating/admin subsidies</i>	4,700,824		2,796,466		7,497,290	6,993,398	503,893	7%
<i>Dwelling rents</i>	7,025,759	5,427,410			12,453,169	13,181,088	(727,919)	-6%
<i>Excess utilities & other</i>	158,401	92,237			250,638	396,159	(145,521)	-37%
<i>Capital fund transfer in (Note 10)</i>	2,139,105				2,139,105	2,306,250	(167,145)	-7%
<i>Other income</i>	778,851	65,518	73,881	644,941	1,563,191	1,049,677	513,514	49%
<i>Management fees</i>				2,982,762	2,982,762	3,335,237	(352,475)	-11%
<i>Central maintenance revenue</i>				1,929,867	1,929,867	2,566,994	(637,127)	-25%
<i>Interest on general fund</i>	518	126,764	13	29,493	156,788	101,862	54,926	54%
Total Income	14,803,458	5,711,929	2,870,360	5,587,063	28,972,810	29,930,664	(957,854)	-3%
Operating Expenditures								
Administrative								
<i>Salaries</i>	808,247	178,886	1,106,245	2,349,576	4,442,954	4,691,063	248,109	5%
<i>Employee benefits</i>	315,027	97,867	474,927	909,083	1,796,904	1,980,001	183,097	9%
<i>Legal and accounting</i>	4,513	7,845		63,833	76,191	147,490	71,299	48%
<i>Audit</i>	55,321	20,196	14,711	7,846	98,074	108,692	10,618	10%
<i>Travel and training</i>	6,949		10,306	57,030	74,285	182,850	108,565	59%
<i>Contracted property management</i>				197,548	197,548	221,846	24,298	11%
<i>Management fees</i>	1,961,765	496,001	524,997		2,982,763	3,335,237	352,474	11%
<i>Housing intake</i>	378,792				378,792	392,558	13,766	4%
<i>Office supplies & printing</i>	19,972	2,451	16,424	30,533	69,380	94,069	24,689	26%
<i>Telephone</i>	13,515	1,236	6,473	31,049	52,273	62,145	9,872	16%
<i>Postage</i>	2,382	1,206		1,802	5,390	52,020	46,630	90%
<i>Other contracted services</i>	15,912	3,750	109,609	310,432	439,703	479,625	39,922	8%
<i>Other</i>	137,165	61,059	4,725	416,051	619,000	848,012	229,012	27%
Total admin	3,719,560	870,497	2,268,417	4,374,783	11,233,257	12,595,605	1,362,348	11%
Tenant Services								
<i>Resident services allocation</i>	215,286				215,286	(84,186)	(299,472)	-356%
<i>Salaries & benefits</i>	86,512			65,211	151,723	217,958	66,235	30%
<i>Contracts, trainings, others</i>	211,252	6,020	150	12,884	230,306	420,254	189,948	45%
Total tenant services	513,050	6,020	150	78,095	597,315	554,027	(43,289)	-8%

