Housing Authority of the City of Milwaukee

Financial Statements and
Supplementary Information

December 31, 2021

Housing Authority of the City of Milwaukee

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INDEPENDENT AUDITORS' REPORT

Independent Auditors' Report

To the Board of Commissioners of
Housing Authority of the City of Milwaukee

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the business-type activities and the aggregate discretely presented component units of the Housing Authority of the City of Milwaukee (the Authority), as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and the aggregate discretely presented component units of the Authority as of December 31, 2021 and the respective changes in financial position and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of the Carver Park Tax Credit Limited Partnership, Highland Park Community, LLC, Cherry Court Development, LLC, Convent Hill, LLC, Scattered Sites, LLC, Scattered Sites II, LLC, Olga Village, LLC, Westlawn Renaissance, LLC, Lapham Park, LLC, Westlawn Renaissance II, LLC and Subsidiaries, Holton Terrace, LLC, Becher Court, LLC, Westlawn Renaissance III, LLC, Merrill Park, LLC and Westlawn Renaissance VI, LLC, which represent 87, 86 and 64% of the assets, net position and revenues, respectively, of the discretely presented component units of the Housing Authority of the City of Milwaukee. Those statements were audited by other auditors, whose reports have been furnished to us, and our opinions, insofar as it relates to the amounts included for the Carver Park Tax Credit Limited Partnership, Highland Park Community, LLC, Cherry Court Development, LLC, Convent Hill, LLC, Scattered Sites, LLC, Scattered Sites II, LLC, Olga Village, LLC, Westlawn Renaissance, LLC, Lapham Park, LLC, Westlawn Renaissance II, LLC and Subsidiaries, Holton Terrace, LLC, Becher Court, LLC, Westlawn Renaissance III, LLC, Merrill Park, LLC and Westlawn Renaissance VI, LLC are based solely on the reports of the other auditors.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (GAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Authority and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions. The financial statements of the Carver Park Tax Credit Limited Partnership, Highland Park Community, LLC, Cherry Court Development, LLC, Convent Hill, LLC, Scattered Sites, LLC, Scattered Sites II, LLC, Olga Village, LLC, Westlawn Renaissance, LLC, Lapham Park, LLC, Westlawn Renaissance II, LLC and Subsidiaries, Holton Terrace, LLC, Becher Court, LLC, Westlawn Renaissance III, LLC, Merrill Park, LLC, National Soldiers Home Residences II, LLC, National Soldiers Home Residences III, LLC and Westlawn Renaissance VI, LLC were not audited in accordance with *Government Auditing Standards.*

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America; and for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and GAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and GAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the required supplementary information, as listed in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Authority's basic financial statements. The supplementary information as listed in the table of contents, which includes the Schedule of Expenditures of Federal Awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Guidance Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* (Uniform Guidance) is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information, which includes the Schedule of Expenditures of Federal Awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Guidance Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* (Uniform Guidance) is fairly stated in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 30, 2022 on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Authority's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance.

Baker Tilly US, LLP

Milwaukee, Wisconsin
September 30, 2022

MANAGEMENT DISCUSSION AND ANALYSIS

HOUSING AUTHORITY OF THE CITY OF MILWAUKEE
MANAGEMENT'S DISCUSSION AND ANALYSIS
As of and for the Year Ended December 31, 2021

The management's discussion and analysis hereby presented, is designed to offer the reader a narrative overview and analysis of the financial activities of the Housing Authority of the City of Milwaukee (the Authority) for year ended December 31, 2021. This discussion and analysis is designed to assist the reader in focusing on significant fiscal issues and to identify changes in the Authority's Primary Government financial position.

Financial Statement Overview

The financial statements include the primary government and the Authority's component units. The financial statements are prepared on the accrual basis of accounting meaning that all expenses are recorded when incurred and all revenues are recognized when earned in accordance with accounting principles generally accepted in the United States of America.

Statement of Net Position

The statement of net position is similar to a balance sheet in corporate accounting. The statement of net position reports all financial and capital resources for the Authority. The statement is presented in the format where assets and deferred outflows of resources minus liabilities and deferred inflows of resources, equals net position. Assets and liabilities are presented in order of liquidity, and are classified as current (convertible into cash within one year), and non-current. The focus of the statement of net position is to show a picture of the liquidity and health of the organization as of the end of the year.

The statement of net position (the unrestricted net position) is designed to represent the net available liquid (non-capital) assets, net of liabilities, for the entire Authority. Net position is reported in three broad categories:

- Net Investment in Capital Assets – this component of net position consists of all capital assets, reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- Restricted net position – this component of net position consists of restricted assets where constraints are placed upon the assets by creditors (such as debt covenants), grantors, contributors, laws, and regulations, etc.
- Unrestricted net position – consists of net position that do not meet the definition of net position invested in capital assets, net of related debt, or restricted net position.

Statement of Revenues, Expenses and Change in Net Position

The statement of revenues, expenses, and change in net position is similar to an income statement of private corporations. This statement includes operating revenues, such as rental income and operating grants, operating expenses, such as administrative, utilities, maintenance, and depreciation; and non-operating revenue and expenses, such as grant revenue, investment income, and interest expense. The focus of the statement of revenues, expenses, and changes in net position is the change in net position. This is similar to net income or loss and portrays the results of operations of the organization for the entire operating period.

Statement of Cash Flows

The statement of cash flows discloses net cash provided by, or used for operating activities, investing activities, non-capital financing activities, and from capital and related financing activities. This statement also portrays the health of the Authority in that current cash flows are sufficient to pay current liabilities.

FINANCIAL ANALYSIS

Statement of Net Position

The following table reflects a condensed summary of net position (in thousands) as of December 31, 2021 and 2020:

Assets	2021	2020
Cash and Investments	$ 21,133	$ 20,790
Receivables	24,671	14,601
Prepaids expenses	716	2,415
Total Current Assets	46,520	37,806
Capital assets, net of depreciation	76,317	104,009
Investments with fiscal agent	554	2,554
Notes receivable from Component Units	162,963	123,104
Other assets	722	677
Total Assets	287,076	268,150
Deferred Outflows of Resources		
Deferred outflows related to pensions & OPEB	4,525	6,701
Liabilities		
Current liabilities	14,659	20,153
Long-term debt	36,213	36,307
Total Liabilities	50,872	56,460
Deferred Inflows of Resources	3,140	4,376
Net Position		
Net Investment in Capital Assets	62,769	69,348
Restricted	4,855	4,496
Unrestricted	169,965	140,172
Total Net Position	$ 237,589	$ 214,016

Financial Analysis for the Year Ended December 31, 2021 & 2020

In 2021, current assets increased approximately $8.7 million. Cash and investments increased by $343 thousand, while receivables increased by $10.1 million and prepaid expenses decreased by $1.7 million. Liabilities showed a decrease due to HACM some of the construction financing for the Westlawn Renaissance IV, LLC, Westlawn Renaissance V, LLC and Westlawn Renaissance VI, LLC being paid off during the year.

In 2020, current assets decreased approximately $3.8 million. Cash and investments decreased by $8.3 million while Receivables increased by $2.1 million and Prepaid Expenses increased by $1.9 million. Liabilities showed a decrease due to HACM providing some of the construction financing for the Westlawn Renaissance IV, LLC, Westlawn Renaissance V, LLC and Westlawn Renaissance VI, LLC.

Capital Assets

At year-end, the Housing Authority of the City of Milwaukee had over $298 million invested in capital assets as reflected in the following schedule. See Note 2 for additional information on the Authority's capital assets.

Land	$ 34,254,244	$ 34,568,635
Buildings	260,328,984	260,215,740
Furniture, Equipment-Administration	3,340,215	3,305,209
Construction in Progress	952,026	24,172,695
Accumulated Depreciation	(222,558,650)	(218,253,504)
Total	$ 76,316,819	$ 104,008,775

This year's major additions were:

College Court sidewalks	$ 23,200
Construction costs for Westlawn Renaissance IV, LLC also site infrastructure costs included in Construction In Progress	$ 296,964

Long-Term Debt Obligations

The Authority entered into a trust indenture with the First Bank Trust Company regarding $25,000,000 Single Family Mortgage Revenue Bonds (GNMA collateralized home mortgage revenue bond program) Series 1989 on June 1, 1989. The terms of the indenture are similar to the terms of the 1987 Mortgage Revenue Bonds.

In 2015 the Authority issued Multifamily Housing Revenue Bonds Series 2015A in the amount of $13,635,000 to refund all outstanding Refunded Bonds (Series 2002), finance certain costs of renovation and improvements for the Authority's Berryland, Northlawn, Southlawn and Southlawn Park Housing Developments, fund the replacement reserve deposit and pay the costs of issuance of the Series 2015A and the refunding of the Refunded Bonds. The replacement reserve is required to be funded with monthly deposits of $24,500.

Also in 2015 the Authority issued Series 2015B bonds in the amount of $5,410,000 to finance construction of affordable and market-rate housing in the City and pay the costs of issuance of the Series 2015B bonds.

See Note 2 for additional information on the Authority's long-term obligations.

Mortgage Revenue Bonds	Date of Issue	Final Maturity	Interest Rates	Original Indebtedness	Balance 12/31/2021
Mortgage revenue bonds 2015A	3/2/2015	7/1/2035	3.00%	$ 13,635,000	$ 12,525,000
Mortgage revenue bonds 2015B	3/2/2015	7/1/2025	0.688%	5,410,000	2,025,000
					$ 14,550,000

Statement of Revenue, Expenses, and Changes in Net Position

The following schedule compares the revenues and expenses (in thousands) for the current and previous fiscal year:

	2021	**2020**
Revenues:		
Tenant revenue	$ 16,488	$ 15,736
Operating subsidies and grants	51,145	47,354
Capital contributions	9,065	8,279
Investment income	2,922	2,506
Other revenue	16,850	10,671
Gain/(Loss) on disposal of assets	6,817	10,455
Total revenue	103,287	95,001
Expenses:		
Housing assistance payments	34,347	33,615
Administrative and general expenses	23,384	22,112
Utilities	4,373	4,369
Maintenance	11,859	9,364
Depreciation	4,672	4,927
Interest and amortization expense	530	593
Loss from investment in partnership	550	532
Total expense	79,715	75,512
Increase in net position	$ 23,572	$ 19,489

Financial Analysis for Year Ended December 31, 2021

In 2021, the Housing Authority had an overall increase in net position of $23.6 million, compared to an increase in net position of about $19.5 million in 2020.

Revenues increased by about $7.5 million in 2021. While overall expenses increased $4.2 million.

In 2021, the Housing Authority experienced a increase in total expenses of about $4.2 million. Housing Assistance Payments increased about $732,000 as we continue our efforts to increase lease ups in the Housing Choice Voucher Program. Administrative and general expenses increased about 5.8% or $1.3 million. Maintenance costs were up by $2.4 million.

Factors Affecting the Financial Health of the Authority

- **Federal funding from the U.S. Department of Housing and Urban Development**
  The Authority relies on HUD Operating Fund subsidy, Capital funds and special grant programs including Resident Opportunities and Self-Sufficiency (ROSS) grants to support its public housing operations. HUD funding for operating subsidy and Capital Fund is anticipated at less than full eligibility, however this is offset by higher than usual funding levels based on federal appropriations. While HACM developed its budget anticipating these funding allocations, unanticipated increases in operating costs including utility and water expense, and pension cost contributions could result in the need to adjust program services.

  HACM also receives significant funding from HUD under the Section 8 Housing Choice Voucher program. HACM administers about 7,539 vouchers. Administrative fee funding for 2021 was 82% and future funding level is projected at around 80%. The less than 100% funding impacts the ability of HACM to fully lease up to the authorized program level and could result in adjustments in services.

  To address the risk of funding instability, HACM is participating in the Rental Assistance Demonstration (RAD) Program of HUD. As of December 2021 HACM has already converted 1,068 public housing units into RAD. HACM will continue to evaluate the viability of conversion for the rest of the HACM public housing portfolio.

- **COVID -19**
  Similar to any organizations, the operations of HACM has been severely disrupted by the pandemic. Operational efficiencies and productivity dropped as we continue to adjust organizational structure and process to adapt to the new normal. Occupancy and Lease up rates, unit turn overs and rent collections have taken a significant hit especially towards the end of 2020 and continuing. Labor and material cost increases impacted ongoing construction projects. HACM continues to adjust its operations to mitigate the impacts of the COVID situation.

- **Local Labor Issues**
  Wage rates increased modestly in 2021, but fringe benefit costs, especially health insurance, continue to increase. HACM will continue to evaluate existing policies impacting employee benefits, to control long-term costs.

Factors Affecting the Financial Health of the Authority (continued)

- **Local Economic Conditions**
  Despite improvement in the local economy and employment rate, the housing market that HACM is targeting has not fully recovered. HACM is now focusing their efforts on assisting residents in preparing them for homeownership as part of the HACM's self-sufficiency program. Rising construction costs have also had a negative impact on HACM's development program of new, single family, market rate homes, including rehabilitation of existing units

- **Utility Rates and Supply Costs**
  Utility costs continue to increase despite significant investment in energy efficient modernization. Rates have increased moderately and consumption has been reduced.

- **Quality of Available Housing**
  HACM has continued to make significant investments in the redevelopment of its public housing portfolio. HACM has received more than $120 million in HUD HOPE VI grants to redevelop Hillside Terrace, Parklawn, Lapham Park, Townhomes at Carver Park, Highland Gardens, Highland Homes and Scattered Sites public housing. In addition, HACM received Low Income Housing Tax Credits (LIHTC) allocations to redevelop the Cherry Court elderly/disabled housing development and completed the $20 million mixed-finance redevelopment of the Convent Hill development. An additional $8 million tax credit allocation also allowed HACM to replace 24 obsolete scattered sites units with new energy efficient single-family homes. HACM also received a $10.4 million HUD formula grant under the American Recovery and Reinvestment Act (ARRA) which funded capital improvements at all of HACM's highrise public housing developments and a $7.9 million competitive ARRA grant which funded accessibility improvements at the 200-unit Lapham Park development for seniors

  ARRA funds and LIHTC funding were also used to construct a 37-unit midrise at Olga Village. The Housing Authority was fortunate to receive over $8 million of LIHTC in 2010 to support the redevelopment of Westlawn and new construction at Olga Village. This award of tax credits was extremely unusual and related to approximately $30 million of disaster credits that the Wisconsin Economic Development Authority (WHEDA) received in 2010. These disaster credits are no longer available to WHEDA, so there will be fewer tax credit dollars to award to eligible projects in the future.

  HACM will continue to incorporate "green" technology and universal design within all redevelopment projects.

  In 2010, HACM received a $7.6 million LIHTC allocation to redevelop the eastern half of Westlawn. The funding allowed HACM to build 250 rental units after the demolition of the 332 old public housing units. In September 2015, HACM was awarded a $30 million Choice Neighborhood Implementation grant by Housing and Urban Development. This neighborhood transformation initiative will leverage around $250 million in investment in the area. HACM will continue to redevelop the east and west portion of the Westlawn development by constructing new mixed income housing units. HACM expects to build 708 units of mixed income housing once the project is completed. The Housing Phase reconstruction is in multiple phases with construction start of the last phase planned in 2023.

Factors Affecting the Financial Health of the Authority *(continued)*

In 2020, HACM had already completed construction of 184 affordable units in the development representing the first three (3 phases of the housing development plan for a total development cost of around $59mm. HACM also started construction of the 3rd and 4th phases, for 198 units with a total development cost of $68.5 million. HACM received 9% and 4% LIHTC allocation and obtained construction loan to finance the development of this project.

In 2021 construction continued on the Westlawn Renaissance VI, LLC project consisting of 138 units in 57 buildings, with parking spaces available to tenants on site. The project qualifies for low income housing tax credits pursuant to Section 42 of the Internal Revenue Code (IRC). Various buildings were placed in service on various dates from March 4, 2021 through December 2, 2021.

The quality and cost of housing in the private market directly impacts HACM's Section 8 Housing Choice Voucher program. Rental rates have largely been stable, however, the availability of large units remains limited.

- **Continued Capital Improvement**
  HACM continues to implement its 5-year Capital Fund modernization plan supported by a comprehensive Physical Needs Assessment that was completed in 2014. Addressing the capital needs of HACM's aging portfolio, however, is largely dependent on the availability of Capital Fund Grants from the federal government. HACM continues to rely on Low Income Housing Tax Credit to address deferred capital needs and will evaluate viability of reposition of its real estate assets through the RAD program and HUD various disposition programs.

Financial Contact

The individual to be contacted regarding this report is Rick Koffarnus, Finance Director, of the Housing Authority of the City of Milwaukee at 414-286-5872. Specific requests may be submitted to Fernando Aniban, Deputy Director or Willie Hines, Jr., Secretary-Executive Director, Housing Authority of the City of Milwaukee, 809 North Broadway, Milwaukee, Wisconsin 53202.

BASIC FINANCIAL STATEMENTS

Housing Authority of the City of Milwaukee

Statement of Net Position
December 31, 2021

	Primary Government	Component Units	Total
Assets			
Current assets:			
Cash and investments:			
Unrestricted	$ 12,005,035	$ 5,593,999	$ 17,599,034
Restricted, other	7,953,243	-	7,953,243
Restricted, tenant security deposits	1,174,529	832,851	2,007,380
Receivables:			
HUD other projects	4,382,774	-	4,382,774
Tenants, dwelling rents, net of allowance for doubtful accounts	2,527,452	2,182,078	4,709,530
Miscellaneous	5,336,470	26,478	5,362,948
Other miscellaneous from component units	12,420,869	-	12,420,869
Current portion of notes receivable from Highland Park	2,414	-	2,414
Accrued interest	1,289	-	1,289
Prepaid items	716,011	643,916	1,359,927
Total current assets	46,520,086	9,279,322	55,799,408
Noncurrent assets:			
Restricted assets:			
Investments with fiscal agent	554,487	-	554,487
Other investments:			
Replacement reserve	-	4,607,718	4,607,718
Affordability and operating reserve	-	4,199,699	4,199,699
Construction cash	-	296,226	296,226
Mortgage escrow deposits	-	67,960	67,960
Capital needs reserve	-	406,657	406,657
Holding reserve	-	25,476	25,476
Interest reserve	-	101,508	101,508
Deferred mortgage receivable	722,038	-	722,038
Capital assets:			
Land	34,254,244	9,163,723	43,417,967
Construction in progress	952,026	13,808,603	14,760,629
Other capital assets, net of accumulated depreciation	41,110,549	288,757,807	329,868,356
Other assets:			
Long-term interest receivable	16,352,892	-	16,352,892
Developer fee receivable	8,772,365	-	8,772,365
Investment in Carver Park	6,191,917	-	6,191,917
Investment in National Soldiers Home Residences II	4,546,061	-	4,546,061
Investment in National Soldiers Home Residences III	823,991	-	823,991
Notes receivable from Highland Park	2,100,859	-	2,100,859
Notes receivable from Cherry Court	8,687,203	-	8,687,203
Notes receivable from Convent Hill	6,875,874	-	6,875,874
Notes receivable from Scattered Sites	2,318,300	-	2,318,300
Notes receivable from Scattered Sites II	1,107,578	-	1,107,578
Notes receivable from Olga Village	2,363,334	-	2,363,334
Notes receivable from Westlawn Renaissance	9,260,761	-	9,260,761
Notes receivable from Lapham Park	19,535,097	-	19,535,097
Notes receivable from Westlawn Renaissance II	12,951,122	-	12,951,122
Notes receivable from Holton Terrace	6,986,025	-	6,986,025
Notes receivable from Becher Court	5,764,150	-	5,764,150
Notes receivable from Westlawn Renaissance III	20,860,196	-	20,860,196
Notes receivable from Merrill Park	3,820,324	-	3,820,324
Notes receivable from National Soldiers Home Residences II	8,485,989	-	8,485,989
Notes receivable from National Soldiers Home Residences III	1,841,043	-	1,841,043
Notes receivable from Westlawn Renaissance VI	11,235,279	-	11,235,279
RAD notes receivable	2,082,715	-	2,082,715
Tax credit fees, net	-	1,282,378	1,282,378
Total noncurrent assets	240,556,419	322,717,755	563,274,174
Total assets	287,076,505	331,997,077	619,073,582
Deferred Outflows of Resources			
Deferred outflows related to OPEB	2,183,933	-	2,183,933
Deferred outflows related to pensions	2,341,282	-	2,341,282
Total deferred outflows	4,525,215	-	4,525,215

See notes to financial statements

	Primary Government	Component Units	Total
Liabilities			
Current liabilities:			
Accounts payable	$ 5,630,787	$ 3,156,230	$ 8,787,017
Construction payable	-	1,630,418	1,630,418
Construction payable due to primary government	-	12,420,869	12,420,869
Accrued wages and benefits	984,185	-	984,185
Other current liabilities	4,343,232	2,901,489	7,244,721
Accrued interest	262,017	466,676	728,693
Unearned revenue	-	216,895	216,895
Due to other governments	1,130,944	-	1,130,944
Current portion of bonds and notes payable	815,000	40,518,282	41,333,282
Current portion of compensated absences	318,577	-	318,577
Current portion of notes and land lease payable to primary government	-	2,414	2,414
Liabilities payable from restricted assets:			
Tenant security deposits	1,174,529	832,851	2,007,380
Total current liabilities	14,659,271	62,146,124	76,805,395
Noncurrent liabilities:			
Development fee payable	-	9,205,865	9,205,865
Accrued interest	-	16,352,892	16,352,892
RAD notes payable	-	1,656,835	1,656,835
Long-term debt:			
Mortgage revenue bonds payable	13,819,768	-	13,819,768
Notes payable	-	16,910,697	16,910,697
Other liabilities:			
Compensated absences	488,288	-	488,288
Total OPEB liability	13,419,041	-	13,419,041
Net pension liability	8,486,000	-	8,486,000
Notes and land lease payable to primary government	-	124,180,804	124,180,804
Total noncurrent liabilities	36,213,097	168,307,093	204,520,190
Total liabilities	50,872,368	230,453,217	281,325,585
Deferred Inflows of Resources			
Deferred inflows related to OPEB	1,159,744	-	1,159,744
Deferred inflows related to pensions	1,979,999	-	1,979,999
Total deferred inflows	3,139,743	-	3,139,743
Net Position			
Net investment in capital assets	62,769,298	120,912,071	183,681,369
Restricted:			
Debt service	39,697	-	39,697
Replacement reserve	2,941,195	-	2,941,195
Home ownership program	1,481,388	-	1,481,388
Housing choice voucher program	-	-	-
Unrestricted (deficit)	170,358,031	(19,368,211)	150,989,820
Total net position	$ 237,589,609	$ 101,543,860	$ 339,133,469

See notes to financial statements

Housing Authority of the City of Milwaukee

Statement of Revenues, Expenses and Changes in Net Position
Year Ended December 31, 2021

	Primary Government	Component Units	Total
Operating Revenues			
Tenant revenue:			
Rentals	$ 16,238,159	$ 12,102,725	$ 28,340,884
Other tenant revenue	249,965	166,713	416,678
HUD PHA grant revenue	51,144,636	-	51,144,636
Other operating revenue	16,850,479	277,940	17,128,419
Total operating revenues	84,483,239	12,547,378	97,030,617
Operating Expenses			
Administrative	17,324,520	4,268,598	21,593,118
Tenant services	1,992,279	-	1,992,279
Utilities	4,372,839	2,114,182	6,487,021
Ordinary maintenance	11,436,567	4,214,165	15,650,732
Extraordinary maintenance	422,837	-	422,837
Protective services	66,436	-	66,436
Insurance premiums	1,507,225	-	1,507,225
Other general expenses	787,087	-	787,087
Casualty loss, non-capitalized	134,252	-	134,252
Payments in lieu of taxes	1,130,944	-	1,130,944
Bad debt, tenant rents	439,652	-	439,652
Housing assistance payments	34,346,879	-	34,346,879
Depreciation and amortization	4,671,500	10,131,986	14,803,486
Total operating expenses	78,633,017	20,728,931	99,361,948
Operating loss	5,850,222	(8,181,553)	(2,331,331)
Nonoperating Revenues (Expenses)			
Syndication costs	-	(178,924)	(178,924)
Gain on involuntary conversion	-	130,732	130,732
Distributions	-	(16,932)	(16,932)
Investment income	2,921,729	3,784	2,925,513
Net loss from investment in partnership	(549,854)	-	(549,854)
Gain (loss) on disposal of capital assets	6,817,078	-	6,817,078
Interest expense	(530,433)	(4,651,820)	(5,182,253)
Total nonoperating revenues (expenses)	8,658,520	(4,713,160)	3,945,360
Income (loss) before owner distributions and capital contributions	14,508,742	(12,894,713)	1,614,029
Capital Contributions	9,065,012	36,308,665	45,373,677
Change in net position	23,573,754	23,413,952	46,987,706
Net Position, Beginning	214,015,855	78,129,908	292,145,763
Net Position, Ending	$ 237,589,609	$ 101,543,860	$ 339,133,469

See notes to financial statements

Housing Authority of the City of Milwaukee

Statement of Cash Flows
Year Ended December 31, 2021

	Primary Government	Component Units	Total
Cash Flows From Operating Activities			
Receipts from tenants	$ 14,561,034	$ 11,657,718	$ 26,218,752
Receipts of HUD PHA grants	50,138,642	-	50,138,642
Payments to suppliers	(20,500,119)	(10,906,855)	(31,406,974)
Payments for housing assistance	(34,346,879)	-	(34,346,879)
Payments to employees	(19,455,175)	-	(19,455,175)
Other receipts	17,058,881	166,713	17,225,594
Net cash flows from operating activities	7,456,384	917,576	8,373,960
Cash Flows For Noncapital Related Financing Activities			
Financing of deferred mortgages	(45,013)	-	(45,013)
Net cash flows from noncapital related financing activities	(45,013)	-	(45,013)
Cash Flows From Capital and Related Financing Activities			
Federal grants for capital acquisition	6,085,079	-	6,085,079
Syndication costs	-	(178,924)	(178,924)
Acquisitions and modernization of capital assets	(4,379,303)	(92,538,238)	(96,917,541)
Insurance proceeds	-	179,054	179,054
Proceeds on disposal of capital assets	7,332,801	-	7,332,801
Proceeds from mortgage notes payable	-	81,461,690	81,461,690
Principal paid on mortgage revenue bonds	(827,031)	(18,344,094)	(19,171,125)
Development and financing fees paid	-	(6,488,352)	(6,488,352)
Cash advance	-	1,070,741	1,070,741
Interest paid on long-term obligations	(543,270)	(2,531,801)	(3,075,071)
Subscription receipts	-	36,308,665	36,308,665
Owner distributions	-	(16,932)	(16,932)
Payments from (to) component units or other entities related to component units for capital acquisition	(17,647,270)	-	(17,647,270)
Net cash flows from capital and related financing activities	(9,978,994)	(1,078,191)	(11,057,185)
Cash Flows From Investing Activities			
Net (deposits to) withdrawals from replacement reserves	-	(208,382)	(208,382)
Net (deposits to) withdrawals from affordability reserves	-	(323,867)	(323,867)
Net (deposits to) withdrawals from operating reserves	-	(1,010,134)	(1,010,134)
Net (deposits to) withdrawals from construction cash	-	1,602,876	1,602,876
Net (deposits to) withdrawals from holding reserves	-	(25,476)	(25,476)
Net (deposits to) withdrawals from interest reserves	-	(101,508)	(101,508)
Payment on cash advance	-	54,304	54,304
Sale of investments	1,999,897	-	1,999,897
Investment income	910,271	3,784	914,055
Net cash flows from investing activities	2,910,168	(8,403)	2,901,765
Net change in cash and cash equivalents	342,545	(169,018)	173,527
Cash and Cash Equivalents, Beginning	20,790,262	6,595,868	27,386,130
Cash and Cash Equivalents, Ending	$ 21,132,807	$ 6,426,850	$ 27,559,657

See notes to financial statements

Housing Authority of the City of Milwaukee

Statement of Cash Flows
Year Ended December 31, 2021

	Primary Government	Component Units	Total
Reconciliation of Operating Loss to Net Cash Flows From Operating Activities			
Operating loss	$ 5,850,222	$ (8,181,553)	$ (2,331,331)
Adjustments to reconcile operating loss to net cash flows from operating activities:			
Depreciation	4,671,500	10,131,986	14,803,486
Amortization of financing fees	-	(1,077,316)	(1,077,316)
Changes in assets, deferred outflows, liabilities and deferred inflows:			
Tenant accounts receivable	(1,548,685)	(821,392)	(2,370,077)
Other accounts receivable	(527)	(26,478)	(27,005)
Development fees receivable	413,062	-	413,062
Prepaid expenses	1,699,260	9,168	1,708,428
Accounts payable	(2,987,753)	(11,156)	(2,998,909)
Due to city	(1,150,994)	-	(1,150,994)
Other current liabilities	(609,647)	-	(609,647)
Accrued liabilities	466,704	760,982	1,227,686
Compensated absences	1,884	-	1,884
Tenant security deposits	61,247	203,018	264,265
Due to other governments	27,065	-	27,065
Pension liability and related deferrals	1,171,515	-	1,171,515
Unearned revenue	(1,210,126)	(69,683)	(1,279,809)
Total OPEB obligation and related deferrals	601,658	-	601,658
Net cash flows from operating activities	$ 7,456,385	$ 917,576	$ 8,373,961
Reconciliation of Cash and Cash Equivalents to Statement of Net Position			
Unrestricted	$ 12,005,035	$ 5,593,999	$ 17,599,034
Restricted, other	7,953,243	-	7,953,243
Restricted, tenant security deposits	1,174,529	832,851	2,007,380
Total cash and cash equivalents	$ 21,132,807	$ 6,426,850	$ 27,559,657

See notes to financial statements

Housing Authority of the City of Milwaukee

Combining Statement of Net Position - Component Units
December 31, 2021

	Carver Park	Highland Park	Cherry Court	Convent Hill	Scattered Sites	Scattered Sites II	Olga Village	Westlawn Renaissance	Lapham Park
Assets									
Current assets:									
Cash and investments:									
Unrestricted	$ 67,340	$ 242,666	$ 33,268	$ 29,122	$ 81,949	$ 220,916	$ 19,901	$ 357,795	$ 370,050
Restricted, tenant security deposits	56,749	45,801	48,264	33,965	13,728	14,254	12,687	162,436	83,444
Receivables:									
Tenants, dwelling rents	516,524	149,631	52,645	12,375	26,789	41,744	21,333	350,492	59,730
Miscellaneous	-	-	-	-	-	-	-	-	-
Prepaid items	15,675	8,984	12,741	-	-	5,997	20,192	62,402	72,485
Total current assets	656,288	447,082	146,918	75,462	122,466	282,911	74,113	933,125	585,709
Noncurrent assets:									
Restricted assets:									
Other investments:									
Replacement reserve	198,741	965,018	575,069	249,030	297,297	323,821	292,930	967,259	484,906
Affordability and operating reserve	428,174	334,351	405,698	238,975	76,996	75,785	205,681	607,916	636,379
Construction cash	-	-	-	-	-	-	-	-	-
Mortgage escrow deposits	-	-	-	-	-	-	-	-	-
Capital needs reserve	-	-	-	-	-	-	-	-	-
Holding reserve	-	-	-	-	-	-	-	-	-
Interest reserve	-	-	-	-	-	-	-	-	-
Capital assets:									
Land	772,096	142,500	1,012,646	745,168	203,111	136,671	573,017	2,637,572	836,946
Construction in process	-	-	-	-	-	-	-	-	-
Other capital assets, net of accumulated depreciation	4,629,644	5,437,407	10,609,489	6,974,370	3,799,149	4,634,159	8,812,269	54,114,580	23,678,671
Other assets:									
Tax credit fees, net	-	-	-	6,041	2,575	-	101,336	249,198	25,413
Total noncurrent assets	6,028,655	6,879,276	12,602,902	8,213,584	4,379,128	5,170,436	9,985,233	58,576,525	25,662,315
Total assets	$ 6,684,943	$ 7,326,358	$ 12,749,820	$ 8,289,046	$ 4,501,594	$ 5,453,347	$ 10,059,346	$ 59,509,650	$ 26,248,024

See notes to financial statements

Housing Authority of the City of Milwaukee

Combining Statement of Net Position - Component Units
December 31, 2021

	Westlawn Renaissance II	Holton Terrace	Becher Court	Westlawn Renaissance III	Merrill Park	National Soldiers Home Residences II	National Soldiers Home Residences III	Westlawn Renaissance VI	Total
Assets									
Current assets:									
Cash and investments:									
Unrestricted	$ 358,650	$ 794,063	$ 590,524	$ 269,663	$ 747,867	$ 97,928	$ 107,131	$ 1,205,166	$ 5,593,999
Restricted, Tenant security deposits	55,947	21,156	42,583	57,061	53,009	33,593	24,737	73,437	832,851
Receivables:									
Tenants, dwelling rents	109,840	136,727	142,900	100,637	370,413	15,298	6,530	68,470	2,182,078
Miscellaneous	-	-	-	-	-	22,397	4,081	-	26,478
Prepaid items	19,731	15,071	387,848	5,255	8,961	-	-	8,574	643,916
Total current assets	544,168	967,017	1,163,855	432,616	1,180,250	169,216	142,479	1,355,647	9,279,322
Noncurrent assets:									
Restricted assets:									
Other investments:									
Replacement reserve	115,250	60,000	36,078	42,319	-	-	-	-	4,607,718
Affordability and operating reserve	330,009	398,500	-	300,193	-	-	161,042	-	4,199,699
Construction cash	8,155	259,929	-	28,142	-	-	-	-	296,226
Mortgage escrow deposits	67,960	-	-	-	-	-	-	-	67,960
Capital needs reserve	-	406,657	-	-	-	-	-	-	406,657
Holding reserve	-	-	-	25,476	-	-	-	-	25,476
Interest reserve	-	-	-	-	-	101,508	-	-	101,508
Capital assets:									
Land	385,493	408,000	-	243,789	379,439	-	-	687,275	9,163,723
Construction in process	-	-	-	-	-	-	-	13,808,603	13,808,603
Other capital assets, net of accumulated depreciation	22,334,332	10,180,789	10,763,624	31,764,399	13,154,277	24,687,168	16,164,237	37,019,243	288,757,807
Other assets:									
Tax credit fees, net	76,172	56,420	71,706	32,601	94,438	22,177	267,425	276,876	1,282,378
Total noncurrent assets	23,317,371	11,770,295	10,871,408	32,436,919	13,628,154	24,810,853	16,592,704	51,791,997	322,717,755
Total assets	$ 23,861,539	$ 12,737,312	$ 12,035,263	$ 32,869,535	$ 14,808,404	$ 24,980,069	$ 16,735,183	$ 53,147,644	$ 331,997,077

See notes to financial statements

Housing Authority of the City of Milwaukee

Combining Statement of Net Position - Component Units
December 31, 2021

	Carver Park	Highland Park	Cherry Court	Convent Hill	Scattered Sites	Scattered Sites II	Olga Village	Westlawn Renaissance	Lapham Park
Liabilities									
Current liabilities:									
Accounts payable	$ 132,536	$ 334,420	$ 203,096	$ 26,342	$ 54,013	$ 21,080	$ 51,015	$ 342,280	$ 44,787
Construction payable	-	-	-	-	-	-	-	-	-
Construction payable due to primary government	-	-	-	-	-	-	-	-	-
Other current liabilities	293,535	77,056	35,077	144,044	37,507	114,956	26,658	1,012,610	672,778
Accrued interest	-	2,780	3,205	3,834	-	-	296,925	-	-
Unearned revenue	11,888	26,827	3,230	5,503	2,144	8,117	7,181	29,538	16,854
Current portion of bonds and notes payable	-	1,261,644	757,685	30,412	-	-	-	-	-
Current portion of notes and land lease payable to primary government	-	2,414	-	-	-	-	-	-	-
Liabilities payable from restricted assets:									
Tenant security deposits	56,749	45,801	48,264	33,965	13,728	14,254	12,687	162,436	83,444
Total current liabilities	494,708	1,750,942	1,050,557	244,100	107,392	158,407	394,466	1,546,864	817,863
Noncurrent liabilities:									
Development fee payable	-	-	-	-	-	-	-	-	1,638,565
Accrued interest	-	2,742,412	4,344,116	2,427,551	1,088,509	1,544,642	261,846	1,984,379	93,081
RAD note payable	-	793,888	198,546	-	213,122	243,914	207,365	-	-
Long-term debt:									
Notes payable	-	-	-	757,495	-	-	1,164,643	-	-
Other liabilities:									
Notes and land lease payable to primary government	-	2,100,860	8,687,203	6,875,874	2,318,300	1,107,578	2,363,334	9,248,529	19,535,097
Total noncurrent liabilities	-	5,637,160	13,229,865	10,060,920	3,619,931	2,896,134	3,997,188	11,232,908	21,266,743
Total liabilities	494,708	7,388,102	14,280,422	10,305,020	3,727,323	3,054,541	4,391,654	12,779,772	22,084,606
Net Position (Deficit)									
Net investment in capital assets	5,401,740	2,214,989	2,177,247	55,757	1,683,960	3,663,252	5,857,309	47,503,623	3,341,955
Unrestricted (deficit)	788,495	(2,276,733)	(3,707,849)	(2,071,731)	(909,689)	(1,264,446)	(189,617)	(773,745)	821,463
Total net position (deficit)	$ 6,190,235	$ (61,744)	$ (1,530,602)	$ (2,015,974)	$ 774,271	$ 2,398,806	$ 5,667,692	$ 46,729,878	$ 4,163,418

