



# **FINANCIAL REPORTS**

## **DECEMBER 31, 2019**

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

Financial Position (pp. 3-4)

As of December 31, 2019, HACM has total assets of \$339mm compared to September 30, 2019 at \$317mm. Agency-wide working capital (difference between current assets & current liabilities) was at \$35mm indicating HACM's strong capacity to meet maturing obligations. Total cash & investments as of the end of December was \$43mm. 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	\$8.98mm
Unsubsidized Housing	16.29
Rental Assistance Program	4.99
Central Office	0.06

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

Low Rent Public Housing	\$0.46mm
Unsubsidized Housing	11.83
Rental Assistance Program-Admin	(0.33)
Central office	(2.37)

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 2% over budget (p. 5) and total spending was 8% under budget (p.6). Administrative expenses compared to budgeted expenses were under budget by about 9%. Tenant services were 0.3% over budget; Utilities were 5% over budget; Maintenance expenses were 7% under budget, protective services 10% under budget and general expenses were 23% under budget. Consolidated net income from operations for the period ended December 31, 2019 was \$4,870,908 (p. 6).

### *Low Rent Public Housing (LRPH)*

LRPH operations resulted in a net income from operations of \$1,311,725 (p. 6) in the fourth quarter. Operating revenue was \$50,317 under budget and total operating expenses for the period were \$1,580,113 under budget. All combined, LRPH posted a positive variance of \$1,529,796 (see p. 7).

### *Unsubsidized Housing*

Unsubsidized Housing has a favorable result of operations during the quarter. Net income from operations was \$2,216,001 (p.6) before amortization of principal on series 2015 bonds. Revenue was \$189,863 under budget and operating expenses were under budget by \$466,860 during the period. All combined, Unsubsidized Housing has a positive variance of \$276,997 (see p. 8).

### *Rental Assistance Program (RAP)*

RAP has net income of \$490,778 at the end of the period (p. 6). Administrative revenue was \$210,414 over budget and spending was under budget by \$267,012, resulting in an overall positive net income variance of \$477,426 (see p. 9).

The Housing Assistance Payment (HAP) grant during the period was \$35.52mm against total disbursement of \$34.19mm, reflecting a budget utilization of 96%. 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 net income of \$852,404 (p.6) at the end of the quarter. Total revenue was over budget by \$664,725 (see p. 10). Operating expenses were under budget by \$722,006. All combined, COCC posted a positive variance of \$1,386,731 (see p. 10).

### *Grant Management (pp.11)*

As of December 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 2016-2019. As of end of the quarter 73% has been obligated and 68% 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 DECEMBER 31, 2019**

	<b>Dec. 31, 2019</b>					<b>Sept. 30, 2019</b>
	<b>LRPH</b>	<b>UNSUBSIDIZED HOUSING</b>	<b>RAP</b>	<b>COCC</b>	<b>GRANTS/DEVT</b>	<b>Total HACM</b>
<b>ASSETS</b>						
<b>CURRENT ASSETS</b>						
CASH						
UNRESTRICTED CASH	8,551,897	10,206,450	2,139,234	0	12,899,502	33,797,083
RESTRICTED CASH (Note 1)		3,581,688	2,494,077	57,976	18,750	6,152,491
<b>TOTAL CASH</b>	<b>8,551,897</b>	<b>13,788,138</b>	<b>4,633,311</b>	<b>57,976</b>	<b>12,918,252</b>	<b>39,949,574</b>
ACCOUNTS RECEIVABLE-TENANTS	676,520	327,310				1,003,830
ALLOWANCE FOR DOUBTFUL ACCOUNTS (Note 2)	(153,509)	(55,316)				(208,825)
<b>NET ACCOUNTS RECEIVABLE-TENANTS</b>	<b>523,011</b>	<b>271,994</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>795,005</b>
ACCOUNTS RECEIVABLE-MISC						
AR-HUD (Note 3)						0
AR- DEVELOPMENT FEE (Note 4)						0
AR - OTHERS	745,666	792	31,741	1,091,173	359,441	2,228,813
<b>TOTAL AR-MISC</b>	<b>745,666</b>	<b>792</b>	<b>31,741</b>	<b>1,091,173</b>	<b>359,441</b>	<b>2,228,813</b>
INVESTMENTS						
RESTRICTED (Note 1)	429,050	2,505,036	356,895	32		3,291,013
<b>TOTAL INVESTMENTS</b>	<b>429,050</b>	<b>2,505,036</b>	<b>356,895</b>	<b>32</b>	<b>0</b>	<b>3,291,013</b>
PREPAID EXPENSES AND OTHER ASSETS						
PREPAID EXPENSES AND OTHER ASSETS	123,435	65,756	33,820	5,609,984	26,787	5,859,782
<b>TOTAL PREPAID EXPENSES AND OTHER ASSETS</b>	<b>123,435</b>	<b>65,756</b>	<b>33,820</b>	<b>5,609,984</b>	<b>26,787</b>	<b>5,859,782</b>
CURRENT INTERFUNDS						
<b>TOTAL DUE FROM AMOUNTS - CURRENT (Note 5)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,889,001</b>	<b>(1,889,001)</b>	<b>0</b>
<b>TOTAL CURRENT ASSETS</b>	<b>10,373,059</b>	<b>16,631,716</b>	<b>5,055,767</b>	<b>8,648,166</b>	<b>11,415,479</b>	<b>52,124,187</b>
<b>NON-CURRENT ASSETS</b>						
FIXED ASSETS						
LAND & LAND IMPROVEMENTS	32,160,967	2,759,343		291,283	835,493	36,047,086
BUILDINGS	213,066,995	50,484,379		8,516,847	25,971,001	298,039,222
FURNITURES, EQPT. MACHINERY	1,428,388	204,490	72,604	1,817,729	288,109	3,811,320
CONSTRUCTION IN PROGRESS	209,053	11,391		2,026,046	59,843,707	62,090,197
<b>TOTAL FIXED ASSETS</b>	<b>246,865,403</b>	<b>53,459,603</b>	<b>72,604</b>	<b>12,651,905</b>	<b>86,938,310</b>	<b>399,987,825</b>
ACCUMULATED DEPRECIATION	(173,919,681)	(45,252,242)	(72,604)	(5,698,073)	(24,452)	(224,967,052)
<b>FIXED ASSETS, NET OF DEPRECIATION</b>	<b>72,945,722</b>	<b>8,207,361</b>	<b>0</b>	<b>6,953,832</b>	<b>86,913,858</b>	<b>175,020,773</b>
OTHER ASSETS						
NOTES RECEIVABLE (Note 7)	54,812,391	3,000,000		25,218,913	13,440,722	96,472,026
NOTES INTEREST RECEIVABLE (Note 6)	11,017,035			654,897	4,271	11,676,203
FINANCING FEES & OTHER ASSETS	1,122,702		684,841	1,894,944	199,038	3,901,525
<b>TOTAL OTHER ASSETS</b>	<b>66,952,128</b>	<b>3,000,000</b>	<b>684,841</b>	<b>27,768,754</b>	<b>13,644,031</b>	<b>112,049,754</b>
<b>TOTAL NON-CURRENT ASSETS</b>	<b>139,897,850</b>	<b>11,207,361</b>	<b>684,841</b>	<b>34,722,586</b>	<b>100,557,889</b>	<b>287,070,527</b>
<b>TOTAL ASSETS</b>	<b>150,270,909</b>	<b>27,839,077</b>	<b>5,740,608</b>	<b>43,370,752</b>	<b>111,973,368</b>	<b>339,194,714</b>
<b>LIABILITIES AND EQUITY</b>						
<b>CURRENT LIABILITIES</b>						