HA OF THE CITY OF MILWAUKEE
CONSOLIDATED STATEMENT OF REVENUE & EXPENSES
BUDGETED PROGRAM ONLY
AS OF SEPTEMBER 30, 2019

	LRPH	UNSUBSIDIZED HSNG	RAP	COCC	YTD ACTUAL	YTD BUDGET	VARIANCE	
							AMOUNT	PERCENT
Utilities								
Water	1,065,989	433,372	625	5,851	1,505,837	1,757,180	251,343	14%
Electric	762,204	38,002		35,434	835,640	967,832	132,192	14%
Gas	451,401	23,573		7,649	482,623	539,962	57,339	11%
Total utilities	2,279,594	494,947	625	48,934	2,824,100	3,264,974	440,874	14%
Ordinary maintenance								
Salaries	694,819	207,431		1,028,440	1,930,690	2,422,288	491,598	20%
Employee benefits Maint	354,038	104,080		451,229	909,347	992,697	83,350	8%
Maintenance materials	902,144	109,813	488	52,574	1,065,019	1,269,900	204,881	16%
Maintenance contracts	2,179,775	545,249	6,650	122,402	2,854,076	3,895,807	1,041,731	27%
Total maintenance	4,130,776	966,573	7,138	1,654,645	6,759,132	8,580,692	1,821,560	21%
Protective Services								
Public safety allocation	864,122	100,194	299	5,500	970,115	1,085,956	115,841	11%
Contracts, others	16,130				16,130	23,325	7,195	31%
Total protective services	880,252	100,194	299	5,500	986,245	1,109,281	123,036	11%
General								
Insurance	521,948	185,735	82,097	102,646	892,426	856,504	(35,922)	-4%
Pilot	385,347	436,288			821,635	1,004,510	182,875	18%
Interest Expense		440,170			440,170	437,503	(2,667)	-1%
Subsidy to Mixed finance dev't.	(2,147)				(2,147)	146,102	148,249	101%
Other general expense	10,923		11,039		21,962	233,306	211,344	91%
Total general	916,071	1,062,193	93,136	102,646	2,174,046	2,677,924	503,878	19%
Total Operating Expenditures	12,439,303	3,500,424	2,369,765	6,264,603	24,574,095	28,782,501	4,208,406	15%
Excess (deficiency) of total revenue over expenses	2,364,155	2,211,505	500,595	(677,540)	4,398,715	1,148,163	3,250,552	283%
Extra-ordinary maintenance	1,058,988	121,255	1,395	8,754	1,190,392	1,711,211	520,819	30%
Program Income	(862,011)				(862,011)	(1,108,800)	(246,789)	22%
Net income(loss) from operations	2,167,178	2,090,250	499,200	(686,294)	4,070,334	545,752	3,524,582	646%
Income from transfer of Holton Terrace	4,640,337				4,640,337			
Depreciation expense	3,186,396	318,565		268,090	3,773,051			
Net Income (loss)	3,621,119	1,771,685	499,200	(954,384)	4,937,620			

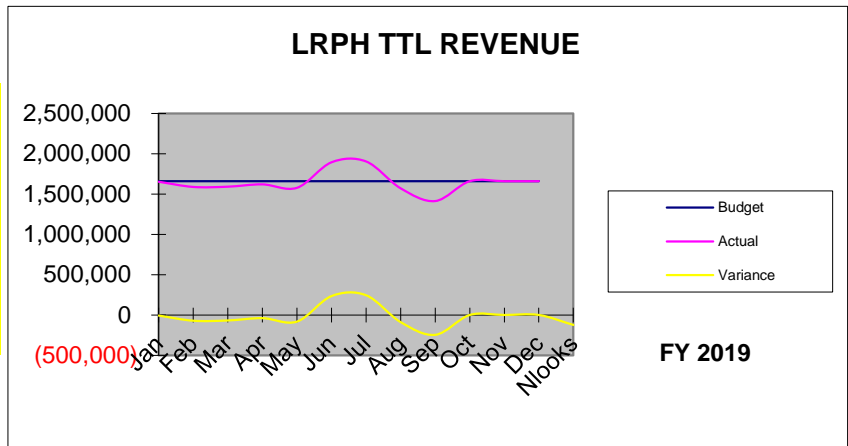
NET INCOME BEF. EXTRA ORDINARY MAINTENANCE

	Budget	Actual	Variance
Jan	9,465	590,741	581,276
Feb	9,465	(64,943)	(74,408)
Mar	9,465	118,549	109,084
Apr	9,465	352,519	343,054
May	9,465	(328,938)	(338,403)
Jun	9,465	631,599	622,134
Jul	9,465	804,453	794,988
Aug	9,465	207,567	198,102
Sep	9,465	52,608	43,143
Oct	9,465	9,465	0
Nov	9,465	9,465	0
Dec	9,465	9,465	0
Nlooks			2,278,970
	113,580	2,392,550	