See notes to financial statements

Housing Authority of the City of Milwaukee

Combining Statement of Net Position - Component Units
December 31, 2021

	Westlawn Renaissance II	Holton Terrace	Becher Court	Westlawn Renaissance III	Merrill Park	National Soldiers Home Residences II	National Soldiers Home Residences III	Westlawn Renaissance VI	Total
Liabilities									
Current liabilities:									
Accounts payable	$ 127,189	$ 290,926	$ 100,908	$ 80,560	$ 98,458	$ 89,865	$ 79,472	$ 1,079,283	$ 3,156,230
Construction payable	-	-	176,949	-	203,975	-	-	1,249,494	1,630,418
Construction payable due to primary government	-	-	1,754,270	-	954,336	-	-	9,712,263	12,420,869
Other current liabilities	129,811	63,149	95,528	47,311	101,084	15,089	10,000	25,296	2,901,489
Accrued interest	3,342	5,900	6,757	3,181	23,642	37,726	18,687	60,697	466,676
Unearned revenue	15,780	10,256	6,629	16,259	32,282	10,574	6,485	7,348	216,895
Current portion of bonds and notes payable	23,691	10,627	-	15,431	5,952,302	6,504,198	7,985,417	17,976,875	40,518,282
Current portion of notes and land lease payable to primary government	-	-	-	-	-	-	-	-	2,414
Liabilities payable from restricted assets:									
Tenant security deposits	55,947	21,156	42,583	57,061	53,009	33,593	24,737	73,437	832,851
Total current liabilities	355,760	402,014	2,183,624	219,803	7,419,088	6,691,045	8,124,798	30,184,693	62,146,124
Noncurrent liabilities:									
Development fee payable	162,284	137,500	718,018	690,911	881,602	515,000	418,500	4,043,485	9,205,865
Accrued interest	825,472	59,420	161,635	119,579	386,582	58,315	67,796	187,557	16,352,892
RAD note payable	-	-	-	-	-	-	-	-	1,656,835
Long-term debt:									
Notes payable	1,828,956	1,131,376	2,590,374	1,752,015	1,088,920	1,099,185	-	5,497,733	16,910,697
Other liabilities:									
Notes and land lease payable to primary government	12,951,122	6,986,025	5,764,050	20,860,196	3,820,324	8,485,989	1,841,043	11,235,280	124,180,804
Total noncurrent liabilities	15,767,834	8,314,321	9,234,077	23,422,701	6,177,428	10,158,489	2,327,339	20,964,055	168,307,093
Total liabilities	16,123,594	8,716,335	11,417,701	23,642,504	13,596,516	16,849,534	10,452,137	51,148,748	230,453,217
Net Position (Deficit)									
Net investment in capital assets	7,753,772	2,323,261	1,691,182	8,689,635	1,790,568	8,082,796	5,919,277	12,761,748	120,912,071
Unrestricted (deficit)	(15,827)	1,697,716	(1,073,620)	537,396	(578,680)	47,739	363,769	(10,762,852)	(19,368,211)
Total net position (deficit)	$ 7,737,945	$ 4,020,977	$ 617,562	$ 9,227,031	$ 1,211,888	$ 8,130,535	$ 6,283,046	$ 1,998,896	$ 101,543,860

See notes to financial statements

	Carver Park	Highland Park	Cherry Court	Convent Hill	Scattered Sites	Scattered Sites II	Olga Village	Westlawn Renaissance	Lapham Park
Operating Revenues									
Tenant revenue:									
Rentals	$ 732,185	$ 885,522	$ 800,472	$ 650,685	$ 215,018	$ 234,720	$ 291,869	$ 2,037,665	$ 1,414,342
Other tenant revenue	4,913	13,971	11,208	481	952	-	2,749	12,735	16,347
Operating subsidies	277,940	-	-	-	-	-	-	-	-
Total operating revenues	1,015,038	899,493	811,680	651,166	215,970	234,720	294,618	2,050,400	1,430,689
Operating Expenses									
Administrative	308,121	284,999	267,224	125,741	98,030	106,920	107,349	692,823	472,570
Utilities	215,730	152,339	189,444	-	34,222	40,922	78,079	372,633	276,366
Ordinary maintenance	381,746	331,850	325,322	495,171	73,185	31,761	83,709	924,887	608,200
Depreciation and amortization	659,350	524,269	455,602	537,540	155,792	170,603	334,988	2,157,670	852,250
Total operating expenses	1,564,947	1,293,457	1,237,592	1,158,452	361,229	350,206	604,125	4,148,013	2,209,386
Operating income (loss)	(549,909)	(393,964)	(425,912)	(507,286)	(145,259)	(115,486)	(309,507)	(2,097,613)	(778,697)
Nonoperating Revenues (Expenses)									
Syndication costs	-	-	-	-	-	-	-	-	-
Gain on involuntary conversion	-	130,732	-	-	-	-	-	-	-
Distributions									
Investment income	-	195	2,400	51	39	41	52	246	155
Interest expense	-	(295,477)	(432,124)	(270,957)	(95,512)	(186,538)	(57,451)	(433,828)	(58,617)
Total nonoperating revenues (expenses)	-	(164,550)	(429,724)	(270,906)	(95,473)	(186,497)	(57,399)	(433,582)	(58,462)
Loss before capital contributions	(549,909)	(558,514)	(855,636)	(778,192)	(240,732)	(301,983)	(366,906)	(2,531,195)	(837,159)
Capital Contributions	-	-	-	-	-	-	-	-	-
Change in net position	(549,909)	(558,514)	(855,636)	(778,192)	(240,732)	(301,983)	(366,906)	(2,531,195)	(837,159)
Net Position (Deficit), Beginning	6,740,144	496,770	(674,966)	(1,237,782)	1,015,003	2,700,789	6,034,598	49,261,073	5,000,577
Net Position (Deficit), Ending	$ 6,190,235	$ (61,744)	$ (1,530,602)	$ (2,015,974)	$ 774,271	$ 2,398,806	$ 5,667,692	$ 46,729,878	$ 4,163,418

Housing Authority of the City of Milwaukee

Combining Statements of Revenues, Expenses and Changes in Net Position - Component Units
Year Ended December 31, 2021

	Westlawn Renaissance II	Holton Terrace	Becher Court	Westlawn Renaissance III	Merrill Park	National Soldiers Home Residences II	National Soldiers Home Residences III	Westlawn Renaissance VI	Total
Operating Revenues									
Tenant revenue:									
Rentals	$ 717,036	$ 884,261	$ 794,789	$ 697,173	$ 914,875	$ 305,615	$ 202,310	$ 324,188	$ 12,102,725
Other tenant revenue	4,753	41,369	47,029	4,972	3,892	188	1,154	-	166,713
Operating subsidies	-	-	-	-	-	-	-	-	277,940
Total operating revenues	721,789	925,630	841,818	702,145	918,767	305,803	203,464	324,188	12,547,378
Operating Expenses									
Administrative	264,341	247,807	302,661	205,653	292,339	267,283	147,548	77,189	4,268,598
Utilities	111,382	163,515	113,277	73,690	123,736	72,580	45,882	50,385	2,114,182
Ordinary maintenance	183,830	193,788	118,319	239,342	117,309	44,263	23,955	37,528	4,214,165
Depreciation and amortization	656,036	286,095	197,037	891,632	247,927	844,494	561,881	598,820	10,131,986
Total operating expenses	1,215,589	891,205	731,294	1,410,317	781,311	1,228,620	779,266	763,922	20,728,931
Operating income (loss)	(493,800)	34,425	110,524	(708,172)	137,456	(922,817)	(575,802)	(439,734)	(8,181,553)
Nonoperating Revenues (Expenses)									
Syndication costs	-	-	(30,164)	-	(16,795)	(55,000)	(55,000)	(21,965)	(178,924)
Gain on involuntary conversion	-		-	-	-	-	-	-	130,732
Distributions					(16,932)	-	-	-	(16,932)
Investment income	105	61	43	393	3	-	-	-	3,784
Interest expense	(350,629)	(489,843)	(123,197)	(383,631)	(224,457)	(556,065)	(346,247)	(347,247)	(4,651,820)
Total nonoperating revenues (expenses)	(350,524)	(489,782)	(153,318)	(383,238)	(258,181)	(611,065)	(401,247)	(369,212)	(4,713,160)
Loss before capital contributions	(844,324)	(455,357)	(42,794)	(1,091,410)	(120,725)	(1,533,882)	(977,049)	(808,946)	(12,894,713)
Capital Contributions	2,183,269	3,974,562	-	10,418,480	-	9,664,417	7,260,095	2,807,842	36,308,665
Change in net position	1,338,945	3,519,205	(42,794)	9,327,070	(120,725)	8,130,535	6,283,046	1,998,896	23,413,952
Net Position (Deficit), Beginning	6,399,000	501,772	660,356	(100,039)	1,332,613	-	-	-	78,129,908
Net Position (Deficit), Ending	$ 7,737,945	$ 4,020,977	$ 617,562	$ 9,227,031	$ 1,211,888	$ 8,130,535	$ 6,283,046	$ 1,998,896	$ 101,543,860

Combining Statement of Cash Flows - Component Units
Year Ended December 31, 2021

	Carver Park	Highland Park	Cherry Court	Convent Hill	Scattered Sites	Scattered Sites II	Olga Village	Westlawn Renaissance	Lapham Park
Cash Flows From Operating Activities									
Receipts from tenants	$ 725,566	$ 783,031	$ 844,910	$ 654,763	$ 206,311	$ 219,620	$ 306,482	$ 2,096,154	$ 1,428,786
Payments to suppliers	(763,937)	(618,844)	(582,776)	(648,398)	(154,481)	(146,839)	(292,775)	(1,737,420)	(1,571,912)
Other receipts (payments)	4,913	13,971	11,208	481	952	-	2,749	12,735	16,347
Net cash flows from operating activities	(33,458)	178,158	273,342	6,846	52,782	72,781	16,456	371,469	(126,779)
Cash Flows From Capital and Related Financing Activities									
Subscription receipts	-	-	-	-	-	-	-	-	-
Syndication costs	-	-	-	-	-	-	-	-	-
Owner Distributions									
Acquisitions and modernization of capital assets	(131,475)	(19,800)	(129,808)	(21,785)	(23,594)	(24,880)	(25,100)	(384,706)	(112,486)
Insurance proceeds	-	179,054	-	-	-	-	-	-	-
Proceeds from mortgage notes payable	-	-	-	-	-	-	-	-	-
Principal paid on mortgage revenue bonds	-	(26,763)	(26,556)	(28,439)	-	-	-	-	-
Cash advance	-	-	-	-	-	-	-	-	-
Interest paid on long-term obligations	-	(60,687)	(56,764)	(57,181)	-	-	(4,090)	(415)	(257,412)
Development and financing fees paid	-	-	-	-	-	-	-	-	(557,838)
Net cash flows from capital and related financing activities	(131,475)	71,804	(213,128)	(107,405)	(23,594)	(24,880)	(29,190)	(385,121)	(927,736)
Cash Flows From Investing Activities									
Net (deposits to) withdrawals from construction cash	-	-	-	-	-	-	-	-	-
Net (deposits to) withdrawals from replacement reserves	(33,000)	(28,646)	(34,143)	(22,536)	(9,721)	(16,547)	11,111	119,337	(37,788)
Net (deposits to) withdrawals from affordability reserves	-	(9)	(616)	(13)	(8)	-	-	(81)	-
Net (deposits to) withdrawals from operating reserves	-	(36)	(397)	(10)	-	(8)	(21)	-	(84)
Net (deposits to) withdrawals from holding reserves	-	-	-	-	-	-	-	-	-
Net (deposits to) withdrawals from interest reserves	-	-	-	-	-	-	-	-	-
Payment of Cash Advance	-				54,304				
Investment income	-	195	2,400	51	39	41	52	246	155
Net cash flows from investing activities	(33,000)	(28,496)	(32,756)	(22,508)	44,614	(16,514)	11,142	119,502	(37,717)
Net change in cash and cash equivalents	(197,933)	221,466	27,458	(123,067)	73,802	31,387	(1,592)	105,850	(1,092,232)
Cash and Cash Equivalents, Beginning	322,022	67,001	54,074	186,154	21,875	203,783	34,180	414,381	1,545,726
Cash and Cash Equivalents, Ending	$ 124,089	$ 288,467	$ 81,532	$ 63,087	$ 95,677	$ 235,170	$ 32,588	$ 520,231	$ 453,494

See notes to financial statements

Housing Authority of the City of Milwaukee

Combining Statement of Cash Flows - Component Units
Year Ended December 31, 2021

	Westlawn Renaissance II	Holton Terrace	Becher Court	Westlawn Renaissance III	Merrill Park	National Soldiers Home Residences II	National Soldiers Home Residences III	Westlawn VI	Total
Cash Flows From Operating Activities									
Receipts from tenants	$ 692,470	$ 897,278	$ 698,335	$ 569,936	$ 662,565	$ 312,087	$ 222,921	$ 336,503	$ 11,657,718
Payments to suppliers	(537,700)	(740,749)	(526,652)	(484,687)	(500,981)	(574,605)	(428,622)	(595,477)	(10,906,855)
Other receipts (payments)	4,753	41,369	47,029	4,972	3,892	188	1,154	-	166,713
Net cash flows from operating activities	159,523	197,898	218,712	90,221	165,476	(262,330)	(204,547)	(258,974)	917,576
Cash Flows From Capital and Related Financing Activities									
Subscription receipts	2,183,269	3,974,562	-	10,418,480	-	9,664,417	7,260,095	2,807,842	36,308,665
Syndication costs	-	-	(30,164)	-	(16,795)	(55,000)	(55,000)	(21,965)	(178,924)
Owner Distributions					(16,932)	-	-	-	(16,932)
Acquisitions and modernization of capital assets	-	(2,168,481)	(4,151,797)	(937,664)	(6,010,496)	(25,015,357)	(16,291,887)	(37,088,922)	(92,538,238)
Insurance proceeds	-	-	-	-	-	-	-	-	179,054
Proceeds from mortgage notes payable	1,295,948	1,826,025	4,345,952	6,836,988	6,082,567	16,361,323	9,844,013	34,868,874	81,461,690
Principal paid on mortgage revenue bonds	(1,398,811)	(1,686,740)	-	(15,176,785)	-	-	-	-	(18,344,094)
Cash advance	-	-	-	-	-	-	-	1,070,741	1,070,741
Interest paid on long-term obligations	(94,218)	(816,942)	-	(356,888)	(8,423)	(460,024)	(259,764)	(98,993)	(2,531,801)
Development and financing fees paid	(1,725,725)	(335,700)	-	(3,869,089)	-	-	-	-	(6,488,352)
Net cash flows from capital and related financing activities	260,463	792,724	163,991	(3,084,958)	29,921	495,359	497,457	1,537,577	(1,078,191)
Cash Flows From Investing Activities									
Net (deposits to) withdrawals from construction cash	(10)	-	-	1,602,886	-	-	-	-	1,602,876
Net (deposits to) withdrawals from replacement reserves	(54,087)	(60,000)	(43)	(42,319)	-	-	-	-	(208,382)
Net (deposits to) withdrawals from affordability reserves	(22,886)	(61)	-	(300,193)	-	-	-	-	(323,867)
Net (deposits to) withdrawals from operating reserves	(330,009)	(518,527)	-	-	-	-	(161,042)	-	(1,010,134)
Net (deposits to) withdrawals from holding reserves	-	-	-	(25,476)	-	-	-	-	(25,476)
Net (deposits to) withdrawals from interest reserves	-	-	-	-	-	(101,508)	-	-	(101,508)
Payment of Cash Advance									54,304
Investment income	105	61	43	393	3	-	-	-	3,784
Net cash flows from investing activities	(406,887)	(578,527)	-	1,235,291	3	(101,508)	(161,042)	-	(8,403)
Net change in cash and cash equivalents	13,099	412,095	382,703	(1,759,446)	195,400	131,521	131,868	1,278,603	(169,018)
Cash and Cash Equivalents, Beginning	401,498	403,124	250,404	2,086,170	605,476	-	-	-	6,595,868
Cash and Cash Equivalents, Ending	$ 414,597	$ 815,219	$ 633,107	$ 326,724	$ 800,876	$ 131,521	$ 131,868	$ 1,278,603	$ 6,426,850

See notes to financial statements

Housing Authority of the City of Milwaukee

Combining Statement of Cash Flows - Component Units
Year Ended December 31, 2021

	Carver Park	Highland Park	Cherry Court	Convent Hill	Scattered Sites	Scattered Sites II	Olga Village	Westlawn Renaissance	Lapham Park
Reconciliation of Operating Loss to Net Cash Flows From Operating Activities									
Operating income (loss)	$ (549,909)	$ (393,964)	$ (425,912)	$ (507,286)	$ (145,259)	$ (115,486)	$ (309,507)	$ (2,097,613)	$ (778,697)
Adjustments to reconcile operating loss to net cash flows from operating activities:									
Depreciation and amortization expense	659,350	524,269	455,602	537,540	155,792	170,603	334,988	2,157,670	852,250
Amortization of financing fees	-	4,380	1,855	851	-	-	248	415	-
Changes in assets and liabilities:									
Tenant accounts receivable	(282,132)	(99,390)	44,412	4,457	(8,096)	(15,271)	13,379	31,957	9,900
Other accounts receivable	-	-	-	-	-	-	-	-	-
Prepaid expenses	10,001	15,007	19,418	-	4,688	210	(547)	(4,904)	(6,184)
Accounts payable	80,452	128,823	172,766	(172,381)	43,756	18,078	(4,032)	73,413	(322,658)
Accrued liabilities	51,207	2,134	5,175	144,044	2,512	14,476	(19,307)	183,999	114,066
Tenant security deposits	(1,833)	1,169	(318)	(110)	2,711	164	1,987	14,392	5,964
Unearned revenue	(594)	(4,270)	344	(269)	(3,322)	7	(753)	12,140	(1,420)
Total adjustments	(142,899)	43,473	241,797	(24,259)	42,249	17,664	(9,273)	310,997	(200,332)
Net cash flows from operating activities	$ (33,458)	$ 178,158	$ 273,342	$ 6,846	$ 52,782	$ 72,781	$ 16,456	$ 371,469	$ (126,779)
Reconciliation of Cash and Cash Equivalents to Statement of Net Position									
Unrestricted	$ 67,340	$ 242,666	$ 33,268	$ 29,122	$ 81,949	$ 220,916	$ 19,901	$ 357,795	$ 370,050
Restricted, tenant security deposits	56,749	45,801	48,264	33,965	13,728	14,254	12,687	162,436	83,444
Total cash and cash equivalents	$ 124,089	$ 288,467	$ 81,532	$ 63,087	$ 95,677	$ 235,170	$ 32,588	$ 520,231	$ 453,494

See notes to financial statements

	Westlawn Renaissance II	Holton Terrace	Becher Court	Westlawn Renaissance III	Merrill Park	National Soldiers Home Residences II	National Soldiers Home Residences III	Westlawn VI	Total
Reconciliation of Operating Loss to Net Cash Flows From Operating Activities									
Operating income (loss)	$ (493,800)	$ 34,425	$ 110,524	$ (708,172)	$ 137,456	$ (922,817)	$ (575,802)	$ (439,734)	$ (8,181,553)
Adjustments to reconcile operating loss to net cash flows from operating activities:									
Depreciation and amortization expense	656,036	286,095	197,037	891,632	247,927	844,494	561,881	598,820	10,131,986
Amortization of financing fees	1,479	-	(52,135)	-	17,372	(295,433)	(300,709)	(455,639)	(1,077,316)
Changes in assets and liabilities:									
Tenant accounts receivable	(32,241)	40,274	(99,315)	(84,341)	(254,687)	(15,298)	(6,530)	(68,470)	(821,392)
Other accounts receivable	-	-	-	-	-	(22,397)	(4,081)	-	(26,478)
Prepaid expenses	(1,446)	(1,271)	(7,685)	(1,133)	(8,412)	-	-	(8,574)	9,168
Accounts payable	(27,115)	(115,931)	2,466	2,393	(69,065)	89,865	79,472	8,542	(11,156)
Accrued liabilities	48,935	(18,437)	64,959	32,738	84,096	15,089	10,000	25,296	760,982
Tenant security deposits	1,374	1,196	21,246	(4,525)	27,834	33,593	24,737	73,437	203,018
Unearned revenue	6,301	(28,453)	(18,385)	(38,371)	(17,045)	10,574	6,485	7,348	(69,683)
Total adjustments	(4,192)	(122,622)	(36,714)	(93,239)	(237,279)	111,426	110,083	37,579	44,459
Net cash flows from operating activities	$ 159,523	$ 197,898	$ 218,712	$ 90,221	$ 165,476	$ (262,330)	$ (204,547)	$ (258,974)	$ 917,576
Reconciliation of Cash and Cash Equivalents to Statement of Net Position									
Unrestricted	$ 358,650	$ 794,063	$ 590,524	$ 269,663	$ 747,867	$ 97,928	$ 107,131	$ 1,205,166	$ 5,593,999
Restricted, tenant security deposits	55,947	21,156	42,583	57,061	53,009	33,593	24,737	73,437	832,851
Total cash and cash equivalents	$ 414,597	$ 815,219	$ 633,107	$ 326,724	$ 800,876	$ 131,521	$ 131,868	$ 1,278,603	$ 6,426,850

See notes to financial statements

1. Summary of Significant Accounting Policies

The accounting policies of the Housing Authority of the City of Milwaukee, Wisconsin conform to accounting principles generally accepted in the United States of America (GAAP) as applicable to enterprise funds of governmental units. The accepted standard-setting body for establishing governmental accounting and financial reporting principles is the Governmental Accounting Standards Board (GASB).

Reporting Entity

This report contains the financial information of the Housing Authority of the City of Milwaukee (the Authority). The Authority is a separate body, corporate and politic, which was established by State Statute 66.40 in 1944. The Authority is directed by seven commissioners who are appointed by the Mayor of the City of Milwaukee and confirmed by the Common Council for staggered five-year terms.

The reporting entity for the Authority consists of the primary government and its component units. Component units are legally separate organizations for which the primary government is financially accountable or other organizations for which the nature and significance of their relationship with the primary government are such that their exclusion would cause the reporting entity's financial statements to be misleading. The primary government is financially accountable if (1) it appoints a voting majority of the organization's governing body and it is able to impose its will on that organization, (2) it appoints a voting majority of the organization's governing body and there is a potential for the organization to provide specific financial benefits to or impose specific financial burdens on, the primary government, (3) the organization is fiscally dependent on and there is a potential for the organization to provide specific financial benefits to or impose specific financial burdens on, the primary government. Certain legally separate, tax exempt organizations should also be reported as a component unit if all of the following criteria are met: (1) the economic resources received or held by the separate organization are entirely or almost entirely for the direct benefit of the primary government, its component units or its constituents; (2) the primary government or its component units, is entitled to or has the ability to access, a majority of the economic resources received or held by the separate organization; and (3) the economic resources received or held by an individual organization that the primary government or its component units, is entitled to or has the ability to otherwise access, are significant to the primary government.

Component units are reported using one of two methods, discrete presentation or blending. Generally, component units should be discretely presented in a separate column in the financial statements. A component unit should be reported as part of the primary government using the blending method if it meets any one of the following criteria: (1) the primary government and the component unit have substantively the same governing body and a financial benefit or burden relationship exists, (2) the primary government and the component unit have substantively the same governing body and management of the primary government has operational responsibility for the component unit, (3) the component unit serves or benefits, exclusively or almost exclusively, the primary government rather than its citizens or (4) the total debt of the component unit will be paid entirely or almost entirely from resources of the primary government.

Each discretely presented component unit is reported in a separate column in the financial statements to emphasize that it is legally separate from the Authority and is fiscally dependent on the Authority. Separately issued financial statements of all component units may be obtained from Rick Koffarnus, Finance Director – Housing Authority of the City of Milwaukee at 809 N. Broadway St. Milwaukee, WI 53202.

Accounting principles generally accepted in the United States of America require the inclusion of a combining statement of net position and a combining statement of revenues, expenses and change in net position for all major component units be included in the Authority's basic financial statement if not presented in separate columns on the Authority's statement of net position or the statement of revenues, expenses and change in net position; however those principles do not required the inclusion of an aggregate total of cash flows for its component units on the statement of cash flows or a combining statement of cash flows for its component units if the component units issue separate standalone financial statements. As previously noted, each discretely presented component unit issues separate financial statement; however management has elected to include an aggregate total of cash flows for its component units on the statement of cash flows and a combining statement of cash flows for its component units.

In June 2018, the GASB issued Statement No. 89, *Accounting for Interest Cost Incurred Before End of Construction Period*. This statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. As a result, interest cost incurred before the end of a construction period will not be included in the historical cost of a capital asset reported in a business-type activity or enterprise fund. This standard was implemented January 1, 2021.

Blended Component Units

Travaux, Inc.

In May 2013, the Authority formed Travaux, Inc. (Travaux). The purpose of Travaux is to provide for services outside of the Authority's portfolio while continuing to serve the Authority's modernization and development services needs during the initial years of operations. Travaux and the Authority have substantially the same governing body, management of the Authority has operational responsibility for Travaux and a financial benefit or burden relationship exists. The activity of Travaux is reported in the General Fund program of the Authority. Travaux does not issue separate financial statements.

Crucible, Inc.

In November 2019, the Authority formed Crucible, Inc. (Crucible). The primary purpose of Crucible is to provide for community supportive services and administer self-sufficiency programs for the Authority’s residents. Crucible and the Authority have substantially the same governing body, management of the Authority has operational responsibility for Crucible and a financial benefit or burden relationship exists. The activity of Crucible is reported in the General Fund program of the Authority. Crucible does not issue separate financial statements.

Discretely Presented Component Units

Carver Park Tax Credit Limited Partnership

In February 1999, the Authority entered into a limited partnership with Friends of Housing Corporation named Carver Park, LLC (Carver Park). The Authority has a 51% ownership, while Friends of Housing Corporation has 49%. During 2000, Carver Park entered into a limited partnership named Carver Park Tax Credit Limited Partnership (Partnership). The general partner of the Partnership is Carver Park with a .01% interest and equity investors are the limited partners with a 99.9% interest. On May 15, 2018, the Authority assumed the 99.9% interest of the limited partners. Effective May 16, 2018 the Partnership consists of one general partner and one investor limited partner. The main purpose of the Partnership was to construct and operate Carver Park affordable housing development and to qualify for low-income housing tax credits pursuant to Section 42 of the Internal Revenue Code. The Partnership's operating agreement calls for the Partnership to dissolve on December 31, 2050. The information presented for the Partnership is for the fiscal year ended December 31, 2021.

Carver Park has constructed and is operating two low-income housing apartment properties located in Milwaukee, Wisconsin, jointly called Carver Park Townhomes. The first property (hereafter referenced as Carver I) consists of 19 buildings totaling 64 units. The second property (hereafter referenced as Carver II) consists of 16 buildings totaling 58 units. The properties were placed in service during 2001.

Highland Park Community, LLC

As of August 8, 2003, Highland Park Community, LLC (Highland Park), a limited liability company was created. The Managing Member of the Highland Park Community, LLC is Highland Park Development, LLC, which is 100% owned by the Authority and which has a .01% interest in the Highland Park Community, LLC. On March 31, 2021, the 99.9% investor membership ownership was purchased by Highland Park Development LLC and the Authority as 99.99% and .01%, respectively. The purpose of Highland Park is to construct and operate the 114-unit elderly and disabled component of the Highland Park Housing development and to qualify for low-income housing tax credits pursuant to Section 42 of the Internal Revenue Code. The tax credits are worth \$8.2 million. The property was placed in service during 2004. The information presented for Highland Park is for the fiscal year ended December 31, 2021.

Cherry Court Development, LLC

As of November 29, 2004, the Authority formed Cherry Court Development, LLC (Cherry Court), a limited liability company. The purpose of Cherry Court is to construct and operate the 120-unit elderly and disabled component of the Cherry Court Housing Development and to qualify for low-income housing tax credits pursuant to Section 42 of the Internal Revenue Code. Proceeds from the sale of tax credits are worth \$9.3 million and were invested in the development. Total funding for the development was over \$18 million, with the balance coming from a combination of HOPE VI funding received by the Authority, other federal funds and private financing. The property was placed in service during 2006. The information presented for Cherry Court is for the fiscal year ended December 31, 2021.

Convent Hill Development, LLC

As of November 17, 2005, the Authority formed Convent Hill Development, LLC (Convent Hill), a limited liability company. The purpose of Convent Hill is to construct and operate 80 low-income housing units of the Convent Hill Housing Development and to qualify for low-income housing tax credits pursuant to Section 42 of the Internal Revenue Code. Proceeds from the sale of tax credits are worth \$8.2 million and were invested in the development. Total funding for the development was over \$16 million, with the balance coming from a combination of other federal funds and private financing. The project was placed in service during 2007. The information presented for Convent Hill is for the fiscal year ended December 31, 2021.

Scattered Sites, LLC

As of September 24, 2007, the Authority formed Scattered Sites, LLC (Scattered Sites), a limited liability company. The purpose of Scattered Sites is to construct and develop 24 scattered sites, single family homes known as the Scattered Sites Revitalization Project and to qualify for low-income housing tax credits pursuant to Section 42 of the Internal Revenue Code. Proceeds from the sale of tax credits are worth \$3.7 million and were invested in the development. Total funding for the development was over \$6.5 million, with the balance coming from a combination of other federal funds and private financing. The project was placed in service in 2008. The information presented for Scattered Sites is for the fiscal year ended December 31, 2021.

Scattered Sites II, LLC

As of November 10, 2008, the Authority formed Scattered Sites II, LLC (Scattered Sites II), a limited liability company. The purpose of Scattered Sites II is to construct and develop 24 scattered sites, single family homes known as the Scattered Sites II Revitalization Project and to qualify for low-income housing tax credits pursuant to Section 42 of the Internal Revenue Code. Proceeds from the sale of tax credits are estimated to be worth $5.8 million and were invested in the development. Total funding for the development will be over $6.8 million, with the balance coming from a combination of other federal funds and private financing. The project was placed in service in 2009. The information presented for Scattered Sites II is for the fiscal year ended December 31, 2021.

Olga Village, LLC

As of August 20, 2009, the Authority formed Olga Village, LLC (Olga Village), a limited liability company. The purpose of Olga Village is to construct and develop 37 senior and elderly units known as the Olga Village and to qualify for low-income housing tax credits pursuant to Section 42 of the Internal Revenue Code. Proceeds from the sale of tax credits are estimated to be worth $7.4 million and will be invested in the development. Total funding for the development will be over $9.7 million, with the balance coming from a combination of other federal funds and private financing. The project was placed in service in 2010. The information presented for Olga Village is for the fiscal year ended December 31, 2021.

Westlawn Renaissance, LLC

As of November 8, 2010, the Authority formed Westlawn Renaissance, LLC (Westlawn Renaissance), a limited liability company. Westlawn Renaissance is the owner entity for the revitalization of the eastern side of Westlawn housing development (Westlawn). In 2010, the Wisconsin Housing and Economic Development (WHEDA) awarded HACM a tax credit allocation of over $76 million for Westlawn. The tax credit was used for the first phase of the redevelopment which included the eastern portion of Westlawn along W. Silver Spring Drive between 60th and 64th Streets. The funding for the development was over $82 million with the balance coming from a combination of other federal funds and private financing. Phase I plans included replacing 332 distressed, barracks-style housing units with up to 345 housing units which included the 250 tax credit units owned by Westlawn Renaissance. The housing units were comprised of single-family homes, duplexes and multifamily rental housing units. Phase I plan also included market rate home ownership and rental units. The new units were designed for environmental sustainability and in a mixture of styles to match the architectural features of the surrounding neighborhood. The project was placed in service in 2012. The information presented for Westlawn Renaissance is for the fiscal year ended December 31, 2021.

Lapham Park, LLC

As of October 11, 2011, the Authority incorporated Lapham Park, LLC (Lapham Park), a limited liability company. Lapham Park is the owner entity for the rehabilitation of Lapham Park, a 201-unit elderly designated high rise building. Lapham Park was originally built in 1964. Lapham Park serves low-income, disabled adults and elderly individuals, many of whom are also disabled, wheelchair-bound, suffer from vision or hearing loss and show early signs of Alzheimer's. All 201 housing units are handicap accessible. Lapham Park serves as a national model of a Continuing Care Community partnership for low-income seniors. By allowing seniors to age in their community instead of transferring to more expensive nursing care, the partnership has saved approximately $1 million in Medicaid nursing home costs annually. The total rehabilitation cost was budgeted at around $33 million. The Housing Authority received about $12 million in tax credit allocation from WHEDA for this project under the 4% tax credit program. The balance of the rehabilitation budget was financed from HACM's capital fund program and other federal funds. The project was placed in service on various dates ranging from November 2011 to November 2012. The information presented for Lapham Park is for the fiscal year ended December 31, 2021.

Westlawn Renaissance II LLC

As of September 6, 2016, the Housing Authority formed Westlawn Renaissance II LLC (Westlawn Renaissance II), a limited liability company. Westlawn Renaissance II is the upper tier limited liability company that owns WG Scattered Sites LLC (WG Scattered Sites) and Victory Manor LLC (Victory Manor). WG Scattered Sites and Victory Manor are collectively referred to as the lower tier entities. Financial and tax reporting for WG Scattered Sites and Victory Manor are consolidated in Westlawn Renaissance II. Victory Manor Apartments consists of 60 units in one building, with up to 33 parking spaces and is owned by Victory Manor. The units in Victory Manor Apartments will be targeted but not restricted to veterans. WG Scattered Sites Apartments consists of 30 single-family townhomes in 10 buildings, with up to 23 parking spaces on-site and 8 off-site and is owned by WG Scattered Sites. Both WG Scattered Sites and Victory Manor were placed in service in 2019. The information presented for Westlawn Renaissance II is for the fiscal year ended December 31, 2021.

Holton Terrace LLC

As of June 26, 2018, the Housing Authority formed Holton Terrace LLC (Holton Terrace), a limited liability company. Holton Terrace is the owner entity responsible for acquiring, rehabilitating and operating a 120-unit low-income housing project called Holton Terrace Apartments, with admission preferences for rental to seniors age sixty-two years or older or disabled persons. The project was placed in service in 2019. The information presented for Holton Terrace is for the fiscal year ended December 31, 2021.

Becher Court LLC

As of September 10, 2019, the Housing Authority formed Becher Court LLC (Becher Court), a limited liability company. Becher Court LLC is responsible for acquiring, rehabilitating and operating a 120-unit apartment complex located in Milwaukee, Wisconsin. In 2019, the Wisconsin Housing and Economic Development (WHEDA) awarded HACM a 9% tax credit allocation of $649,865 to the project. The project closed in June 2021 and the limited partner admitted in the Partnership. The estimated total development cost for this project is $16.8 million and is partly financed by Wisconsin Economic Development Authority (WHEDA). This project is a Rental Assistance Demonstration rehabilitation project and was placed in service during 2021. The information presented for Becher Court is for the fiscal year ended December 31, 2021.

Westlawn Renaissance III LLC

As of September 5, 2017, the Housing Authority incorporated Westlawn Renaissance (WR) III LLC, a limited liability company. WR III is the owner entity responsible for acquiring, constructing and operating 2 multi-family buildings comprising of 94 affordable housing units, up to 51 tenant parking spaces and approximately 3,000 square feet of commercial space located along W. Silver Spring St, Milwaukee WI. In 2018, the Wisconsin Housing and Economic Development (WHEDA) awarded HACM a 4% tax credit allocation of over $1.344 million to the project. The project closed and the limited partner admitted in April 2019. The estimated total development cost for this project is $35 million and is partly financed by a Wisconsin Economic Development Authority (WHEDA) tax-exempt bond of about $17 million. This project was placed into service in 2020. The information presented for WR III is for the fiscal year ended December 31, 2021.

Merrill Park LLC

As of August 12, 2019, the Housing Authority incorporated Merrill Park LLC (Merrill Park), a limited liability company. Merrill Park is responsible for acquiring, rehabilitating and operating a multi-family building comprising of 120 affordable housing units located in 222 N. 33rd Street, Milwaukee WI. In 2019, the Wisconsin Housing and Economic Development (WHEDA) awarded HACM a 9% tax credit allocation of $899,840 to the project. The project closed in December 2019 and the limited partner admitted in the Partnership. The estimated total development cost for this project is $16.8 million and is partly financed by Wisconsin Economic Development Authority (WHEDA). This project is a Rental Assistance Demonstration rehabilitation project and was placed in service in 2021. The information presented for Merrill Park is for the fiscal year ended December 31, 2021.

National Soldiers Home Residences II, LLC

As of November 19, 2018, the Housing Authority incorporated National Soldiers Home Residences II, LLC (National Soldiers Home Residences II), a limited liability company. The Authority has 0.005% ownership in the entity and is considered a co-managing member along with the Alexander Company who also has 0.005% ownership. The equity investors are the limited partners with a 99.9 percent interest. National Soldiers Home Residences II is responsible for acquiring, constructing, owning, leasing and operating an apartment complex comprising of 63 housing units located in Milwaukee, WI. The project was placed into service on March 10, 2021. The project is financed and regulated by Wisconsin Economic Development Authority (WHEDA). The information presented for National Soldiers Home Residences II is for the fiscal year ended December 31, 2021.

National Soldiers Home Residences III, LLC

As of November 19, 2018, the Housing Authority incorporated National Soldiers Home Residences III, LLC (National Soldiers Home Residences III), a limited liability company. The Authority has 0.005% ownership in the entity and is considered a co-managing member along with the Alexander Company who also has 0.005% ownership. The equity investors are the limited partners with a 99.9 percent interest. National Soldiers Home Residences III is responsible for acquiring, constructing, owning, leasing and operating an apartment complex comprising of 38 housing units located in Milwaukee, WI. The project was placed into service on March 10, 2021. The project is financed and regulated by Wisconsin Economic Development Authority (WHEDA). The information presented for National Soldiers Home Residences III is for the fiscal year ended December 31, 2021.