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

	<b>Dec. 31, 2019</b>					<b>Sept. 30, 2019</b>
	<b>LRPH</b>	<b>UNSUBSIDIZED HOUSING</b>	<b>RAP</b>	<b>COCC</b>	<b>GRANTS/DEVT</b>	<b>Total HACM</b>
ACCOUNTS PAYABLE						
ACCOUNTS PAYABLE	56,787	708,911	21,427	3,687,918	6,403,057	10,878,100
<b>TOTAL ACCOUNTS PAYABLE</b>	<b>56,787</b>	<b>708,911</b>	<b>21,427</b>	<b>3,687,918</b>	<b>6,403,057</b>	<b>10,878,100</b>
ACCRUED LIABILITIES						
ACCRUED SALARIES & BENEFITS	14,819		14,499	405,794	4,357	439,469
ACCRUED INTEREST PAYABLE		286,384			284,452	570,836
DEFERED REVENUE						0
DUE TO GOVERNMENT - PILOT & OTHERS	551,796	277,593		199,979		1,029,368
ACCRUED COMPENSATED ABSENCES (Note 7)	0	0	0	846,412	0	846,412
OTHER ACCRUED LIABILITIES	3,518			985,069		988,587
<b>TOTAL ACCRUED LIABILITIES</b>	<b>570,133</b>	<b>563,977</b>	<b>14,499</b>	<b>2,437,254</b>	<b>288,809</b>	<b>3,874,672</b>
OTHER CURRENT LIABILITIES						
TENANT SECURITY DEPOSITS	566,691	444,182		4,200		1,015,073
FSS ESCROW ACCOUNT	79,050		354,412			433,462
NOTES PAYABLE						0
CURRENT PORTION-LT DEBT		765,000				765,000
<b>TOTAL OTHER CURRENT LIABILITIES</b>	<b>645,741</b>	<b>1,209,182</b>	<b>354,412</b>	<b>4,200</b>	<b>0</b>	<b>2,213,535</b>
<b>TOTAL CURRENT LIABILITIES</b>	<b>1,272,661</b>	<b>2,482,070</b>	<b>390,338</b>	<b>6,129,372</b>	<b>6,691,866</b>	<b>16,966,307</b>
NON-CURRENT LIABILITIES						
LONG TERM DEBT						
MORTGAGE REVENUE BONDS		16,209,083		52,098	3,505,000	19,766,181
NOTES PAYABLE	3,690,000				76,582,476	80,272,476
TOTAL	3,690,000	16,209,083	0	52,098	80,087,476	100,038,657
LESS CURRENT PORTION		(765,000)				(765,000)
<b>TOTAL LONG TERM DEBT - NET</b>	<b>3,690,000</b>	<b>15,444,083</b>	<b>0</b>	<b>52,098</b>	<b>80,087,476</b>	<b>99,273,657</b>
NONCURRENT LIABILITIES-OTHER						
NET OPEB LIABILITY (Note 8)	2,703,286		1,738,950	4,774,776		9,217,012
NET PENSION LIABILITY	2,249,881		1,448,148	3,975,962		7,673,991
<b>TOTAL NONCURRENT LIABILITIES-OTHER</b>	<b>4,953,167</b>	<b>0</b>	<b>3,187,098</b>	<b>8,750,738</b>	<b>0</b>	<b>16,891,003</b>
<b>TOTAL NON-CURRENT LIABILITIES</b>	<b>8,643,167</b>	<b>15,444,083</b>	<b>3,187,098</b>	<b>8,802,836</b>	<b>80,087,476</b>	<b>116,164,660</b>
<b>TOTAL LIABILITIES</b>	<b>9,915,828</b>	<b>17,926,153</b>	<b>3,577,436</b>	<b>14,932,208</b>	<b>86,779,342</b>	<b>133,130,967</b>
EQUITY						
INVESTED IN CAPITAL ASSETS, NET OF DEBT	72,945,722	(8,001,722)	0	6,953,832	86,913,858	158,811,690
UNRESTRICTED RESERVE	457,231	11,827,922	(330,905)	(2,366,088)	(75,363,863)	(65,775,703)
RESTRICTED RESERVE (Note 9)	66,952,128	6,086,724	2,494,077	23,850,800	13,644,031	113,027,760
<b>TOTAL EQUITY</b>	<b>140,355,081</b>	<b>9,912,924</b>	<b>2,163,172</b>	<b>28,438,544</b>	<b>25,194,026</b>	<b>206,063,747</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>150,270,909</b>	<b>27,839,077</b>	<b>5,740,608</b>	<b>43,370,752</b>	<b>111,973,368</b>	<b>339,194,714</b>