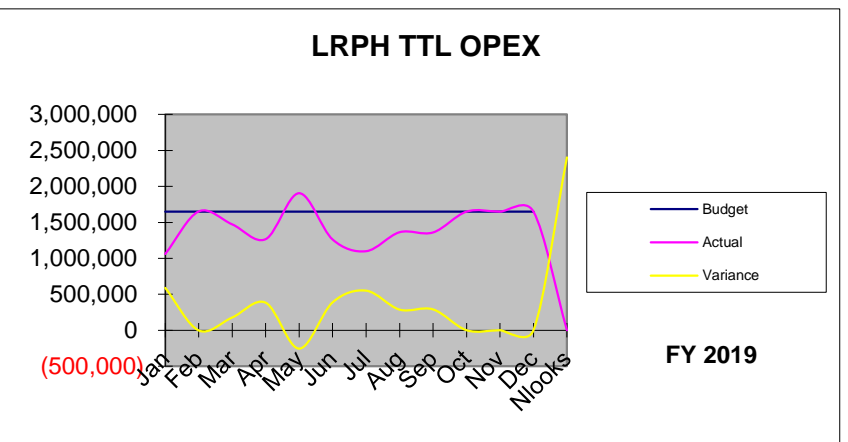
OPERATING REVENUE

	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	1,590,478	(68,079)
Apr	1,658,557	1,619,193	(39,364)
May	1,658,557	1,576,311	(82,246)
Jun	1,658,557	1,892,885	234,328
Jul	1,658,557	1,903,279	244,722
Aug	1,658,557	1,570,383	(88,174)
Sep	1,658,557	1,412,109	(246,448)
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			(123,553)
	19,902,681	19,779,128	



OPERATING EXPENSES

	Budget	Actual	Variance
Jan	1,649,092	1,060,742	588,350
Feb	1,649,092	1,652,280	(3,188)
Mar	1,649,092	1,471,929	177,163
Apr	1,649,092	1,266,674	382,418
May	1,649,092	1,905,249	(256,157)
Jun	1,649,092	1,261,286	387,806
Jul	1,649,092	1,098,826	550,266
Aug	1,649,092	1,362,816	286,276
Sep	1,649,092	1,359,501	289,591
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		0	2,402,523
	19,789,101	17,386,578	

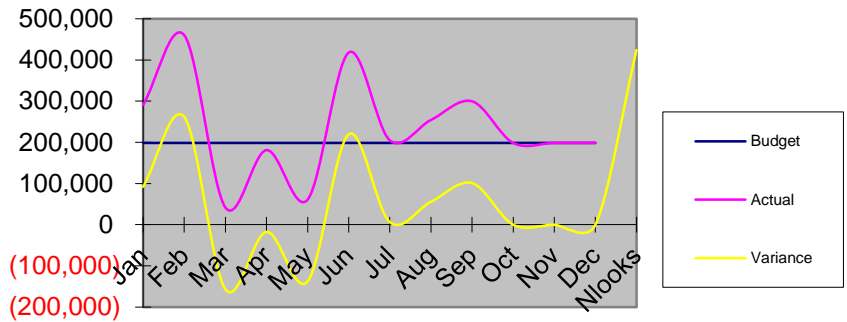


NL - Nlooks = Actual year to date (highlighted in yellow) + remaining budget of the year

NET INCOME BEF. EXTRA ORDINARY MAINTENANCE

	Budget	Actual	Variance
Jan	198,589	290,760	92,172
Feb	198,589	460,125	261,537
Mar	198,589	41,824	(156,765)
Apr	198,589	181,173	(17,415)
May	198,589	60,793	(137,796)
Jun	198,589	418,003	219,415
Jul	198,589	204,871	6,283
Aug	198,589	254,307	55,719
Sep	198,589	299,649	101,061
Oct	198,589	198,589	0
Nov	198,589	198,589	0
Dec	198,589	198,589	0
Nlooks			424,209
	2,383,062	2,807,271	