Westlawn Renaissance VI LLC

As of June 26, 2018, the Housing Authority incorporated Westlawn Renaissance (WR) VI, a limited liability company. The Housing Authority of the City of Milwaukee received 4% (state housing tax credits, as well as tax-exempt bond financing to develop Westlawn Renaissance VI. Financing for this project was closed and limited partner admitted into the partnership in March 2022. The improvements consist of 57 buildings (individual parcels) with a total of 138 dwelling units on 8.7 acres. There are two-bedroom, three-bedroom and four-bedroom units housed in single family homes, duplexes, triplexes, 4 plexes and 5 plexes. There will be138 surface parking spaces. The 138 units and is being developed as part of HUD’s Rental Assistance Demonstration (RAD) program in conjunction with the Choice Neighborhoods Implementation grant that was awarded to the City of Milwaukee in partnership with the Housing Authority of the City of Milwaukee. One hundred and thirty-six (136) of the 138 units are RAD replacement units that will receive HUD rental subsidy (project-based vouchers) and the remaining two units (3 bedrooms) are LIHTC only units. The buildings are in various stages of completion in 2021. It is expected that all of the remaining units will be completed and placed in service by December of 2021. Individual units are leased as they are completed starting in the middle of 2021. Estimated total development cost is around $58,411,335.

The Housing Authority reports its component units (ownership entities) that were incorporated to own mixed finance developments currently under development as part of its Primary Government Operations. All inter-company transactions between the Primary Government and these Component Units are eliminated for purposes of financial statement presentations. Equity drawdown and third-party loans obtained during construction period are reported under the Primary Government operations. These entities will be presented discretely as separate component units when the rental units are placed in service.

As of December 31, 2021, there was one mixed finance development project in progress, Westlawn Renaissance IV, LLC. Descriptions of these projects follows:

Westlawn Renaissance IV LLC

The Housing Authority of the City of Milwaukee (HACM) received a 9% low-income housing tax credit award of $1,541,457 in May 2021 and a Housing Trust Fund award ($2,289,382 loan) from the Wisconsin Housing and Economic Development Authority (WHEDA) to develop Westlawn Renaissance IV, which consists of two new three-story midrises, 30 units/midrise, located on 1.224 acres of vacant land on North 64th Street in the Westlawn Housing Development. Thirty (30) of these units are supportive housing units for youth aging out of foster care. WLR IV is part of the Rental Assistance Demonstration (RAD) conversion of public housing to a Section 8 platform and 16 of the 60 units are RAD replacement units. Westlawn Renaissance IV project was closed in December 2021 and limited Partner admitted into the partnership. Construction is expected to be completed and project to be placed in service in March 2022. Estimated total development cost is around $18,125,407.

Financial Statements

The Authority has determined that for purposes of financial reporting the HUD subsidies for ongoing operations and housing assistance payments for each unit rented to qualified tenants are directly related to the Authority's mission and therefore are recorded as operating grant revenue.

The financial statements of the Authority include the accounts of the four programs listed below:

Low Income Housing Program	Veteran's Housing Program
Housing Choice Voucher Program	General Fund

The Low-Income Housing Program manages 2,378 dwelling units at the end of 2021, in 13 housing developments and approximately 320 units of scattered sites. The U.S. Department of Housing and Urban Development (HUD) provides funding in the form of subsidies for this program.

The Housing Choice Voucher Program had approximately 5553 units under contract at the end of 2021. The Authority provides rental assistance to low-income families under this program. HUD provides funding in the form of subsidies for this program.

In addition to the above programs, the Authority also owns and manages four housing developments which are not federally subsidized. These developments include Southlawn Park (12 units) and three Veterans Housing Developments, Northlawn, Southlawn and Berryland consisting of 978 units. The veterans developments were constructed in 1949-1950 to meet housing needs for the area's veterans. They were financed without the use of federal funds, relying principally on revenue bonds. Veterans Housing Developments receive no subsidy from any governmental agency. Rental revenues, which are fixed by unit size, are used to pay all expenses. Applicants for these units must meet income criteria set by the Authority.

The General Fund was established in accordance with Resolution Number 896, adopted December 7, 1954. The General Fund was created to hold, invest and disburse monies which may accrue to the Authority free and clear of all liens, charges and encumbrances as a result of its operation, management and control of the various Veterans Housing Developments. In addition to the above, the General Fund is also used to account for all financial transactions of the Authority other than those reflected in Low Income Housing, Housing Choice Voucher or the Veterans Housing Programs.

Measurement Focus, Basis of Accounting and Financial Statement Presentation

The Authority engages in business-type activities. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services. Accordingly, the accounts of the Authority, which are organized as an enterprise fund, are used to account for the Authority's activities that are financed and operated in a manner similar to a private business enterprise. The Authority maintains its records on the accrual basis of accounting. Revenues from operations, investments and other sources are recorded when earned. Expenses, including depreciation and amortization, are recorded when incurred.

Nonexchange transactions, in which the Authority receives value without directly giving equal value in return, include operating subsidies from related organization, grants and contributions. Revenue from subsidies, grants and contributions is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted and expenditure requirements, in which the resources are provided to the Authority on a reimbursement basis.

The Authority distinguishes operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services in connection with the principal operations of the Authority. Operating revenues of the Authority result from exchange transactions associated with providing housing and related services and HUD PHA operating subsidies and housing assistance payments that are directly related to the Authority's mission. Operating expenses for the Authority include the cost of housing services provided, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses. Nonoperating revenue includes capital grants, miscellaneous noncapital grants, investment income and other revenues not meeting the definition of operating.

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources, liabilities and deferred inflows of resources and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

As a general rule, the effect of interprogram activity has been eliminated from the business-wide financial statements.

Assets, Deferred Outflows, Liabilities, Deferred Inflows and Net Position or Equity

Deposits and Investments

For purposes of the statement of cash flows, the Authority considers all highly liquid investments, except for amounts presented as restricted investments or investment with fiscal agent, with an initial maturity of three months or less when acquired to be cash equivalents.

Investment of Authority funds is restricted by Wisconsin state statutes. Available investments are limited to:

a. Time deposits in any credit union, bank, savings bank or trust company.

b. Bonds or securities of any county, city, drainage district, technical college district, village, town or school district of the state. Also, bonds issued by a local exposition district, a local professional baseball park district, a local professional football stadium district, a local cultural arts district, the University of Wisconsin Hospitals and Clinics Authority or the Wisconsin Aerospace Authority.

c. Bonds or securities issued or guaranteed by the federal government.

d. The local government investment pool.

e. Any security maturing in seven years or less and having the highest or second highest rating category of a nationally recognized rating agency.

f. Securities of an open-end management investment company or investment trust, subject to various conditions and investment options.

g. Repurchase agreements with public depositories, with certain conditions.

The Authority has adopted an investment policy that follows all state statutes and the HUD guidelines for investment. That policy contains the following guidelines for allowable investments:

Custodial Credit Risk

Collateral is required for all Housing Authority investments except for investments held at the time the investment policy was adopted. The collateral must be on the Authority's approved list of investments.

Credit Risk and Concentration of Credit Risk

The Authority cannot have more than 50% of its investment portfolio in a single investment. There is an exception for investments that are fully collateralized by Federal Government insurance.

Interest Rate Risk

To the extent possible, the Authority will attempt to match its investments with anticipated cash flow requirements.

Investments are stated at fair value, which is the amount at which an investment could be exchanged in a current transaction between willing parties. Fair values are based on methods and inputs as outlined in Note 2. No investments are reported at amortized cost. Adjustments necessary to record investments at fair value are recorded in the operating statement as increases or decreases in investment income. Investment income on commingled investments is allocated based on average balances. The difference between the bank balance and carrying value is due to outstanding checks and/or deposits in transit.

The Wisconsin Local Government Investment Pool (the Pool or LGIP), is part of the State Investment Fund (SIF) and is managed by the State of Wisconsin Investment Board. The SIF is not registered with the Securities and Exchange Commission, but operates under the statutory authority of Wisconsin Chapter 25. The SIF reports the fair value of its underlying assets annually. Participants in the LGIP have the right to withdraw their funds in total on one day's notice. At December 31, 2021, the fair value of the Authority's share of the LGIP's assets was substantially equal to the amount as reported in these statements.

See Note 2 for further information.

Investments With Fiscal Agent

Investments with fiscal agent are amounts placed in trust under the direction of the trustees and are available only for debt retirement or the original purpose of the borrowings.

Receivables

Grants receivable represent amounts due from federal agencies for program expenses incurred by the Authority for which reimbursement have not been made.

Tenant accounts receivable have been shown net of an allowance for uncollectible accounts of $385,660 for the year ended December 31, 2021.

The Authority has significant receivables from its Component Units which are presented in the Statement of Net Position as notes receivable. The terms of these notes receivables are described in detail in the Component Unit section of Note 2.

Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in the financial statements.

Restricted Assets

Mandatory segregations of assets are presented as restricted assets. Such agreements are required by bond agreements, grant agreements and other external parties. Current liabilities payable from these restricted assets are so classified. The excess of restricted assets over current liabilities payable from restricted assets will be used first for retirement of related long-term debt. The remainder, if generated from earnings, is shown as restricted net position.

Investment in Partnership

The Authority accounts for its share of the operation of Carver Park, National Soldiers Home Residences II and National Soldiers Home Residences III following the equity method of accounting. The Authority has an equity interest in these entities equal to its percentage share of participation. The equity interest is reported in the statement of net position as an asset and the amount of change in equity interest for the year is reflected on the statement of revenues, expenses and changes in net position.

Capital Assets

Capital assets are defined by the Authority as assets with an initial cost of more than $5,000 and an estimated useful life in excess of 1 year. All capital assets are valued at historical cost or estimated historical cost if actual amounts are unavailable. Donated capital assets are recorded at their estimated acquisition value at the date of donation.

The costs for ordinary and extraordinary maintenance and repairs are charged against income as incurred, while betterments and additions are capitalized at year end. Depreciation is provided on the straight-line method over the estimated useful lives of the respective assets, which are equipment (5 years) and buildings and site improvements (10 - 40 years). Interest expense is not capitalized on rehabilitation projects.

Rental property of Carver Park, Highland Park, Cherry Court, Convent Hill, Scattered Sites, Scattered Sites II, Olga Village, Westlawn Renaissance, Lapham Park, Westlawn Renaissance II, Holton Terrace, Becher Court, Westlawn Renaissance III, Merrill Park, National Soldiers Home Residences II, National Soldiers Home Residences III and Westlawn Renaissance VI is stated at cost. Depreciation of rental property is computed principally by the straight-line and declining balance methods based upon the following estimated useful lives of the assets:

	Years
Site improvements	15-20
Buildings	10-40
Furnishing and equipment	5-10

Construction in progress includes costs incurred for development, a portion of which may be reclassified to other assets pending future events with component units.

Financing and Tax Credit Fees

Financing fees are deferred and amortized on the straight-line method over the term of the debt issue. Tax credit fees are deferred and amortized on the straight-line method over the life of the tax credit compliance period of 15 years.

Deferred Outflows of Resources

A deferred outflow of resources represents a consumption of net position that applies to a future period and will not be recognized as outflow of resources (expense) until that future time.

Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions and pension expense, information about the fiduciary net position of the City of Milwaukee Employees' Retirement System (ERS) and additions to/deductions from ERS' fiduciary net position have been determined on the same basis as they are reported by ERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Other Postemployment Benefits

For purposes of measuring the total other postemployment benefits (OPEB) liability, deferred outflows of resources and deferred inflows of resources related to OPEB and OPEB expense, the Authority's OPEB Plan recognizes benefit payments when due and payable in accordance with the benefit terms.

Long-Term Obligations

All long-term obligations to be repaid from business-type resources are reported as liabilities in the statements. The long-term obligations consist primarily of mortgage revenue bonds payable, compensated absences, net pension liability and total OPEB liability.

Compensated Absences

Under terms of employment, employees are granted sick leave and vacation benefits in varying amounts. All vested vacation and sick leave pay is accrued when incurred and is presented as compensated absences in the financial statements. Payments for vacation and sick leave will be made at rates in effect when the benefits are used. Accumulated vacation and sick leave liabilities at December 31, 2021 are determined on the basis of current salary rates.

Deferred Inflows of Resources

A deferred inflow of resources represents an acquisition of net position that applies to a future period and therefore will not be recognized as an inflow of resources (revenue) until that future time.

Net Position

Net position is displayed in three components as follows:

a. **Net Investment in Capital Assets** - Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances (excluding unspent debt proceeds) of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction or improvement of those assets.

b. **Restricted Net Position** - Consists of net position with constraints placed on their use either by 1) external groups such as creditors, grantors, contributors or laws or regulations of other governments or, 2) law through constitutional provisions or enabling legislation.

c. **Unrestricted Net Position** - All other net positions that do not meet the definition of restricted or net investment in capital assets.

When both restricted and unrestricted resources are available for use, generally it is the Authority's policy to use restricted resources first, then unrestricted resources as they are needed.

2. Detailed Notes on all Funds

Deposits and Investments

The Authority's deposits and investments at year end were comprised of the following:

	Carrying Value	Bank Balance	Associated Risks
Demand deposits	$ 15,293,837	$ 13,107,278	Custodial credit risk
Petty cash	700	-	N/A
U.S. agencies, implicitly guaranteed	3,852,408	3,852,408	Credit, custodial credit, concentration of credit and interest rate risk
U.S. treasuries	2,437,669	2,437,669	Custodial credit and interest rate risk
LGIP	102,680	102,680	Credit risk
Total deposits and investments	$ 21,687,294	$ 19,500,035	

		Carrying Value
Reconciliation to financial statements:		
Per statement of net position:		
Current assets:		
Unrestricted cash and cash equivalents	$	12,005,035
Other restricted, cash and cash equivalents		7,953,243
Restricted cash, tenant security deposits		1,174,529
Noncurrent assets:		
Investment with fiscal agent		554,487
Total deposits and investments	$	21,687,294

Deposits in each local and area bank are insured by the FDIC in the amount of $250,000 for time and savings accounts (including NOW accounts) and $250,000 for demand deposit accounts (interest-bearing and noninterest-bearing). In addition, if deposits are held in an institution outside of the state in which the government is located, insured amounts are further limited to a total of $250,000 for the combined amount of all deposit accounts.

Bank accounts are also insured by the State Deposit Guarantee Fund in the amount of $400,000. However, due to nature of this fund, recovery of material principal losses may not be significant to individual entities. The coverage has not been considered in computing custodial credit risk.

The Authority categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

The valuation methods for recurring fair value measurements are as follows:

- Market Value

	As of December 31, 2021							
	Level 1		Level 2		Level 3		Total	
U.S. agencies, implicitly guaranteed	$	-	$	3,852,408	$	-	$	3,852,408
U.S. treasuries		2,437,669		-		-		2,437,669
Total	$	2,437,669	$	3,852,408	$	-	$	6,290,077

Custodial Credit Risk

Deposits, custodial credit risk is the risk that in the event of a financial institution failure, the Authority's deposits may not be returned to the Authority.

The Authority does not have any deposits exposed to custodial credit risk.

For investments, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Authority will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party.

The Authority does not have any investments exposed to custodial credit risk.

Credit Risk

Credit risk is the risk that an issuer or other counter party to an investment will not fulfill its obligation.

As of December 31, 2021 the Authority had $102,680 invested in the Local Government Investment Pool, which is not rated.

The Authority's investments in U.S. Agencies, implicitly guaranteed of $3,852,408 and U.S. Treasuries of $2,437,669 were rated Aaa by Moody's Investor Services and/or AA+ by Standard & Poor's as of December 31, 2021.

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the value of an investment.

As of December 31, 2021, the Authority's investments are as follows:

		Maturity in Years	
	Fair Value	Less Than 1 Year	1 to 5 Years
U.S. agencies, implicitly guaranteed	$ 3,852,408	$ 858,615	$ 2,993,793
U.S. treasuries	2,437,669	562,410	1,875,259
Total investments	$ 6,290,077	$ 1,421,025	$ 4,869,052

Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of the Authority's investment in a single issuer. At December 31, 2021, the investment portfolio had concentration of investments greater than 5% of the total portfolio as follows:

Issuer	Investment Type	Percentage of Portfolio
Federal National Mortgage Association	U.S. agency, implicitly guaranteed	23.1 %
Federal Home Loan Mortgage Corporation	U.S. agency, implicitly guaranteed	25.5
Federal Farm Credit Banks	U.S. agency, implicitly guaranteed	11.6

For financial reporting purposes, the component units consider all investments purchased with a maturity of three months or less to be cash equivalents, with the exception of cash not available to the partnership due to restrictions placed on it. The risks associated with the component unit's cash and investment balances are not known. The cash balances for the component units as of December 31, 2021 are as follows:

Component Units

Carver Park

Cash and equivalents:		
Unrestricted	$	67,340
Restricted, tenant security deposits		56,749
Other investments, restricted:		
Replacement reserve		198,741
Affordability and operating reserve		428,174
Total cash and investments	$	751,004

Highland Park

Cash and equivalents:		
Unrestricted	$	242,666
Restricted, tenant security deposits		45,801
Other investments, restricted:		
Replacement reserve		965,018
Affordability and operating reserve		334,351
Total cash and investments	$	1,587,836

Cherry Court

Cash and equivalents:		
Unrestricted	$	33,268
Restricted, tenant security deposits		48,264
Other investments, restricted:		
Replacement reserve		575,069
Affordability and operating reserve		405,698
Total cash and investments	$	1,062,299

Convent Hill

Cash and equivalents:		
Unrestricted	$	29,122
Restricted, tenant security deposits		33,965
Other investments, restricted:		
Replacement reserve		249,030
Affordability and operating reserve		238,975
Total cash and investments	$	551,092

Scattered Sites

Cash and equivalents:		
Unrestricted	$	81,949
Restricted, tenant security deposits		13,728
Other investments, restricted:		
Replacement reserve		297,297
Affordability and operating reserve		76,996
Total cash and investments	$	469,970

Scattered Sites II

Cash and equivalents:		
Unrestricted	$	220,916
Restricted, tenant security deposits		14,254
Other investments, restricted:		
Replacement reserve		323,821
Affordability and operating reserve		75,785
Total cash and investments	$	634,776

Olga Village

Cash and equivalents:		
Unrestricted	$	19,901
Restricted, tenant security deposits		12,687
Other investments, restricted:		
Replacement reserve		292,930
Affordability and operating reserve		205,681
Total cash and investments	$	531,199

Westlawn Renaissance

Cash and equivalents:		
Unrestricted	$	357,795
Restricted, tenant security deposits		162,436
Other investments, restricted:		
Replacement reserve		967,259
Affordability and operating reserve		607,916
Total cash and investments	$	2,095,406

Lapham Park

Cash and equivalents:		
Unrestricted	$	370,050
Restricted, tenant security deposits		83,444
Other investments, restricted:		
Replacement reserve		484,906
Affordability and operating reserve		636,379
Total cash and investments	$	1,574,779

Westlawn Renaissance II

Cash and equivalents:		
Unrestricted	$	358,650
Restricted, tenant security deposits		55,947
Other investments, restricted:		
Replacement reserve		115,250
Affordability and operating reserve		330,009
Construction cash		8,155
Mortgage escrow deposits		67,960
Total cash and investments	$	935,971

Holton Terrace

Cash and equivalents:		
Unrestricted	$	794,063
Restricted, tenant security deposits		21,156
Other investments, restricted:		
Replacement reserve		60,000
Affordability and operating reserve		398,500
Construction cash		259,929
Capital needs reserve		406,657
Total cash and investments	$	1,940,305

Becher Court

Cash and equivalents:		
Unrestricted	$	590,524
Restricted, tenant security deposits		42,583
Other investments, restricted:		
Replacement reserve		36,078
Total cash and investments	$	669,185

Westlawn Renaissance III

Cash and equivalents:		
Unrestricted	$	269,663
Restricted, tenant security deposits		57,061
Other investments, restricted:		
Replacement reserve		42,319
Affordability and operating reserve		300,193
Construction cash		28,142
Holding reserve		25,476
Total cash and investments	$	722,854

Merrill Park

Cash and equivalents:		
Unrestricted	$	747,867
Restricted, tenant security deposits		53,009
Total cash and investments	$	800,876

National Soldiers Home Residences II

Cash and equivalents:		
Unrestricted	$	97,928
Restricted, tenant security deposits		33,593
Other investments, restricted:		
Interest reserve		101,508
Total cash and investments	$	233,029

National Soldiers Home Residences III

Cash and equivalents:		
Unrestricted	$	107,131
Restricted, tenant security deposits		24,737
Other investments, restricted:		
Affordability and operating reserve		161,042
Total cash and investments	$	292,910

Westlawn Renaissance VI

Cash and equivalents:		
Unrestricted	$	1,205,166
Restricted, tenant security deposits		73,437
Total cash and investments	$	1,278,603

Restricted Assets

Following is a list of restricted assets at December 31, 2021:

Cash and equivalents:		
Tenant security deposits	$	1,174,529
Replacement reserve		4,216,294
Family self-sufficiency escrow		105,704
Housing choice voucher		3,631,245
Investments:		
Debt service		39,698
Construction funds		513,998
Housing choice voucher		791
Total cash and investments		9,682,259
Deferred mortgage receivable		722,037
Total restricted assets		10,404,297
Less current amounts		(9,127,772)
Total noncurrent restricted assets	$	1,276,525

Capital Assets

Capital asset activity for the Authority for the year ended December 31, 2021, was as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Housing Authority				
Capital assets not being depreciated:				
Land	$ 34,568,636	$ -	$ 314,392	$ 34,254,244
Construction in process	24,172,695	3,484,007	26,704,676	952,026
Total capital assets not being depreciated	58,741,331	3,484,007	27,019,068	35,206,270
Capital assets being depreciated:				
Buildings and land improvements	260,215,740	639,356	526,112	260,328,984
Equipment	3,305,209	67,903	32,897	3,340,215
Total capital assets being depreciated	263,520,949	707,259	559,009	263,669,199
Total capital assets	322,262,280	4,191,266	27,578,077	298,875,469
Less accumulated depreciation for:				
Buildings and improvements	(215,414,979)	(4,619,585)	324,781	(219,709,783)
Equipment	(2,838,525)	(43,239)	32,897	(2,848,867)
Total accumulated depreciation	(218,253,504)	(4,662,824)	357,678	(222,558,650)
Net capital assets being depreciated	45,267,445	(3,955,565)	201,331	41,110,549
Total capital assets, net of accumulated depreciation	$ 104,008,776	$ (471,558)	$ 27,220,399	$ 76,316,819

Construction in progress at December 31, 2021 included approximately $700,000 of costs incurred in connection with the Westlawn Renaissance IV, V and VII projects pursuant to reimbursement agreements with the related entity.

Component Units

Capital asset activity for Carver Park for the year ended December 31, 2021, was as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Carver Park				
Capital assets not being depreciated:				
Land	$ 772,096	$ -	$ -	$ 772,096
Capital assets being depreciated:				
Land improvements	232,263	2,350	-	234,613
Buildings and improvements	17,051,501	93,600	-	17,145,101
Equipment	243,149	35,525	-	278,674
Total capital assets being depreciated	17,526,913	131,475	-	17,658,388
Total capital assets	18,299,009	131,475	-	18,430,484
Less accumulated depreciation for:				
Land improvements	(226,280)	(722)	-	(227,002)
Buildings and improvements	(11,971,107)	(628,385)	-	(12,599,492)
Equipment	(172,007)	(30,243)	-	(202,250)
Total accumulated depreciation	(12,369,394)	(659,350)	-	(13,028,744)
Net capital assets being depreciated	5,157,519	(527,875)	-	4,629,644
Total capital assets, net of accumulated depreciation	$ 5,929,615	$ (527,875)	$ -	$ 5,401,740

Capital asset activity for Highland Park for the year ended December 31, 2021, was as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Highland Park				
Capital assets not being depreciated:				
Land	$ 142,500	$ -	$ -	$ 142,500
Capital assets being depreciated:				
Land improvements	47,095	-	-	47,095
Buildings and improvements	13,789,061	179,055	122,666	13,845,450
Equipment	425,986	19,800	-	445,786
Total capital assets being depreciated	14,262,142	198,855	122,666	14,338,331
Total capital assets	14,404,642	198,855	122,666	14,480,831
Less accumulated depreciation for:				
Land improvements	(39,579)	(640)	-	(40,219)
Buildings and improvements	(8,082,124)	(500,931)	74,343	(8,508,712)
Equipment	(329,295)	(22,698)	-	(351,993)
Total accumulated depreciation	(8,450,998)	(524,269)	74,343	(8,900,924)
Net capital assets being depreciated	5,811,144	(325,414)	48,323	5,437,407
Total capital assets, net of accumulated depreciation	$ 5,953,644	$ (325,414)	$ 48,323	$ 5,579,907

Capital asset activity for Cherry Court for the year ended December 31, 2021, was as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Cherry Court				
Capital assets not being depreciated:				
Land	$ 1,012,646	$ -	$ -	$ 1,012,646
Capital assets being depreciated:				
Land improvements	350,852	-	-	350,852
Buildings and improvements	16,829,819	91,304	-	16,921,123
Equipment	245,968	38,504	-	284,472
Total capital assets being depreciated	17,426,639	129,808	-	17,556,447
Total capital assets	18,439,285	129,808	-	18,569,093
Less accumulated depreciation for:				
Land improvements	(245,474)	(17,541)	-	(263,015)
Buildings and improvements	(6,032,851)	(422,339)	-	(6,455,190)
Equipment	(218,883)	(9,870)	-	(228,753)
Total accumulated depreciation	(6,497,208)	(449,750)	-	(6,946,958)
Net capital assets being depreciated	10,929,431	(319,942)	-	10,609,489
Total capital assets, net of accumulated depreciation	$ 11,942,077	$ (319,942)	$ -	$ 11,622,135

Capital asset activity for Convent Hill for the year ended December 31, 2021, was as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Convent Hill				
Capital assets not being depreciated:				
Land	$ 745,168	$ -	$ -	$ 745,168
Capital assets being depreciated:				
Land improvements	27,702	-	-	27,702
Buildings and improvements	14,356,248	-	-	14,356,248
Equipment	192,296	21,785	-	214,081
Total capital assets being depreciated	14,576,246	21,785	-	14,598,031
Total capital assets	15,321,414	21,785	-	15,343,199
Less accumulated depreciation for:				
Land improvements	(25,248)	(1,636)	-	(26,884)
Buildings and improvements	(6,887,522)	(522,045)	-	(7,409,567)
Equipment	(179,393)	(7,817)	-	(187,210)
Total accumulated depreciation	(7,092,163)	(531,498)	-	(7,623,661)
Net capital assets being depreciated	7,484,083	(509,713)	-	6,974,370
Total capital assets, net of accumulated depreciation	$ 8,229,251	$ (509,713)	$ -	$ 7,719,538

Capital asset activity for Scattered Sites for the year ended December 31, 2021, was as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Scattered Sites				
Capital assets not being depreciated:				
Land	$ 203,111	$ -	$ -	$ 203,111
Capital assets being depreciated:				
Land improvements	121,781	-	-	121,781
Buildings and improvements	5,677,884	-	-	5,677,884
Equipment	57,248	23,594	-	80,842
Total capital assets being depreciated	5,856,913	23,594	-	5,880,507
Total capital assets	6,060,024	23,594	-	6,083,618
Less accumulated depreciation for:				
Land improvements	(68,774)	(6,089)	-	(74,863)
Buildings and improvements	(1,813,575)	(141,948)	-	(1,955,523)
Equipment	(45,792)	(5,180)	-	(50,972)
Total accumulated depreciation	(1,928,141)	(153,217)	-	(2,081,358)
Net capital assets being depreciated	3,928,772	(129,623)	-	3,779,149
Total capital assets, net of accumulated depreciation	$ 4,131,883	$ (129,623)	$ -	$ 4,002,260

Capital asset activity for Scattered Sites II for the year ended December 31, 2021, was as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Scattered Sites II				
Capital assets not being depreciated:				
Land	$ 136,671	$ -	$ -	$ 136,671
Capital assets being depreciated:				
Land improvements	6,690	-	-	6,690
Buildings and improvements	6,600,403	-	-	6,600,403
Equipment	54,089	24,880	-	78,969
Total capital assets being depreciated	6,661,182	24,880	-	6,686,062
Total capital assets	6,797,853	24,880	-	6,822,733
Less accumulated depreciation for:				
Land improvements	(280)	(334)	-	(614)
Buildings and improvements	(1,844,057)	(165,010)	-	(2,009,067)
Equipment	(36,963)	(5,259)	-	(42,222)
Total accumulated depreciation	(1,881,300)	(170,603)	-	(2,051,903)
Net capital assets being depreciated	4,779,882	(145,723)	-	4,634,159
Total capital assets, net of accumulated depreciation	$ 4,916,553	$ (145,723)	$ -	$ 4,770,830

Capital asset activity for Olga Village for the year ended December 31, 2021, was as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Olga Village				
Capital assets not being depreciated:				
Land	$ 573,017	$ -	$ -	$ 573,017
Capital assets being depreciated:				
Land improvements	508,842	-	-	508,842
Buildings and improvements	11,907,202	14,058	136,633	11,784,627
Equipment	329,210	11,041	-	340,251
Total capital assets being depreciated	12,745,254	25,099	136,633	12,633,720
Total capital assets	13,318,271	25,099	136,633	13,206,737
Less accumulated depreciation for:				
Land improvements	(316,760)	(33,923)	-	(350,683)
Buildings and improvements	(2,882,539)	(298,531)	35,297	(3,145,773)
Equipment	(322,461)	(2,534)	-	(324,995)
Total accumulated depreciation	(3,521,760)	(334,988)	35,297	(3,821,451)
Net capital assets being depreciated	9,223,494	(309,889)	101,336	8,812,269
Total capital assets, net of accumulated depreciation	$ 9,796,511	$ (309,889)	$ 101,336	$ 9,385,286

Capital asset activity for Westlawn Renaissance for the year ended December 31, 2021, was as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Westlawn Renaissance				
Capital assets not being depreciated:				
Land	$ 2,637,572	$ -	$ -	$ 2,637,572
Capital assets being depreciated:				
Land improvements	3,030,034	-	-	3,030,034
Buildings and improvements	67,910,128	173,282	-	68,083,410
Equipment	2,306,761	211,424	-	2,518,185
Total capital assets being depreciated	73,246,923	384,706	-	73,631,629
Total capital assets	75,884,495	384,706	-	76,269,201
Less accumulated depreciation for:				
Land improvements	(1,274,780)	(151,502)	-	(1,426,372)
Buildings and improvements	(14,465,817)	(1,700,902)	-	(16,166,719)
Equipment	(1,668,452)	(255,506)	-	(1,923,958)
Total accumulated depreciation	(17,409,139)	(2,107,910)	-	(19,517,049)
Net capital assets being depreciated	55,837,784	(1,723,204)	-	54,114,580
Total capital assets, net of accumulated depreciation	$ 58,475,356	$ (1,723,204)	$ -	$ 56,752,152

Capital asset activity for Lapham Park for the year ended December 31, 2021, was as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Lapham Park				
Capital assets not being depreciated:				
Land	$ 836,946	$ -	$ -	$ 836,946
Capital assets being depreciated:				
Land improvements	62,060	-	-	62,060
Buildings and improvements	31,081,866	48,675	-	31,130,541
Equipment	528,906	63,811	-	592,717
Total capital assets being depreciated	31,672,832	112,486	-	31,785,318
Total capital assets	32,509,778	112,486	-	32,622,264
Less accumulated depreciation for:				
Land improvements	(24,764)	(3,103)	-	(27,867)
Buildings and improvements	(6,854,567)	(784,088)	-	(7,638,655)
Equipment	(379,726)	(60,399)	-	(440,125)
Total accumulated depreciation	(7,259,057)	(847,590)	-	(8,106,647)
Net capital assets being depreciated	24,413,775	(735,104)	-	23,678,671
Total capital assets, net of accumulated depreciation	$ 25,250,721	$ (735,104)	$ -	$ 24,515,617

Capital asset activity for Westlawn Renaissance II for the year ended December 31, 2021, was as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Westlawn Renaissance II				
Capital assets not being depreciated:				
Land	$ 385,493	$ -	$ -	$ 385,493
Capital assets being depreciated:				
Land improvements	748,418	-	-	748,418
Buildings and improvements	23,238,321	-	-	23,238,321
Equipment	313,064	-	-	313,064
Total capital assets being depreciated	24,299,803	-	-	24,299,803
Total capital assets	24,685,296	-	-	24,685,296
Less accumulated depreciation for:				
Land improvements	(74,585)	(37,421)	-	(112,006)
Buildings and improvements	(1,177,901)	(580,962)	-	(1,758,863)
Equipment	(63,296)	(31,306)	-	(94,602)
Total accumulated depreciation	(1,315,782)	(649,689)	-	(1,965,471)
Net capital assets being depreciated	22,984,021	(649,689)	-	22,334,332
Total capital assets, net of accumulated depreciation	$ 23,369,514	$ (649,689)	$ -	$ 22,719,825

Capital asset activity for Holton Terrace for the year ended December 31, 2021, was as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Holton Terrace				
Capital assets not being depreciated:				
Land	$ 408,000	$ -	$	$ 408,000
Capital assets being depreciated:				
Land improvements	75,391	18,077	-	93,468
Buildings and improvements	9,218,065	1,030,889	-	10,248,954
Equipment	320,845	42,206	-	363,051
Total capital assets being depreciated	9,614,301	1,091,172	-	10,705,473
Total capital assets	10,022,301	1,091,172	-	11,113,473
Less accumulated depreciation for:				
Land improvements	(1,602)	(4,222)	-	(5,824)
Buildings and improvements	(225,017)	(243,338)	-	(468,355)
Equipment	(16,310)	(34,195)	-	(50,505)
Total accumulated depreciation	(242,929)	(281,755)	-	(524,684)
Net capital assets being depreciated	9,371,372	809,417	-	10,180,789
Total capital assets, net of accumulated depreciation	$ 9,779,372	$ 809,417	$ -	$ 10,588,789

Capital asset activity for Becher Court for the year ended December 31, 2021, was as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Becher Court				
Capital assets not being depreciated:				
Construction in progress	$ 2,257,240	$ -	$ 2,257,240	$ -
Capital assets being depreciated:				
Land improvements	-	55,587	-	55,587
Buildings and improvements	3,610,000	7,124,768	-	10,734,768
Equipment	-	210,309	-	210,309
Total capital assets being depreciated	3,610,000	7,390,664	-	11,000,664
Total capital assets	5,867,240	7,390,664	2,257,240	11,000,664
Less accumulated depreciation for:				
Land improvements	-	(765)	-	(765)
Buildings and improvements	(45,125)	(188,257)	-	(233,382)
Equipment	-	(2,893)		(2,893)
Total accumulated depreciation	(45,125)	(191,915)	-	(237,040)
Net capital assets being depreciated	3,564,875	7,225,749	-	10,763,624
Total capital assets, net of accumulated depreciation	$ 5,822,115	$ 7,225,749	$ 2,257,240	$ 10,763,624

Capital asset activity for Westlawn Renaissance III for the year ended December 31, 2021, was as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Westlawn Renaissance III				
Capital assets not being depreciated:				
Land	$ 243,789	$ -	$ -	$ 243,789
Capital assets being depreciated:				
Land improvements	291,609	-	-	291,609
Buildings and improvements	32,521,359	-	-	32,521,359
Equipment	615,088	-	-	615,088
Total capital assets being depreciated	33,428,056	-	-	33,428,056
Total capital assets	33,671,845	-	-	33,671,845
Less accumulated depreciation for:				
Land improvements	(12,670)	(14,580)	-	(27,250)
Buildings and improvements	(708,656)	(813,035)	-	(1,521,691)
Equipment	(53,207)	(61,509)	-	(114,716)
Total accumulated depreciation	(774,533)	(889,124)	-	(1,663,657)
Net capital assets being depreciated	32,653,523	(889,124)	-	31,764,399
Total capital assets, net of accumulated depreciation	$ 32,897,312	$ (889,124)	$ -	$ 32,008,188

Capital asset activity for Merrill Park for the year ended December 31, 2021, was as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Merrill Park				
Capital assets not being depreciated:				
Land	$ 360,000	$ 19,439	$ -	$ 379,439
Construction in progress	3,940,087	-	3,940,087	-
Total capital assets not being depreciated	4,300,087	19,439	3,940,087	379,439
Capital assets being depreciated:				
Land improvements	-	277,441	-	277,441
Buildings and improvements	3,330,000	9,518,023	-	12,848,023
Equipment	-	353,244	-	353,244
Total capital assets being depreciated	3,330,000	10,148,708	-	13,478,708
Total capital assets	7,630,087	10,168,147	3,940,087	13,858,147
Less accumulated depreciation for:				
Land improvements	-	(4,797)	-	(4,797)
Buildings and improvements	(83,250)	(230,276)	-	(313,526)
Equipment	-	(6,108)	-	(6,108)
Total accumulated depreciation	(83,250)	(241,181)	-	(324,431)
Net capital assets being depreciated	3,246,750	9,907,527	3,940,087	13,154,277
Total capital assets, net of accumulated depreciation	$ 7,546,837	$ 9,926,966	$ 3,940,087	$ 13,533,716

Capital asset activity for National Soldiers Home Residences II for the year ended December 31, 2021, was as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
National Soldiers Home Residences II				
Capital assets being depreciated:				
Land improvements	$ -	$ 568,977	$ -	$ 568,977
Buildings and improvements	-	24,556,777	-	24,556,777
Equipment	-	404,603	-	404,603
Total capital assets being depreciated	-	25,530,357	-	25,530,357
Total capital assets	-	25,530,357	-	25,530,357
Less accumulated depreciation for:				
Land improvements	-	(31,610)	-	(31,610)
Buildings and improvements	-	(744,145)	-	(744,145)
Equipment	-	(67,434)	-	(67,434)
Total accumulated depreciation	-	(843,189)	-	(843,189)
Net capital assets being depreciated	-	24,687,168	-	24,687,168
Total capital assets, net of accumulated depreciation	$ -	$ 24,687,168	$ -	$ 24,687,168

Capital asset activity for National Soldiers Home Residences III for the year ended December 31, 2021, was as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
National Soldiers Home Residences III				
Capital assets being depreciated:				
Land improvements	$ -	$ 371,096	$ -	$ 371,096
Buildings and improvements	-	16,116,329	-	16,116,329
Equipment	-	222,962	-	222,962
Total capital assets being depreciated	-	16,710,387	-	16,710,387
Total capital assets	-	16,710,387	-	16,710,387
Less accumulated depreciation for:				
Land improvements	-	(20,616)	-	(20,616)
Buildings and improvements	-	(488,374)	-	(488,374)
Equipment	-	(37,160)	-	(37,160)
Total accumulated depreciation	-	(546,150)	-	(546,150)
Net capital assets being depreciated	-	16,164,237	-	16,164,237
Total capital assets, net of accumulated depreciation	$ -	$ 16,164,237	$ -	$ 16,164,237

Capital asset activity for Westlawn Renaissance VI for the year ended December 31, 2021, was as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Westlawn Renaissance VI				
Capital assets not being depreciated:				
Land	$ -	$ 687,275	$ -	$ 687,275
Construction in progress	-	13,808,603	-	13,808,603
Total capital assets not being depreciated	-	14,495,878	-	14,495,878
Capital assets being depreciated:				
Land improvements	-	638,694	-	638,694
Buildings and improvements	-	36,750,629	-	36,750,629
Equipment	-	208,963	-	208,963
Total capital assets being depreciated	-	37,598,286	-	37,598,286
Total capital assets	-	52,094,164	-	52,094,164
Less accumulated depreciation for:				
Land improvements	-	19,032	-	19,032
Buildings and improvements	-	547,557	-	547,557
Equipment	-	12,454	-	12,454
Total accumulated depreciation	-	579,043	-	579,043
Net capital assets being depreciated	-	37,019,243	-	37,019,243
Total capital assets, net of accumulated depreciation	$ -	$ 51,515,121	$ -	$ 51,515,121

Notes Receivable

Note receivable activity for the Authority for the year ended December 31, 2021, was as follows:

Component Unit	Beginning Balance	Increases	Decreases	Ending Balance	Amounts Due Within One Year
Highland Park	$ 2,105,570	$ -	$ 2,297	$ 2,103,273	$ 2,414
Cherry Court	8,687,203	-	-	8,687,203	-
Convent Hill	6,875,874	-	-	6,875,874	-
Scattered Sites	2,318,300	-	-	2,318,300	-
Scattered Sites II	1,107,578	-	-	1,107,578	-
Olga Village	2,363,334	-	-	2,363,334	-
Westlawn Renaissance	9,260,761	-	-	9,260,761	-
Lapham Park	19,535,097	-	-	19,535,097	-
Westlawn Renaissance II	13,031,353	1,295,948	1,376,179	12,951,122	-
Holton Terrace	5,160,000	1,826,025	-	6,986,025	-
Becher Court	3,973,000	1,791,150	-	5,764,150	-
Westlawn Renaissance III	14,023,208	6,836,988	-	20,860,196	-
Merrill Park	3,690,000	130,324	-	3,820,324	-
National Soldiers Home Residences II	-	8,485,989	-	8,485,989	-
National Soldiers Home Residences III	-	1,841,043	-	1,841,043	-
Westlawn Renaissance VI	-	11,235,279	-	11,235,279	-
Total notes receivable	$ 92,131,278	$ 32,442,746	$ 1,378,476	$ 124,195,548	$ 2,414

See Note 2 for further information on amounts due to the Authority under the component units notes payable section.