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

	LRPH	UNSUBSIDIZED HSNG	RAP	COCC	YTD ACTUAL	YTD BUDGET	VARIANCE	
							AMOUNT	PERCENT
<b>Operating Income</b>								
<i>Operating/admin subsidies</i>	6,195,367		3,663,588		9,858,955	9,324,530	534,425	6%
<i>Dwelling rents</i>	9,204,411	7,207,593			16,412,004	17,574,784	(1,162,780)	-7%
<i>Excess utilities &amp; other</i>	133,378	103,282			236,660	528,212	(291,552)	-55%
<i>Capital fund transfer in (Note 10)</i>	2,955,852				2,955,852	3,075,000	(119,148)	-4%
<i>Other income</i>	1,358,639	124,239	99,639	1,816,759	3,399,276	1,399,569	1,999,707	143%
<i>Management fees</i>				4,198,283	4,198,283	4,446,982	(248,699)	-6%
<i>Central maintenance revenue</i>				2,575,057	2,575,057	3,422,659	(847,602)	-25%
<i>Developers fee</i>				1,175,723	1,175,723	461,450	714,273	0%
<i>Interest on general fund</i>	4,717	149,423	16	37,994	192,150	135,816	56,334	41%
<b>Total Income</b>	<b>19,852,364</b>	<b>7,584,537</b>	<b>3,763,243</b>	<b>9,803,816</b>	<b>41,003,960</b>	<b>40,369,002</b>	<b>634,958</b>	<b>2%</b>
<b>Operating Expenditures</b>								
<b>Administrative</b>								
<i>Salaries</i>	1,109,206	267,529	1,533,026	3,099,987	6,009,748	6,254,750	245,002	4%
<i>Employee benefits</i>	385,021	132,391	623,845	1,079,654	2,220,911	2,640,001	419,090	16%
<i>Legal and accounting</i>	5,180	8,886		91,941	106,007	196,653	90,646	46%
<i>Audit</i>	67,464	24,628	17,940	9,568	119,600	144,922	25,322	17%
<i>Travel and training</i>	8,673		13,313	71,357	93,343	243,800	150,457	62%
<i>Contracted property management</i>				294,612	294,612	295,794	1,182	0%
<i>Management fees</i>	2,719,915	778,368	700,000		4,198,283	4,446,982	248,699	6%
<i>Housing intake</i>	474,288				474,288	523,410	49,122	9%
<i>Office supplies &amp; printing</i>	29,662	3,456	25,579	39,018	97,715	125,425	27,710	22%
<i>Telephone</i>	27,486	2,645	12,989	68,831	111,951	82,860	(29,091)	-35%
<i>Postage</i>	4,495	2,433	35,984	4,978	47,890	69,360	21,470	31%
<i>Other contracted services</i>	26,669	3,750	159,137	443,752	633,308	639,500	6,192	1%
<i>Other</i>	198,860	75,398	10,871	595,782	880,911	1,130,683	249,772	22%
<b>Total admin</b>	<b>5,056,919</b>	<b>1,299,484</b>	<b>3,132,684</b>	<b>5,799,480</b>	<b>15,288,567</b>	<b>16,794,140</b>	<b>1,505,573</b>	<b>9%</b>
<b>Tenant Services</b>								
<i>Resident services allocation</i>	249,637				249,637	(112,248)	(361,885)	-322%
<i>Salaries &amp; benefits</i>	115,696			79,175	194,871	290,611	95,740	33%
<i>Contracts, trainings, others</i>	276,774	6,020	210	13,199	296,203	560,339	264,136	47%
<b>Total tenant services</b>	<b>642,107</b>	<b>6,020</b>	<b>210</b>	<b>92,374</b>	<b>740,711</b>	<b>738,702</b>	<b>(2,009)</b>	<b>-0.3%</b>
<b>Utilities</b>								
<i>Water</i>	1,809,945	765,957	625	14,272	2,590,799	2,342,906	(247,893)	-11%
<i>Electric</i>	1,125,977	57,175		52,562	1,235,714	1,290,443	54,729	4%
<i>Gas</i>	682,599	32,799		12,706	728,104	719,949	(8,155)	-1%
<b>Total utilities</b>	<b>3,618,521</b>	<b>855,931</b>	<b>625</b>	<b>79,540</b>	<b>4,554,617</b>	<b>4,353,298</b>	<b>(201,319)</b>	<b>-5%</b>

