

## Ann Arbor Housing Commission

### Financial Statement Highlights For the Period Ending September 30, 2020

Below is a summary of the financial activity for AAHC for the first quarter of FY21 ending September 30, 2020.

<b>CONSOLIDATED RESULTS</b>	<b><u>YTD Actual</u></b>	<b><u>YTD Budget</u></b>	<b><u>YTD Variance</u></b>
<b>Total Revenue</b>	5,694,926	4,894,833	800,093
<b>Total Expenses</b>	5,439,450	4,895,022	(544,428)
<b>Total Net Income</b>	<u>255,476</u>	<u>(189)</u>	<u>255,665</u>

#### Notable Variances:

- Revenue overall is higher than budgeted which is the result of higher HAP and Admin Fee funding received from HUD in the **Section 8** program. The higher Admin Fee funding includes revenue received as part of the CARES Act in response to the COVID-19 pandemic. In addition, a significant amount of miscellaneous revenue was recognized for **COCC** which represents funding for miscellaneous projects, i.e. for the affordable housing analysis project, pre-entitlement of 350 S. 5th Avenue, as well as Swift Lane development improvement funding. All of the additional revenue is off-set by corresponding expenses in either the Consultants or the Operating Trsf from/to Component Unit expense line item.
- Total **Administrative Expenses** are lower than budgeted. This is mostly due to lower than budgeted administrative salaries. For the month of July, the City was not paying into the pension fund and reduced VEBA contributions as part of cost containment measures related to COVID-19 resulting in lower expenses.
- **Tenant Services Expenses** are below budget mainly due to the lag in time between non-profit billing of actual expenditures and the budget.
- **Maintenance Expenses** are higher than budget mainly due to increased Janitorial/Cleaning Contract costs that are related to the COVID-19 pandemic. These expenses are off-set by CARES Act revenue received from HUD.
- **General Expenses** are higher than budgeted due to expenditures related to COVID-19. These expenses are off-set by CARES Act revenue received from HUD.
- **Housing Assistance Payments** are higher than budgeted for **Section 8**. This is in part due to the lease-up of new special purpose vouchers. Additionally, we have been experiencing increased subsidy levels that are attributable to the reduction of tenant income due to the COVID-19 pandemic as well as higher rents in the community.

#### Net Operating Income

- \* The **net operating gain** is mainly due to the increased revenue for both HAP and Admin Fee revenue in the **Section 8** program from the CARES Act, but also due to lower overall expenses due to timing differences in **Central Office**.