Long-Term Obligations

Long-term obligations activity for the Authority for the year ended December 31, 2021, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Amounts Due Within One Year
Bond payable:					
Mortgage revenue bonds from direct placement	$ 30,593	$ -	$ 30,593	$ -	$ -
Mortgage revenue bonds	15,340,000	-	790,000	14,550,000	815,000
Premium	91,206	-	6,438	84,768	-
Subtotal	15,461,799	-	827,031	14,634,768	815,000
Other liabilities:					
Compensated absences	804,981	1,884	-	806,865	318,577
Net pension liability	8,010,000	476,000	-	8,486,000	-
Total OPEB liability	13,061,590	357,451	-	13,419,041	-
Subtotal	21,876,571	835,335	-	22,711,906	318,577
Total long-term obligations	$ 37,338,370	$ 835,335	$ 827,031	$ 37,346,674	$ 1,133,577

Other Debt Information

Estimated payments of compensated absences, net pension liability and other post-employment benefits are not included in the debt service requirement schedules.

All of the Authority's outstanding mortgage revenue bonds payable contain provisions that in an event of default, the balance will become immediately due and payable in addition to other provisions detailed below. In addition, for the outstanding revenue bonds the mortgagor may foreclose on the mortgaged property in addition to other provisions detailed below.

Mortgage Revenue Bonds

The Authority entered into a trust indenture with the First Bank Trust Company regarding $25,000,000 Single Family Mortgage Revenue Bonds (GNMA collateralized home mortgage revenue bond program) Series 1989 on June 1, 1989. The bond proceeds were used to purchase fully modified pass-through mortgage-backed securities (GNMA certificates) guaranteed by the Government National Mortgage Association. The securities are backed by qualifying mortgage loans on residences located in the City of Milwaukee originated by lenders participating in the home mortgage revenue bond program. The GNMA certificates are pledged for the payment of principal and interest on the bonds. Under the GNMA collateralized home mortgage revenue bond program, the interest payable on the bonds is equivalent to the interest earnings on the GNMA certificates plus interest earnings on investments in the various trust funds, less any fees paid. As a result, the Authority does not recognize any income or expense from the bond issue. The bonds are redeemed as mortgage payments are received. The bonds were paid off in 2021. Bonds payments totaled $30,593 in 2021.

The Authority issued mortgage revenue bonds amounting to $13,635,000 for Veterans Housing Programs in 2015. The purpose of the bond issue is to currently refund the outstanding balance of the 2002 Veterans Bonds of $6,325,000 and to finance costs of renovation and improvements to the Authority's Berryland, Northlawn, Southlawn and Southlawn Park Housing Developments. Principal payments are due annually until maturity of the bonds on July 1, 2035. Interest is due on a semi-annual basis ranging from an interest rate of 0.640-5.000%. Bond payments totaled $210,000 in 2021. Bonds outstanding at December 31, 2021 totaled $12,525,000. In order to secure its obligations under the Financing Agreement, the Authority has granted to the Credit Provider a security interest in all of the Authority's rights in and to all funds and accounts created or established under the indenture subordinate in all respects to the Trustee's interest in such funds and accounts pursuant to the indenture. In addition, a replacement reserve is required to be funded with monthly deposits of $24,500.

The Authority issued mortgage revenue bonds amounting to $5,410,000 for Veterans Housing Programs in 2015. The purpose of the bond issue is to finance costs of construction of market-rate housing in the City of Milwaukee. Principal payments are due annually until maturity of the bonds. Interest is due on a semi-annual basis ranging from an interest rate of 0.688 – 3.522%. The date of maturity is June 1, 2025. Bond payments totaled $580,000 in 2021. Bonds outstanding at December 31, 2021 totaled $2,025,000. In order to secure its obligations under the Financing Agreement, the Authority has granted to the Credit Provider a security interest in all of the Authority's rights in and to all funds and accounts created or established under the indenture subordinate in all respects to the Trustee's interest in such funds and accounts pursuant to the indenture.

Mortgage revenues bonds payable and promissory note at December 31, 2021, are as follows:

Mortgage Revenue Bonds	Date of Issue	Final Maturity	Interest Rates	Original Indebtedness	Balance December 31, 2021
Mortgage revenue bonds	03/01/15	07/01/25	Varies	$ 5,410,000	$ 2,025,000
Mortgage revenue bonds	03/01/15	07/01/35	Varies	13,635,000	12,525,000
Total governmental activities					$ 14,550,000

Debt service requirements to maturity for the Authority are as follows:

	Governmental Activities General Obligation Debt		
	Principal	Interest	Total
Years ending December 31:			
2022	$ 815,000	$ 524,035	$ 1,339,035
2023	845,000	494,423	1,339,423
2024	875,000	462,801	1,337,801
2025	910,000	429,071	1,339,071
2026	955,000	386,231	1,341,231
2027-2031	5,250,000	1,444,275	6,694,275
2032-2035	4,900,000	451,856	5,351,856
Total	$ 14,550,000	$ 4,192,692	$ 18,742,692

From time to time, the Authority has issued revenue bonds to provide assistance for private-sector entities to obtain financing for the acquisition, construction or rehabilitation of housing units and for the retirement of existing debts associated with housing units. The bonds are secured by the property financed and are payable solely from payments received on the underlying loans. The Authority is not obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements. There were no amounts of these revenue bonds outstanding at December 31, 2021.

Component Units

Long-term obligations activity for the Component Units of the Authority for the year ended December 31, 2021, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Amounts Due Within One Year
Component Units					
Highland Park:					
Notes payable	$ 1,288,302	$ -	$ 24,466	$ 1,263,836	$ 1,263,836
Notes and land lease payable to primary government	2,105,570	-	2,297	2,103,273	2,414
Unamortized debt costs	(6,571)	-	(4,380)	(2,191)	-
Total Highland Park	$ 3,387,301	$ -	$ 22,383	$ 3,364,918	$ 1,266,250
Cherry Court:					
Notes payable	$ 785,170	$ -	$ 26,556	$ 758,614	$ 758,614
Notes and land lease payable to primary government	8,687,203	-	-	8,687,203	-
Unamortized debt costs	(2,784)	-	(1,855)	(929)	-
Total Cherry Court	$ 9,469,589	$ -	$ 24,701	$ 9,444,888	$ 758,614
Convent Hill:					
Notes payable	$ 817,632	$ -	$ 28,439	$ 789,193	$ 30,412
Notes and land lease payable to primary government	6,875,874	-	-	6,875,874	-
Unamortized debt costs	(2,137)	-	(851)	(1,286)	-
Total Convent Hill	$ 7,691,369	$ -	$ 27,588	$ 7,663,781	$ 30,412
Scattered Sites:					
Notes and land lease payable to primary government	$ 2,318,300	$ -	$ -	$ 2,318,300	$ -
Scattered Sites II:					
Notes and land lease payable to primary government	$ 1,107,578	$ -	$ -	$ 1,107,578	$ -

		Beginning Balance		Increases		Decreases		Ending Balance		Amounts Due Within One Year
Olga Village:										
Notes payable	$	1,171,894	$	-	$	-	$	1,171,894	$	-
Notes and land lease payable to primary government		2,363,334		-		-		2,363,334		-
Unamortized debt costs		(7,499)		-		(248)		(7,251)		-
Total Olga Village	$	3,527,729	$	-	$	(248)	$	3,527,977	$	-
Westlawn Renaissance:										
Notes and land lease payable to primary government	$	9,260,761	$	-	$	-	$	9,260,761	$	-
Unamortized debt costs		(12,647)		-		(415)		(12,232)		-
Total Westlawn Renaissance	$	9,248,114	$	-	$	(415)	$	9,248,529	$	-
Lapham Park:										
Notes and land lease payable to primary government	$	19,535,097	$	-	$	-	$	19,535,097	$	-
Westlawn Renaissance II:										
Notes payable	$	1,923,323	$	-	$	22,632	$	1,900,691	$	23,691
Notes and land lease payable to primary government		13,031,353		1,295,948		1,376,179		12,951,122		-
Unamortized debt costs		(49,523)		-		(1,479)		(48,044)		-
Total Westlawn Renaissance II	$	14,905,153	$	1,295,948	$	1,397,332	$	14,803,769	$	23,691
Holton Terrace:										
Notes payable	$	2,855,750	$	-	$	1,655,750	$	1,200,000	$	10,627
Notes and land lease payable to primary government		5,160,000		1,826,025		-		6,986,025		-
Unamortized debt costs		(27,007)		(45,141)		(14,151)		(57,997)		-
Total Holton Terrace	$	7,988,743	$	1,780,884	$	1,641,599	$	8,128,028	$	10,627
Becher Court:										
Notes payable	$	115,854	$	2,554,902	$	-	$	2,670,756	$	-
Notes and land lease payable to primary government		3,973,000		1,791,050		-		5,764,050		-
Unamortized debt costs		(31,080)		(49,302)		-		(80,382)		-
Total Becher Court	$	4,057,774	$	4,296,650	$	-	$	8,354,424	$	-

	Beginning Balance	Increases	Decreases	Ending Balance	Amounts Due Within One Year
Westlawn Renaissance III:					
Notes payable	$ 17,000,000	$ -	$ 15,207,369	$ 1,792,631	$ 15,431
Notes and land lease payable to primary government	14,023,208	6,836,988	-	20,860,196	-
Unamortized debt costs	(55,769)	-	(30,584)	(25,185)	-
Total Westlawn Renaissance III	$ 30,967,439	$ 6,836,988	$ 15,176,785	$ 22,627,642	$ 15,431
Merrill Park:					
Notes payable	$ 1,125,151	$ 5,952,243	$ -	$ 7,077,394	$ 5,952,302
Notes and land lease payable to primary government	3,690,000	130,324	-	3,820,324	-
Unamortized debt costs	(55,744)	(5,587)	(25,159)	(36,172)	-
Total Merrill Park	$ 4,759,407	$ 6,076,980	$ (25,159)	$ 10,861,546	$ 5,952,302
National Soldiers Home Residences II:					
Notes payable	$ -	$ 7,875,334	$ -	$ 7,875,334	$ 6,504,198
Notes and land lease payable to primary government	-	8,485,989	-	8,485,989	-
Unamortized debt costs	-	(279,721)	(7,770)	(271,951)	-
Total National Soldiers Home Residences II	$ -	$ 16,081,602	$ (7,770)	$ 16,089,372	$ 6,504,198
National Soldiers Home Residences III:					
Notes payable	$ -	$ 8,002,970	$ -	$ 8,002,970	$ 8,002,970
Notes and land lease payable to primary government	-	1,841,043	-	1,841,043	-
Unamortized debt costs	-	(18,055)	(502)	(17,553)	-
Total National Soldiers Home Residences III	$ -	$ 9,825,958	$ (502)	$ 9,826,460	$ 8,002,970
Westlawn Renaissance VI:					
Notes payable	$ -	$ 23,633,594	$ -	$ 23,633,594	$ 17,976,875
Notes and land lease payable to primary government	-	11,235,280	-	11,235,280	-
Unamortized debt costs	-	(379,178)	(220,192)	(158,986)	-
Total Westlawn Renaissance VI	$ -	$ 34,489,696	$ (220,192)	$ 34,709,888	$ 17,976,875

Highland Park Mortgage Notes Payable

Mortgage notes payable consist of the following:

A mortgage note payable to U.S, Bank, the investor member. The loan requires monthly payments of $11,294, including interest at 6.39% and, commencing July 1, 2020, payments of $5,923, including interest at 3.60%. The note originally due July 1, 2020 was extended to July 1, 2022. The loan is nonrecourse and collateralized by rental property. The loan agreement with U.S. Bank requires the company to not make distributions to the members if immediately prior to or after such distribution, the debt service coverage ratio would be less than 1.0.

A mortgage note (Land loan) payable to the Authority. The land loan requires monthly payments of $627, including interest at 5.0%. The note is due March 31, 2045. The land loan is nonrecourse and collateralized by the land and a general business security agreement.

A mortgage note (Hope VI loan) payable to the Authority. The loan accrues interest at 5.21% compounded annually. Principal and interest are payable to the extent of available cash flow. The Hope VI loan is due August 31, 2035. The Hope VI loan is nonrecourse and collateralized by the rental property and a general business security agreement. Accrued interest was $2,742,412 as of December 31, 2021.

Interest expense on notes payable to the Authority totaled $240,070 for the year ended December 31, 2021.

A summary of the mortgage notes payable as of December 31, 2021, are as follows:

U.S. Bank	$ 1,263,836
HACM (land loan)	103,273
HACM (HOPE VI loan)	2,000,000
Total Highland Park mortgage notes payable	3,367,109
Less unamortized debt issuance costs	(2,191)
Less current maturities	(1,266,250)
	$ 2,098,668

Debt service requirements to maturity are as follows:

	Principal	Interest	Total
Years ending December 31:			
2022	$ 1,266,250	$ 109,309	1,375,559
2023	2,537	109,185	111,722
2024	2,667	109,055	111,722
2025	2,804	108,919	111,723
2026	2,947	108,776	111,723
2027-2031	17,158	541,456	558,614
2032-2036	2,022,020	397,660	2,419,680
2037-2041	28,260	9,354	37,614
2042-2045	22,466	1,916	24,382
Total	$ 3,367,109	$ 1,495,630	$ 4,862,739

Cherry Court Mortgage Notes Payable

Mortgage notes payable consist of the following:

A mortgage note payable to Verve Credit Union (f/k/a First Service Credit Union). The loan requires monthly payments of $6,752, including interest at 7.0%. The note is due September 10, 2022. The mortgage note is nonrecourse and collateralized by rental property including assignment of rents and leases thereon.

A mortgage note (land loan) payable to the Authority. The land loan accrues interest at 7.0% per year compounded annually. Principal and interest are payable to the extent of available cash flow. The unpaid principal and accrued interest is due June 19, 2056. Accrued interest was $93,259 as of December 31, 2021. The land loan is nonrecourse and collateralized by rental property and a general business security agreement.

A mortgage note (Hope VI loan) payable to the Authority. The Hope VI loan accrues interest at 5.32% compounded annually. Principal and interest are payable to the extent of available cash flow. The unpaid principal and accrued interest is due June 19, 2046. Accrued interest was $2,104,204 as of December 31, 2021. The Hope VI loan is nonrecourse and collateralized by the rental property and a general business security agreement.

A mortgage note (other federal funds loan) payable to the Authority. The other federal funds loan accrues interest at 2.0%, compounded annually. Principal and interest are payable to the extent of available cash flow. The unpaid principal and accrued interest is due June 19, 2046. Accrued interest was $2,146,652 as of December 31, 2021. The loan is nonrecourse and collateralized by the rental property and a general business security agreement.

A mortgage note (AHP loan) payable to the Authority. The AHP loan is noninterest bearing. Principal is payable to the extent of available cash flow. The unpaid principal is due June 19, 2046. The loan is nonrecourse and collateralized by the rental property and a general business security agreement.

Interest expense on notes payable to the Authority totaled $375,360 for the year ended December 31, 2021.

A summary of the mortgage notes payable as of December 31, 2021, are as follows:

Verve Credit Union	$ 758,614
HACM (land loan)	126,995
HACM (HOPE VI loan)	1,751,667
HACM (other federal funds loan)	6,328,541
HACM (AHP)	480,000
Total Cherry Court mortgage notes payable	9,445,817
Less unamortized debt issuance costs	(929)
Less current maturities	(758,614)
	$ 8,686,274

Debt service requirements to maturity are as follows:

	Principal	Interest	Total
Years ending December 31:			
2022	$ 758,614	$ 267,273	$ 1,025,887
2023	-	228,649	228,649
2024	-	228,649	228,649
2025	-	228,649	228,649
2026	-	228,649	228,649
2027-2031	-	1,143,246	1,143,246
2032-2036	-	1,143,246	1,143,246
2037-2041	-	1,143,246	1,143,246
2042-2046	8,560,208	1,033,366	9,593,574
2047-2051	-	44,448	44,448
2052-2056	126,995	40,003	166,998
Total	$ 9,445,817	$ 5,729,424	$ 15,175,241

Convent Hill Mortgage Notes Payable

Mortgage notes payable consist of the following:

A mortgage note payable to Summit Credit Union (Summit). The Summit loan requires monthly payments of $7,064 including interest at 7.0%. The note is due August 10, 2023. The loan is collateralized by a mortgage on the rental property and an assignment of rents and leases, thereon. Prepayment of the mortgage is subject to a prepayment premium.

A subordinated mortgage note (federal funds loan) payable to the Authority. The federal funds loan accrues interest at 2.75%, compounded annually. Principal and interest are payable to the extent of available cash flow. The unpaid principal and accrued interest are due February 1, 2048. The loan is guaranteed by the manager and collateralized by a subordinated mortgage on the rental property and a general business security agreement. Prepayment is allowed under the terms of the mortgage note. Interest accrued was $2,427,551 as of December 31, 2021.

A subordinated mortgage note (other funds loan) payable to the Authority. The other funds loan is noninterest bearing. Principal is payable to the extent of available cash flow. The unpaid principal is due February 1, 2048. The loan is guaranteed by the manager and collateralized by a subordinated mortgage on the rental property and a general business security agreement. Prepayment is allowed under the terms of the mortgage note.

A subordinated mortgage note (AHP loan) payable to the Authority. The AHP loan is noninterest bearing. Principal is payable to the extent of available cash flow, as defined in the operating agreement. The unpaid principal is due February 1, 2048. The loan is guaranteed by the manager and collateralized by a subordinated mortgage on the rental property and a general business security agreement. Prepayment will be allowed under the terms of the mortgage note.

Interest expense on notes payable to the Authority totaled $218,637 for the year ended December 31, 2021.

A summary of the mortgage notes payable as of December 31, 2021, are as follows:

Credit Union (Summit)	$ 789,193
HACM (federal funds loan)	5,741,537
HACM (other funds loan)	734,337
HACM (AHP loan)	400,000
Total Convent Hill mortgage notes payable	7,665,067
Less unamortized debt issuance costs	(1,286)
Less current maturities	(30,412)
	$ 7,633,369

Debt service requirements to maturity are as follows:

	Principal	Interest	Total
Years ending December 31:			
2022	$ 30,412	$ 213,471	$ 243,883
2023	758,781	211,356	970,137
2024	-	209,237	209,237
2025	-	206,665	206,665
2026	-	204,057	204,057
2027-2031	239,473	974,221	1,213,694
2032-2036	339,501	874,193	1,213,694
2037-2041	155,363	791,286	946,649
2042-2046	-	789,849	789,849
2047-2048	6,141,537	171,134	6,312,671
Total	$ 7,665,067	$ 4,645,469	$ 12,310,536

Scattered Sites Mortgage Notes Payable

Mortgage notes payable consist of the following:

A mortgage note (federal funds loan) payable to the Authority. The federal funds loan accrues interest at 3.0%, compounded annually. Principal and interest is payable to the extent of available cash flow. The unpaid principal and accrued interest is due September 25, 2057. Accrued interest was $1,079,238 as of December 31, 2021. The federal funds loan is recourse and collateralized by the rental property and a general business security agreement. Prepayment is allowed under the terms of the mortgage note.

A subordinated mortgage note (other funds loan) payable to the Authority. The other funds loan is noninterest bearing. Principal is payable to the extent of available cash flow. The unpaid principal is due September 25, 2057. The other funds loan is recourse and collateralized by the rental property and a general business security agreement.

Interest expense on notes payable to the Authority totaled $95,512 for the year ended December 31, 2021.

A summary of the mortgage notes payable as of December 31, 2021, are as follows:

HACM (federal funds loan)	$ 2,200,000
HACM (other funds loan)	118,300
Total Scattered Sites mortgage notes payable	2,318,300
Less current maturities	-
	$ 2,318,300

Debt service requirements to maturity are as follows:

	Principal	Interest	Total
Years ending December 31:			
2022	$ -	$ 66,000	$ 66,000
2023	-	66,000	66,000
2024	-	66,000	66,000
2025	-	66,000	66,000
2026	-	66,000	66,000
2027-2031	-	330,000	330,000
2032-2036	-	330,000	330,000
2037-2041	-	330,000	330,000
2042-2046	-	330,000	330,000
2047-2051	-	330,000	330,000
2052-2056	-	330,000	330,000
2057	2,318,300	33,000	2,351,300
Total	$ 2,318,300	$ 2,343,000	$ 4,661,300

Scattered Sites II Mortgage Notes Payable

Mortgage notes payable consist of the following:

A mortgage note (Hope VI Loan) payable to the Authority. The Hope VI Loan accrues interest at 8.0%, compounded annually. Principal and interest are payable to the extent of available cash flow. The unpaid principal and accrued interest is due December 9, 2058. The loan is recourse and collateralized by a mortgage on the rental property and a general business security agreement. Accrued interest was $1,544,642 as of December 31, 2021.

A mortgage note (other funds loan) payable to the Authority. The other funds loan is noninterest bearing. Principal is payable to the extent of available cash flow. The unpaid principal is due May 5, 2059. The loan is recourse and collateralized by a mortgage on the rental property and a general business security agreement.

Interest expense on notes payable to the Authority totaled $186,538 for the year ended December 31, 2021.

A summary of the mortgage notes payable as of December 31, 2021, are as follows:

HACM (Hope VI loan)	$ 973,620
HACM (other funds loan)	133,958
Total Scattered Sites II mortgage notes payable	1,107,578
Less current maturities	-
	$ 1,107,578

Debt service requirements to maturity are as follows:

	Principal	Interest	Total
Years ending December 31:			
2022	$ -	$ 77,890	$ 77,890
2023	-	77,890	77,890
2024	-	77,890	77,890
2025	-	77,890	77,890
2026	-	77,890	77,890
2027-2031	-	389,448	389,448
2032-2036	-	389,448	389,448
2037-2041	-	389,448	389,448
2042-2046	-	389,448	389,448
2047-2051	-	389,448	389,448
2052-2056	-	389,448	389,448
2057-2059	1,107,578	149,288	1,256,866
Total	$ 1,107,578	$ 2,875,426	$ 3,983,004

Olga Village Mortgage Notes Payable

Mortgage notes payable consist of the following:

A mortgage note (long-term construction loan) payable to the Authority. The principal and accrued interest outstanding on the note shall be paid to the extent of available cash flow, as defined by the operating agreement. The loan shall bear interest at 1.00%. The unpaid principal and accrued interest is due November 24, 2049. Accrued interest was $229,669 at December 31, 2021. The loan is collateralized by a mortgage on the rental property and a general business security agreement.

Mortgage notes payable of $171,000 and $1,288,493 to United Community Center, Inc, maturing November 9, 2051. The principal and accrued interest outstanding on the notes shall be paid to the extent of available cash flow, as defined by the operating agreement. The loans shall bear interest at the rate of 2.50%. Accrued interest on the $171,000 loan was $43,359 at December 31, 2021. Accrued interest on the $1,288,493 loan was $253,568 at December 31, 2021. These loans are collateralized by a mortgage on the rental property.

A mortgage note (additional funds loan) payable to the Authority. The principal and accrued interest outstanding on the note shall be paid to the extent of available cash flow, as defined by the operating agreement. The loan shall bear interest at the rate of 1.00%. The unpaid principal and accrued interest is due November 9, 2051. Accrued interest was $20,570 at December 31, 2021. The loan is collateralized by a mortgage on the rental property.

Interest expense on notes payable to the Authority totaled $24,311 for the year ended December 31, 2021.

A summary of the mortgage notes payable as of December 31, 2021, are as follows:

HACM (long-term construction loan)	$ 2,166,726
HACM (additional funds loan)	196,608
United Community Center (roof note)	171,000
United Community Center (other funds note)	1,000,894
Total Olga Village mortgage notes payable	3,535,228
Less unamortized debt issuance costs	(7,251)
Less current maturities	-
	$ 3,527,977

Debt service requirements to maturity are as follows:

	Principal	Interest	Total
Years ending December 31:			
2022	$ -	$ 54,002	$ 54,002
2023	-	54,002	54,002
2024	-	54,002	54,002
2025	-	54,002	54,002
2026	-	54,002	54,002
2027-2031	-	270,010	270,010
2032-2036	-	270,010	270,010
2037-2041	-	270,010	270,010
2042-2046	-	270,010	270,010
2047-2051	3,535,228	220,289	3,755,517
Total	$ 3,535,228	$ 1,570,339	$ 5,105,567

Westlawn Renaissance Mortgage Notes Payable

Mortgage notes payable consist of the following:

A mortgage note (land loan) payable to the Authority. Monthly payments of $6,733 including interest beginning January 10, 2013 are paid from available cash flow. The loan matures on June 15, 2051. The loan shall bear interest at the rate of 4.05%, compounded annually. Prepayment is allowed anytime without penalty. The loan is collateralized by a mortgage on the rental property, including the assignment of rents thereon and a general business security agreement. Accrued interest was $353,724 at December 31, 2021.

A construction and term loan (long-term construction loan) payable to the Authority. The principal and accrued interest outstanding on the note shall be paid from available cash flows. The loan shall bear interest at the rate of 4.0%, compounded annually. The loan matures on June 15, 2051. Prepayment is allowed anytime without penalty. The loan is collateralized by a mortgage on a rental property, including the assignment of rents thereon and a general business security agreement. Accrued interest was $1,630,655 at December 31, 2021.

Interest expense on notes payable to the Authority totaled $433,413 for the year ended December 31, 2021.

A summary of the mortgage notes payable as of December 31, 2021, are as follows:

HACM (land loan)	$ 1,610,911
HACM (long-term construction loan)	7,649,850
Total Westlawn Renaissance mortgage notes payable	9,260,761
Less unamortized debt issuance costs	(12,232)
Less current maturities	-
	$ 9,248,529

Debt service requirements to maturity are as follows:

	Principal	Interest	Total
Years ending December 31:			
2022	$ -	$ 372,506	$ 372,506
2023	-	372,506	372,506
2024	-	372,506	372,506
2025	-	372,506	372,506
2026	-	372,506	372,506
2027-2031	-	1,862,532	1,862,532
2032-2036	-	1,862,532	1,862,532
2037-2041	-	1,862,532	1,862,532
2042-2046	-	1,862,532	1,862,532
2047-2051	9,260,761	1,640,589	10,901,350
Total	$ 9,260,761	$ 10,953,247	$ 20,214,008

Lapham Park Mortgage Notes Payable

Mortgage notes payable consist of the following:

A mortgage note (long-term construction loan) payable to the Authority. The principal and interest on the note are payable to the extent of available cash flow. The loan shall bear interest at the rate of 0.19% through the date the second installment of equity is received from the investor member and noninterest bearing thereafter. The loan matures on February 29, 2052. The loan is collateralized by a mortgage on the rental property and a general business security agreement.

A mortgage note (AHP loan) payable to the Authority. The principal and interest on the note are payable to the extent of available cash flow. The loan bears interest at the rate of 2.60%. The loan matures on February 29, 2052. The loan is collateralized by a mortgage on the rental property and a general business security agreement. Accrued interest was $78,494 at December 31, 2021.

Interest expense on notes payable to the Authority totaled $8,722 for the year ended December 31, 2021.

A summary of the mortgage notes payable as of December 31, 2021, are as follows:

HACM (long-term construction loan)	$ 19,199,657
HACM (AHP loan)	335,440
Total Lapham Park mortgage notes payable	19,535,097
Less current maturities	-
	$ 19,535,097

Debt service requirements to maturity are as follows:

	Principal	Interest	Total
Years ending December 31:			
2022	$ -	$ 8,721	$ 8,721
2023	-	8,721	8,721
2024	-	8,721	8,721
2025	-	8,721	8,721
2026	-	8,721	8,721
2027-2031	-	43,607	43,607
2032-2036	-	43,607	43,607
2037-2041	-	43,607	43,607
2042-2046	-	43,607	43,607
2047-2051	-	43,607	43,607
2052	19,535,097	8,721	19,543,818
Total	$ 19,535,097	$ 270,361	$ 19,805,458

Westlawn Renaissance II Mortgage Notes Payable

Mortgage notes payable consist of the following:

Victory Manor:

A mortgage note payable to WHEDA. Monthly payments of $3,938 including interest at 5.9% are due beginning October 1, 2019. The loan matures on August 31, 2054. Prepayment is allowed with penalty as defined in the note. The loan is nonrecourse and collateralized by a mortgage on the rental property and assignment of leases and rents thereon. Prepayment of the mortgage is subject to a prepayment penalty.

A mortgage note (land loan) payable to the Authority. The principal and accrued interest outstanding on the note shall be paid from available cash flows. The loan matures on March 30, 2067. The loan shall bear interest at the rate of 2.78%, compounded annually. Prepayment is allowed anytime without penalty. The loan is collateralized by a mortgage on the rental property, including the assignment of rents thereon and a general business security agreement. Accrued interest was $31,692 at December 31, 2021.

A construction and term loan (long-term construction loan) payable to the Authority. The principal and accrued interest outstanding on the note shall be paid from available cash flows. The loan shall bear interest at the rate of 2.45%, compounded annually. The loan matures on March 30, 2057. Prepayment is allowed anytime without penalty. The loan is collateralized by a mortgage on a rental property, including the assignment of rents thereon and a general business security agreement. Accrued interest was $476,390 at December 31, 2021.

A construction and term loan (long-term construction loan) payable to the Authority. The principal and interest on the note are payable to the extent of available cash flow. The loan shall bear interest at the rate of 2.45% through the date the second installment of equity is received from the investor member and noninterest bearing thereafter. The loan matures on March 30, 2057. Prepayment is allowed anytime without penalty. The loan is full recourse and collateralized by a mortgage on the rental property and a general business security agreement. Accrued interest was $161,747 as of December 31, 2021.

Interest expense on notes payable to the Authority totaled $204,679 for the year ended December 31, 2021.

WG Scattered Sites:

A mortgage note payable to WHEDA. Monthly Payments of $5,821 including interest at 4.5% are due beginning October 1, 2019. The loan matures on August 31, 2054. The loan is nonrecourse and collateralized by a mortgage on the rental property and assignment of leases and rents thereon. Prepayment is subject to penalty as defined in the note.

A mortgage note (land loan) payable to the Authority. The principal and accrued interest outstanding on the note shall be paid from available cash flows. The loan matures on March 30, 2067. The loan shall bear interest at the rate of 2.78%, compounded annually. Prepayment is allowed anytime without penalty. The loan is full recourse and collateralized by a mortgage on the rental property, including the assignment of rents thereon and a general business security agreement. Accrued interest was $15,430 at December 31, 2021.

A construction and term loan (long-term construction loan) payable to the Authority. The principal and accrued interest outstanding on the note shall be paid from available cash flows. The loan shall bear interest at the rate of 1.65%, compounded annually. The loan matures on March 30, 2057. Prepayment is allowed anytime without penalty. The loan is full recourse collateralized by a mortgage on the rental property, including the assignment of rents thereon and a general business security agreement. Accrued interest was $140,213 at December 31, 2021.

A construction and term loan payable to the Authority. The principal balance of the loan ($1,805,704) was reduced to $1,295,948 upon return of the deposit associated with the WHEDA bonds. Annual payments, including interest at 1.65%, are to be made from available cash flow as defined in the operating agreement. All unpaid principal and interest is due March 30, 2057. The loan is full recourse and collateralized by a mortgage on the rental property and a general business agreement. Prepayment is allowed any time without penalty.

Interest expense on notes payable to the Authority totaled $56,311 for the year ended December 31, 2021.

A summary of the mortgage notes payable as of December 31, 2021, are as follows:

Victory Manor:	
WHEDA loan	$ 705,013
HACM (land loan)	240,000
HACM (construction and term loan)	5,422,200
HACM (construction and term loan)	2,659,705
WG Scattered Sites:	
WHEDA loan	1,195,678
HACM (land loan)	116,100
HACM (construction and term loan)	3,217,169
HACM (construction and term loan)	1,295,948
Total Westlawn Renaissance II mortgage notes payable	14,851,813
Less unamortized debt issuance costs	(48,044)
Less current maturities	(23,691)
	$ 14,780,078

Debt service requirements to maturity are as follows:

	Principal	Interest	Total
Years ending December 31:			
2022	$ 23,691	$ 377,774	$ 401,465
2023	24,887	377,052	401,939
2024	26,144	376,297	402,441
2025	27,466	375,509	402,975
2026	28,856	374,685	403,541
2027-2031	339,909	1,859,705	2,199,614
2032-2036	385,790	1,832,774	2,218,564
2037-2041	444,745	1,799,212	2,243,957
2042-2046	520,745	1,757,388	2,278,133
2047-2051	618,681	1,705,268	2,323,949
2052-2056	512,539	1,529,478	2,042,017
2057-2061	11,542,260	133,654	11,675,914
2062-2066	-	49,498	49,498
2067	356,100	2,475	358,575
Total	$ 14,851,813	$ 12,550,769	$ 27,402,582

Holton Terrace Mortgage Notes Payable

Mortgage notes payable consist of the following:

A mortgage note payable to WHEDA not to exceed $1,200,000. The loan requires monthly interest payments until the conversion date of December 1, 2021. At this time, monthly principal payments are required sufficient to achieve a DSCR of 1.20 to 1.0 and interest payments are required at a rate of 5.90%. The loan matures in October 2056. The loan is nonrecourse and collateralized by a mortgage on the rental property and assignment of leases and rents thereon. Prepayment is not allowed prior to conversion and is subject to a prepayment penalty as defined in the note.

A mortgage note (long-term construction loan) payable to the Authority. The principal and interest on the note are payable to the extent of available cash flow. The loan shall bear interest at the rate of 5.0%. The loan matures on July 8, 2069. The loan is nonrecourse and collateralized by a mortgage on the rental property and a general business security agreement. Accrued interest was $19,432 at December 31, 2021.

A mortgage note payable to the Authority. The principal and interest on the note are payable to the extent of available cash flow. Interest accrues at a rate of 5.0%. The loan matures on July 8, 2069. The loan is nonrecourse and collateralized by a mortgage on the rental property and a general business security agreement. Accrued interest was $37,058 at December 31, 2021.

An AHP note payable to the Authority. The principal and interest on the note are payable to the extent of available cash flow. Interest accrues at a rate of 5.0%. The loan matures on July 8, 2069. The loan is nonrecourse and collateralized by a mortgage on the rental property and a general business security agreement. Accrued interest was $2,930 at December 31, 2021.

Interest expense on notes payable to the Authority totaled $308,361 for the year ended December 31, 2021.

