

## Ann Arbor Housing Commission

### Financial Statement Highlights For the Period Ending February 28, 2021

Below is a summary of the financial activity for AAHC for the first eight months of FY21 ending February 28, 2021.

<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>	15,478,537	13,052,888	2,425,649
<b>Total Expenses</b>	14,260,120	13,059,582	(1,200,538)
<b>Total Net Income</b>	<u>1,218,417</u>	<u>(6,694)</u>	<u>1,225,111</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. Most 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. Additionally, Management and Bookkeeping fee revenue is higher than budgeted mainly due to the additional revenue in the Section 8 program.
- Total **Administrative Expenses** are slightly lower than budgeted. While some individual areas in this category are higher-than-budgeted (i.e. admin salaries, management fee expenses), other items are below budget (i.e. Consultant expenses, and miscellaneous admin expenses).
- **Tenant Services Expenses** are over budget mainly due to unbudgeted expenses related to the Covid-19 pandemic that were recorded in the Section 8 program. These expenses are off-set by the additional revenue noted above.
- **Maintenance Expenses** are higher than budget due to increased supply and 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 security contract 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**.