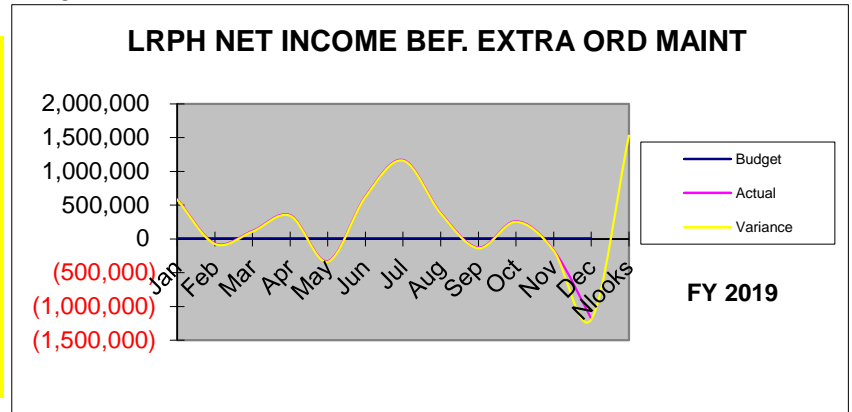
HA OF THE CITY OF MILWAUKEE  
CONSOLIDATED STATEMENT OF REVENUE & EXPENSES  
BUDGETED PROGRAM ONLY  
AS OF DECEMBER 31, 2019

	LRPH	UNSUBSIDIZED HSNG	RAP	COCC	YTD ACTUAL	YTD BUDGET	VARIANCE	
							AMOUNT	PERCENT
<i>Ordinary maintenance</i>								
Salaries	960,143	290,634		1,579,953	2,830,730	3,229,717	398,987	12%
Employee benefits Maint	433,183	132,214		639,616	1,205,013	1,323,596	118,583	9%
Maintenance materials	1,434,196	196,954	1,151	74,655	1,706,956	1,693,200	(13,756)	-1%
Maintenance contracts	3,481,106	903,063	11,609	527,818	4,923,596	5,194,409	270,813	5%
<b>Total maintenance</b>	<b>6,308,628</b>	<b>1,522,865</b>	<b>12,760</b>	<b>2,822,042</b>	<b>10,666,295</b>	<b>11,440,922</b>	<b>774,627</b>	<b>7%</b>
<i>Protective Services</i>								
Public safety allocation	1,170,999	131,214	351	7,161	1,309,725	1,447,941	138,216	10%
Contracts, others	23,278			411	23,689	31,100	7,411	24%
<b>Total protective services</b>	<b>1,194,277</b>	<b>131,214</b>	<b>351</b>	<b>7,572</b>	<b>1,333,414</b>	<b>1,479,041</b>	<b>145,627</b>	<b>10%</b>
<i>General</i>								
Insurance	696,139	248,009	108,993	136,133	1,189,274	1,142,005	(47,269)	-4%
Pilot	551,796	277,593			829,389	1,339,347	509,958	38%
Interest Expense		583,362			583,362	583,337	(25)	0%
Subsidy to Mixed finance dev't.	130,170				130,170	194,802	64,632	33%
Other general expense	10,431		14,447		24,878	311,074	286,196	92%
<b>Total general</b>	<b>1,388,536</b>	<b>1,108,964</b>	<b>123,440</b>	<b>136,133</b>	<b>2,757,073</b>	<b>3,570,565</b>	<b>813,492</b>	<b>23%</b>
<b>Total Operating Expenditures</b>	<b>18,208,988</b>	<b>4,924,478</b>	<b>3,270,070</b>	<b>8,937,141</b>	<b>35,340,677</b>	<b>38,376,668</b>	<b>3,035,991</b>	<b>8%</b>
<b>Excess (deficiency) of total revenue over expenses</b>	<b>1,643,376</b>	<b>2,660,059</b>	<b>493,173</b>	<b>866,675</b>	<b>5,663,283</b>	<b>1,992,334</b>	<b>3,670,949</b>	<b>184%</b>
<i>Extra-ordinary maintenance</i>	1,226,376	444,058	2,395	14,271	1,687,100	2,281,615	594,515	26%
<i>Program Income</i>	(894,725)				(894,725)	(1,478,400)	(583,675)	39%
<b>Net income(loss) from operations</b>	<b>1,311,725</b>	<b>2,216,001</b>	<b>490,778</b>	<b>852,404</b>	<b>4,870,908</b>	<b>1,189,119</b>	<b>3,681,789</b>	<b>310%</b>
Income from transfer of Holton Terrace & Merrill Park	945,624				945,624			
Depreciation expense	4,233,142	425,916		359,443	5,018,501			
<b>Net Income (loss)</b>	<b>(1,975,793)</b>	<b>1,790,085</b>	<b>490,778</b>	<b>492,961</b>	<b>798,031</b>			



