

Housing Authority of the City of Milwaukee

**Executive Summary of the 2019 Audit
of the Authority's Financial Statements**

**Meeting Date - January 13, 2021
Presented by: Steven Henke, CPA, Senior Manager**

I. Audit Results

- a. The objective of our audit was to express our opinion on the Authority's financial statements
- b. Current year scope for testing and reporting to management was determined based on our overall risk assessment and is relatively consistent with the prior year
- c. Our opinion
 - 1. An unmodified opinion has been issued
 - 2. The financial statements are fairly presented in accordance with generally accepted accounting principles applied on a consistent basis
 - 3. All appropriate disclosures have been properly presented in the financial statements

II. Reports Issued

Report Titles / Information Included Within Reports

- a. Financial statements
 - 1. 2019 financial statements of the Authority including the independent auditors' report, notes to the financial statements and management's discussion and analysis
 - 2. Also includes the schedule of expenditures of federal awards for the year ended December 31, 2019 and related compliance reports and opinions
- b. Certification of the 2019 annual financial statement data in the format defined by HUD and submitted via the REAC reporting system (to be completed)
 - 1. Financial statements, related data and the independent auditors' report
- c. Reporting and Insights from the 2019 Audit
 - 1. Information regarding the audit process
 - 2. Includes comments and observations identified during the audit
 - 3. Includes all communications required by professional standards

III. 2019 Financial Highlights

- a. Net position increased \$6.7 million compared to prior year increase of \$6.9 million
- b. Cash and investments totaled \$32.9 million compared to prior year of \$16.5 million
- c. Notes receivable from component units increased to \$72.2 million compared to prior year of \$59.7 million
- d. Long-term debt decreased to \$16.2 million compared to \$17.0 million in prior year
- e. Approximately \$2.5 million from the 2015 bonds is unspent at year end
- f. Net pension liability increased to \$11.5 million compared to prior year of \$4.0 million
- g. Total OPEB liability increased to \$9.7 million compared to prior year of \$9.2 million
- h. Deferred outflows of resources decreased to \$8.0 million compared to prior year of \$3.7 million
- i. Deferred inflows of resources decreased to \$2.8 million compared to \$3.7 million in the prior year

IV. Internal Control Matters

- a. Material weakness reported related to new or non-routine transactions
- b. Informational points

V. Single Audit

- a. We reviewed internal control and compliance over the major grant program including whether there are any questioned costs.
- b. No compliance findings or questioned costs identified

VI. Required Communications

- a. Communications are customary and usual

VII. 2020 Audit

- a. Appendix C of Insights Report - *Two Way Communication Regarding Your Audit*
- b. Describes the auditors' responsibilities
- c. Outlines the planned scope and timing of the audit
- d. Solicits your input

VIII. Questions