UNSUBSIDIZED HSNB NET INCOME BEF. EXTRA ORD MAINT

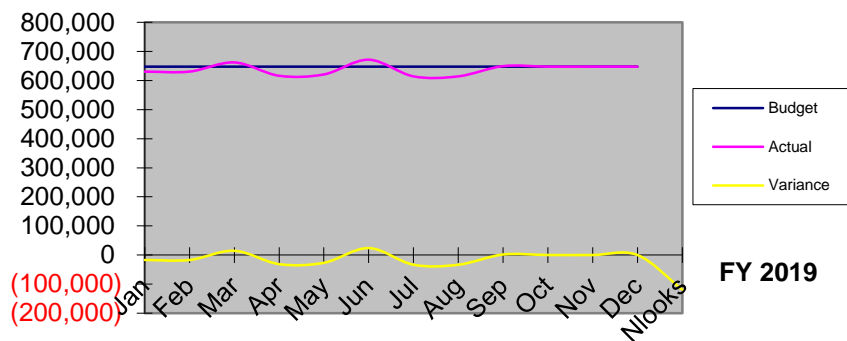


FY 2019

OPERATING REVENUE

	Budget	Actual	Variance
Jan	647,867	630,791	(17,076)
Feb	647,867	630,826	(17,041)
Mar	647,867	662,442	14,575
Apr	647,867	616,498	(31,369)
May	647,867	621,095	(26,772)
Jun	647,867	671,761	23,894
Jul	647,867	614,434	(33,433)
Aug	647,867	614,435	(33,432)
Sep	647,867	649,647	1,780
Oct	647,867	647,867	0
Nov	647,867	647,867	0
Dec	647,867	647,867	0
Nlooks			(118,871)
	7,774,400	7,655,529	

UNSUBSIDIZED HSNB. OPERATING REVENUE

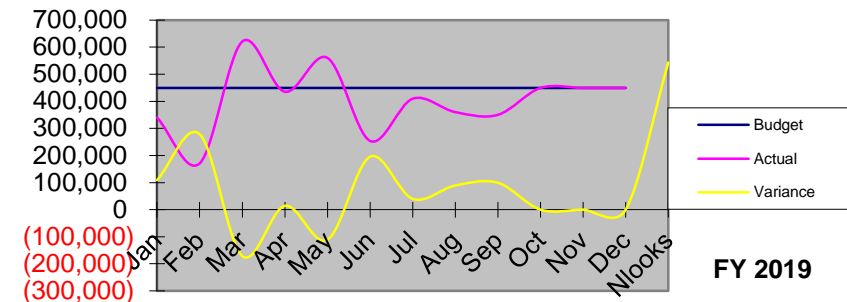


FY 2019

OPERATING EXPENSES

	Budget	Actual	Variance
Jan	449,278	340,031	109,247
Feb	449,278	170,701	278,577
Mar	449,278	620,618	(171,340)
Apr	449,278	435,325	13,953
May	449,278	560,302	(111,024)
Jun	449,278	253,758	195,520
Jul	449,278	409,563	39,715
Aug	449,278	360,128	89,150
Sep	449,278	349,998	99,280
Oct	449,278	449,278	0
Nov	449,278	449,278	0
Dec	449,278	449,278	0
Nlooks			543,080
	5,391,338	4,848,259	

UNSUBSIDIZED HSNB. OPEX



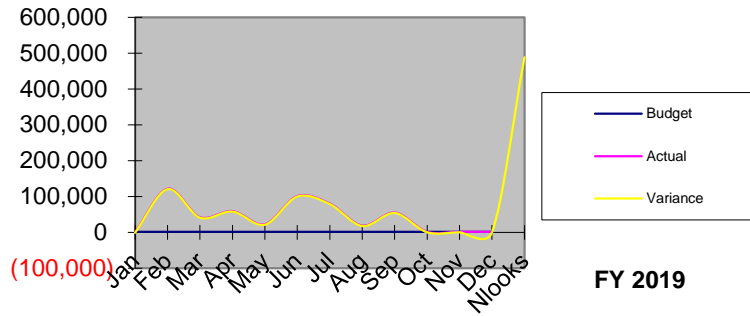
FY 2019

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

NET INCOME

	Budget	Actual	Variance
Jan	1,312	123	(1,189)
Feb	1,312	121,654	120,342
Mar	1,312	41,960	40,648
Apr	1,312	59,272	57,960
May	1,312	22,561	21,249
Jun	1,312	101,078	99,766
Jul	1,312	80,094	78,782
Aug	1,312	18,699	17,387
Sep	1,312	55,154	53,842
Oct	1,312	1,312	0
Nov	1,312	1,312	0
Dec	1,312	1,312	0
Nlooks			488,785
	15,747	504,532	