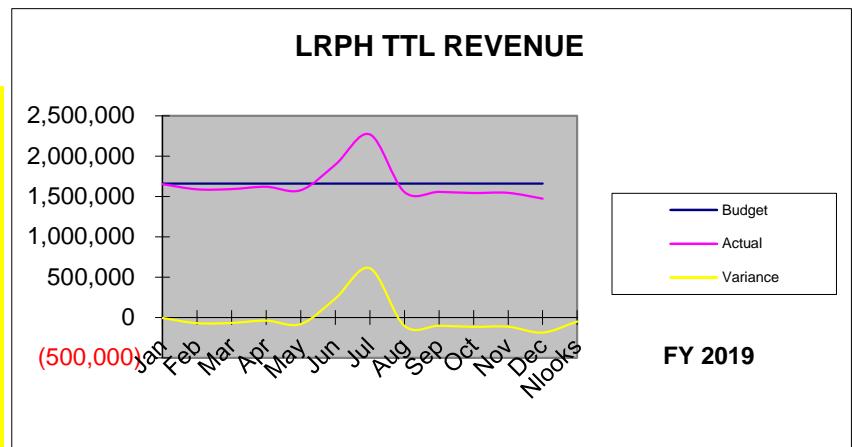
# NET INCOME BEF. EXTRA ORDINARY MAINTENANCE

	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	1,169,091	1,159,626
Aug	9,465	386,486	377,021
Sep	9,465	(128,136)	(137,601)
Oct	9,465	262,514	253,049
Nov	9,465	(164,279)	(173,744)
Dec	9,465	(1,181,827)	(1,191,292)
Nlooks	113,580	1,643,376	1,529,796



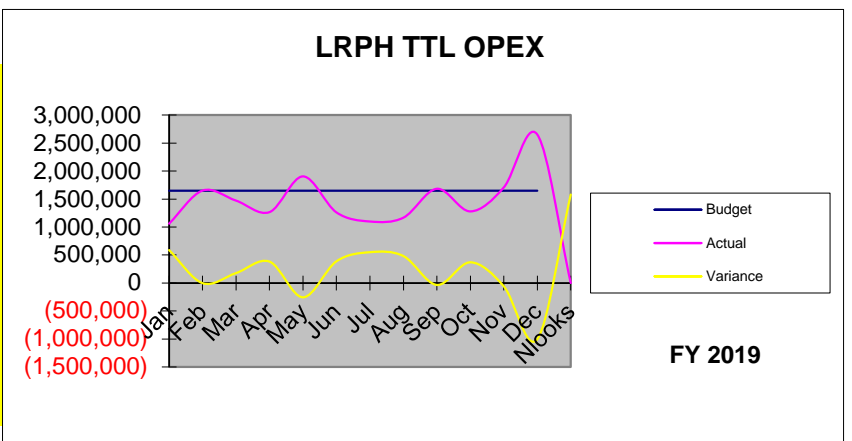
## OPERATING REVENUE

	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	2,267,805	609,248
Aug	1,658,557	1,553,914	(104,643)
Sep	1,658,557	1,555,829	(102,728)
Oct	1,658,557	1,541,897	(116,660)
Nov	1,658,557	1,543,813	(114,744)
Dec	1,658,557	1,471,419	(187,138)
Nlooks	19,902,681	19,852,364	(50,317)



## 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	1,098,714	550,378
Aug	1,649,092	1,167,428	481,664
Sep	1,649,092	1,683,965	(34,873)
Oct	1,649,092	1,279,383	369,709
Nov	1,649,092	1,708,092	(59,000)
Dec	1,649,092	2,653,246	(1,004,154)
Nlooks	19,789,101	18,208,988	1,580,113

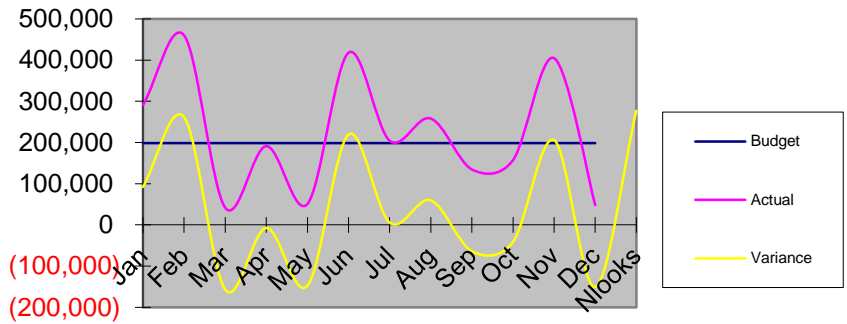


NL - Nlooks = Actual year to date (highlighted in yellow) + remaining budget of the year

# 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	191,173	(7,415)
May	198,589	50,793	(147,796)
Jun	198,589	418,003	219,415
Jul	198,589	204,395	5,807
Aug	198,589	258,278	59,690
Sep	198,589	134,724	(63,864)
Oct	198,589	157,202	(41,386)
Nov	198,589	404,709	206,121
Dec	198,589	48,073	(150,516)
Nlooks			276,997
	2,383,062	2,660,059	