A summary of the mortgage notes payable as of December 31, 2021, are as follows:

WHEDA	$ 1,200,000
HACM (long-term construction loan)	1,536,140
HACM (other notes)	4,760,000
HACM (AHP Note)	689,885
Total Holton Terrace mortgage notes payable	8,186,025
Less unamortized debt issuance costs	(57,997)
Less current maturities	(10,627)
	$ 8,117,401

Debt service requirements to maturity are as follows:

	Principal	Interest	Total
Years ending December 31:			
2022	$ 10,627	$ 402,570	$ 413,197
2023	11,271	401,926	413,197
2024	11,954	401,242	413,196
2025	12,679	400,518	413,197
2026	13,448	399,749	413,197
2027-2031	80,501	1,985,482	2,065,983
2032-2036	108,045	1,957,938	2,065,983
2037-2041	145,014	1,920,970	2,065,984
2042-2046	194,631	1,871,353	2,065,984
2047-2051	261,225	1,804,758	2,065,983
2052-2056	350,605	1,715,378	2,065,983
2057-2061	-	1,660,271	1,660,271
2062-2066	-	1,660,271	1,660,271
2067-2069	6,986,025	838,759	7,824,784
Total	$ 8,186,025	$ 17,421,185	$ 25,607,210

Becher Court Mortgage Notes Payable

Mortgage notes payable consist of the following:

A mortgage note payable to WHEDA not to exceed $1,600,000. The loan requires interest only payments at the greater of 3.0% or the 30-day LIBOR rate plus 300 basis points (3.10% as of December 31, 2021), adjusted monthly through the conversion date, which is January 1, 2023. At this time, monthly principal payments are required sufficient to achieve a DSCR of 1.20 to 1.0 and interest payments are required beginning January 2023 at a rate of 5.35%. The loan matures on December 31, 2057. The loan is nonrecourse and collateralized by a mortgage on the rental property and assignment of leases and rents thereon. Prepayment is not allowed prior to conversion and is subject to a prepayment penalty as defined in the note.

A mortgage note payable to the Authority. The principal and interest on the note are payable to the extent of available cash flow. Interest accrues at a rate of 2.25%. The loan matures on June 30, 2070. The loan is recourse and collateralized by a mortgage on the rental property and a general business security agreement. Accrued interest was $121,832 at December 31, 2021.

A mortgage note (nonfederal funds) payable to the Authority. The principal and interest on the note are payable to the extent of available cash flow. The loan shall bear interest at the rate of 2.25% per annum. The loan matures on June 30, 2070. The loan is recourse and collateralized by a mortgage on the rental property and a general business security agreement. Accrued interest was $13,638 at December 31, 2021.

A mortgage note payable to the Authority. The principal and interest are payable to the extent of available cash flow. Interest accrues at the rate of 2.25%. The loan matures on June 30, 2070. The loan is recourse and collateralized by a mortgage on the rental property and a general business security agreement. Accrued interest was $25,836 at December 31, 2021.

A mortgage note to PNC Bank, originally a bridge loan agreement not to exceed $3,710,000. The loan shall bear interest at the Daily LIBOR plus 2.0% (3.0% as of December 31, 2021). The loan matures on June 30, 2070. Prepayment is allowed at any time without penalty.

Interest expense on notes payable to the Authority totaled $85,911 for the year ended December 31, 2021.

A summary of the mortgage notes payable as of December 31, 2021, are as follows:

WHEDA	$ 1,552,526
HACM (mortgage note)	3,573,000
HACM (other notes)	400,000
HACM (mortgage note)	1,791,050
PNC Bank	1,118,230
Total Becher Court mortgage notes payable	8,434,806
Less unamortized debt issuance costs	(80,382)
Less current maturities	-
	$ 8,354,424

Debt service requirements to maturity are as follows:

	Principal	Interest	Total
Years ending December 31:			
2022	$ -	$ 208,139	$ 208,139
2023	14,649	204,304	218,953
2024	16,820	200,372	217,192
2025	1,135,972	196,339	1,332,311
2026	18,715	192,203	210,918
2027-2031	911,690	895,167	1,806,857
2032-2036	1,032,225	774,633	1,806,858
2037-2041	1,169,092	637,766	1,806,858
2042-2046	1,324,565	482,293	1,806,858
2047-2051	1,501,240	305,618	1,806,858
2052-2056	1,230,296	105,493	1,335,789
2057	79,542	1,188	80,730
Total	$ 8,434,806	$ 4,203,515	$ 12,638,321

Westlawn Renaissance III Mortgage Notes Payable

Mortgage notes payable consist of the following:

A mortgage note payable to WHEDA not to exceed $1,550,000. The loan requires monthly interest payments at 5.52% until the conversion date of June 1, 2021. At this time, monthly principal payments are due in the amount of $8,344, including an interest rate of 5.52%. The loan matures 35 years after the conversion date. The loan is nonrecourse and collateralized by a mortgage on the rental property and assignment of leases and rents thereon. Prepayment is not allowed prior to conversion and is subject to a prepayment penalty as defined in the note.

A mortgage note payable to WHEDA not to exceed $250,000. The loan requires monthly interest payments at 3.0% until the conversion date of June 1, 2021. Commencing January 1, 2022 and each January 1 thereafter, annual payments sufficient to repay the principal over 35 years including interest at 3.0% are required subject to surplus cash and the waterfall set forth in the note. The loan matures 17 years after the conversion date. The loan is nonrecourse and collateralized by a mortgage on the rental property and assignment of leases and rents thereon.

A mortgage note (long-term construction loan) payable to the Authority. The note is noninterest bearing and a single payment of $1,178,237 upon the return of cash held by WHEDA will be used to reduce the principal. Payments on the note are subject to surplus cash flow, as defined in the operating agreement. The loan matures on April 16, 2059. The loan is collateralized by a mortgage on the rental property and a general business security agreement.

A mortgage note (long-term construction loan) payable to the Authority. The note accrues interest at 0.50%. Payments on the note are subject to surplus cash flow, as defined in the operating agreement. The loan matures on April 16, 2059. The loan is collateralized by a mortgage on the rental property and a general business security agreement. Accrued interest was $93,067 at December 31, 2021.

A mortgage note (land loan) payable to the Authority. The principal and accrued interest outstanding on the note shall be paid from surplus cash flows, as defined in the operating agreement. The loan matures on April 16, 2069. The loan shall bear interest at the rate of 2.89%. Prepayment is allowed anytime without penalty. The loan is collateralized by a mortgage on the rental property, including the assignment of rents thereon and a general business security agreement. Accrued interest was $13,256 at December 31, 2021.

A mortgage note (AHP Loan) payable to the Authority. The note bears 1.17% interest and payments on the note are subject to available cash flow, as defined in the operating agreement. The loan matures on July 8, 2050. The loan is collateralized by a mortgage on the rental property and a general business security agreement. Prepayment is allowed anytime. Accrued interest was $4,544 at December 31, 2021.

Interest expense on notes payable to the Authority totaled $70,105 for the year ended December 31, 2021.

A summary of the mortgage notes payable as of December 31, 2021, are as follows:

WHEDA	$ 1,542,631
WHEDA	250,000
HACM (long-term construction loan)	7,319,331
HACM (long-term construction loan)	12,620,865
HACM (land note)	170,000
HACM (AHP Loan)	750,000
Total Westlawn Renaissance III mortgage notes payable	22,652,827
Less unamortized debt issuance costs	(25,185)
Less current maturities	(15,431)
	$ 22,612,211

Debt service requirements to maturity are as follows:

	Principal	Interest	Total
Years ending December 31:			
2022	$ 15,431	$ 166,334	$ 181,765
2023	16,305	163,505	179,810
2024	17,228	160,610	177,838
2025	18,203	157,646	175,849
2026	19,234	154,611	173,845
2027-2031	1,840,271	724,770	2,565,041
2032-2036	1,929,075	635,965	2,565,040
2037-2041	2,031,678	533,363	2,565,041
2042-2046	2,151,902	413,138	2,565,040
2047-2051	2,243,425	270,766	2,514,191
2052-2056	2,231,367	106,993	2,338,360
2057-2061	7,011,709	13,225	7,024,934
2062-2066	28,486	4,276	32,762
2067-2069	3,098,513	521	3,099,034
Total	$ 22,652,827	$ 3,505,723	$ 26,158,550

Merrill Park Mortgage Notes Payable

Mortgage notes payable consist of the following:

A mortgage note payable to WHEDA not to exceed $1,200,000. The loan requires monthly interest payments until the conversion date in July 2022. At this time, monthly principal payments are required sufficient to achieve a DSCR of 1.20 to 1.0 and interest payments are required beginning in August 2022 at a rate of 3.0% or 30-day LIBOR plus 300 basis points (3.10% at December 31, 2021). After conversion, interest is a fixed 5.35%. The loan is nonrecourse and collateralized by a mortgage on the rental property and assignment of leases and rents thereon. Prepayment is not allowed prior to conversion and is subject to a prepayment penalty as defined in the note.

A construction mortgage note payable to Associated Bank not to exceed $6,000,000. The loan requires monthly interest-only payments at the 30-day LIBOR plus 220 basis points (2.30% at December 31, 2021). The note is due in May 2022. The loan is collateralized by a mortgage on the rental property and an assignment of leases and rents thereon and is guaranteed by the Authority.

A mortgage note payable to the Authority. The principal and interest on the note is subject to available cash flows, as defined in the operating agreement. Interest accrues at a rate of 5.0%, compounded annually. The loan matures on December 17, 2069. The loan is nonrecourse and collateralized by a mortgage on the rental property and a general business security agreement. Accrued interest was $386,582 at December 31, 2021.

A construction and term mortgage note (federal funds) payable to the Authority in the amount of $2,952,767. The note accrues interest at 5.0% and payments on the note shall be paid to the extent of available cash flow. The loan matures on December 17, 2069. The loan is recourse and collateralized by a mortgage on the rental property and a general business security agreement. Accrued interest was $268 at December 31, 2021.

Interest expense on notes payable to the Authority totaled $136,774 for the year ended December 31, 2021.

A summary of the mortgage notes payable as of December 31, 2021, are as follows:

WHEDA	$ 1,131,018
Associated Bank	5,946,376
HACM (mortgage note)	3,690,000
HACM (long-term construction loan)	130,324
Total Merrill Park mortgage notes payable	10,897,718
Less unamortized debt issuance costs	(36,172)
Less current maturities	(5,952,302)
	$ 4,909,244

Debt service requirements to maturity are as follows:

	Principal	Interest	Total
Years ending December 31:			
2022	$ 5,952,302	$ 219,412	$ 6,171,714
2023	12,337	217,810	230,147
2024	13,014	222,569	235,583
2025	13,727	220,786	234,513
2026	14,480	220,786	235,266
2027-2031	262,986	1,063,706	1,326,692
2032-2036	323,534	1,003,158	1,326,692
2037-2041	398,859	927,834	1,326,693
2042-2046	492,742	833,950	1,326,692
2047-2051	609,969	716,723	1,326,692
2052-2056	642,883	573,489	1,216,372
2057-2061	622,658	428,234	1,050,892
2062-2066	799,094	251,798	1,050,892
2067-2069	739,133	46,139	785,272
Total	$ 10,897,718	$ 6,946,394	$ 17,844,112

National Soldiers Home Residences II Mortgage Notes Payable

Mortgage notes payable consist of the following:

A mortgage note (construction note) payable to WHEDA. The loan requires monthly interest payments at 4.0% per annum. The note was originally due April 1, 2022 but was extended 60 days to May 31, 2022. The loan is secured by assignment of the leasehold mortgage.

A mortgage note (capital magnet funds) payable to WHEDA. The loan requires monthly interest payments at 3.0% through March 31, 2022. Commencing April 1, 2022, annual payments will be due each January 1 to the extent of available cash flow, as defined in the mortgage loan commitment. The loan is secured by real estate subordinate to the first WHEDA note payable and matures on April 1, 2052.

A mortgage note (housing trust funds) payable to WHEDA not to exceed $1,500,000. The loan requires monthly interest payments at 3.0% through March 31, 2022. Commencing April 1, 2022, annual payments will be due each January 1 to the extent of available cash flow, as defined in the mortgage loan commitment. The loan is secured by real estate subordinate to the first and second WHEDA notes payable and matures on March 31, 2052. National Soldiers Home Residences II expects to draw the remaining balance during 2022.

A mortgage note (Milcon sponsor loan note) payable to the Authority. The note is noninterest bearing. Any payments of the principal outstanding or interest on the note prior to the maturity date shall be paid from available cash flows. The loan matures on February 1, 2051. The loan is secured by assignments of leases, rents and the leasehold mortgage.

A mortgage note (sponsor housing trust fund loan note) payable to the Authority. The note is noninterest bearing. Any payments of the principal outstanding or interest on the note prior to the maturity date shall be paid from available cash flows. The loan matures on February 1, 2051. The loan is secured by assignments of leases, rents and the leasehold mortgage.

A mortgage note (State Historic Tax Credit sponsor loan note) payable to the Authority. The note is noninterest bearing. Any payments of the principal outstanding or interest on the note prior to the maturity date shall be paid from available cash flows. The loan matures on February 1, 2051. The loan is secured by assignments of leases, rents and the leasehold mortgage.

A mortgage note (AHP sponsor loan note) payable to the Authority. The AHP sponsor loan accrues interest at 5.0% per annum. Payments of principal balance and any accrued interest will be due at maturity on February 1, 2051. The loan is secured by assignments of leases, rents and the leasehold mortgage. Accrued interest was $59,315 at December 31, 2021.

Interest expense on notes payable to the Authority totaled $59,315 for the year ended December 31, 2021.

A summary of the mortgage notes payable as of December 31, 2021, are as follows:

WHEDA (construction note)	$ 6,504,198
WHEDA (capital magnet funds)	50,000
WHEDA (housing trust funds)	1,321,136
HACM (Milcon sponsor loan)	3,927,999
HACM (sponsor housing trust fund loan)	150,000
HACM (State Historic Tax Credit sponsor loan)	3,507,990
HACM (AHP sponsor loan)	900,000
Total National Soldiers Home Residences II mortgage notes payable	16,361,323
Less unamortized debt issuance costs	(271,951)
Less current maturities	(6,504,198)
	$ 9,585,174

Debt service requirements to maturity are as follows:

	Principal	Interest	Total
Years ending December 31:			
2022	$ 6,504,198	$ 344,802	$ 6,849,000
2023	-	84,634	84,634
2024	-	84,634	84,634
2025	-	84,634	84,634
2026	-	84,634	84,634
2027-2031	-	423,170	423,170
2032-2036	-	423,170	423,170
2037-2041	-	423,170	423,170
2042-2046	-	423,170	423,170
2047-2051	8,485,989	424,670	8,910,659
2052	1,371,136	39,634	1,410,770
Total	$ 16,361,323	$ 2,840,322	$ 19,201,645

National Soldiers Home Residences III Mortgage Notes Payable

Mortgage notes payable consist of the following:

A mortgage note payable to WHEDA. The loan requires monthly interest payments at 3.0% per annum or the 30-Day LIBOR Rate plus 3.0 percentage points (3.1% at December 31, 2021). The note was originally due March 19, 2022 but was extended 60 days to May 18, 2022. The loan is secured by assignment of the leasehold mortgage.

A mortgage note (State Historic Tax Credit sponsor loan note) payable to the Authority. The note is noninterest bearing. Any payments of the principal outstanding or interest on the note prior to the maturity date shall be paid from available cash flows. The loan matures on February 1, 2051. The loan is secured by assignments of leases, rents and the leasehold mortgage.

A mortgage note (Milcon sponsor loan note) payable to the Authority. The note is noninterest bearing. Any payments of the principal outstanding or interest on the note prior to the maturity date shall be paid from available cash flows. The loan matures on February 1, 2051. The loan is secured by assignments of leases, rents and the leasehold mortgage.

A mortgage note (AHP sponsor loan note) payable to the Authority. The note accrues interest at 5.0% per annum. Payment of the outstanding principal balance and any accrued interest will be due at maturity on February 1, 2051. The loan is secured by assignments of leases, rents and the leasehold mortgage. Accrued interest was $67,796 at December 31, 2021.

Interest expense on notes payable to the Authority totaled $67,796 for the year ended December 31, 2021.

A summary of the mortgage notes payable as of December 31, 2021, are as follows:

WHEDA	$ 8,002,970
HACM (State Historic Tax Credit sponsor loan)	161,042
HACM (Milcon sponsor loan)	1,072,001
HACM (AHP sponsor loan)	608,000
Total National Soldiers Home Residences III mortgage notes payable	9,844,013
Less unamortized debt issuance costs	(17,553)
Less current maturities	(8,002,970)
	$ 1,823,490

Debt service requirements to maturity are as follows:

	Principal	Interest	Total
Years ending December 31:			
2022	$ 8,002,970	$ 30,400	$ 8,033,370
2023	-	30,400	30,400
2024	-	30,400	30,400
2025	-	30,400	30,400
2026	-	30,400	30,400
2027-2031	-	152,000	152,000
2032-2036	-	152,000	152,000
2037-2041	-	152,000	152,000
2042-2046	-	152,000	152,000
2047-2051	1,841,043	152,000	1,993,043
Total	$ 9,844,013	$ 912,000	$ 10,756,013

Westlawn Renaissance VI Mortgage Notes Payable

Mortgage notes payable consist of the following:

A mortgage note payable to WHEDA not to exceed $5,668,000. The loan requires monthly interest payments until the conversion date of September 30, 2022. At this time, monthly principal payments are required sufficient to achieve a DSCR of 1.15 to 1.0. After conversion, monthly payments are due of $26,649, including interest at 4.45%. The loan is nonrecourse and collateralized by a mortgage on the rental property and assignment of leases and rents thereon. Prepayment is not allowed prior to conversion and is subject to a prepayment penalty as defined in the note.

A mortgage note payable to WHEDA not to exceed $24,332,000. The loan requires monthly interest payments at 2.90%. The note is due September 30, 2022 with $3,925,484 paid on August 26, 2022. The loan is nonrecourse and collateralized by a mortgage on the rental property and assignment of leases and rent thereon. Prepayment is subject to penalty as defined in the note.

A mortgage note (non-federal funds) payable to the Authority, with an original amount of $13,640,808. The note accrues interest at 1.0%. Principal and interest are payable to the extent of available cash flow as defined in the operating agreement. The unpaid principal and accrued interest is due March 31, 2057. Prepayment is allowed anytime without penalty. Accrued interest was $3,691 as of December 31, 2021. The loan is collateralized by a mortgage on the rental property and a general business security agreement.

A mortgage note (long-term construction loan) payable to the Authority. The note accrues interest at 1.0%. Principal and interest are payable to the extent of available cash flow as defined in the operating agreement. The unpaid principal and accrued interest is due March 31, 2057. Prepayment is allowed anytime without penalty. Accrued interest was $159,495 as of December 31, 2021. The loan is collateralized by a mortgage on the rental property and a general business security agreement.

A mortgage note (land loan) payable to the Authority. The note accrues interest at 1.93%. Principal and interest are payable to the extent of available cash flow as defined in the operating agreement. The unpaid principal and accrued interest is due March 31, 2057. Prepayment is allowed anytime without penalty. Accrued interest was $20,679 as of December 31, 2021. The loan is collateralized by a mortgage on the rental property and a general business security agreement.

Interest expense on notes payable to the Authority totaled $46,043 for the year ended December 31, 2021.

A summary of the mortgage notes payable as of December 31, 2021, are as follows:

WHEDA (note #1)	$ 5,668,000
WHEDA (note #2)	17,965,594
HACM (non-federal funds)	210,169
HACM (long-term construction loan)	10,415,111
HACM (land loan)	610,000
Total Westlawn Renaissance VI mortgage notes payable	34,868,874
Less unamortized debt issuance costs	(158,986)
Less current maturities	(17,976,875)
	$ 16,733,013

Debt service requirements to maturity are as follows:

	Principal	Interest	Total
Years ending December 31:			
2022	$ 17,976,875	$ 1,102,746	$ 19,079,621
2023	69,469	563,778	633,247
2024	72,624	563,778	636,402
2025	75,923	563,778	639,701
2026	79,371	563,778	643,149
2027-2031	-	2,818,892	2,818,892
2032-2036	-	2,818,892	2,818,892
2037-2041	-	2,818,892	2,818,892
2042-2046	-	2,818,892	2,818,892
2047-2051	-	2,818,892	2,818,892
2052-2056	-	2,818,892	2,818,892
2057	16,594,612	563,778	17,158,390
Total	$ 34,868,874	$ 20,834,988	$ 55,703,862

Net Position

Net position reported on the statement of net position at December 31, 2021, includes the following:

Net position in capital assets:	
Land	$ 34,254,244
Construction in progress	952,026
Less amounts classified as construction in progress for the Westlawn Renaissance IV, V and VII projects	(701,849)
Other capital assets, net of accumulated depreciation	41,110,549
Less long-term debt outstanding	(14,550,000)
Less premium	(84,768)
Plus unspent debt proceeds	1,789,095
Total net investment in capital assets	62,769,297
Restricted:	
Debt service	39,697
Replacement reserve	2,941,195
Home ownership program	1,481,388
Total restricted	4,462,280
Unrestricted	170,358,030
Total net position	$ 237,589,608

3. Other Information

Retirement Plan

Plan Description

The Authority makes contributions to the Employees' Retirement System of the City of Milwaukee (the System), a cost-sharing multiple-employer defined pension plan, on behalf of all eligible Authority employees. The System provides retirement, disability and death benefits to plan members and beneficiaries. The City Charter assigns the Authority to establish and amend benefit provisions. The System issues a publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Employees' Retirement System of the City of Milwaukee, 789 North Water Street, Suite 300, Milwaukee, WI 53202.

Funding Policy

For general employees participating prior to January 1, 2014, they are required to contribute or have contributed on their behalf, a percentage of their annual earnable compensation equal to 5.5% of their annual pensionable income and for general employee, participating on or after January 1, 2014, they are required to contribute 4% of their annual pensionable income. The City Charter assigns the Authority to establish and amend contribution requirements. The City Charter was amended so that various groups of represented and nonrepresented City employees hired on or after January 1, 2010 contribute 5.5% of their earnable compensation for pension benefits. The Authority's contributions to the System for the year ended December 31, 2021 were $668,282, equal to the required contributions on behalf of the plan members for each year.

At December 31, 2021, the Authority reported a liability of $8,486,000 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2020 and the total pension liability used to calculate the net pension liability was determined by an actual valuation as of January 1, 2020. No material changes in assumptions of benefit terms occurred between the actuarial date and the measurement date. The Authority's proportion of the net pension liability was based on the Authority's share of contributions to the pension plan relative to the contributions of all participating employers. At December 31, 2020, the Authority's proportion was 0.77663460% which was a decrease of 0.029554150% from its proportion measured as of December 31, 2019.

For the year ended December 31, 2021, the Authority recognized pension expense of $1,807,314.

At December 31, 2021, the Authority reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 742,000	$ 179,000
Changes in assumptions	931,000	-
Net differences between projected and actual earnings on pension plan investments	-	1,279,000
Changes in proportion and differences between employer contributions and proportionate share of contributions	-	521,999
Employer contributions subsequent to the measurement date	668,282	-
Total	$ 2,341,282	$ 1,979,999

$668,282 reported as deferred outflows related to pension resulting from the System employer's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the subsequent year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

	Deferred Outflows/ (Inflows) of Resources (Net)
Years ending December 31:	
2022	$ (792,495)
2023	(585,351)
2024	1,061,986
2025	8,859

Actuarial assumptions. The last actuarial valuation was performed as of January 1, 2020 and the amounts were used to roll-forward the total pension liability to the plan's year-end December 31, 2020 and was determined using the following actuarial assumptions, applied to all prior periods included in the measurement:

Actuarial valuation date	January 1, 2020
Measurement date of net pension liability	December 31, 2020
Actuarial cost method	Entry age normal-Level Percentage of Pay
Amortization method	Level percent of payroll, closed
Asset valuation method	5-year smoothing of difference between expected return on actuarial value and actual return on market value
Actuarial assumptions:	
Investment rate of return and discount rate	7.50%
Projected salary increases	General City 2.5%-5.5%
Inflation assumption	2.50%
Cost of living adjustments	Vary by employee group as explained in summary of plan provisions

Mortality table	Post-retirement mortality rates are based on the RP-2014 Healthy Annuitant Mortality Table, using 111% of rates for males and 110% of rates for females, projected generationally with Scale MP-2016. Disabled mortality rates are based on the RP-2014 Disability Mortality Table, using 102% of rates for males and 198% of rates for females, projected generationally with Scale MP-2016 was used. Active mortality rates are based on RP-2014 Employee Mortality Table, projected generationally using Scale MP-2016.
Experience study	The actuarial assumptions used in the December 31, 2020 valuation were based on the results of an actuarial experience study for the period January 1, 2012-December 31, 2016.

Long-Term Expected Return on Plan Assets

The long-term expected rate of return on pension plan investments was determined using Callan Associates' 10-year geometric capital market projections. Projected long term rates of return for each major asset class in the Retirement System's target asset allocation as of December 31, 2020, are summarized in the following table:

	Asset Allocation	Long-Term Expected Rate of Return
Public equity	43.00 %	7.30 %
Fixed income and cash	26.00	3.10
Real estate	7.70	5.60
Real assets	3.30	4.50
Private equity	10.00	10.60
Absolute return	190.00	2.90
	100.00 %	

Discount Rate

The discount rate used to measure the total pension liability was 7.5%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate and that contributions from ERS agencies will be made at contractually required rates, actuarially determined. Based on those assumptions, the ERS fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. The cross over analysis produces a single rate of 7.5%, which reflects the long-term expected rate of return on ERS investments. Therefore, the discount rate was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Authority's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the Authority's proportionate share of the net pension liability calculated using the discount rate 7.5%, as well as what the Authority’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.5%) or 1-percentage-point higher (8.5%) than the current rate:

The sensitivity analysis as of December 31, 2021 follows:

	1% Decrease (6.50%)	Current Discount (7.50%)	1% Increase (8.50%)
Authority's proportionate share of the net pension liability	$ 14,728,000	$ 8,486,000	$ 3,297,000

Additional Financial Information for the ERS- For additional information regarding ERS's financial statements and audit report, please visit the ERS web site at http:/www.cmers.com/About-Us.

Postemployment Healthcare Plan

The Authority administers a single-employer defined contribution healthcare plan (the Retiree Health Plan). The plan provides medical insurance benefits to eligible retirees and their spouses through the Authority's group medical insurance plan, which covers both active and retired members. Benefits provisions are established through collective bargaining agreements. The eligibility requirements and the amount of the benefit vary based on retiree's position, years of service and age at retirement. If eligible, the retiree may receive medical insurance benefits until they are Medicare eligible. The plan is administered by the Authority and does not issue a stand-alone financial report. No assets are accumulated in a trust that meets the criteria in paragraph 4 of the GASB Statement No. 75.

At December 31, 2021, the Authority had 132 active members and 52 inactive plan members or beneficiaries currently receiving benefits.

The Authority's total OPEB liability of $13,419,041 was measured as of December 31, 2021 and was determined by an actuarial valuation as of January 1, 2020.

The total OPEB liability in the January 1, 2020 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Actuarial cost method	Entry age normal
Discount rate	2.00%
Inflation	2.50%
Salary increases	3.00% per year
Retirees' share of benefit Related costs	75% of premiums

The discount rate was based on 20-Year Municipal GO AA Index as of each measurement date.

Mortality rates were based on the RP-2014 Employees Mortality Tables.

	Total OPEB Liability
Balance at December 31, 2020	$ 13,061,590
Changes for the year:	
Service cost	575,181
Interest on the total OPEB liability	267,904
Benefit payments	(485,634)
Net changes	357,451
Balance at December 31, 2021	$ 13,419,041

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

The following presents the total OPEB of the Authority as well as what the Authority's total OPEB would be if it were calculated using a discount rate that is 1-percentage-point lower (2.75%) or 1-percentage-point higher (4.75%) than the current discount rate:

	1% Decrease (2.75%)	Current Discount (3.75%)	1% Increase (4.75%)
Total OPEB liability	$ 15,528,088	$ 13,419,041	$ 11,749,527

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates

The following presents the total OPEB liability of the Authority, as well as what the Authority's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

	1% Decrease	Current Healthcare Cost Assumption	1% Increase
Total OPEB liability	$ 11,655,433	$ 13,419,041	$ 15,686,503

For the year ended December 31, 2021, the Authority recognized OPEB expenses of $1,087,292. At December 31, 2021, the Authority reported deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual noninvestment experience	$ -	$ 1,159,744
Changes in assumptions or other inputs	2,183,933	-
Total	$ 2,183,933	$ 1,159,744

Amounts reported as deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

	Deferred Outflows/ (Inflows) of Resources Net
Years ending December 31:	
2022	$ 244,207
2023	244,207
2024	314,988
2025	220,787

Risk Management

The Authority is exposed to various risks of loss related to torts; theft of, damage to or destruction of assets; errors and omissions; workers compensation; and health care of its employees. All of these risks are covered through the purchase of commercial insurance, with minimal deductibles, as detailed below. Settled claims have not exceeded the commercial coverage in any of the past three years. There were no significant reductions in coverage compared to the prior year.

The Authority is a member of the Housing Authority Risk Retention Group (HARRG), which provides general liability, property, public official and lead-based paint insurance to participating public housing authorities throughout the United States. There are 854 members in HARRG. Total premiums paid in 2021 by the members were approximately $42.9 million. The Authority's share of the premiums in 2021 were $405,121, for general liability, public official and lead-based paint insurance. The Authority's maximum insurance coverage ranges from $500,000 for lead-based paint to $5 million for commercial liability. Management believes that the number of outstanding claims and potential claims outstanding do not materially affect the financial position of the Authority. The Authority is also a member of the Housing Authority Property Insurance Group (HAPI), which provides property insurance to participating public housing authorities throughout the United States. HAPI has 827 members. Total premiums paid in 2021 by the members were approximately $77.8 million. The Authority's share of the premiums was $586,115 in 2021 for property and builders' risk insurance. The Authority's maximum insurance coverage is $478,042,730 for property. Management believes that the number of outstanding claims and potential claims outstanding does not materially affect the financial position of the Authority.

In 2021, Highland Park received insurance proceeds totaling $193,997 and anticipates receiving additional insurance proceeds totaling $42,075 for fire and water damage which occurred in July 2021. These events resulted in the involuntary conversion of part of the building to cash proceeds to be received from the Housing Enterprise Insurance Company, Inc. to cover the loss. The difference between the proceeds from the insurance company and the net book value of the damaged portion of the buildings resulted in a gain on involuntary conversion of $130,732 for the year ended December 31, 2021. The total cost to replace the damaged property of the building was $179,054, which was capitalized into the rental property during 2021. The remainder of the insurance proceeds were used to pay mitigation expenses.

Litigation

There are several pending lawsuits in which the Authority is involved. Management believes that the potential claims against the Authority resulting from such litigation will not materially affect the financial position of the Authority.

Commitments and Contingencies

Claims and judgments are recorded as liabilities if all the conditions of Governmental Accounting Standards Board pronouncements are met. Claims and judgments are recorded as expenses when the related liabilities are incurred.

The Authority has received federal grants for specific purposes that are subject to review and audit by the grantor agencies. Such audits could lead to requests for reimbursements to the grantor agency for expenditures disallowed under terms of the grants. Management believes such disallowances, if any, would be immaterial.

Component Units

Carver Park

Carver Park entered into a Land Use Restriction Agreement with the Wisconsin Housing and Economic Development Authority (WHEDA) as a condition to receiving an allocation of low-income housing tax credits. Under this agreement, Carver Park must continuously comply with Section 42 and other applicable sections of the Internal Revenue Code (IRC). The agreement places occupancy restrictions on rents and the minimum percent of units that shall be occupied by individuals or families whose income meets the requirements set under IRC Section 42. If Carver Park fails to comply with this agreement or with the IRC, it may be ineligible for low-income housing tax credits and the partners may be required to recapture a portion of the tax credits previously claimed on their income tax returns. In addition, noncompliance may require an adjustment to the contributed capital of the investor limited partner. Carver Park is obligated to certify tenant eligibility.

In connection with the Affordable Housing Program (AHP) notes with the Authority, Carver Park entered into AHP Recapture Agreements. Provisions of these agreements require the partnership to rent 27 and 24 units to low-income persons and 27 and 24 units to very-low-income persons in Carver I and Carver II, respectively.

Under provisions of the Regulatory & Operating Agreements (R&O) and the Partnership agreement, Carver Park was obligated to fund an affordability reserve in the amounts of $91,000 and $74,000 for Carver I and Carver II, respectively. Withdrawals are generally restricted to cover shortfalls in operating subsidy and may be made only upon the approval of the Authority. The affordability reserve was $231,125 as of December 31, 2021.

The R&O Agreements and Partnership agreement also provided for Carver Park to fund an operating reserve in the amounts of $144,000 and $134,000 Carver I and Carver II, respectively. Withdrawals are restricted to cover insufficient cash flow from the nonpublic housing units and may be made only upon the approval of the Authority. The operating reserve was $197,049 as of December 31, 2021.

Carver Park is required to maintain deposits in the affordability, operating and authority reserves equal to two times the public housing shortfall, excluding the operating subsidy payments for the prior year. If at any time the aggregate balance in these reserves falls below that level, the project shall notify the Authority in writing regarding the deficit and request the Authority restore the reserve shortfall up to the minimum balance. The reserve shortfall must be deposited into the Authority reserve. If at any time following the achievement of an occupancy rate of 97% the aggregate balance of the affordability, operating and authority reserves exceeds three times the public housing shortfall, excluding the operating subsidy payments for the prior year plus six months of development operating expenses and certain conditions are met as defined in the R&O Agreements, the project shall notify the Authority of its right to withdraw such reserve excess from the Authority reserve.

The R&O Agreements and Partnership agreement also provide for Carver Park to fund a replacement reserve in 12 equal monthly installments totaling $250 per unit per year. The replacement reserve shall be used for the purpose of replacing capital assets or providing capital improvements. Withdrawals may be made only upon the approval of the Authority. The replacement reserve balance was $198,741 as of December 31, 2021.

Highland Park

Highland Park entered into a Land Use Restriction Agreement with WHEDA as a condition to receiving allocations of low-income housing tax credits. Under this agreement, Highland Park must continuously comply with IRC Section 42 and other applicable sections of the IRC. The agreement places occupancy restrictions on rents and the minimum percent of units which shall be occupied by individuals or families whose income meets the requirements set under IRC Section 42. If Highland Park fails to comply with this agreement or with the IRC, it may be ineligible for low-income housing tax credits and the members may be required to recapture a portion of the tax credits previously claimed on their income tax returns. In addition, noncompliance may require an adjustment to the contributed capital of the investor member. Highland Park is obligated to certify tenant eligibility.

Under provisions of the R&O Agreement and operating agreement, Highland Park is obligated to fund an affordability reserve in the amount of $80,000. Withdrawals are restricted to cover insufficient cash flow from the public housing units. The affordability reserve was $89,137 as of December 31, 2021. As part of the RAD conversion, the affordability reserve was required to be terminated and deposited into the replacement reserve.

The R&O Agreement and operating agreement provide for Highland Park to fund an operating reserve in the amount of $220,000. The operating reserve, including interest thereon, was to be administered in accordance with the R&O Agreement and utilized primarily to fund operating deficits. Upon termination of the R&O Agreement as part of the RAD conversion, the operating reserve is to be administered for the purposes for which it was established, subject to the consent of the investor member. The operating reserve was $245,214 as of December 31, 2021.

Highland Park and the Authority entered into a RAD Conversion Commitment with HUD where the public housing units were converted to Section 8 project based-vouchers effective June 1, 2018. Highland Park entered into a Project Based Voucher Housing Assistance Payments contract with the Authority whereby the Authority agrees to make housing assistance payments to the project for 46 of the units. The HAP contract is effective June 1, 2018 and has an initial term of 20 years set to expire May 31, 2038. Gross rental income under the HAP contract represents approximately 44% of residential rental income (excluding rooftop lease income) for the year ended December 31, 2021. Highland Park and the Authority entered into a RAD Use Agreement with HUD pursuant to the RAD HAP contract which will coincide with the term of the HAP contract. The assisted units are to be leased in accordance with the RAD HAP contract, including applicable eligibility and income requirements.

The R&O Agreement and operating agreement also provide for Highland Park to fund a replacement reserve in 12 equal monthly installments of $175 per unit per year. The monthly installment increased to $200 in June 2010 and $250 in June 2015. In connection with the RAD conversion, the operating agreement was amended to require monthly installments of $2,375. The amendment to the operating agreement also required that the balance of the Affordability Reserve be transferred to the replacement reserve. The replacement reserve shall be used to fund repairs, capital expenditures and other costs as approved by the Authority and the investor member. The replacement reserve balance was $965,018 as of December 31, 2021.

Highland Park entered into a management agreement with an unaffiliated entity. Under this agreement, Highland Park is obligated to pay a management fee equal to $28.75 per unit per month. The management fees incurred under this agreement totaled $39,330 for the year ended December 31, 2021.

Highland Park entered into a noncancelable operating lease agreement with Verizon Wireless to rent a portion of its rooftop space to install telecommunications equipment. The lease requires an annual lease payment of $30,500 commencing in 2017 which is to increase 4% each year. The lease expires October 2022. The lease includes five remaining five-year options to renew. Highland Park entered into a noncancellable operating lease agreement with T-Mobile to rent a portion of its rooftop space for the operations of antenna systems and telecommunications equipment. The lease requires an annual lease payment of $31,500 commencing upon construction and installation, which began in 2019. Annual rent payments increase 4% each year. The lease expires five year after commencement. The lease includes five remaining five-year options to renew. Rooftop lease income included in rental income totaled $62,260 for the year ended December 31, 2021. Future minimum rental income under the rooftop lease is $62,194 and $36,850 for the years 2022 and 2023, respectively.

Cherry Court

Cherry Court entered into a Land Use Restriction Agreement with WHEDA as a condition to receiving allocations of low-income housing tax credits. Under this agreement, Cherry Court must continuously comply with IRC Section 42 and other applicable sections of the IRC. The agreement places occupancy restrictions on rents and the minimum percent of units which shall be occupied by individuals or families whose income meets the requirements set under IRC Section 42. If Cherry Court fails to comply with this agreement or with the IRC, it may be ineligible for low-income housing tax credits and the members may be required to recapture a portion of the tax credits previously claimed on their income tax returns. In addition, noncompliance may require an adjustment to the contributed capital of the investor member. Cherry Court is obligated to certify tenant eligibility.