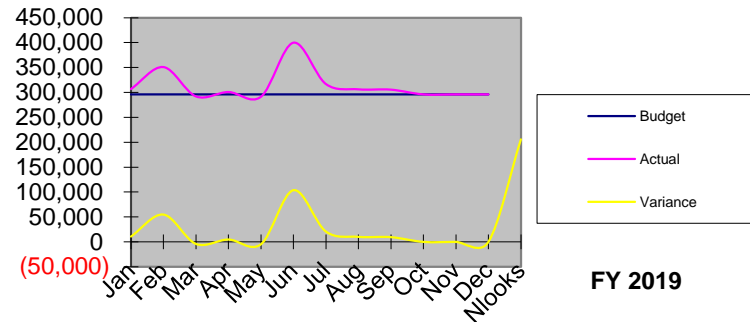
RAP NET INCOME BEF. EXTRA ORD MAINTENANCE



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	300,825	4,756
May	296,069	291,281	(4,788)
Jun	296,069	399,844	103,775
Jul	296,069	316,860	20,791
Aug	296,069	306,211	10,142
Sep	296,069	305,583	9,514
Oct	296,069	296,069	0
Nov	296,069	296,069	0
Dec	296,069	296,069	0
Nlooks			205,738
	3,552,829	3,758,567	

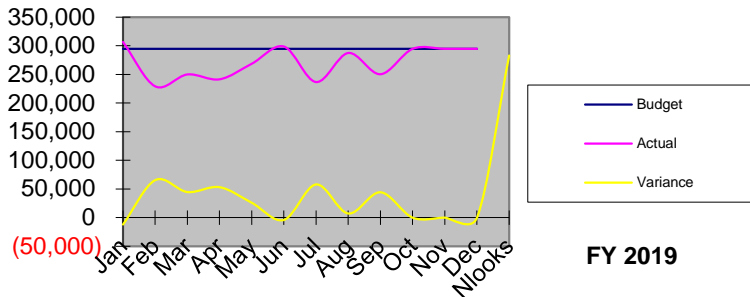
RAP OPERATING REV.



OPERATING EXPENSES

	Budget	Actual	Variance
Jan	294,757	306,706	(11,949)
Feb	294,757	229,269	65,488
Mar	294,757	250,044	44,713
Apr	294,757	241,553	53,204
May	294,757	268,720	26,037
Jun	294,757	298,766	(4,009)
Jul	294,757	236,766	57,991
Aug	294,757	287,512	7,245
Sep	294,757	250,429	44,328
Oct	294,757	294,757	0
Nov	294,757	294,757	0
Dec	294,757	294,757	0
Nlooks			283,047
	3,537,082	3,254,036	