## UNSUBSIDIZED HSNB NET INCOME BEF. EXTRA ORD MAINT

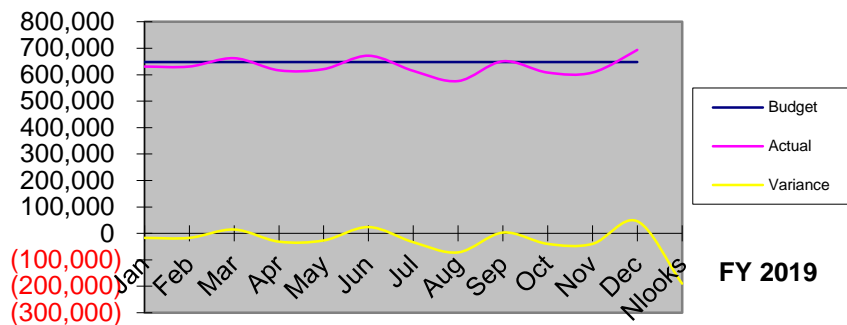


FY 2019

# 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	614,517	(33,350)
Aug	647,867	575,929	(71,938)
Sep	647,867	650,842	2,975
Oct	647,867	608,036	(39,831)
Nov	647,867	608,035	(39,832)
Dec	647,867	693,765	45,898
Nlooks			(189,863)
	7,774,400	7,584,537	

## UNSUBSIDIZED HSNB. OPERATING REVENUE

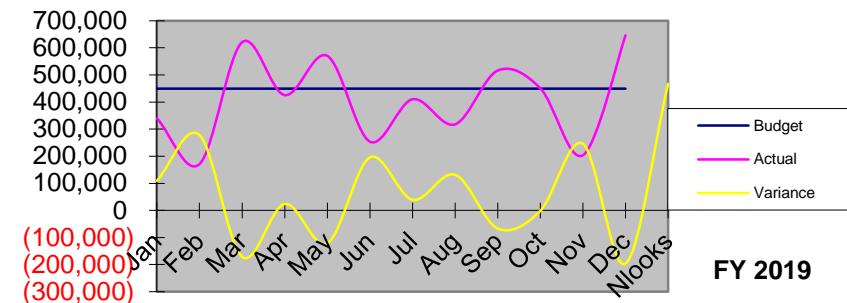


FY 2019

# 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	425,325	23,953
May	449,278	570,302	(121,024)
Jun	449,278	253,758	195,520
Jul	449,278	410,122	39,156
Aug	449,278	317,651	131,627
Sep	449,278	516,118	(66,840)
Oct	449,278	450,834	(1,556)
Nov	449,278	203,326	245,952
Dec	449,278	645,692	(196,414)
Nlooks			466,860
	5,391,338	4,924,478	

## UNSUBSIDIZED HSNB. OPEX



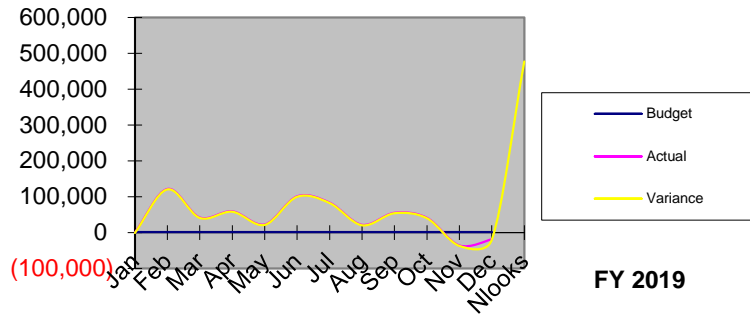
FY 2019

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	83,677	82,365
Aug	1,312	21,429	20,117
Sep	1,312	55,154	53,842
Oct	1,312	41,125	39,813
Nov	1,312	(36,103)	(37,415)
Dec	1,312	(18,757)	(20,069)
Nlooks	15,747	493,173	477,426

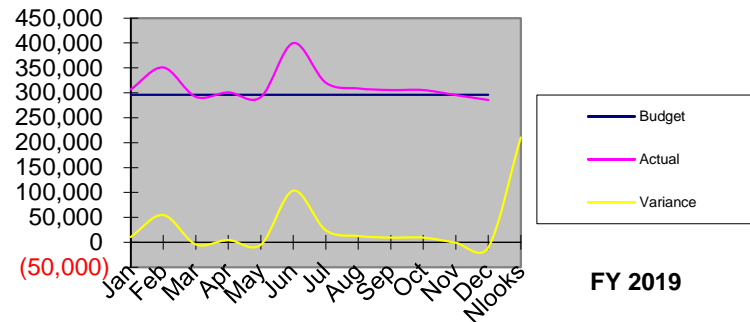
## RAP NET INCOME BEF. EXTRA ORD MAINTENANCE



# 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	320,443	24,374
Aug	296,069	308,784	12,715
Sep	296,069	305,583	9,514
Oct	296,069	305,583	9,514
Nov	296,069	295,475	(594)
Dec	296,069	285,669	(10,400)
Nlooks	3,552,829	3,763,243	210,414

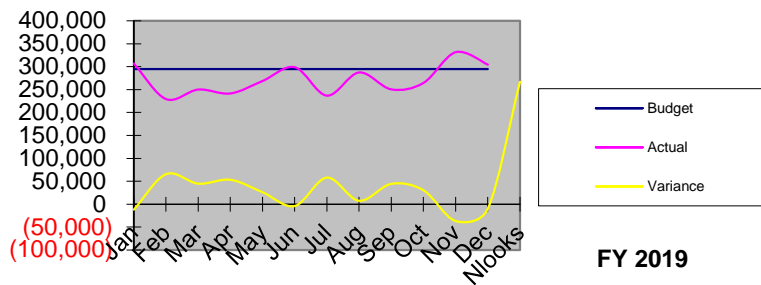
## RAP OPERATING REV.