Under provisions of the R&O Agreement and operating agreement, Cherry Court has established an affordability reserve in the initial amount of $224,000. These reserve funds, including interest thereon, were restricted for the benefit of the public housing units to cover shortfalls in the event operating subsidy funds were not available. As part of the RAD conversion, the affordability reserve was required to be terminated and deposited into the replacement reserve.

The operating agreement required Cherry Court to fund an operating reserve in the amount of $145,000. The operating reserve, including interest thereon, is to be utilized primarily to fund operating deficits. Withdrawals may be made only upon the approval of the special member. The operating reserve balance was $158,978 as of December 31, 2021.

The operating agreement requires Cherry Court to fund a replacement reserve annually in the initial amount of $21,000 which increased 3% per year. In connection with the RAD conversion, the operating agreement was amended to require annual deposits equal to $250 per unit per year, increasing by 3% per year. The amendment to the operating agreement and the RAD conversion commitment also required that the balance of the affordability reserve be transferred to the replacement reserve. The replacement reserve shall be used for the purpose of replacing capital assets or providing capital improvements. Withdrawals may be made only upon the approval of the Authority and the investor member. The replacement reserve balance was $575,069 as of December 31, 2021.

Cherry Court has entered into a lease with a third party to lease ground space for the purpose of constructing, maintaining and operating a cellular tower. The lease requires monthly payments of $2,420 through November 2021. The lease was renewed through November 2026 with monthly payments of $2,000 starting December 2021. The lease includes five successive five-year options to renew with a two percent increase in rent annually commencing on December 1, 2026. The company entered into a lease with another third-party starting September 2016 to lease ground space for a cellular tower. The lease requires annual payments of $5,500 through August 2021. The lease was renewed in September 2021 and requires annual payments of $5,665 through August 2026. The lease includes four successive five-year options to renew with a three percent increase in rent for each renewal. Rental income earned under these leases totaled $34,175 for the year ended December 31, 2021. Future minimum rental income for these leases is $29,665, $29,665, $29,665, $29,665 and $25,777 for the years 2022, 2023, 2024, 2025 and 2026, respectively.

Cherry Court and the Authority entered into a Rental Assistance Demonstration (RAD) Conversion Commitment with HUD in April 2017 pursuant to which the public housing units were converted to Section 8 project based-vouchers effective November 30, 2017. Cherry Court entered into a Project Based Voucher Housing Assistance Payments (HAP) Contract with the Authority whereby the Authority agrees to make housing assistance payments to the project for 70 of the units. These units have been designated for elderly families under the contract. The HAP contract is effective December 1, 2017 and has an initial term of 20 years set to expire December 31, 2037. Rental revenue under the HAP contract represents approximately 50% of rental income for the year ended December 31, 2021. Cherry Court and the Authority entered into a RAD Use Agreement with HUD pursuant to the RAD HAP contract which will coincide with the term of the HAP contract. The assisted units are to be leased in accordance with the RAD HAP contract, including applicable eligibility and income requirements.

Convent Hill

Convent Hill entered into a Land Use Restriction Agreement with WHEDA as a condition to receiving allocations of low-income housing tax credits. Under this agreement, Convent Hill must continuously comply with IRC Section 42 and other applicable sections of the IRC. The agreement places occupancy restrictions on rents and the minimum percent of units that shall be occupied by individuals or families whose income meets the requirement set under IRC Section 42. If Convent Hill fails to comply with this agreement or with the IRC, it may be ineligible for low-income housing tax credits and the members may be required to recapture a portion of the tax credits previously claimed on their income tax returns. In addition, noncompliance may require an adjustment to the contributed capital of the investor member. Convent Hill is obligated to certify tenant eligibility.

Under provisions of the R&O agreement and the operating agreement, Convent Hill established an affordability reserve in the initial amount of $129,000. These reserve funds, including interest thereon, were restricted for the benefit of the public housing units to cover shortfalls in the event operating subsidy funds are not available. As part of the RAD conversion, the affordability reserve was required to be terminated and deposited into the replacement reserve. The affordability reserve balance was $131,943 as of December 31, 2021.

The R&O agreement and operating agreement required for Convent Hill to fund an operating reserve in the initial amount of $105,000. Withdrawals are restricted to cover operating deficits. If a withdrawal would cause the balance of the reserve to be less than $50,000, approval of the special member is needed. The operating reserve was $107,032 as of December 31, 2021.

The R&O agreement required Convent Hill to fund a replacement reserve annually in the amount of $16,000 which increased 3% per year. In connection with the RAD conversion, the operating agreement was amended to require annual deposits equal to $250 per year, increasing by 3% per year. The amendment to the operating reserve and the RAD conversion commitment also required that the balance of the affordability reserve be transferred to the replacement reserve. The replacement reserve shall be used for working capital needs, improvements, replacements and other contingencies. Withdrawals may be made only upon the approval of the Authority and the investor member. The replacement reserve balance was $249,030 as of December 31, 2021.

Convent Hill and the Authority entered into a Rental Assistance Demonstration (RAD) Conversion Commitment with HUD in July 2017 pursuant to which the public housing units were converted to Section 8 project based-vouchers effective July 1, 2018. Convent Hill entered into a Project Based Voucher Housing Assistance Payments (HAP) Contract with the Authority whereby the Authority agrees to make housing assistance payments to the project for 42 of the units. The HAP contract is effective July 1, 2018 and has an initial term of 20 years set to expire June 30, 2038. Rental revenue under the HAP contract represents approximately 50% of rental income for the year ended December 31, 2021. Convent Hill and the Authority entered into a RAD Use Agreement with HUD pursuant to the RAD HAP contract which will coincide with the term of the HAP contract. The assisted units are to be leased in accordance with the RAD HAP contract, including applicable eligibility and income requirements.

Scattered Sites

Scattered Sites entered into a Land Use Restriction Agreement with WHEDA as a condition to receiving an allocation of low-income housing tax credits. Under this agreement, Scattered Sites must continuously comply with Section 42 and other applicable sections of the IRC. The agreement places occupancy restrictions on rents and the minimum percent of units which shall be occupied by individuals or families whose income meets the requirement set under IRC Section 42. If Scattered Sites fails to comply with this agreement or with the IRC, it may be ineligible for low-income housing tax credits and the members may be required to recapture a portion of the tax credits previously claimed on their income tax returns. In addition, noncompliance may require an adjustment to the contributed capital of the investor member. Scattered Sites is obligated to certify tenant eligibility.

Under provisions of the R&O agreement and operating agreement, Scattered Sites established an affordability and operating reserve in the initial amount of $75,000. These reserve funds, including interest thereon, are restricted to help meet operating expenses and debt service of Scattered Sites in the event operating subsidy funds are not available. The affordability and operating reserve balance was $76,996 as of December 31, 2021.

The R&O Agreement and operating agreement require Scattered Sites to fund a replacement reserve annually in the initial amount of $300 per unit. The annual deposit requirement increases 3% per year. In connection with the RAD conversion, the operating agreement was amended to require annual deposits of $9,394, increasing 3% per year. In addition, the amendment required that $175,826 of the RAD loan proceeds received in 2018 be deposited into the replacement reserve. The replacement reserve shall be used for the purpose of replacing capital assets or providing capital improvements. Withdrawals may be made only upon the approval of the Authority and investor member. The replacement reserve balance was $297,297 as of December 31, 2021.

The Authority entered into a cooperation agreement with the City of Milwaukee whereby any low-rent housing developed by the Authority receiving federal assistance from the United States of America shall make annual payments in lieu of taxes in an amount equal to 10% of the shelter rent. Shelter rent is defined as the total of all rents charged to tenants less the cost of utilities. Since all the units in the project are public housing units, Scattered Sites is subject to the same agreement.

Scattered Sites and the Authority entered into a Rental Assistance Demonstration (RAD) Conversion Commitment with HUD in January 2018 as amended in October 2018, pursuant to which the public housing units were converted to Section 8 project based-vouchers effective December 1, 2018. Scattered Sites entered into a Project Based Voucher Housing Assistance Payments (HAP) Contract with the Authority whereby the Authority agrees to make housing assistance payments to the project for 24 of the units. The HAP contract is effective December 1, 2018 and has an initial term of 20 years set to expire November 30, 2038. Rental revenue under the HAP contract represents approximately 56% of rental income for the year ended December 31, 2021. Scattered Sites and the Authority entered into a RAD Use Agreement with HUD pursuant to the RAD HAP contract which will coincide with the term of the HAP contract. The assisted units are to be leased in accordance with the RAD HAP contract, including applicable eligibility and income requirements.

Scattered Sites II

Scattered Sites II entered into a Land Use Restriction Agreement with WHEDA as a condition to receiving an allocation of low-income housing tax credits from WHEDA. Under this agreement, Scattered Sites II must continuously comply with Section 42 and other applicable sections of the IRC. The agreement places occupancy restrictions on rents and the minimum percent of units which shall be occupied by individuals or families whose income meets the requirements set under IRC Section 42. If Scattered Sites II fails to comply with this agreement or with the IRC, it may be ineligible for low-income housing tax credits and the members may be required to recapture a portion of the tax credits previously claimed on their income tax returns. In addition, noncompliance may require an adjustment to the contributed capital of the investor member. Scattered Sites II is obligated to certify tenant eligibility.

Under provisions of the R&O Agreement and operating agreement, Scattered Sites II has established an operating reserve in the initial amount of $75,000. These reserve funds, including interest thereon, are restricted to help meet operating expenses and debt service which exceed available operating revenues. Withdrawals may be made upon approval of the special member. The operating reserve balance was $75,785 as of December 31, 2021.

The R&O Agreement and operating agreement requires Scattered Sites II to fund a replacement reserve annually in the initial amount of $300 per unit. The annual deposit requirement increases 3% per year. In connection with the RAD conversion, the operating agreement was amended to require that $206,866 of the RAD loan proceeds received in 2018 be deposited into the replacement reserve. The replacement reserve shall be used for the purpose of replacing capital assets or providing capital improvements. Withdrawals may be made only upon the approval of the Authority and the investor member or the special member. The replacement reserve balance was $323,821 at December 31, 2021.

The Authority entered into a cooperation agreement with the City of Milwaukee whereby any low-rent housing development by the Authority receiving federal assistance from the United States of America shall make annual payments in lieu of taxes in an amount equal to 10% of the shelter rent. Shelter rent is defined as the total of all rents charged to tenants less the cost of utilities. Scattered Sites II is subject to the same agreement with respect to its public housing units.

Scattered Sites II and the Authority entered into a Rental Assistance Demonstration (RAD) Conversion Commitment with HUD in January 2018 as amended in October 2018, pursuant to which the public housing units were converted to Section 8 project based-vouchers effective December 1, 2018. Scattered Sites II entered into a Project Based Voucher Housing Assistance Payments (HAP) Contract with the Authority whereby the Authority agrees to make housing assistance payments to the project for 12 of the units. The HAP contract is effective December 1, 2018 and has an initial term of 20 years set to expire November 30, 2038. Rental revenue under the HAP contract represents approximately 49% of rental income for the year ended December 31, 2021. Scattered Sites II and the Authority entered into a RAD Use Agreement with HUD pursuant to the RAD HAP contract which will coincide with the term of the HAP contract. The assisted units are to be leased in accordance with the RAD HAP contract, including applicable eligibility and income.

Olga Village

Olga Village entered into a Land Use Restriction Agreement with WHEDA as a condition to receiving an allocation of low-income housing tax credits. Under this agreement, Olga Village must continuously comply with Section 42 and other applicable sections of the IRC. The agreement places occupancy restrictions on rents and the minimum percent of units which shall be occupied by individuals or families whose income meets the requirements set under IRC Section 42. If Olga Village fails to comply with this agreement or with the IRC, it may be ineligible for low-income housing tax credits and the members may be required to recapture a portion of the tax credits previously claimed on their income tax returns. In addition, noncompliance may require an adjustment to the contributed capital of the investor member. Olga Village is obligated to certify tenant eligibility.

The R&O Agreement and operating agreement required Olga Village to fund a replacement reserve based upon $250 per unit per year commencing in 2011. This amount increased by 10% on the fifth anniversary in 2016. In connection with the RAD conversion, the operating agreement was amended to require annual deposits of $9,250 payable in monthly installments of $771 effective June 1, 2018. The amendment to the operating agreement also required $142,822 of the balance in the Authority subsidy reserve held by the Authority to be deposited into the replacement reserve. The replacement reserve shall be used to fund repairs, capital expenditures and other costs as approved by the Authority and the investor member. The replacement reserve balance was $292,930 at December 31, 2021.

The R&O Agreement and operating agreement require Olga Village to establish and maintain an operating reserve with a minimum balance of $200,000. If the balance is less than the minimum, Olga Village shall deposit funds from cash flow into the reserve in the priority as set for the in the operating agreement. Upon termination of the R&O agreement in connection with the RAD conversion discussed, the operating agreement continues to require that funds from the operating reserve be used to fund operating deficits with the consent of the investor member and the Authority. Funds from the operating reserve may be used to fund operating deficits with the consent of the investor member. The operating reserve balance was $205,681 at December 31, 2021.

The Authority entered into a cooperation agreement with the City of Milwaukee whereby any low-rent housing developed by the Authority receiving federal assistance from the United States of America shall make annual payments in lieu of taxes in an amount equal to 10% of the shelter rent. Shelter rent is defined as the total of all rents charged to tenants less the cost of utilities. Olga Village is subject to the same agreement with respect to the public housing units.

Olga Village leases the senior community center to United Community Center, Inc. In lieu of monthly base rent, the tenant shall operate and maintain the senior community center including utilities, repairs, maintenance and real estate taxes.

Olga Village and the Authority entered into a RAD Conversion Commitment with HUD in April 2017 and as amended in April 2018, pursuant to which the public housing units were converted to Section 8 project based-vouchers effective June 1, 2018. Olga Village entered into a Project Based Voucher Housing Assistance Payments Contract with the Authority whereby the Authority agrees to make housing assistance payments to the project for 37 of the units. The HAP contract is effective June 1, 2018 and has an initial term of 20 years set to expire May 31, 2038. Gross rental income under the HAP contract represents approximately 50% of rental income for the year ended December 31, 2021. Olga Village and the Authority entered into a RAD Use Agreement with HUD pursuant to the RAD HAP contract which will coincide with the term of the HAP contract. The assisted units are to be leased in accordance with the RAD HAP contract, including applicable eligibility and income requirements.

Westlawn Renaissance

Westlawn Renaissance has entered into an operating agreement with the Authority. Provisions of the agreement require Westlawn Renaissance to fund a replacement reserve in the initial amount of $75,000 upon receipt of the second installment of equity from the investor member. Commencing on June 1, 2013, monthly deposits are required in an amount equal to $300 per unit per year for the first year, increasing by 3% each twelve-month period thereafter. In connection with the RAD conversion, the operating agreement was amended to require deposits of $350 per unit per year, increasing by 3% every June 1 thereafter. In addition, the RAD conversion commitment required an additional deposit of $420,875, of which $339,343 was funded by additional proceeds from the Authority construction and term loan. The replacement reserves shall be used to fund repairs, capital expenditures and other costs as approved by the investor member. The replacement reserve balance was $967,259 at December 31, 2021.

The operating agreement requires Westlawn Renaissance to establish an operating reserve of at least $600,000. Funds from the operating reserve may be used to pay for operating or other expenses with the consent of the investor member. Westlawn Renaissance is required to fund the operating reserve from available cash flow as defined in the operating agreement, in order to maintain a balance at all times of $600,000. The reserve shall be maintained throughout the 15-year tax credit compliance period. Upon the three-year anniversary of the achievement of stabilized occupancy, as defined in the operating agreement, any excess amounts in the operating reserve shall be released to pay applicable principal and interest on the mortgage notes payable due to the Authority. Beginning June 2024 and each year thereafter, the required balance in the operating reserve may be reduced in accordance with the operating agreement. The operating reserve balance was $607,916 as of December 31, 2021.

Westlawn Renaissance entered into a management agreement with an unaffiliated entity. Under this agreement, Westlawn Renaissance is obligated to pay a management fee equal to $24.50 per unit per month. The management fees incurred under this agreement totaled $76,500 for the year ended December 31, 2021.

Westlawn Renaissance entered into a Land Use Restriction Agreement with WHEDA as a condition to receiving an allocation of low-income housing tax credits. Under this agreement, Westlawn Renaissance must continuously comply with IRC Section 42 and other applicable sections of the IRC. The agreement places occupancy restrictions on rents and the minimum percent of units which shall be occupied by individuals or families whose income meets the requirements set under IRC Section 42. If Westlawn Renaissance fails to comply with this agreement or with the IRC, it may be ineligible for low-income housing tax credits and the members may be required to recapture a portion of the tax credits previously claimed on their income tax returns. In addition, noncompliance may require an adjustment to the contributed capital of the investor member. Westlawn Renaissance is obligated to certify tenant eligibility.

Westlawn Renaissance and the Authority entered into a RAD Conversion Commitment with HUD in April 2017 pursuant to which the public housing units were converted to Section 8 project based-vouchers effective November 30, 2017. Westlawn Renaissance entered into a Project Based Voucher Housing Assistance Payments Contract with the Authority whereby the Authority agrees to make housing assistance payments to the project for 64 of the units. 47 of these units have been designated for elderly families under the contract. The HAP contract is effective December 1, 2017 and has an initial term of 20 years set to expire December 31, 2037. Rental revenue under the HAP contract represents approximately 46% of rental income for the year ended December 31, 2021. Westlawn Renaissance and the Authority entered into a RAD Use Agreement with HUD pursuant to the RAD HAP contract which will coincide with the term of the HAP contract. The assisted units are to be leased in accordance with the RAD HAP contract, including applicable eligibility and income requirements.

The Authority entered into a cooperation agreement with the City of Milwaukee whereby any low-rent housing developed by the Authority receiving federal assistance from the United States of America shall make annual payments in lieu of taxes in an amount equal to 10% of the shelter rent. Shelter rent is defined as the total of all rents charged to tenants less the cost of utilities. Westlawn Renaissance is subject to the same agreement with respect to the public generating housing units.

Lapham Park

Lapham Park has entered into an operating agreement with the Authority. Provisions of the agreements require Lapham Park to fund a replacement reserve in an initial amount of $60,300 upon receipt of the second installment of equity from the investor member. Commencing on June 1, 2013, monthly deposits are required in an amount equal to $300 per unit per year for the first year, increasing by 3% each twelve-month period thereafter. In connection with the RAD conversion, the operating agreement was amended to require deposits of $334 per year, increasing by June 1 thereafter. The replacement reserve shall be used to fund repairs, capital expenditures and other costs as approved by the Authority and the investor member. The replacement reserve balance was $484,906 as of December 31, 2021.

The operating agreement requires Lapham Park to establish an operating reserve of at least $628,000. Funds from the operating reserve may be used to pay for operating or other expenses with the consent of the investor member. Lapham Park is required to fund the operating reserve from available cash flow as defined in the operating agreement, in order to maintain a balance at all times of $628,000. The reserve shall be maintained throughout the 15-year tax credit compliance period. Upon the three-year anniversary of the achievement of stabilized occupancy, as defined in the operating agreement, any excess amounts in the operating reserve shall be released to pay applicable principal and interest on the mortgage notes payable due to the Authority. Beginning June 2024 and each year thereafter, the required balance in the operating reserve may be reduced in accordance with the operating agreement. The operating reserve balance was $636,379 as of December 31, 2021.

Lapham Park entered into a management agreement with an unaffiliated entity. Under this agreement, Lapham Park is obligated to pay a management fee equal to $27.00 per unit per month. The management fees incurred under this agreement totaled $70,551 for the year ended December 31, 2021.

Lapham Park entered into Land Use Restriction Agreements with WHEDA as a condition to receiving the bonds payable and an allocation of low-income housing tax credits. Under this agreement, Lapham Park must continuously comply with IRC Section 42 and other applicable sections of the IRC. The agreement places occupancy restrictions on rents and the minimum percent of units which shall be occupied by individuals or families whose income meets the requirements set under IRC Section 42. If Lapham Park fails to comply with this agreement or with the IRC, the bonds payable become immediately due and payable; Lapham Park may be ineligible for low-income housing tax credits; and the members may be required to recapture a portion of the tax credits previously claimed on their income tax returns. In addition, noncompliance may require an adjustment to the contributed capital of the investor member. Lapham Park is obligated to certify tenant eligibility.

Lapham Park and the Authority entered into a RAD Conversion Commitment with HUD in November 2017 pursuant to which the public housing units were converted to Section 8 project based-vouchers effective May 1, 2018. Lapham Park entered into a Project Based Voucher Housing Assistance Payments Contract with the Authority whereby the Authority agrees to make housing assistance payments to the project for 131 of the units. The HAP contract is effective May 1, 2018 and has an initial term of 20 years set to expire April 30, 2038. Gross rental income under the HAP contract represents approximately 46% of residential rental income (excluding rooftop lease income) for the years ended December 31, 2021.

Lapham Park and the Authority entered into a RAD Use Agreement with HUD pursuant to the RAD HAP contract which will coincide with the term of the HAP contract. The assisted units are to be leased in accordance with the RAD HAP contract, including applicable eligibility and income requirements.

The Authority had entered into a cooperation agreement with the City of Milwaukee whereby any low-rent housing developed by the Authority receiving federal assistance from the United States of America shall make annual payments in lieu of taxes in an amount equal to 10% of the shelter rent. Shelter rent is defined as the total of all rents charged to tenants less the cost of utilities. Lapham Park is subject to the same agreement with respect to its public housing units.

Lapham Park entered into a Declaration of Condominium agreement to form Lapham Park Condominium. Under the agreement, the building was divided into two units which are occupied by the project.

The Authority had a non-cancelable operating lease agreement with Verizon Wireless to rent a portion of its rooftop space for antenna systems and storage areas for communication transmitters. In February 2012, the Authority assigned its interest in the lease to Lapham Park. Lapham Park also entered into a non-cancelable operating lease agreement with T-Mobile for an annual lease payment of $27,000 to rent a portion of its rooftop space for the maintenance and operation of telecommunications equipment in 2017. Payments on both lease agreements increase 4% each year. The Verizon Wireless lease originally expired December 31, 2019 and was renewed for an additional five years. The renewed lease expires December 31, 2025. The lease includes five remaining five-year options to renew. The T-Mobile lease expires April 2022. The lease includes five remaining five-year options to renew. Rooftop lease income included in rental income totaled $67,646 for the year ended December 31, 2021. Future minimum rental income under the rooftop leases is $46,950, $36,985, $37,725 and $38,480 for the years 2022, 2023, 2024 and 2025, respectively.

In connection with the AHP note with the Authority, the project must comply with certain affordability requirements outlined in an AHP Subsidy Agreement between the Authority and the Federal Home Loan Bank.

Westlawn Renaissance II

Westlawn Renaissance II entered into an operating agreement with the Authority. Provisions of the operating agreement required Westlawn Renaissance II to fund a replacement reserve for Victory Manor and WG Scattered Sites in an initial amount of $18,000 and $9,000, respectively. Commencing on July 1, 2019, monthly deposits are required in an amount of $300 per unit per year for the first year increasing by 3% each anniversary of the replacement reserve commencement date. The replacement reserve shall be used to fund capital improvements and repairs as approved by the investor member. The replacement reserve balance was $115,250 at December 31, 2021.

The operating agreement requires Westlawn Renaissance II to establish and maintain an operating reserve for Victory Manor and WG Scattered Sites with minimum balances of $200,000 and $130,000, respectively. If the balance is less than the minimum, Westlawn Renaissance II shall deposit funds from cash flow into the reserve in the priority as set for the in the operating agreement. The reserve shall be maintained through the 15-year tax credit compliance period. Upon the 3-year anniversary of the achievement of stabilized occupancy, as defined in the operating agreement, any excess amounts in the operating reserve shall be released to pay applicable principal and interest on the mortgage notes payable due to the Authority. On the eleventh anniversary of the completion date and each year thereafter, the required balance in the operating reserve may be reduced in accordance with the operating agreement. The operating reserves balance was $330,009 at December 31, 2021.

The lower tier entities of Westlawn Renaissance II entered into management agreements with an unaffiliated entity. Under these agreements, Westlawn Renaissance II is obligated to pay a management fee equal to $25.50 per unit per month. The management fees incurred under this agreement totaled $27,360 for the year ended December 31, 2021.

The lower tier entities of Westlawn Renaissance II entered into a Land Use Restriction Agreement with WHEDA as a condition to receiving financing and an allocation of low-income housing tax credits. Under these agreements, the lower tier entities of Westlawn Renaissance II must continuously comply with IRC Section 42 and other applicable sections of the IRC. The agreement places occupancy restrictions on rents and the minimum percent of units which shall be occupied by individuals or families whose income meets the requirements set under IRC Section 42. If the lower tier entities of Westlawn Renaissance II fail to comply with this agreement or with the IRC, it may be ineligible for low-income housing tax credits and the members may be required to recapture a portion of the tax credits previously claimed on their income tax returns. In addition, noncompliance may require an adjustment to the contributed capital of the investor member. Westlawn Renaissance II is obligated to certify tenant eligibility.

The lower tier entities entered into LURAs with WHEDA as condition to obtaining financing. The agreements with WHEDA place occupancy restrictions on rents charged and the minimum set aside of units occupied by targeted individual or families whose income meets the requirements as described in the LURAs. The agreements expire when the WHEDA loans are paid in full.

The Authority anticipates entering into a cooperation agreement with the City of Milwaukee whereby any low-rent housing developed by the Authority receiving federal assistance from the United States of America shall make annual payments in lieu of taxes in an amount equal to 10% of the shelter rent. Shelter rent is defined as the total of all rents charged to tenants less the cost of utilities. Westlawn Renaissance II is subject to the same agreement with respect to the public housing units.

The lower tier entities of Westlawn Renaissance II and the Authority entered into a RAD Conversion Commitment with HUD in December 2016 pursuant to which the public housing units were converted to Section 8 project based-vouchers effective April 1, 2017. The lower tier entities of Westlawn Renaissance II entered into a Project Based Voucher Housing Assistance Payments Contract with the Authority whereby the Authority agrees to make housing assistance payments to the project for 44 of the units in Victory Manor and 18 units in WG Scattered Sites. The HAP contract is effective April 1, 2017 and has an initial term of 20 years set to expire February 28, 2037. Gross rental income under the HAP contract represents approximately 53% of rental income for the year ended December 31, 2021. The lower tier entities of Westlawn Renaissance II and the Authority entered into a RAD Use Agreement with HUD pursuant to the RAD HAP contract which will coincide with the term of the HAP contract. The assisted units are to be leased in accordance with the RAD HAP contract, including applicable eligibility and income requirements.

Holton Terrace

Holton Terrace has entered into an operating agreement with the Authority. Provisions of the agreements require Holton Terrace to fund a replacement reserve in an initial amount of $60,000 upon no later than the Second Capital Contribution date, December 1, 2021. Holton Terrace is then required to make annual deposits equal to $500 per unit per year for the first year, increasing by 3% per year. The replacement reserve shall be used to replace capital assets or provide capital improvements. The replacement reserve balance was $60,000 as of December 31, 2021.

The operating agreement requires Holton Terrace to establish an operating reserve of at least $398,500 no later than the second capital contribution date, December 1, 2021. Funds from the operating reserve are to be used primarily to fund operating deficits. Withdrawals may be made only upon the approval of the special member. The operating reserve balance was $398,500 as of December 31, 2021.

The operating agreement requires Holton Terrace to establish a capital needs reserve in an initial amount of $400,000. The account shall be held by WHEDA and withdrawals are subject to the special member's consent. Any amounts remaining in the reserve after the compliance period shall be released as net cash flow, as defined in the operating agreement. The capital needs reserve balance was $406,657 as of December 31, 2021.

Holton Terrace entered into Land Use Restriction Agreements with WHEDA as a condition to receiving an allocation of low-income housing tax credits. Under this agreement, Holton Terrace must continuously comply with IRC Section 42 and other applicable sections of the IRC. The agreement places occupancy restrictions on rents and the minimum percent of units which shall be occupied by individuals or families whose income meets the requirements set under IRC Section 42. If Holton Terrace fails to comply with this agreement or with the IRC, Holton Terrace may be ineligible for low-income housing tax credits; and the members may be required to recapture a portion of the tax credits previously claimed on their income tax returns. In addition, noncompliance may require an adjustment to the contributed capital of the investor member. Holton Terrace is obligated to certify tenant eligibility. In connection with the WHEDA mortgage note describe in Note 2, Holton Terrace has entered into a Land Use Restriction Agreement with WHEDA which requires, among other things, that Becher Court set aside at least 100 units for occupancy by individuals or families whose income do not exceed 60% of the County area median income and 20 units for occupancy by individuals or families whose incomes do not exceed 80 person of the County area median income. This agreement expires upon repayment of the mortgage note in full.

The Authority had entered into a lease with a third party to lease ground space for the purpose of constructing, maintaining and operating a cellular tower. Concurrent with the sale of the property to Holton Terrace, the Authority assigned its interest in the lease to Holton Terrace. The lease requires annual payments of $31,500 through November 2022, increasing by 4% each annual anniversary of the commencement date. The lease includes five successive five-year options to renew. Rental income earned under this lease totaled $34,070 for the year ended December 31, 2021. Future minimum rental income for this lease is $30,709 for the year 2022, respectively.

Holton Terrace entered into a management agreement with an unaffiliated entity. Under this agreement, Holton Terrace is obligated to pay a management fee equal to $27.50 per unit per month. The management fees incurred under this agreement totaled $39,600 for the year ended December 31, 2021.

Holton Terrace and the Authority entered into a Rental Assistance Demonstration (RAD) Conversion Commitment with HUD in July 2019 pursuant to which the public housing units were converted to Section 8 project based-vouchers effective September 1, 2019. Holton Terrace entered into a Project Based Voucher Housing Assistance Payments (HAP) Contract with the Authority whereby the Authority agrees to make housing assistance payments to the project for 120 of the units. These units have been designated for elderly or disabled families under the contract. The HAP contract is effective September 1, 2019 and has an initial term of 20 years set to expire September 1, 2039. Gross rental revenue under the HAP contract represents approximately 49% of rental income for the year ended December 31, 2021. Holton Terrace and the Authority entered into a RAD Use Agreement with HUD pursuant to the RAD HAP contract which will coincide with the term of the HAP contract. The assisted units are to be leased in accordance with the RAD HAP contract, including applicable eligibility and income requirements.

The Authority entered into a payment in lieu of taxes (PILOT) agreement with the City of Milwaukee, based on the determination that the property is exempt from taxation under the Wisconsin statutes. The PILOT is to be 10% of the difference between rental income collected from the tenants and the utilities of the property through the term of the agreement. Holton Terrace is subject to the same agreement with respect to the low-income housing units. PILOT totaled $31,679 for the year ended December 31, 2021.

Becher Court

Becher Court entered into an operating agreement with the Authority. Under provisions of the operating agreement, Becher Court is required to make an initial deposit of $36,000 from the first capital contribution. Beginning with the date required by the Authority or the six-month anniversary of the completion date, but in no event later than July 1, 2022, annual deposits are required in the initial amount of $300 per unit to the replacement reserve, made in equal monthly deposits. Under the operating agreement, the deposits are to increase by 3% each anniversary of the replacement reserve commencement date. Disbursements are restricted to capital improvements and repairs and require approval of the investor member. The replacement reserve was $36,078 at December 31, 2021.

Under provisions of the operating agreement, Becher Court shall establish an operating reserve in the amount of at least $412,790 from the fourth capital contribution. Funds from the operating reserve may be used to pay for operating or other expenses, which require consent of the investor member if the balance of the operating reserve falls below $412,790 after such withdrawal. Becher Court is required to fund the operating reserve from available cash flow as defined in the operating agreement in order to maintain a balance of $412,790 at all times. The reserve shall be maintained throughout the 15-year tax credit compliance period. Upon the 3-year anniversary of the achievement of stabilized occupancy, as defined in the operating agreement, any excess amounts in the operating reserve shall be released to pay applicable principal and interest on the mortgage notes payable due to the Authority. Beginning on the eleventh anniversary of the completion date and each year thereafter, the required balance in the operating reserve may be reduced in accordance with the operating agreement. The operating reserve has not been funded as of December 31, 2021.

Under provisions of the operating agreement, Becher Court shall establish a unit turnover reserve in an amount of $269 per unit per year, payable monthly, in equal monthly installments, beginning on the replacement reserve commencement date. Under the operating agreement, the deposits are to increase by 3% on each anniversary of the replacement reserve commencement date. Disbursements are restricted to fund repairs, capital expenditures and other costs approved by the investor member in an annual operating budget. Withdrawals from the reserve require approval from the investor member. The unit turnover reserve has not been funded as of December 31, 2021.

Becher Court and the Authority entered into RAD Conversion Commitments with HUD in June 2021 pursuant to which the public housing units were converted to Section 8 project-based vouchers effective August 1, 2021. Becher Court entered into a Project Based Voucher Housing Assistance Payments Contract with the Authority whereby the Authority agrees to make housing assistance payments to the project for 120 of the units. The HAP contract is effective August 1, 2021 and has an initial term of 20 years set to expire July 31, 2040. Rental revenue under the HAP contract represents approximately 36% of rental income (excluding cellular tower income) for the year ended December 31, 2021. Becher Court entered into a RAD Use Agreement with HUD pursuant to the RAD HAP contract which will coincide with the term of the HAP contract. The assisted units are to be leased in accordance with the RAD HAP contract, including applicable eligibility and income requirements.

The Authority entered into a payment in lieu of taxes (PILOT) agreement with the City of Milwaukee, based on the determination that the property is exempt from taxation under the Wisconsin statutes. The PILOT is to be 10% of the difference between rental income collected from the tenants and the utilities of the property through the term of the agreement. Becher Court is subject to the same agreement with respect to the low-income housing units. PILOT totaled $34,859 for the year ended December 31, 2021.

Becher Court has entered into a Land Use Restriction Agreement with WHEDA as a condition to receiving financing and an allocation of low-income housing tax credits. Under these agreements, Becher Court must continuously comply with IRC Section 42 and other applicable sections of the IRC. The agreement places occupancy restrictions on rents and the minimum percent of units which shall be occupied by individuals or families whose income meets the requirements set under IRC Section 42. If Becher Court fails to comply with this agreement or with the IRC, it may be ineligible for low-income housing tax credits and the members may be required to recapture a portion of the tax credits previously claimed on their income tax returns. In addition, noncompliance may require an adjustment to the contributed capital of the investor member. Becher Court is obligated to certify tenant eligibility. In connection with the WHEDA mortgage note describe in Note 2, Becher Court has entered into a Land Use Restriction Agreement with WHEDA which requires, among other things, that Becher Court set aside at least 100 units for occupancy by individuals or families whose income do not exceed 60% of the County area median income. This agreement expires upon repayment of the mortgage note in full.

The Authority had entered into a noncancelable operating lease with a third party to lease ground space for the purpose of constructing, maintaining and operating cellular towers. Concurrent with the sale of the property to Becher Court, the Authority assigned its interest in the lease to Becher Court. The lease requires annual payments of varying amounts through June 2023, increasing by 4% each annual anniversary of the commencement date. Rental income earned under this lease totaled $44,697 for the year ended December 31, 2021. Future estimated rental income for this lease is $37,710 and 19,225 for the years 2022 and 2023, respectively.

The Authority entered into a Declaration of Condominium agreement to form Becher Terrace Condominium. Under the agreement, the building was divided into two units which are occupied by the project.

Westlawn Renaissance III

Westlawn Renaissance III entered into an operating agreement with the Authority. Under provisions of the operating agreement, Westlawn Renaissance III is required to make an initial deposit of $28,200 from the fifth capital contribution from the investor member. Beginning with the date required by the Authority or the six-month anniversary of the completion date, but in no event later than July 1, 2021, annual deposits are required in the initial amount of $300 per unit to the replacement reserve, made in equal monthly deposits. Under the operating agreement, the deposits are to increase by 3% each anniversary of the replacement reserve commencement date. Disbursements are restricted to capital improvements and repairs to the project. Withdrawals require approval of the investor member and the lender. The replacement reserve balance was $42,319 as of December 31, 2021.

The WHEDA Operating Deficit Reserve and Security Agreement and the operating agreement require Westlawn Renaissance III to establish an operating reserve in the amount of at least $300,000. Under provisions of the operating agreement, the reserve is to be funded on the date of recipient of the investor member’s fourth capital contribution while the agreement with WHEDA requires the reserve to be established on or before the conversion date of the WHEDA loan. Funds from the operating reserve may be used to pay for operating or other expenses, which require consent of the investor member if the balance of the operating reserve falls below $300,000 after such withdrawal. Westlawn Renaissance III is required to fund the operating reserve from available cash flow as defined in the operating agreement in order to maintain a balance of $300,000 at all times. The reserve shall be maintained through the 15-year tax credit compliance period. Upon the 3-year anniversary of the achievement of stabilized occupancy, as defined in the operating agreement, any excess amounts in the operating reserve shall be released to pay applicable principal and interest on the mortgage notes payable due to the Authority. Beginning on the eleventh anniversary of the completion date and each year thereafter, the required balance in the operating reserve may be reduced in accordance with the operating agreement. The operating reserve balance was $300,193 as of December 31, 2021.

Westlawn Renaissance III and the Authority entered into RAD Conversion Commitments with HUD in December 2016 pursuant to which the public housing units were converted to Section 8 project-based vouchers effective May 1, 2019. Westlawn Renaissance III entered into a Project Based Voucher Housing Assistance Payments Contract with the Authority whereby the Authority agrees to make housing assistance payments to the project for 84 of the units. The HAP contract is effective May 1, 2019 and has an initial term of 20 years set to expire April 30, 2039. Rental revenue under the HAP contract represents approximately 62% of rental for the year ended December 31, 2021. Westlawn Renaissance III entered into a RAD Use Agreement with HUD pursuant to the RAD HAP contract which will coincide with the term of the HAP contract. The assisted units are to be leased in accordance with the RAD HAP contract, including applicable eligibility and income requirements.