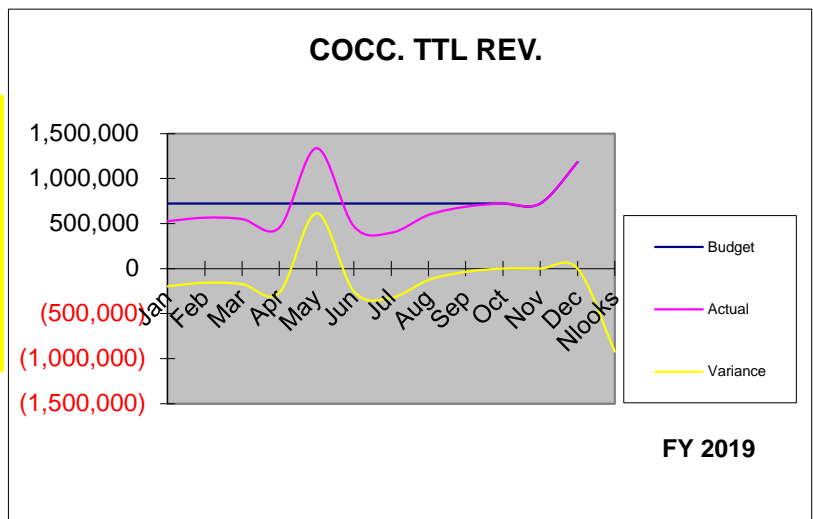
RAP OPEX



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

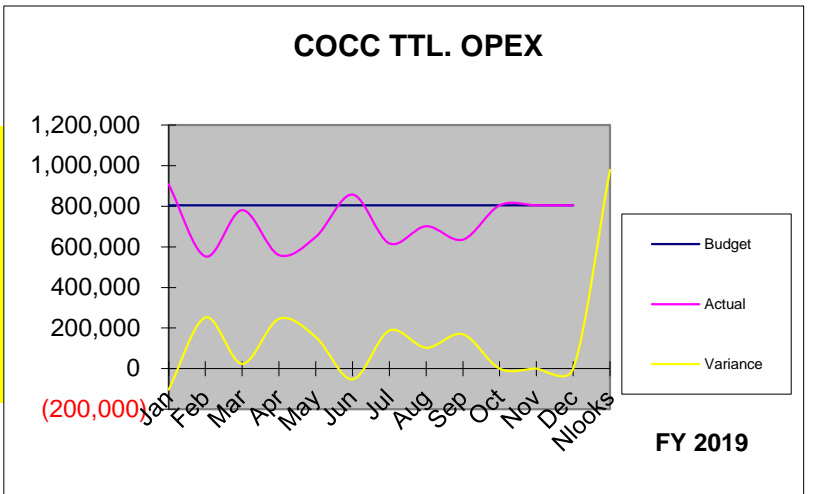
OPERATING REVENUE

	Budget	Actual	Variance
Jan	723,137	526,627	(196,510)
Feb	723,137	565,803	(157,334)
Mar	723,137	550,571	(172,566)
Apr	723,137	454,616	(268,521)
May	723,137	1,338,204	615,067
Jun	723,137	469,578	(253,559)
Jul	723,137	398,379	(324,758)
Aug	723,137	595,710	(127,427)
Sep	723,137	687,575	(35,562)
Oct	723,137	723,137	0
Nov	723,137	723,137	0
Dec	1,184,587	1,184,587	0
Nlooks			(921,168)
Nlooks	9,139,091	8,217,923	



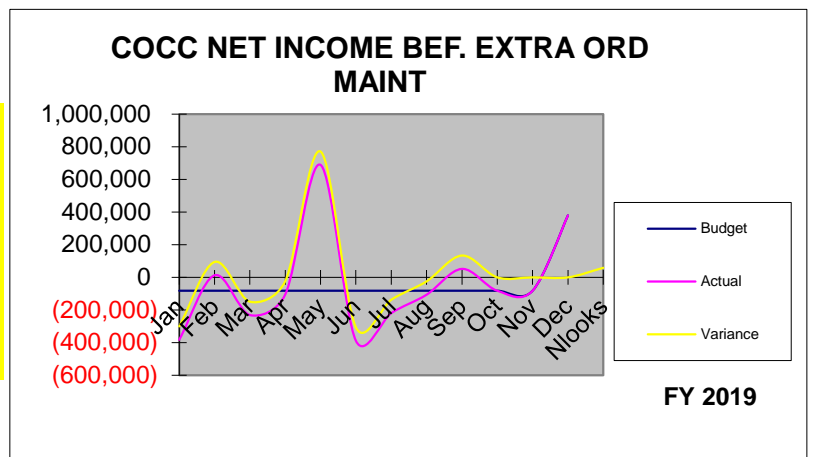
OPERATING EXPENSES

	Budget	Actual	Variance
Jan	804,929	908,798	(103,869)
Feb	804,929	553,077	251,852
Mar	804,929	781,375	23,554
Apr	804,929	559,538	245,391
May	804,929	649,016	155,913
Jun	804,929	857,876	(52,947)
Jul	804,929	617,319	187,610
Aug	804,929	701,960	102,969
Sep	804,929	635,644	169,285
Oct	804,929	804,929	0
Nov	804,929	804,929	0
Dec	804,929	804,929	0
Nlooks			979,757
Nlooks	9,659,147	8,679,390	