# 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	287,355	7,402
Sep	294,757	250,429	44,328
Oct	294,757	264,458	30,299
Nov	294,757	331,578	(36,821)
Dec	294,757	304,426	(9,669)
Nlooks	3,537,082	3,270,070	267,012

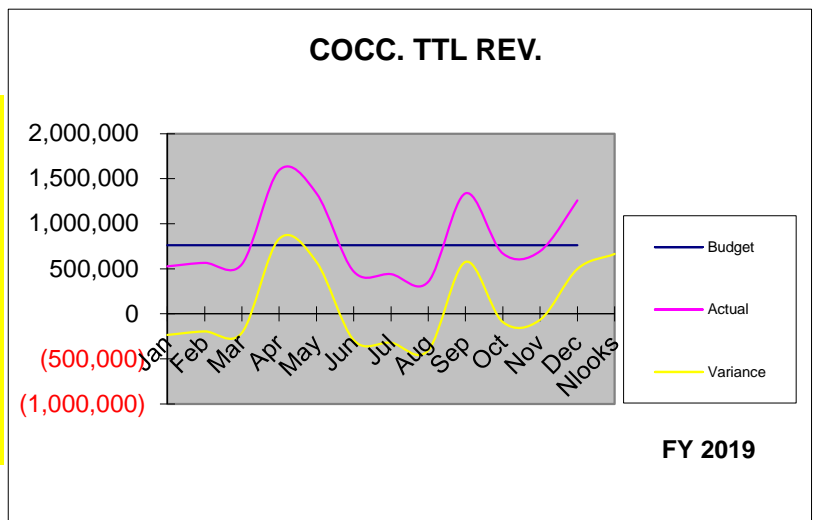
## RAP OPEX



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

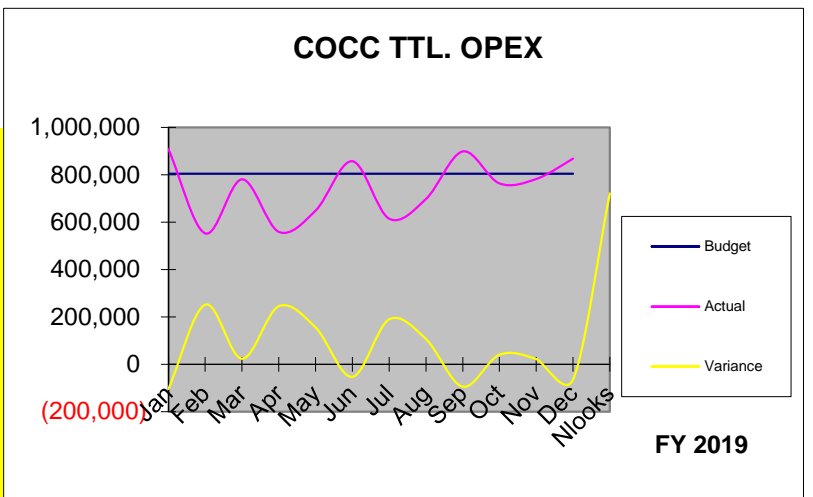
## OPERATING REVENUE

	Budget	Actual	Variance
Jan	761,591	526,627	(234,964)
Feb	761,591	565,803	(195,788)
Mar	761,591	550,571	(211,020)
Apr	761,591	1,594,616	833,025
May	761,591	1,338,204	576,613
Jun	761,591	469,578	(292,013)
Jul	761,591	440,473	(321,118)
Aug	761,591	355,816	(405,775)
Sep	761,591	1,338,061	576,470
Oct	761,591	669,745	(91,846)
Nov	761,591	695,208	(66,383)
Dec	761,591	1,259,114	497,523
Nlooks			664,725
Nlooks	9,139,091	9,803,816	



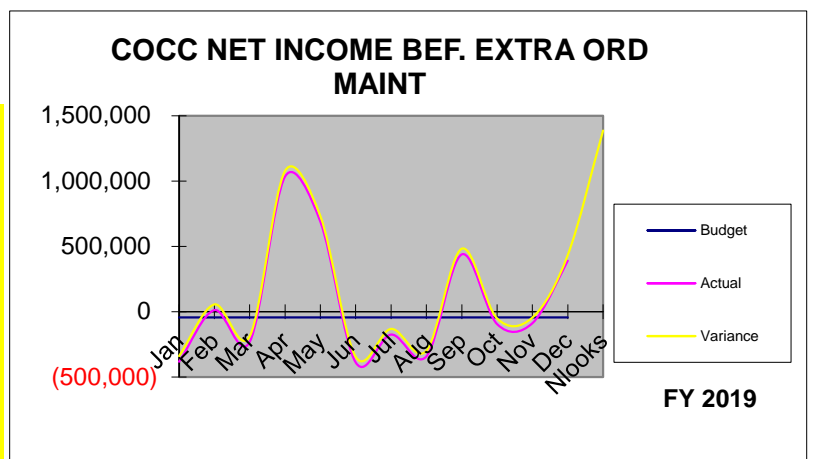
## OPERATING EXPENSES

	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	615,095	189,834
Aug	804,929	697,824	107,105
Sep	804,929	899,014	(94,085)
Oct	804,929	764,089	40,840
Nov	804,929	782,732	22,197
Dec	804,929	868,707	(63,778)
Nlooks			722,006
Nlooks	9,659,147	8,937,141	