Westlawn Renaissance III entered into an AHP Retention / Recapture Agreement for Rental Projects Using Low Income Housing Tax Credits which requires that the project maintain certain affordability requirements for a period of 15 years from the date of project completion.

The Authority anticipates entering into a cooperation agreement with the City of Milwaukee whereby any low-rent housing developed by the Authority receiving federal assistance shall make annual payments in lieu of taxes (PILOT) in an amount equal to 10% of the shelter rent. Shelter rent is defined as the total of all rents charged to tenants less the cost of utilities. Westlawn Renaissance III is subject to the same agreement with respect to the low-income housing units.

Westlawn Renaissance III has entered into a Land Use Restriction Agreement with WHEDA as a condition to receiving financing and an allocation of low-income housing tax credits. Under these agreements, Westlawn Renaissance III must continuously comply with IRC Section 42 and other applicable sections of the IRC. The agreement places occupancy restrictions on rents and the minimum percent of units which shall be occupied by individuals or families whose income meets the requirements set under IRC Section 42. If Westlawn Renaissance III fails to comply with this agreement or with the IRC, it may be ineligible for low-income housing tax credits and the members may be required to recapture a portion of the tax credits previously claimed on their income tax returns. In addition, noncompliance may require an adjustment to the contributed capital of the investor member. Westlawn Renaissance III is obligated to certify tenant eligibility. In connection with the WHEDA mortgage note describe in Note 2, Westlawn Renaissance III has entered into a Land Use Restriction Agreement with WHEDA. The agreements with WHEDA place occupancy restrictions on rents charged and the minimum set aside of units occupied by targeted individuals or families whose income meets the requirements as describe in the agreements. The agreements expire upon repayment of the mortgage notes in full.

Westlawn Renaissance III has entered into a management agreement with an unaffiliated entity. Westlawn Renaissance III is obligated to pay a management fee equal to $25.50 per unit per month. The agreement was terminated as of December 31, 2021. Westlawn Renaissance III entered into a management agreement with the Authority starting January 1, 2022. Management fees incurred totaled $28,764 for the year ended December 31, 2021. During the lease up period, Westlawn Renaissance III is obligated to pay $35 per tenant application reviewed, $50 per home visit conducted, $60 per tenant income certification and $20 for each initial tenant file reviewed by the management agent's consultant. There were no lease up fees incurred in the year ended December 31, 2021.

Merrill Park

Merrill Park entered into an operating agreement with the Authority. Under the provisions of the operating agreement, Merrill Park is required to fund a replacement reserve with an initial deposit of $36,000 no later than the third capital contribution date, November 1, 2021. Merrill Park is then required to make annual deposits equal to $300 per unit, which shall increase 3% per year. The replacement reserve shall be used for the purpose of replacing capital assets or providing capital improvements. Withdrawals may be made only upon the approval of investor member. The replacement reserve was not funded as of December 31, 2021.

Under the provisions of the operating agreement, Merrill Park is required to fund an operating reserve in the initial amount of $400,000 no later than the third capital contribution date, November 1, 2021. The operating reserve, including interest thereon, is to be utilized primarily to fund operating deficits. Withdrawals may be made only upon the approval of the special investor member. The operating reserve was not funded as of December 31, 2021.

Merrill Park and the Authority entered into RAD Conversion Commitments with HUD in December 2019 pursuant to which the public housing units were converted to Section 8 project-based vouchers effective February 1, 2021. Merrill Park entered into a Project Based Voucher Housing Assistance Payments Contract with the Authority whereby the Authority agrees to make housing assistance payments to the project for 120 of the units. The HAP contract is effective February 1, 2021 and has an initial term of 20 years set to expire February 1, 2040. Rental revenue under the HAP contract represents approximately 36% of rental income (excluding cellular tower income) for the year ended December 31, 2021. Merrill Park entered into a RAD Use Agreement with HUD pursuant to the RAD HAP contract which will coincide with the term of the HAP contract. The assisted units are to be leased in accordance with the RAD HAP contract, including applicable eligibility and income requirements.

The Authority entered into a payment in lieu of taxes (PILOT) agreement with the City of Milwaukee, based on the determination that the property is exempt from taxation under the Wisconsin statutes. The PILOT is to be 10% of the difference between rental income collected from the tenants and the utilities of the property through the term of the agreement. Merrill Park is subject to the same agreement with respect to the low-income housing units. PILOT totaled $42,508 for the year ended December 31, 2021.

Merrill Park has entered into a Land Use Restriction Agreement with WHEDA as a condition to receiving financing and an allocation of low-income housing tax credits. Under these agreements, Merrill Park must continuously comply with IRC Section 42 and other applicable sections of the IRC. The agreement places occupancy restrictions on rents and the minimum percent of units which shall be occupied by individuals or families whose income meets the requirements set under IRC Section 42. If Merrill Park fails to comply with this agreement or with the IRC, it may be ineligible for low-income housing tax credits and the members may be required to recapture a portion of the tax credits previously claimed on their income tax returns. In addition, noncompliance may require an adjustment to the contributed capital of the investor member. Merrill Park is obligated to certify tenant eligibility. The low-income housing tax credit agreement expires 30 years from the anniversary of project completion. In connection with the WHEDA mortgage note described in Note 2, Merrill Park has entered into a Land Use Restriction Agreement with WHEDA which requires, among other things, that Merrill Park set aside at least 100 units for occupancy by individuals or families whose incomes do not exceed 60% of the County area median income. The agreement expires upon repayment of the mortgage note in full.

The Authority had entered into three non-cancelable operating lease agreements with third parties to lease ground space for the purpose of constructing, maintaining and operating cellular towers. Concurrent with the sale of the property to Merrill Park, the Authority assigned its interest in the leases to Merrill Park. The leases require annual payments of varying amounts through December 2025, increasing annually. Rental income earned under this lease totaled $105,265 for the year ended December 31, 2021. Future estimated rental income for this lease is $106,580, $110,487, $114,540, $118,743, $56,106 and $10,664 for the years 2022, 2023, 2024, 2025, 2026 and thereafter, respectively.

National Soldiers Home Residences II

Pursuant to the operating agreement, National Soldiers Home Residences II is required to make annual deposits of $22,050 into the replacement reserve, increasing 3% annually as define in the operating agreement, beginning on January 1st of the year immediately following the year in which the project is placed into service. The replacement reserve is available to provide for working capital needs, improvements and replacements upon approval of the managing member and asset manager. The project was placed into service on March 10, 2021, therefore, the replacement reserve was unfunded as of December 31, 2021.

Pursuant to the operating agreement, National Soldiers Home Residences II is required to fund an operating reserve in the amount of $244,525. National Soldiers Home Residences II expects to fund the operating reserve upon receipt of the third installment of the investor member's capital contribution. Disbursements from the operating reserve may be used to pay operating expenses only after rental achievement and with the approval of the asset manager and WHEDA. The operating reserve was unfunded as of December 31, 2021.

National Soldiers Home Residences II funded an interest reserve with the remaining loan proceeds in order to fund interest costs during the initial lease up period.

National Soldiers Home Residences II entered into a Land Use Restriction Agreements with the Wisconsin Housing and Economic Development Authority (WHEDA) as a condition to receiving an allocation of low-income housing tax credits. Under this agreement, National Soldiers Home Residences II must continuously comply with Section 42 and other applicable sections of the Internal Revenue Code (IRC). The agreement places occupancy restrictions on rents and the minimum percent of units that shall be occupied by individuals or families whose income meets the requirements set under IRC Section 42. If National Soldier Home Residences II fails to comply with this agreement or with the IRC, it may be ineligible for low-income housing tax credits and the partners may be required to recapture a portion of the tax credits previously claimed on their income tax returns.

In connection with the Affordable Housing Program (AHP) note with the Authority, National Soldiers Home Residences II entered into AHP Repayment Agreement. Provisions of this agreement requires the partnership to comply with the requirements of the AHP and places occupancy restrictions on rents and sets aside a minimum percent of units which shall by occupied by individuals or families whose income meet certain income requirements.

Pursuant to the management agreement, National Soldiers Home Residences II is obligated to pay monthly management fees based on 5% of gross revenues. Management fees incurred totaled $11,096 from inception through December 31, 2021. There were no accrued property management fees as of December 31, 2021.

The Authority is required to advance amounts required, up to a maximum of $244,525, to fund any operating deficits during the operating deficit guaranty period, as defined in the operating agreement. There were no operating deficit advances made as of December 31, 2021.

National Soldiers Home Residences III

Pursuant to the operating agreement, National Soldiers Home Residences III is required to make annual deposits of $13,300 into the replacement reserve, increasing 3% annually as define in the operating agreement, beginning on January 1st of the year immediately following the year in which the project is placed into service. The replacement reserve is available to provide for working capital needs, improvements and replacements upon approval of the managing member and asset manager. The project was placed into service on March 10, 2021, therefore, the replacement reserve was unfunded as of December 31, 2021.

Pursuant to the operating agreement, National Soldiers Home Residences III is required to fund an operating reserve in the amount of $167,418. National Soldiers Home Residences III expects to fund the operating reserve upon receipt of the third installment of the investor member's capital contribution. Disbursements from the operating reserve may be used to pay operating expenses only after rental achievement and with the approval of the asset manager and WHEDA. The operating reserve was unfunded as of December 31, 2021.

Pursuant to the operating agreement, National Soldiers Home Residences III is required to fund a revenue deficit reserve in the amount of $214,000. The reserve was partially funded with development sources and expected to be fully funded upon the receipt of the third installment of the investor member's capital contribution. The reserve is available to fund any operating and debt service deficits directly caused by National Soldiers Home Residences III receiving Section 8 subsidy rental assistance payments in an amount less than the amount of the Section 8 subsidy rental assistance payments set forth in the HUD Section 8 Contracts and the Projects, or to fund any operating deficits caused by market conditions or other factors. Any excess funds remaining in the revenue deficit reserve at the end of the Compliance Period shall be released form the revenue deficit reserve account and applied in accordance with the operating agreement.

Pursuance to the operating agreement, National Soldiers Home Residences III is required to make annual deposits of up to $20,000 into the service reserve, increasing 3% annually, with net cash flow. The reserve shall be funded up to the Services Reserve Target Amount of $200,000. Disbursements may be used to pay for required services to the project and with the approval of the asset manager. The services reserve was unfunded as of December 31, 2021.

National Soldiers Home Residences III entered into a Land Use Restriction Agreements with the Wisconsin Housing and Economic Development Authority (WHEDA) as a condition to receiving an allocation of low-income housing tax credits. Under this agreement, National Soldiers Home Residences III must continuously comply with Section 42 and other applicable sections of the Internal Revenue Code (IRC). The agreement places occupancy restrictions on rents and the minimum percent of units that shall be occupied by individuals or families whose income meets the requirements set under IRC Section 42. If National Soldier Home Residences III fails to comply with this agreement or with the IRC, it may be ineligible for low-income housing tax credits and the partners may be required to recapture a portion of the tax credits previously claimed on their income tax returns.

In connection with the Affordable Housing Program (AHP) note with the Authority, National Soldiers Home Residences III entered into AHP Repayment Agreement. Provisions of this agreement requires the partnership to comply with the requirements of the AHP and places occupancy restrictions on rents and sets aside a minimum percent of units which shall by occupied by individuals or families whose income meet certain income requirements.

Pursuant to the management agreement, National Soldiers Home Residences III is obligated to pay monthly management fees based on 5% of gross revenues. Management fees incurred totaled $7,462 from inception through December 31, 2021. There were no accrued property management fees as of December 31, 2021.

The Authority is required to advance amounts required, up to a maximum of $167,418, to fund any operating deficits during the operating deficit guaranty period, as defined in the operating agreement. There were no operating deficit advances made as of December 31, 2021.

Westlawn Renaissance VI

Upon provisions of the operating agreement, Westlawn Renaissance VI is required to make an initial deposit of $300 per unit ($41,400) from the fourth capital contribution from the investor member while the Replacement Reserve and Security Agreement with WHEDA requires the reserve to be established on or before the conversion date of the WHEDA loan. Beginning with the date required by WHEDA or the six-month anniversary of the completion date, but in no event later than July 1, 2022, annual deposits are required in the initial amount of $300 per unit to the replacement reserve, made in equal monthly deposits, which are also required by the Replacement Reserve and Security Agreement with WHEDA. Deposits are to increase by 3% each anniversary of the replacement reserve commencement date. Disbursements are restricted to capital improvements and repairs to the project and require the approval of the investor member and lender. The replacement reserve has not been funded as of December 31, 2021.

The WHEDA Operating Deficit Reserve and Security Agreement and the operating agreement require Westlawn Renaissance VI to establish an operating reserve in the amount of at least $562,000 and $568,100, respectively. Under provisions of the operating agreement, the reserve is to be funded on the date of receipt of the investor member's third capital contribution while the agreement with WHEDA requires the reserve to be established on or before the conversion date of the WHEDA loan. Funds from the operating reserve may be used to pay for operating or other expenses, which require consent of the investor member if the balance of the reserve falls below $568,100 after the withdrawal. The operating reserve is to be funded from available cash flow as defined in the operating agreement in order to maintain a balance of $568,100 at all times. The reserve shall be maintained throughout the 15-year tax credit compliance period. Upon the 3-year anniversary of the achievement of stabilized occupancy, as defined in the operating agreement, any excess amounts in the operating reserve shall be released to pay applicable principal and interest on the mortgage notes payable due to the Authority. Beginning on the 11th anniversary of the completion date, and each year thereafter, the required balance in the operating reserve may be reduced in accordance with the operating agreement. The operating reserve has not been funded as of December 31, 2021.

Westlawn Renaissance VI has entered into a management agreement with an unaffiliated entity. Westlawn Renaissance VI is obligated to pay a management fee equal to $30 per unit per month. The agreement was terminated as of December 31, 2021. Westlawn Renaissance VI entered into a management agreement with the Authority beginning January 1, 2022. Management fees incurred totaled $12,300 for the year ended December 31, 2021. During the lease up period, Westlawn Renaissance VI is obligated to pay $35 per tenant application reviewed, $50 per home visit conducted, $60 per tenant income certification and $20 for each initial tenant file reviewed by the management agent's consultant. Lease-up fees incurred total $17,008 in the year ended December 31, 2021.

The Authority anticipates entering into a cooperation agreement with the City of Milwaukee whereby any low-rent housing developed by the Authority receiving federal assistance from the United States of America shall make annual payments in lieu of taxes in an amount equal to 10% of the shelter rent. Shelter rent is defined as the total of all rents charged to tenants less the cost of utilities. Since all the units in the project are public housing units, Westlawn Renaissance VI is subject to the same agreement.

Westlawn Renaissance VI and the Authority entered into a RAD Conversion Commitment with HUD in December 2016 where the public housing units were converted to Section 8 project based-vouchers effective May 1, 2019. Westlawn Renaissance VI entered into a Project Based Voucher Housing Assistance Payments contract with the Authority whereby the Authority agrees to make housing assistance payments to the project for 136 of the units. The HAP contract is effective April 1, 2020 and has an initial term of 20 years set to expire May 31, 2040. Rental revenue under the HAP contract represents approximately 69% of rental income for the year ended December 31, 2021. Westlawn Renaissance VI and the Authority entered into a RAD Use Agreement with HUD pursuant to the RAD HAP contract which will coincide with the term of the HAP contract. The assisted units are to be leased in accordance with the RAD HAP contract, including applicable eligibility and income requirements.

Westlawn Renaissance VI entered into an AHP Retention / Recapture Agreement for Rental Projects Using Low Income Housing Tax Credits which requires that the project maintain certain affordability requirements for a period of 15 years from the date of project completion.

Westlawn Renaissance VI entered into a Land Use Restriction Agreements with the Wisconsin Housing and Economic Development Authority (WHEDA) as a condition to receiving an allocation of low-income housing tax credits. Under this agreement, Westlawn Renaissance VI must continuously comply with Section 42 and other applicable sections of the Internal Revenue Code (IRC). The agreement places occupancy restrictions on rents and the minimum percent of units that shall be occupied by individuals or families whose income meets the requirements set under IRC Section 42. If Westlawn Renaissance VI fails to comply with this agreement or with the IRC, it may be ineligible for low-income housing tax credits and the partners may be required to recapture a portion of the tax credits previously claimed on their income tax returns. In addition, noncompliance may require an adjustment to the contributed capital of the investor member. Westlawn Renaissance VI is obligated to certify tenant eligibility. Westlawn Renaissance VI also entered into a Land Use Restriction Agreements with WHEDA as a condition to receiving tax-exempt bond funding, Wisconsin Housing Tax Credits and obtaining financing from WHEDA. The agreements with WHEDA place occupancy restrictions on rents charged and the minimum set aside of units occupied by targeted individuals or families whose income meet the requirements as described in the LURAs. The agreements expire when the WHEDA loans are paid in full.

Subsequent Event

In March 2022, Westlawn Renaissance III was notified by the investor member that Westlawn Renaissance III will have a downward equity adjuster totaling $575,472.

Economic Dependency

The Authority is economically dependent on annual contributions and grants from the U.S. Department of Housing and Urban Development (HUD). The Authority operates at a loss prior to receiving contributions and grants from HUD.

Related Party Transactions

Eleven of the individuals who work for the Authority are employees of the City of Milwaukee. Wages and related fringe benefits are paid by the City of Milwaukee and reimbursed by the Authority. Wages and related fringe benefits reimbursed to the City by the Authority were approximately $2,786,956 in 2021. In addition, during 2021 the Authority paid the City approximately $605,866, for administrative services and overhead expenses. The liability as of year-end totaled $684,165 is included in accounts payable as of December 31, 2021.

In accordance with an agreement with the City of Milwaukee, the Authority makes PILOT to the City equal to 10% of the Authority's net shelter rental income. The PILOT for 2021, paid in 2022 was $1,130,943 and is included in accrued liabilities as of December 31, 2021.

Component Units

Carver Park

Carver Park entered into a management agreement with Friends of Housing Corporation (Friends), a member of the general partner, for a management fee equal to $30.00 per unit during 2018. The management fees incurred under this agreement totaled $46,116 for the year ended December 31, 2021.

Carver Park has entered into R&O Agreements with the Authority. Provisions of the R&O Agreements require Carver Park to maintain 27 and 24 units as public housing units in Carver I and Carver II, respectively. Carver Park shall use its best efforts to achieve and maintain tiers of persons with income of 30%, 50% and 60% of county median incomes residing in the public housing units. With regards to the public housing units, the Authority is to pay operating subsidies to Carver Park equal to the difference between rents received from tenants residing in the public housing units and operating expenses for those units. The agreements expire on December 31, 2041. Operating subsidies totaling $277,940 were earned for the year ended December 31, 2021. Included in accounts receivable on the statement of net position are operating subsidy receivables of $455,766 as of December 31, 2021.

Carver Park is obligated to pay the Authority an annual authority oversight fees to cover its asset management responsibilities in administering the operating subsidy in the amounts of $27,000 and $24,000 for Carver I and Carver II, respectively. The Authority will forego the Authority oversight fee to the extent of any public housing shortfall. Authority oversight fees totaled $51,000 for the year ended December 31, 2021. Accrued authority oversight fees were $255,000 as of December 31, 2021.

Accounts payable includes amounts due to the Authority for reimbursement of expenses paid on behalf of Carver Park totaling $13,203 as of December 31, 2021.

Highland Park

Highland Park is obligated to pay an annual asset cumulative management fee to the former investor member in the amount of $5,000, which is payable from cash flow as defined in the operating agreement. Accrued asset management fees were $0 as of December 31, 2021.

Highland Park was obligated to pay the Authority an authority oversight fee to cover its asset management responsibilities in administering the operating subsidy in the amounts of $46,000. Highland Park did not incur oversight fees for the period ended December 31, 2021. Accrued authority oversight fees included in accrued expenses were $34,938 as of December 31, 2021.

Highland Park entered into a RAD loan note payable to the Authority. The note is noninterest bearing and unsecured. The note is due April 23, 2038. The balance of the note payable was $793,888 as of December 31, 2021.

Included in Highland Park accounts payable are amounts totaling $5,797 as of December 31, 2021 due to the Authority for expenses paid on Highland Park's behalf including RAD conversion costs and maintenance costs.

Cherry Court

Cherry Court entered into a management agreement with Friends. Under this agreement, Cherry Court is obligated to pay a monthly management fee equal to $28.00 per unit for 2021, not to exceed 6% of gross annual income. The management fees incurred under this agreement totaled $43,620 for the year ended December 31, 2021. Friends is also paid an administrative fee related to application review, home visits and completing the tenant income certification related to certifying tenant compliance.

Cherry Court is obligated to pay the investor member an annual cumulative asset management fee of $3,500. The asset management fee shall increase annually by 3% and is only payable from cash flow. Asset management fees incurred were $5,451 for the year ended December 31, 2021.

The Authority has guaranteed the amount of the low-income housing tax credits to be generated by the project. Total operating deficit and tax credit guarantees shall not exceed the cumulative amount of $300,000.

Included in accounts payable of the statement of net position are operating subsidies payable of $23,767 as of December 31, 2021. The R&O Agreement was terminated November 30, 2017 upon conversion of the public housing units to Section 8 assistance under the RAD program.

Cherry Court entered into a RAD replacement reserve loan note payable to the Authority. The note is noninterest bearing and unsecured. Payments on the note may be made to the extent of available cash flow. The note is due December 31, 2037. The balance of the note payable was $198,546 as of December 31, 2021.

Convent Hill

Convent Hill is obligated to pay the investor member or its affiliate an annual asset management fee in the initial amount $3,500. The asset management fee shall increase annually by 3% and is payable from cash flow. Asset management fees incurred were $4,843 for the year ended December 31, 2021. Accrued asset management fees included in accrued expenses were $0 as of December 31, 2021.

The Authority has guaranteed the amounts of the low-income housing tax credits to be generated by the project. Total tax credit guarantees shall not exceed $100,000.

Convent Hill had entered into an R&O Agreement with the Authority which was terminated effective July 1, 2018 upon conversion of the public housing units to Section 8 assistance under the RAD program. Included in accounts payable on statement of net position are operating subsidy payables of $8,725 as of December 31, 2021 in accordance with the R&O Agreement with the Authority prior to termination in 2018.

Convent Hill entered into a Declaration of Condominium agreement (Declaration) with Convent Hill Retail, LLC; FOH, LLC: and Convent Hill Gardens Limited Partnership to form Convent Hill Condominium Association, Inc. (Association). Under the agreement, the building was divided into six units, one of which is occupied by the project. The Declaration specifies that the project's percentage interest in general common elements (i.e. the building, roof and foundation, mechanical rooms, driveways and sidewalks) is 59.99%. The Declaration specifies that the project's percentage interest in limited common elements specific to the residential units only (includes computer room, lobby, community room, laundry facilities, kitchen, outdoor terraces etc.) is 68.17%. The project's percentage interest in limited common elements specific to the residential units and the office unit (includes corridors and electrical rooms) is 65.7%.

The Board of Directors of the Association shall annually adopt a budget of common expenses and assess each unit accordingly. The assessments for these common expenses are payable in monthly installments and are based on the limited common elements percentages identified in the previous paragraph. However, if and to the extent the Board determines that usage or benefit of any particular common expense varies among the units, the board may allocate such differential common expenses to individual units based on the Board's best estimate. Included in the common expenses are costs such as utilities, landscaping, shared labor and materials, janitorial services, insurance, garbage and recycling services, elevator and the office telephone. Condominium fees totaled $394,622 for the year ended December 31, 2021. Included in accrued expenses are amounts due to the Association totaling $121,852 as of December 31, 2021.

Convent Hill has entered into a management agreement with Friends. Under this agreement, Convent Hill is obligated to pay a management fee equal to $27.00 per unit not to exceed 6% of gross annual income. The management fees incurred under this agreement totaled $25,080 for the year ended December 31, 2021. Friends is also paid an administrative fee related to application review, home visits and completing the tenant income certification related to certifying tenant compliance.

Scattered Sites

Scattered Sites entered into a development services agreement with the Authority. The agreement provides for Scattered Sites to pay a development fee totaling $700,000 to the Authority. The portion of the fee not paid under this agreement will bear interest at the long term applicable federal rate (8%) in effect on the Placement in Service date, compounded annually. Development fee payable was paid off in 2009. Accrued interest on the development fee was $9,271 as of December 31, 2021.

Scattered Sites is obligated to pay the special member or its affiliate an annual asset management fee in the initial amount of $3,500. Such fee shall be cumulative to the extent not paid in full in any year. The asset management fee shall increase annually by 3%. Asset management fees incurred were $5,140 for the year ended December 31, 2021. Accrued asset management fees were $5,142 as of December 31, 2021.

Scattered Sites had entered into an R&O Agreement with the Authority which was terminated effective December 1, 2018 upon conversion of the public housing units to Section 8 assistance under the RAD program. Included in accounts payable on the statement of net position are operating subsidy payables of $17,025 as of December 31, 2021 in accordance with the R&O Agreement with the Authority prior to termination in 2018.

Scattered Sites has entered into a management agreement with Friends. Under this agreement, Scattered Sites is obligated to pay a management fee equal to $37.50 per unit per month not to exceed 9% of gross annual income collected. The management fees incurred under this agreement totaled $9,120 for the year ended December 31, 2021. Friends is also paid an administrative fee related to application review, home visits and completing the tenant income certification related to certifying tenant compliance.

Scattered Sites entered into a RAD replacement reserve loan note payable to the Authority. The note is noninterest bearing and recourse to the manager. Payments on the note may be made to the extent of available cash flow. The note is due September 25, 2057. The balance of the note payable was $213,122 as of December 31, 2021.

Scattered Sites advanced funds to Friends of Housing, Corporation during 2021 to cover expenses that are not attributable to the project's operations. The full outstanding balance was repaid in January 2021.

Effective October 1, 2021, Scattered Sites entered into a management agreement with the Authority, under the agreement which Scattered Sites is obligated to pay a management fee equal to 6% of gross residential rents on a monthly basis. The management agreement automatically renews from year to year unless terminated. Management fees incurred under this agreement totaled $2,736 for the year ended December 31, 2021.

Scattered Sites II

Scattered Sites II is obligated to pay the special member or its affiliate an annual asset management fee in the initial amount of $3,500, which is payable from cash flow as defined in the operating agreement. Such fee shall be cumulative to the extent not paid in full in any year. Asset management fees incurred were $3,500 for the year ended December 31, 2021. Accrued asset management fees were $3,500 as of December 31, 2021.

Scattered Sites II is obligated to pay the manager an annual management fee in the initial amount of $7,500. Such fee shall be payable to the extent of available cash flow and increase annually by 3%. Scattered Sites II management fees incurred were $10,081 for the year ended December 31, 2021. Accrued management fees were $65,270 as of December 31, 2021.

Scattered Sites II has entered into a management agreement with Friends. Under this agreement, the company is obligated to pay a management fee equal to $46 per unit per month not to exceed 8% of gross annual income collected. The management fees incurred were $10,368 for the year ended December 31, 2021. Friends is also paid an administrative fee related to application review, home visits and completing the tenant income certification related to certifying tenant compliance.

Scattered Sites II entered into a RAD replacement reserve loan note payable to the Authority. The note is noninterest bearing and recourse to the manager. Payments on the note may be made to the extent of available cash flow. The note is due May 5, 2059. The balance of the note payable was $243,914 as of December 31, 2021.

Effective October 1, 2021, Scattered Sites entered into a management agreement with the Authority, under the agreement which Scattered Sites is obligated to pay a management fee equal to 6% of gross residential rents on a monthly basis. The management agreement automatically renews from year to year unless terminated. Management fees incurred under this agreement totaled $3,456 for the year ended December 31, 2021.

Olga Village

Olga Village is obligated to pay an annual cumulative asset management fee in the initial amount of $1,850 to an affiliate of the investor member commencing in 2011, increasing 10% every fifty anniversary. The annual fee is payable from cash flow, as defined in the operating agreement. Asset Management fees incurred were $2,239 for the year ended December 31, 2021. Accrued asset management fees were $10,175 as of December 31, 2021.

Olga Village entered into a development services agreement with the Authority. The agreement provided for Olga Village to pay a development fee totaling $1,026,952 to the Authority and a portion of the fee not paid under this agreement bore interest at the long-term applicable federal rate (3.86%) in effect on the completion date, compounded annually. The remaining principal balance of the development fee was paid off during 2014. Accrued interest on the development fee was $11,605 as of December 31, 2021.

Olga Village had accounts payable to the Authority totaling $27,888 as of December 31, 2021. The amounts relate to expenses paid on Olga Village's behalf by the Authority for reimbursable expenses, including RAD conversion costs, maintenance costs and insurance. The balance is noninterest bearing and due on demand.

Effective January 1, 2020, Olga Village has entered into a management agreement with Capri Communities LLC. Under this agreement, Olga Village is obligated to pay a management fee equal to $24.75 per unit per month, increasing 3% annually, not to exceed 6% of gross annual income collected. The management fees incurred under this agreement totaled $15,192 for the year ended December 31, 2021. Accrued management fees were $1,079 as of December 31, 2021. Capri is also paid an administrative fee related to application review, home visits and completing the tenant income certification related to certifying tenant compliance.

Olga Village entered into a RAD loan note payable to the Authority in the amount of $57,365. The note is noninterest bearing and unsecured. The note is due April 23, 2038. The company entered into a RAD loan (subsidy reserve note payable) to the Authority in the amount of $150,000. The note is noninterest bearing and unsecured. The note is due April 23, 2038. The balance of the notes payable was $207,365 at December 31, 2021.

Westlawn Renaissance

Westlawn Renaissance is obligated to pay an annual cumulative asset management fee to the investor member in the amount of $12,500 commencing in 2013. Asset management fees incurred totaled $12,500 for the year ended December 31, 2021. Included in other current liabilities are accrued asset management fees totaling $25,000 as of December 31, 2021.

Westlawn Renaissance is obligated to pay an annual cumulative company management fee to the manager in the amount of $37,500 commencing in 2013. Such fee is payable only from cash flow and shall be paid pursuant to the terms of the operating agreement. Company management fee incurred and accrued totaled $37,500 for the year ended December 31, 2021. Included in other current liabilities are accrued company management fees totaling $187,500 as of December 31, 2021.

Westlawn Renaissance had entered into an R&O Agreement with the Authority which was terminated effective November 30, 2017 upon conversion of the public housing units to Section 8 assistance under the RAD program. Included in accounts payable on the statement of net position are operating subsidy payables of $10,042 as of December 31, 2021 in accordance with the R&O Agreement with the Authority prior to termination in 2017.

Westlawn Renaissance is obligated to pay the Authority an annual cumulative authority oversight fee in the amount of $100,000 commencing in 2013 and every year thereafter. Authority oversight fee incurred totaled $100,000 for the year ended December 31, 2021. Included in other current liabilities are accrued authority oversight fees totaling $500,000 as of December 31, 2021.

Included in Westlawn Renaissance accounts payable are amounts totaling $213,345 as of December 31, 2021 due to the Authority for storm water facilities management and expenses paid on Westlawn Renaissance's behalf including RAD conversion costs, maintenance costs and case manager services.

Lapham Park

Lapham Park is obligated to pay an annual cumulative asset management fee to the investor member in the amount of $52 per credit unit ($10,452) commencing in 2013. Asset management fee incurred totaled $10,452 for the year ended December 31, 2021. Included in accrued expenses are accrued asset management fees totaling $10,452 as of December 31, 2021.

Lapham Park is obligated to pay an annual cumulative company management fee to the manager in the amount equal to $150 per credit unit ($30,150) commencing in 2013. The fee is payable only from available cash flow as defined in the operating agreement. Lapham Park management fees incurred totaled $30,150 for the year ended December 31, 2021. Included in other current liabilities are accrued company management fees totaling $271,350 as of December 31, 2021.

Lapham Park had entered into an R&O Agreement with the Authority which was terminated effective May 1, 2018, upon conversion of the public housing units to Section 8 assistance under the RAD program. Included in accounts payable are operating subsidy payables of $19,636 as of December 31, 2021 in accordance with the R&O Agreement with the Authority prior to termination in 2018.

Lapham Park is obligated to pay the Authority an annual cumulative authority oversight fee in the amount of $30,150 commencing in 2013 and increasing by 3% every year thereafter. Authority oversight fee incurred totaled $36,001 for the year ended December 31, 2021. Included in other current liabilities are accrued authority oversight fees totaling $180,161 as of December 31, 2021.

Lapham Park entered into a development agreement with the manager member, which provides for the payment of a development fee of $3,009,701. The entire fee has been capitalized into the cost of the buildings and is to be paid from capital contributions and project cash flow as set forth in the operating agreement. All unpaid amounts at the time of the project completion date shall bear interest at the long-term AFR as of the date of completion (2.4%), compounded annually. In the event the entire development fee has not been paid within 13 years of the date of completion of the project, the unpaid fee and accrued interest shall be paid by the manager member as a development fee advance which is only repayable from available cash flow. Development fee payable was $1,638,565 as of December 31, 2021. Interest expense incurred on the development fee payable totaled $49,895 for the year ended December 31, 2021. Accrued interest totaled $14,587 as of December 31, 2021.

Westlawn Renaissance II

Westlawn Renaissance II is obligated to pay an annual asset management fee commencing in 2019 and continuing until the expiration of the compliance period to the investor member in the initial amount of $75 per credit unit, increasing 3% annually. The annual fee is payable from cash flow, as defined in the operating agreement. Asset Management fees incurred were $6,490 for the year ended December 31, 2021. Accrued asset management fees were $13,173 as of December 31, 2021.

The lower tier entities of Westlawn Renaissance II entered into a development services agreement with the managing member. The agreement provided for the lower tier entities to pay a development fee of $1,338,140 and $1,618,939 for Victory Manor and WG Scattered Sites, respectively. The entire fee has been earned and capitalized into the cost of the rental property. The total fee is to be paid from capital contributions and project cash flow as set forth in the operating agreement. In the event the entire development fees have not been paid by the thirteenth anniversary of the completion date, as defined in the agreement, the managing member shall immediately make a capital contribution to Westlawn Renaissance II sufficient to satisfy the remaining unpaid portion of the fee. The development fee payable was $162,284 as of December 31, 2021.

For the 60-month period following the achievement of stabilized occupancy, the manager member is required to fund all operating deficits in the form of an operating deficit advance, with a maximum cumulative operating deficit advance of $176,000 and $118,000 for Victory Manor and WG Scattered Sites, respectively. Any operating deficit advances shall be treated as a loan and be noninterest bearing. Operating deficit advances are repayable from available cash flow as defined in the operating agreement. There were no operating deficit advance loans made to Westlawn Renaissance II as of December 31, 2021.

The operating agreement provides for Westlawn Renaissance II to pay an annual company management fee to the managing member in the initial amount of $4,500 and $2,250 for Victory Manor and WG Scattered Sites, respectively, commencing in 2019. The company management fees are to increase 3% annually. The fee is payable out of operating cash flow as defined in the operating agreement and shall be cumulative and accrued if not paid. Company management fees incurred were $7,161 as of December 31, 2021. Included in other current liabilities are accrued asset management fees totaling $20,864 as of December 31, 2021.

After the expiration of the 15-year compliance period, Westlawn Renaissance II may not sell the projects to any third party that has made a bona fide purchase offer, without first offering the Authority the right of first refusal to purchase the property. Westlawn Renaissance II shall offer the property to the manager member at a price equal to the sum of the outstanding debt plus an amount sufficient to enable Westlawn Renaissance II to make liquidation distributions pursuant to the operating agreement.

After the end of the credit period, the investor member has the right to put its interest to the Authority. The option price to purchase will be the balance of all unpaid amounts due to the investor member plus $1,000 and the costs of transfer interest.

During the year ended December 31, 2019, the Authority advanced funds to the Victory Manor and WG Scattered Sites to cover debt service payments and development expenses until development funds are received. These advances are noninterest bearing. These advances totaled $93,132 as of December 31, 2021.

Holton Terrace

Holton Terrace is obligated to pay annual cumulative asset management fees to the special member in the amount of $6,000 commencing in 2019 and the managing member in the amount of $9,000 commencing one year after the initial closing. The asset management fee shall increase annually by 3% and is cumulative. Fees are payable solely from available cash flow as defined in the operating agreement. Asset management fees incurred totaled $15,450 for the year ended December 31, 2021. Accrued asset management fees were $18,270 as of December 31, 2021.

The managing member is obligated to provide all funds required of Holton Terrace to complete development of the property to the extent the funds are not then available under the mortgage notes payable, construction loans or investor member capital contributions. In addition, the managing member is obligated to fund operating deficits until Stabilized Occupancy is achieved as defined in the operating agreement.

The operating agreement requires the managing member to fund operating deficits occurring after the period of Stabilized Occupancy, as defined in the operating agreement. This is to continue until the balance in the Operating Reserve is $398,500. Any operating deficit advances shall be treated as a loan and bear interest at 5%. Operating deficit advances are repayable from available cash flow as defined in the operating agreement. There were no operating deficit advance loans made to Holton Terrace as of December 31, 2021.

In connection with the development of the project, Holton Terrace entered into a construction contract with an affiliate of the manager member in the amount of $4,839,516. Profit and overhead earned on the contract was $284,255 as of December 31, 2021. The balance of the construction contract in construction payables was $0 as of December 31, 2021.

Included in Holton Terrace accounts payable are amounts totaling $28,788 as of December 31, 2021 due to the Authority for expenses paid on Holton Terrace's behalf. Also included in accounts payable are amounts due to Travaux, an affiliate of the Authority, for reimbursements of payroll and other operating expenses totaling $210,499 as of December 31, 2021.

Holton Terrace entered into a development services agreement with the Authority. The agreement provided for Holton Terrace to pay a development fee totaling $798,200 to the Authority. The Authority has earned the entire fee as of December 31, 2021. This amount has been capitalized into rental property. It is anticipated that the development fee will be paid from proceeds of capital contributions made by the investor member and cash flow as set forth in the operating agreement. In the event the entire development fee has not been paid by the end of the tax credit compliance period, the managing member shall immediately make a capital contribution to Holton Terrace sufficient to satisfy the remaining unpaid portion of the fee. The development fee payable was $137,500 as of December 31, 2021.