NET INCOME

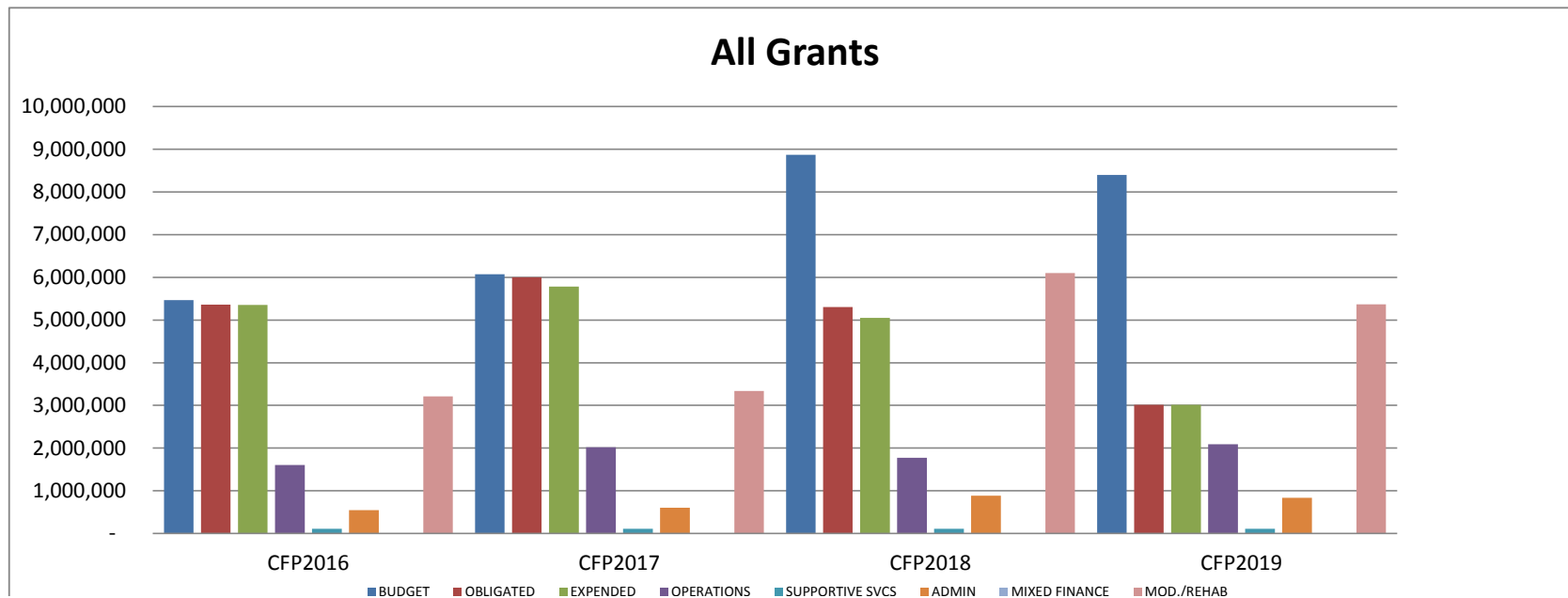
	Budget	Actual	Variance
Jan	(81,792)	(382,171)	(300,379)
Feb	(81,792)	12,726	94,518
Mar	(81,792)	(230,804)	(149,012)
Apr	(81,792)	(104,922)	(23,130)
May	(81,792)	689,188	770,980
Jun	(81,792)	(388,298)	(306,506)
Jul	(81,792)	(218,940)	(137,148)
Aug	(81,792)	(106,250)	(24,458)
Sep	(81,792)	51,931	133,723
Oct	(81,792)	(81,792)	0
Nov	(81,792)	(81,792)	0
Dec	379,658	379,658	0
Nlooks			58,589
	(520,056)	(461,467)	



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

HACM
MAJOR GRANTS SUMMARY
30-Sep-19

	SPENDING PLAN								END DATE
	BUDGET	OBLIGATED	EXPENDED	OPERATIONS	SUPPORTIVE SVCS	ADMIN	MIXED FINANCE	MOD./REHAB	
CFP2016	5,467,349	5,361,640	5,355,140	1,601,933	110,000	546,734		3,208,682	4/12/2020
CFP2017	6,071,406	6,000,530	5,785,205	2,017,528	110,000	607,140		3,336,738	8/16/2021
CFP2018	8,869,415	5,304,466	5,049,359	1,773,883	110,000	886,941		6,098,591	5/28/2022
CFP2019	8,399,756	3,011,508	3,011,508	2,089,464	110,000	835,786		5,364,506	4/15/2023
TOTAL	28,807,926	19,678,144	19,201,212	7,482,808	440,000	2,876,601	-	18,008,517	
PERCENT	100%	68%	67%	26%	2%	10%	0%	63%	



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