## NET INCOME

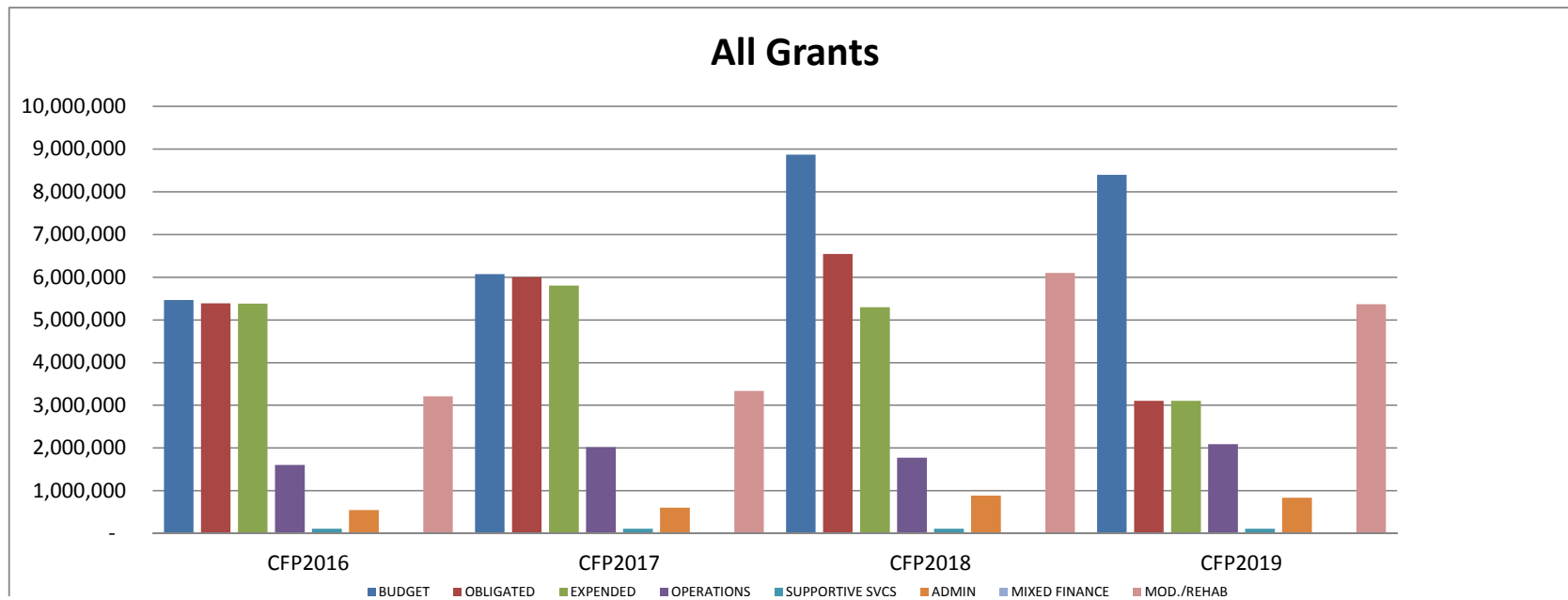
	Budget	Actual	Variance
Jan	(43,338)	(382,171)	(338,833)
Feb	(43,338)	12,726	56,064
Mar	(43,338)	(230,804)	(187,466)
Apr	(43,338)	1,035,078	1,078,416
May	(43,338)	689,188	732,526
Jun	(43,338)	(388,298)	(344,960)
Jul	(43,338)	(174,622)	(131,284)
Aug	(43,338)	(342,008)	(298,670)
Sep	(43,338)	439,047	482,385
Oct	(43,338)	(94,344)	(51,006)
Nov	(43,338)	(87,524)	(44,186)
Dec	(43,338)	390,407	433,745
Nlooks			1,386,731
	(520,056)	866,675	



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

HACM  
MAJOR GRANTS SUMMARY  
31-Dec-19

	SPENDING PLAN								END DATE
	BUDGET	OBLIGATED	EXPENDED	OPERATIONS	SUPPORTIVE SVCS	ADMIN	MIXED FINANCE	MOD./REHAB	
CFP2016	5,467,349	5,385,090	5,378,590	1,601,933	110,000	546,734		3,208,682	4/12/2020
CFP2017	6,071,406	6,000,530	5,800,566	2,017,528	110,000	607,140		3,336,738	8/16/2021
CFP2018	8,869,415	6,540,571	5,298,180	1,773,883	110,000	886,941		6,098,591	5/28/2022
CFP2019	8,399,756	3,105,289	3,105,289	2,089,464	110,000	835,786		5,364,506	4/15/2023
<b>TOTAL</b>	<b>28,807,926</b>	<b>21,031,480</b>	<b>19,582,625</b>	<b>7,482,808</b>	<b>440,000</b>	<b>2,876,601</b>	<b>-</b>	<b>18,008,517</b>	
<b>PERCENT</b>	<b>100%</b>	<b>73%</b>	<b>68%</b>	<b>26%</b>	<b>2%</b>	<b>10%</b>	<b>0%</b>	<b>63%</b>	



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 2<sup>nd</sup> 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](http://www.businesstown.com)