Holton Terrace has granted the Authority on option to purchase the project or the investor members' interests after the close of the ten-year credit period. The purchase price under the project option is the greater of an amount sufficient to pay all debts and liabilities of Holton Terrace or the fair market value. Under the membership interest option, the purchase price is the greater of the fair market value or an amount sufficient to pay amounts due and owing to the investor member or the special investor member.

After the expiration of the fifteen-year compliance period, Holton Terrace may not sell the project to any third party that has made a bona fide purchase offer, without first offering the Authority the right of first refusal to purchase the property. Holton Terrace shall offer the property to the managing member at the greater of a price equal to the sum of Holton Terrace's outstanding debt plus and amount sufficient to enable Holton Terrace to make liquidation distributions pursuant to the operating agreement of fair market value.

Becher Court

Becher Court is obligated to pay an annual asset management fee to the investor member in the initial amount of $75 per credit unit commencing in 2022, increased 3% annually. There were no asset management fees incurred as of December 31, 2021.

Becher Court is obligated to pay a monthly management fee equal to $30 per unit. Management fees incurred totaled $21,600 for the year ended December 31, 2021. Accrued asset management fees were $14,400 as of December 31, 2021.

Becher Court entered into a development services agreement with the Authority. The agreement provides for Becher Court to pay a development fee totaling $957,537 to the Authority. As of December 31, 2021, the Authority has earned the entire fee and has been paid $239,339. This amount has been capitalized into construction in progress. In the event the entire development fees have not been paid by the 13th anniversary of project completion, as defined in the agreement, the Authority shall immediately make a capital contribution to Becher Court for the remaining unpaid portion.

After expiration of the 15-year compliance period, Becher Court may not sell the project to any third party that has made a bona fide purchase offer, without first offering the Authority the right of first refusal to purchase the property. Becher Court shall offer the property to the manager member at a price equal to the sum of Becher Court’s outstanding debt plus an amount sufficient to enable Becher Court to make liquidation distributions pursuant to the operating agreement. At the end of the credit period, the investor member has the right to put its interest to the Authority. The option price to purchase will be the balance of all unpaid amounts due to the investor member plus $1,000 and the costs of transfer of interest.

Becher Court entered into a construction contract with an affiliate of the Authority in the amount of $6,223,326. Subsequent change orders have decreased the contract amount to $5,760,131. Of this amount $1,754,270 is included in construction payables as of December 31, 2021. Profit and overhead earned on the contract through December 31, 2021 totaled $381,857 and the remaining balance to complete the contract was $9,343.

The Authority is obligated to provide all funds required to Becher Court to complete development of the properties to the extent the funds are not available under the mortgage notes payable, construction loans or capital contributions.

The operating agreement requires the manager member to fund operating deficits occurring after the period in which the projects reach Stabilized Occupancy, as defined in the operating agreement and continue until the 60-month anniversary of the achievement of Stabilized Occupancy. The manager member's obligation shall be limited to $412,790. All advances shall constitute unsecured, noninterest-bearing loans and are repayable from available cash flow as defined in the operating agreement. There were no operating deficit loans as of December 31, 2021.

Included in Becher Court accounts receivable are amounts totaling $102,793 as of December 31, 2021 due from the Authority in connection with the HAP contract.

Becher Court entered into a land lease with the Authority which required a lump sum payment of $360,000 upon execution of the lease. The term of the lease began on June 30, 2021 and expires June 20, 2119, unless terminated earlier in accordance with the lease agreement. Prepaid land lease was $354,546 as of December 31, 2021. Land lease expense totaled $3,636 for the period ended December 31, 2021.

Westlawn Renaissance III

The Authority is obligated to provide funds required to Westlawn Renaissance III to complete development of the properties to the extent the funds are not available under the mortgage notes payable, construction loans or capital contributions.

The Authority is required to fund all operating deficits in the form of an operating deficit advance, with a maximum cumulative operating deficit advance of $286,200. Any operating deficit advances shall be treated as a noninterest bearing loan. Operating deficit advances are repayable from available cash flow as defined in the operating agreement. There were no operating deficit advance loans made to Westlawn Renaissance III as of December 31, 2021.

Westlawn Renaissance III is obligated to pay an annual asset management fee to the investor member in the initial amount of $75 per credit unit commencing in 2021 until the expiration of the compliance period. Management fees are payable from available cash flow as defined in the operating agreement and shall be cumulative and accrued if not paid. Fees accrued and incurred were $14,311 as of and for the year ended December 31, 2021.

Westlawn Renaissance III entered into an amended and restated development services agreement with the Authority. The agreement provides for Westlawn Renaissance III to pay a development fee totaling $5,700,000 to the Authority. The total fee has been earned and capitalized into the cost of the buildings. The total fee is to be paid from capital contributions and project cash flows as set forth in the operating agreement. As of December 31, 2021, the development fee payable was $690,911. In the event the entire development fees have not been paid by the 13th anniversary of project completion, as defined in the agreement, the Authority shall immediately make a capital contribution to Westlawn Renaissance III for the remaining unpaid portion.

After expiration of the 15-year compliance period, Westlawn Renaissance III may not sell the project to any third party without first offering the Authority the right of first refusal to purchase the property at an equal price to the sum of Westlawn Renaissance III's outstanding debt plus an amount sufficient to enable Westlawn Renaissance III to make liquidation distributions.

After the end of the credit period, the investor member has the right to put its interest to the Authority. The option price to purchase will be the balance of all unpaid amounts due to the investor member plus $1,000 and the cost to transfer interest.

Westlawn Renaissance III entered into a construction contract with an affiliate of the Authority in the amount of $23,446,823. There were no accrued construction contract costs included in construction payables at December 31, 2021. Profit and overhead earned on the contract through December 31, 2021 totaled $1,554,364.

Merrill Park

Merrill Park is obligated to pay an annual asset management fee to the investor member in the amount of $6,000, commencing one year after initial closing. The fee will increase 3% annually and is payable solely from available cash flows. Investor asset management fees incurred were $6,000 as of December 31, 2021.

Merrill Park is obligated to pay an annual asset management fee to the managing member in the amount of $6,000, commencing the first calendar quarter after the project is placed in service. The fee will increase 3% annually and is payable solely from available cash flows. There were no asset management fees incurred as of December 31, 2021.

Merrill Park is obligated to pay the managing member a monthly management fee equal to $31.25 per unit, increasing 3% annual. Management fees totaled $45,000 and included in accrued expenses are fees totaling $18,750 for the year ended December 31, 2021.

Merrill Park entered into a development services agreement with the Authority. The agreement provides for Merrill Park to pay a development fee totaling $1,356,311 to the Authority. As of December 31, 2021, the Authority has earned the entire fee. This amount has been capitalized into construction in progress. It is anticipated that the development fee will be paid from proceeds of capital contributions made by the investor member and cash flow as set forth in the operating agreement. In the event the entire development fees have not been paid by the end of the tax credit compliance period, the Authority shall immediately make a capital contribution to Merrill Park for the remaining unpaid portion. The development fee payable as of December 31, 2021 was $881,602.

Merrill Park has granted the Authority an option to purchase the project or the investor member's interest after the close of the 10-year credit period. The purchase price under the project option is the greater of an amount sufficient to pay all debt and liabilities outstanding or, fair market value.

After expiration of the 15-year compliance period, Merrill Park may not sell the project to any third party without first offering the Authority the right of first refusal to purchase the property. Merrill Park shall offer the property at the greater of a price equal to the sum of Merrill Park's outstanding debt plus an amount sufficient to enable Merrill Park to make liquidation distributions or, fair market value.

Merrill Park entered into a construction contract with an affiliate of the Authority in the amount of $8,664,085. Subsequent change orders have decreased the contract amount to $8,014,476. Of this amount $1,710,180 is included in construction payables as of December 31, 2021. Profit and overhead earned on the contract through December 31, 2021 totaled $531,305 and the remaining balance to complete the contract was $12,362.

The Authority is obligated to provide funds required to Merrill Park to complete development of the properties to the extent the funds are not available under the mortgage notes payable, construction loans or capital contributions. This obligation is limited to $250,000 and all related advances shall be interest free. There were no development completion loans as of December 31, 2021.

The Authority is required to fund all operating deficits in the form of an operating deficit advance, with a maximum cumulative operating deficit advance of $400,000. Any operating deficit advances shall be treated as a loan and bear 5% interest. Operating deficit advances are repayable from available cash flow as defined in the operating agreement. There were no operating deficit advance loans made to Merrill Park as of December 31, 2021.

Included in Merrill Park accounts receivable are amounts totaling $281,750 as of December 31, 2021 due from the Authority in connection with the HAP contract.

National Soldiers Home Residences II

Included in National Soldiers Home Residences II accounts payable are amounts totaling $68,087 as of December 31, 2021 due to National Soldiers Home Residences I for reimbursable development costs during construction and lease up. The balance is due on demand and does not accrue interest.

National Soldiers Home Residences II entered into a development services agreement with the Authority and the co-managing member. The agreement provides for National Soldiers Home Residences II to pay a development fee totaling $1,730,000 to the co-managing members. The entire fee has been earned and capitalized into the cost of the building. A portion of the development fee will be paid with proceeds from the investor members' subscriptions receivable. The remaining unpaid portion is payable subject to the available cash flow restriction. Accrued development fee was $515,000 at December 31, 2021.

The operating agreement provides for National Soldiers Home Residences II to pay an annual company management fee to the Authority in the initial amount of $10,000. The company management fees are to increase 3% annually. The fee is payable out of operating cash flow as defined in the operating agreement and shall be cumulative and accrued if not paid. Company management fees incurred since inception were $10,000. Accrued company management fees were $10,000 as of December 31, 2021.

National Soldiers Home Residences II is obligated to pay an annual cumulative asset management fee to the investor member pursuant to the operating agreement. The fee is $6,300, increasing annually at 3%. Fees are payable solely from available cash flow as defined in the operating agreement. Asset management fees incurred totaled $5,089 from inception through the year ended December 31, 2021. Accrued asset management fees were $5,089 as of December 31, 2021.

National Soldiers Home Residences I has an enhanced-use lease with the United States Department of Veterans Affairs for the real property located in Milwaukee, Wisconsin. National Soldiers Home Residences II has entered into a sublease with National Soldiers Home Residences I for a leasehold condominium unit. As part of the sublease, National Soldiers Home Residences II is required to make certain improvements and pay annual rent equal to $0.50.

National Soldiers Home Residences III

Included in National Soldiers Home Residences III accounts payable are amounts totaling $58,423 as of December 31, 2021 due to National Soldiers Home Residences I for reimbursable development costs during construction and lease up. The balance is due on demand and does not accrue interest.

National Soldiers Home Residences III entered into a development services agreement with the co-managing member. The agreement provides for National Soldiers Home Residences III to pay a development fee totaling $855,000 to the co-managing member. The entire fee has been earned and capitalized into the cost of the building. A portion of the development fee will be paid with proceeds from the investor members' subscriptions receivable. The remaining unpaid portion is payable subject to the available cash flow restriction. Accrued development fee was $418,500 at December 31, 2021.

The operating agreement provides for National Soldiers Home Residences III to pay an annual company management fee to the Authority in the initial amount of $10,000. The company management fees are to increase 3% annually. The fee is payable out of operating cash flow as defined in the operating agreement and shall be cumulative and accrued if not paid. Company management fees incurred since inception were $10,000. Accrued company management fees were $10,000 as of December 31, 2021.

National Soldiers Home Residences I has an enhanced-use lease with the United States Department of Veterans Affairs for the real property located in Milwaukee, Wisconsin. National Soldiers Home Residences III has entered into a sublease with National Soldiers Home Residences I for a leasehold condominium unit. As part of the sublease, National Soldiers Home Residences III is required to make certain improvements and pay annual rent equal to $0.50.

Westlawn Renaissance VI

The operating agreement requires the manager member to fund operating deficits, up to $568,100, occurring after the period in which the projects reach Stabilized Occupancy, as defined in the operating agreement, and will continue until the 60-month anniversary of the achievement of Stabilized Occupancy. All advances will be unsecured, non-interest-bearing loans and are repayable from available cash flows as defined in the operating agreement. There were no operating deficit loans at December 31, 2021.

Westlawn Renaissance VI entered into a development services agreement with the Authority. The amended and restated agreement provides for Westlawn Renaissance VI to pay a development fee totaling $8,590,000. As of December 31, 2021, the total development fee earned was $6,190,985 and fees paid were $2,147,500. This amount has been capitalized into the cost of the buildings. The total fee is to be paid from capital contributions and project cash flow. In the event the entire development fee has not been paid by the 13th anniversary of the completion date, as defined in the agreement, the manager member shall immediately make a capital contribution to Westlawn Renaissance VI sufficient to satisfy the remaining unpaid portion of the fee. Accrued development fee was $4,043,485 at December 31, 2021.

After the expiration of the 15-year compliance period, Westlawn Renaissance VI may not sell the project to any third party that has made a bona fide purchase offer, without first offering the Authority the right of first refusal to purchase the property. Westlawn Renaissance VI shall offer the property to the manager member at a price equal to the sum of the outstanding debt plus an amount sufficient to enable Westlawn Renaissance VI to make liquidation distributions pursuant to the operating agreement.

After the end of the credit period, the investor member has the right to put its interest to the Authority. The option price to purchase will be the balance of all unpaid amounts due to the investor member plus $1,000 and the costs of transfer interest.

In connection with the development of the project, Westlawn Renaissance VI entered into a construction contract with an affiliate of the manager member in the amount of $35,896,124. Westlawn Renaissance VI and the general contractor anticipate executing a change order in the amount of $3,161,725 to increase the construction contract to $39,057,849. Profit and overhead earned on the contract was $2,344,555 as of December 31, 2021. The balance of the construction contract in construction payables was $9,712,263 as of December 31, 2021. The remaining balance to complete this contract as of December 31, 2021 was $3,384,757.

Related party advance due to an affiliate of the Authority totaled $1,070,741 at December 31, 2021 for cash on hand.

Related party receivables from affiliates of the Authority had a balance of $46,200 as of December 31, 2021 for snowplowing services.

Effect of New Accounting Standards on Current-Period Financial Statement

The Governmental Accounting Standards Board (GASB) has approved the following:

- Statement No. 87, *Leases*
- Statement No. 91, *Conduit Debt Obligations*
- Statement No. 92, *Omnibus*
- Statement No. 93, *Replacement of Interbank Offered Rates*
- Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*
- Statement No. 96, *Subscription-Based Information Technology Arrangements*
- Statement No. 97, *Certain Component Unit Criteria and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans*
- Statement No. 99, *Omnibus 2022*
- Statement No. 100, *Accounting Changes and Error Corrections – an amendment of GASB Statement No. 62*
- Statement No. 101, *Compensated Absences*

REQUIRED SUPPLEMENTARY INFORMATION

Housing Authority of the City of Milwaukee

Schedule of Changes in the Total OPEB Liability and Related Ratios - Retiree Benefits Plan
Year Ended December 31, 2021

	2021	2020	2019	2018
Total OPEB Liability				
Service cost	$ 575,181	$ 530,364	$ 437,590	$ 408,154
Interest	267,904	373,114	355,484	413,951
Differences between expected and actual experience	-	(360,487)	-	(2,279,731)
Changes of assumptions	-	3,341,094	-	196,213
Benefit payments	(485,634)	(479,275)	(353,306)	(301,450)
Net change in total OPEB liability	357,451	3,404,810	439,768	(1,562,863)
Total OPEB liability, beginning	13,061,590	9,656,780	9,217,012	10,779,875
Total OPEB liability, ending	$ 13,419,041	$ 13,061,590	$ 9,656,780	$ 9,217,012
Covered-employee payroll	$ 10,614,624	$ 10,305,460	$ 9,815,812	$ 10,640,578
Total OPEB liability as a percentage of covered-employee payroll	126.42%	126.74%	98.38%	86.62%

Notes to Schedule:

1. The amounts presented for each fiscal year were determined as of the calendar year-end that occurred within the fiscal year.
2. The Authority is required to present the last ten fiscal years data, however the standard allows the Authority to present as many years as are available until ten fiscal years are presented.
3. The Authority implemented GASB Statement No. 75 in fiscal year 2018. Information prior to fiscal year 2018 in not available.
4. Benefit changes. There were no changes of benefit terms in 2021.
5. Changes of assumptions. None.
6. No assets are accumulated in a trust that meets the criteria in GASB Statement No. 75, paragraph 4, to pay for related benefits.

Housing Authority of the City of Milwaukee

Schedule of the Proportionate Share of the Net Pension Liability
Employees' Retirement System of the City of Milwaukee
Year Ended December 31, 2021

Fiscal Year Ending	Proportion of the Net Pension Liability	Proportionate Share of the Net Pension Liability	Covered Payroll	Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
12/31/15	1.278258400%	$ 1,450,000	$ 6,772,000	21.41%	97.76%
12/31/16	1.166164300%	4,904,000	6,248,000	78.49%	98.20%
12/31/17	1.123111400%	4,786,000	6,559,000	72.97%	91.98%
12/31/18	1.096313690%	3,974,000	6,326,000	62.82%	93.70%
12/31/19	0.861627700%	11,536,000	4,949,000	233.10%	78.71%
12/31/20	0.806717610%	8,010,000	4,689,000	170.83%	84.83%
12/31/21	0.776634600%	8,486,000	4,632,000	183.20%	83.79%

Schedule of Employer Contributions
Employees' Retirement System of the City of Milwaukee
Year Ended December 31, 2021

Fiscal Year Ending	Contractually Required Contributions	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
12/31/15	$ 1,005,471	$ 1,005,471	$ -	$ 9,562,255	10.51%
12/31/16	931,049	931,049	-	6,248,000	14.90%
12/31/17	900,100	900,100	-	6,559,000	13.72%
12/31/18	980,257	980,257	-	6,326,000	15.50%
12/31/19	772,027	772,027	-	4,949,000	15.60%
12/31/20	635,798	635,798	-	4,689,000	13.56%
12/31/21	668,282	668,282	-	4,632,000	14.43%

See notes to required supplementary information

1. Employees' Retirement System of the City of Milwaukee (System)

The amounts presented in relation to the schedule of employer's proportionate share of the net pension liability and the schedule of employer contributions represents the specific data of the Authority. The Information was derived using a combination of the employer's contribution data along with data provided by the System in relation to the Authority as a whole.

Changes of benefit terms. There were no changes of benefit terms for any participating employer in ERS.

Change of assumptions. There were no changes in the assumptions.

The Authority is required to present the last ten fiscal years of data; however accounting standards allow the presentation of as many years as are available until ten fiscal years are presented.

SUPPLEMENTARY INFORMATION

Housing Authority of the City of Milwaukee

Combining Schedule of Net Position - Primary Government
December 31, 2021

	Low-Income Housing Program	Veterans Housing Program	Housing Choice Voucher Program	General Fund	Combining Adjustments	Total
Assets						
Current assets:						
Cash and investments:						
Unrestricted	$ 4,715,246	$ 8,686,596	$ 62,367	$ (1,459,174)	$ -	$ 12,005,035
Restricted, other	105,704	4,216,294	3,631,245	-	-	7,953,243
Restricted, Tenant security deposits	602,659	567,670	-	4,200	-	1,174,529
Receivables:						
HUD other projects	3,247,123	1	-	1,135,650	-	4,382,774
Tenants, dwelling rents, net of allowance for doubtful accounts	1,764,432	763,020	-	-	-	2,527,452
Miscellaneous	335,821	1,494	31,741	4,967,414	-	5,336,470
Due from other programs	1,900,000	7,000,000	-	9,474,355	(18,374,355)	-
Other miscellaneous from component units	-	-	-	12,420,869	-	12,420,869
Current portion of notes receivable from Highland Park	-	-	-	2,414	-	2,414
Accrued interest	1,289	-	-	-	-	1,289
Prepaid items	201,548	75,299	94,486	344,678	-	716,011
Total current assets	12,873,822	21,310,374	3,819,839	26,890,406	(18,374,355)	46,520,086
Noncurrent assets:						
Restricted assets:						
Investments with Fiscal Agent	-	513,998	791	39,698	-	554,487
Deferred mortgage receivable	628,482	-	-	93,556	-	722,038
Capital assets:						
Land	30,930,729	2,759,343	-	564,172	-	34,254,244
Construction in progress	69,417	-	-	882,609	-	952,026
Other capital assets, net of accumulated depreciation	30,589,078	4,318,161	-	6,203,310	-	41,110,549
Other assets:						
Long term interest receivable	13,861,782	-	-	2,491,110	-	16,352,892
Developer fee receivable	-	-	-	8,772,365		8,772,365
Investment in Carver Park	5,171,767	-	-	1,020,150	-	6,191,917
Investment in National Soldiers Home Residences II	-	-	-	4,546,061	-	4,546,061
Investment in National Soldiers Home Residences III	-	-	-	823,991	-	823,991
Notes receivable from Highland Park	2,000,000	-	-	100,859	-	2,100,859
Notes receivable from Cherry Court	8,080,208	-	-	606,995	-	8,687,203
Notes receivable from Convent Hill	5,741,537	-	-	1,134,337	-	6,875,874
Notes receivable from Scattered Sites	-	-	-	2,318,300	-	2,318,300
Notes receivable from Scattered Sites II	1,107,578	-	-	-	-	1,107,578
Notes receivable from Olga Village	2,166,726	-	-	196,608	-	2,363,334
Notes receivable from Westlawn Renaissance	7,649,850	-	-	1,610,911	-	9,260,761
Notes receivable from Lapham Park	19,199,657	-	-	335,440	-	19,535,097
Notes receivable from Westlawn Renaissance II	8,639,369	-	-	4,311,753	-	12,951,122
Notes receivable from Holton Terrace	1,536,140	-	-	5,449,885	-	6,986,025
Notes receivable from Becher Court	5,364,150	-	-	400,000	-	5,764,150
Notes receivable from Westlawn Renaissance III	12,620,865	-	-	8,239,331	-	20,860,196
Notes receivable from Merrill Park	130,324	-	-	3,690,000	-	3,820,324
Notes receivable from National Soldiers Home Residences II	-	-	-	8,485,989	-	8,485,989
Notes receivable from National Soldiers Home Residences III	-	-	-	1,841,043	-	1,841,043
Notes receivable from Westlawn Renaissance VI	10,415,111	-	-	820,168	-	11,235,279
RAD notes receivable	1,293,713	-	425,880	363,122	-	2,082,715
Total noncurrent assets	167,196,483	7,591,502	426,671	65,341,763	-	240,556,419
Total assets	180,070,305	28,901,876	4,246,510	92,232,169	(18,374,355)	287,076,505

Housing Authority of the City of Milwaukee

Combining Schedule of Net Position - Primary Government
December 31, 2021

	Low-Income Housing Program	Veterans Housing Program	Housing Choice Voucher Program	General Fund	Combining Adjustments	Total
Deferred Outflows of Resources						
Deferred outflows related to OPEB	$ 529,132	$ -	$ 310,664	$ 1,344,137	$ -	$ 2,183,933
Deferred outflows related to pensions	567,255	-	333,046	1,440,981	-	2,341,282
Total deferred outflows	1,096,387	-	643,710	2,785,118	-	4,525,215
Liabilities						
Current liabilities:						
Accounts payable	-	-	17,204	5,613,583	-	5,630,787
Accrued wages and benefits	59,477	-	31,684	893,024	-	984,185
Other current liabilities	1,675,999	172,922	557,095	1,937,216	-	4,343,232
Accrued interest	-	262,017	-	-	-	262,017
Due to other governments	554,167	576,777	-	-	-	1,130,944
Due to other programs	-	-	-	18,374,355	(18,374,355)	-
Current portion of bonds and notes payable	-	815,000	-	-	-	815,000
Current portion of compensated absences	-	-	-	318,577	-	318,577
Liabilities payable from restricted assets						
Tenant security deposits	602,659	567,670	-	4,200	-	1,174,529
Total current liabilities	2,892,302	2,394,386	605,983	27,140,955	(18,374,355)	14,659,271
Noncurrent liabilities:						
Long-term debt:						
Mortgage revenue bonds payable	-	13,819,768	-	-	-	13,819,768
Other liabilities:						
Compensated absences	-	-	-	488,288	-	488,288
Net pension liability	2,045,637	-	1,803,281	4,637,082	-	8,486,000
Total OPEB liability	3,353,277	-	2,747,265	7,318,499	-	13,419,041
Total noncurrent liabilities	5,398,914	13,819,768	4,550,546	12,443,869	-	36,213,097
Total liabilities	8,291,216	16,214,154	5,156,529	39,584,824	(18,374,355)	50,872,368
Deferred Inflows of Resources						
Deferred inflows related to OPEB	312,829	-	148,427	698,488	-	1,159,744
Deferred inflows related to pensions	534,083	-	253,406	1,192,510	-	1,979,999
Total deferred inflows of resources	846,912	-	401,833	1,890,998	-	3,139,743
Net Position						
Net investment in capital assets	61,589,224	(5,768,169)	-	6,948,243	-	62,769,298
Restricted:						
Debt service	-	-	-	39,697	-	39,697
Replacement reserve	-	2,941,195	-	-		2,941,195
Home ownership program	1,387,832	-	-	93,556	-	1,481,388
Housing choice voucher program	-	-	-	-	-	-
Unrestricted (Deficit)	109,051,508	15,514,696	(668,142)	46,459,969	-	170,358,031
Total net position	$ 172,028,564	$ 12,687,722	$ (668,142)	$ 53,541,465	$ -	$ 237,589,609

Housing Authority of the City of Milwaukee

Combining Schedule of Revenues, Expenses and Changes in Net Position - Primary Government
Year Ended December 31, 2021

	Low-Income Housing Program	Veterans Housing Program	Housing Choice Voucher Program	General Fund	Combining Adjustments	Total
Operating Revenues						
Tenant revenue:						
Rentals	$ 8,674,560	$ 7,563,599	$ -	$ -	$ -	$ 16,238,159
Other tenant revenue	144,486	105,479	-	-	-	249,965
Total tenant revenue	8,819,046	7,669,078	-	-	-	16,488,124
HUD PHA grant revenue	10,299,509	-	40,180,212	664,915	-	51,144,636
Other revenue:						
Other revenue	2,137,622	788,992	135,475	13,788,390	-	16,850,479
Management fees	-	-	-	3,948,429	(3,948,429)	-
Fees for services	-	-	-	2,597,850	(2,597,850)	-
Bookkeeping fees	-	-	-	284,363	(284,363)	-
Total other revenues	2,137,622	788,992	135,475	20,619,032	(6,830,642)	16,850,479
Total operating revenues	21,256,177	8,458,070	40,315,687	21,283,947	(6,830,642)	84,483,239
Operating Expenses						
Administrative	7,827,788	1,449,055	5,625,984	6,654,485	(4,232,792)	17,324,520
Tenant services	1,333,474	45,126	120	613,559	-	1,992,279
Utilities	3,345,023	931,984	2,500	93,332	-	4,372,839
Ordinary maintenance	7,293,934	1,722,891	117,157	4,900,435	(2,597,850)	11,436,567
Extraordinary maintenance	-	418,670	-	4,167	-	422,837
Protective services	63,615	2,821	-	-	-	66,436
Insurance premiums	743,794	270,505	129,685	363,241	-	1,507,225
Other general expenses	40,053	12,579	744	733,711	-	787,087
Casualty loss, non-capitalized	1,175	101,878	1,725	29,474	-	134,252
Payments in lieu of taxes	554,167	576,777	-	-	-	1,130,944
Bad debt, tenant rents	291,600	148,052	-	-	-	439,652
Housing assistance payments	818	-	34,346,061	-	-	34,346,879
Depreciation expense	3,892,448	420,329	-	358,723	-	4,671,500
Total operating expenses	25,387,889	6,100,667	40,223,976	13,751,127	(6,830,642)	78,633,017
Operating income (loss)	(4,131,712)	2,357,403	91,711	7,532,820	-	5,850,222

Housing Authority of the City of Milwaukee

Combining Schedule of Revenues, Expenses and Changes in Net Position - Primary Government
Year Ended December 31, 2021

	Low-Income Housing Program	Veterans Housing Program	Housing Choice Voucher Program	General Fund	Combining Adjustments	Total
Nonoperating Revenues (Expenses)						
Investment income (loss)	$ 2,137,250	$ (16,757)	$ 25	$ 801,211	$ -	$ 2,921,729
Net loss from investment in partnership	(459,263)	-	-	(90,591)	-	(549,854)
Gain (loss) on disposal of capital assets	2,880,734	-	-	3,936,344	-	6,817,078
Interest expense	-	(530,433)	-	-	-	(530,433)
Total nonoperating revenues (expenses)	4,558,721	(547,190)	25	4,646,964	-	8,658,520
Income (loss) before transfers and capital contributions	427,009	1,810,213	91,736	12,179,784	-	14,508,742
Capital Contributions	4,429,238	-	-	4,635,774	-	9,065,012
Change in net position	4,856,247	1,810,213	91,736	16,815,558	-	23,573,754
Net Position (Deficit), Beginning	167,172,317	10,877,509	(759,878)	36,725,907	-	214,015,855
Net Position (Deficit), Ending	$ 172,028,564	$ 12,687,722	$ (668,142)	$ 53,541,465	$ -	$ 237,589,609

SINGLE AUDIT

Federal Grantor/Pass Through Grantor/Program Title	Federal ALN Number	Pass-Through ID Number	Beginning Balance January 1, 2021	Grant Funds Received	Grant Funds Expensed	Ending Balance December 31, 2021
U.S. Department of Housing and Urban Development						
Section 8 Project, Based Cluster:						
Section 8 Moderate Rehabilitation Single Room Occupancy	14.249	N/A	$ (16,372)	$ 34,437	$ 33,605	$ (17,204)
CDBG, Entitlement Grants Cluster:						
Passed through City of Milwaukee						
Community Development Block Grants/Entitlement Grants	14.218	N/A	-	300,000	300,000	-
Total CDBG, Entitlement Grants Cluster			-	300,000	300,000	-
Public and Indian Housing	14.850	N/A	-	6,687,267	6,687,267	-
COVID-19 - Public and Indian Housing	14.850	N/A	-	545,924	545,924	-
Total Public and Indian Housing			-	7,233,191	7,233,191	-
Resident Opportunity and Supportive Services	14.870	N/A	-	100,615	114,866	14,251
Housing Voucher Cluster:						
Section 8 Housing Choice Vouchers	14.871	N/A	-	38,936,481	38,936,481	-
COVID-19 - Section 8 Housing Choice Vouchers	14.871	N/A	(1,210,126)	-	1,210,126	-
Total Section 8 Housing Choice Vouchers and Housing Choice Voucher Cluster			(1,210,126)	38,936,481	40,146,607	-
Public Housing Capital Fund:	14.872	N/A				
2017 fiscal year			108,531	182,277	91,356	17,610
2018 fiscal year			256,754	1,891,772	1,635,018	-
2019 fiscal year			-	2,344,280	3,134,571	790,291
2020 fiscal year			-	129,385	129,385	-
2021 fiscal year			-	2,337,534	4,807,379	2,469,845
2018 Fiscal Year CFP Emergency Safety and Security			-	172,510	239,982	67,472
Total Public Housing Capital Fund			365,285	7,057,758	10,037,691	3,345,218
HOPE VI Cluster:						
Choice Neighborhoods Implementation Grant	14.889	N/A	730,271	1,892,901	2,093,636	931,006
Jobs-Plus Pilot Initiative Program	14.895	N/A	-	121,704	214,004	92,300
Total U.S. Department of Housing and Urban Development			(130,942)	55,677,087	60,173,600	4,365,571
U.S. Department of Labor						
Passed through Employ Milwaukee:						
Youthbuild	17.279	H0036-HACMYB-240-15-8110 M1	-	36,048	36,048	-
U.S. Department of Treasury						
Passed through City of Milwaukee						
Coronavirus Relief Fund	21.019	N/A	511,419	511,419	-	-
Total federal awards			$ 380,477	$ 56,224,554	$ 60,209,648	$ 4,365,571

See notes to Schedule of Expenditures of Federal Awards

1. Basis of Presentation

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal grant activity of the Housing Authority of the City of Milwaukee (the Authority) under programs of the federal government for the year ended December 31, 2021. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Authority, it is not intended to and does not present the financial position, changes in net position or cash flows of the Authority.

2. Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years. Pass-through entity identifying numbers are presented where available.

3. Cognizant Agency

The U.S. Department of Housing and Urban Development (HUD) has been designated as the federal cognizant agency for the Authority.

4. Indirect Cost Rate

The Housing Authority of the City of Milwaukee has not elected to use the 10% de minimis indirect cost rate of the Uniform Guidance.

5. Status of Prior Year Findings

There were no findings of noncompliance identified as Federal Award Findings and Questioned Costs in the Report on Federal Awards for the year ended December 31, 2020.

Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With *Government Auditing Standards*

Independent Auditors' Report

To the Board of Commissioners of
Housing Authority of the City of Milwaukee

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities and the aggregate discretely presented component units of the Housing Authority of the City of Milwaukee (the Authority), as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements and have issued our report thereon dated September 30, 2022. Our report includes a reference to other auditors who audited the financial statements of Carver Park Tax Credit Limited Partnership, Highland Park Community, LLC, Cherry Court Development, LLC, Convent Hill, LLC, Scattered Sites, LLC, Scattered Sites II, LLC, Olga Village, LLC, Westlawn Renaissance, LLC, Lapham Park, LLC, Westlawn Renaissance II, LLC and Subsidiaries, Holton Terrace, LLC, Becher Court, LLC, Westlawn Renaissance III, LLC, Merrill Park, LLC and Westlawn Renaissance IV, LLC, as described in our report on the Authority's financial statements. The financial statements of Carver Park Tax Credit Limited Partnership, Highland Park Community, LLC, Cherry Court Development, LLC, Convent Hill, LLC, Scattered Sites, LLC, Scattered Sites II, LLC, Olga Village, LLC, Westlawn Renaissance, LLC, Lapham Park, LLC, Westlawn Renaissance II, LLC and Subsidiaries, Holton Terrace, LLC, Becher Court, LLC, Westlawn Renaissance III, LLC, Merrill Park, LLC, National Soldiers Home Residences II, LLC, National Soldiers Home Residences III, LLC, and Westlawn Renaissance VI, LLC were not audited in accordance with *Government Auditing Standards*, and accordingly, this report does not include reporting on internal control over financial reporting or instances of reportable noncompliance associated with the discretely presented component units.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Authority's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We identified a certain deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item 2021-001, that we consider to be a material weakness.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Authority's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

The Authority's Response to Finding

Government Auditing Standards requires the auditor to perform limited procedures on the Authority's response to the finding identified in our audit and described in the accompanying schedule of findings and questioned costs. The Authority's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Baker Tilly US, LLP

Milwaukee, Wisconsin
September 30, 2022

Report on Compliance
for the Major Federal Program and
Report on Internal Control Over Compliance
Required by the Uniform Guidance

Independent Auditors' Report

To the Board of Commissioners of
Housing Authority of the City of Milwaukee

Report on Compliance for the Major Federal Program

Opinion on the Major Federal Program

We have audited the Housing Authority of the City of Milwaukee's (the Authority) compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on the Authority's major federal program for the year ended December 31, 2021. The Authority's major federal program is identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Authority complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended December 31, 2021.

Basis for Opinion on the Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Authority and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for the major federal program. Our audit does not provide a legal determination of the Authority's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation and maintenance of effective internal controls over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the Authority's federal programs.

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Authority's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Authority's compliance with the requirements of the major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Authority's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.

- Obtain an understanding of the Authority's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as described above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Baker Tilly US, LLP

Milwaukee, Wisconsin
September 30, 2022

Section I - Summary of Auditors' Results

Financial Statements

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP:	Unmodified	
Internal control over financial reporting:		
Material weakness(es) identified?	X yes	___ no
Significant deficiency(ies) identified?	___ yes	X none reported
Noncompliance material to financial statements noted?	___ yes	X no

Federal Awards

Internal control over major federal programs:		
Material weakness(es) identified?	___ yes	X no
Significant deficiency(ies) identified?	___ yes	X none reported
Type of auditor's report issued on compliance for major federal programs:	Unmodified	
Any audit findings disclosed that are required to be reported in accordance with section 2 CFR 200.516(a) of the Uniform Guidance?	___ yes	X no
Auditee qualified as low-risk auditee:		
Federal programs	___ yes	X no
Dollar threshold used to distinguish between Type A and Type B programs		
Federal	$1,806,289	

Identification of major federal program:

ALN Number	Name of Federal Program or Cluster
14.871	Housing Voucher Cluster: Section 8 Housing Choice Vouchers COVID-19 – Section 8 Housing Choice Vouchers

Section II - Financial Statement Findings

Finding 2021-001: ***Internal Control Over Financial Reporting***

Repeat of prior year finding 2020-001.

Criteria: A system of internal control should be in place that provides reasonable assurance that year-end financial statements are complete and accurate.

Condition: There is a lack of controls over the year-end financial reporting process. A material misstatement in the general ledger was identified during the financial audit.

Cause: The Authority did not have all material transactions recorded prior to the audit.

Effect: The Authority's financial records may be materially misstated before the annual audit is completed.

Recommendation: The Authority should develop an action plan to ensure all material year-end adjustments are recorded by Authority staff prior to audit fieldwork. Account reconciliations, specifically the reconciliation of inter-program activity, should be prepared timely throughout the year.

Views of Responsible Officials: The Housing Authority does have some internal controls over all journal entries, they are reviewed by the Finance Director and approved. We continue to review notes receivable and payable balances that are to be eliminated for financial reporting to ensure they are fully recorded by the time final audit filed work commences. As far as prior year grant expenses we will endeavor to draw funds monthly but are sometimes delayed because the funds are not released. And the Accounting Team will need to be more cognizant of prior year’s expenditures and that the reimbursement is requested as timely as possible so the revenue is recognized in the right year.

Section III - Federal Awards Findings and Questioned Costs

There were no findings or questioned costs required to be reported related to federal awards.