Ann Arbor Housing Commission

Financial Statement Highlights
For the Period Ending June 30, 2020
*** Unaudited ***

Below is a summary of the financial activity for AAHC for the twelve months of FY20 ending June 30, 2020. These financial reports are not final at this time. They have not been audited are are expected to change.

CONSOLIDATED RESULTS	YTD Actual	YTD Budget	YTD Variance
Total Revenue	19,743,208	15,893,014	3,850,194
Total Expenses	19,807,550	15,891,148	(3,916,402)
Total Net Income	(64,342)	1,866	(66,208)

Please note that year-end entries related to depreciation have not been made and are not yet reflected in the preliminary financials.

Notable Variances:

- Revenue overall is higher than budgeted in several areas:
  - **Central Office** - due to additional City support for mental health and non-profit support services. Also, capital grant funding that is being passed through to River Run and Maple Tower for much needed building improvements at Baker Commons and Miller Manor as well as unbudgeted revenue related to a City-owned property affordable housing study/analysis. We also received additional revenue from the City related to COVID-19 for eviction prevention.
  - **Section 8 Voucher Program** - due to higher HAP and Admin Fee funding from HUD as a result of special vouchers awarded late last year/early this year and additional shortfall funding received. Additionally, we received unbudgeted funding as part of the CARES Act related to COVID-19 relief.
- Total **Administrative Expenses** are higher than budgeted. This is due to additional expenses related to COVID-19 (which are off-set by additional revenue from HUD and the City) as well as consultant expenses which are related to the City-owned property affordable housing study and are off-set by the additional unbudgeted revenue mentioned above.
- **Tenant Services Expenses** are below budget mainly due to COC-related expenses that were budgeted for the full year, but the remaining Avalon CoC grant was transferred to Avalon to administer effective April 1.
- **Maintenance Expenses** are higher than budgeted mainly due to expenses related to COVID-19.
- Total **Housing Assistance Payments** are higher than budgeted for **Section 8.** As indicated in the revenue section, for the **Section 8** program, the higher HAP expenses are in part due to the additional new FUP and MS5 vouchers that were recently awarded, but also because of increased subsidy levels as a result of higher rents in the community.
- Total **Non-Operating Items** include transfers to the Swift Lane project as well as transfers to the River Run and Maple Tower properties for the funding of their major building improvements mentioned above.

Net Operating Income

* The **net operating loss overall** is mainly due to the **Section 8** program and is related to HAP revenue received which fell short of the HAP amounts paid to landlords through June.