

## Ann Arbor Housing Commission

### Financial Statement Highlights For the Period Ending June 30, 2019

Below is a summary of the financial activity for AAHC for the twelve months ending June 30, 2019.

<b>CONSOLIDATED RESULTS</b>	<b>YTD Actual</b>	<b>YTD Budget</b>	<b>YTD Variance</b>
<b>Total Revenue</b>	16,662,915	15,055,198	1,607,717
<b>Total Expenses</b>	17,119,028	15,051,458	(2,067,570)
<b>Total Net Income</b>	(456,113)	3,740	(459,853)

#### Notable Variances:

- Revenue overall is higher than budgeted which is mainly the result of increased **Voucher Program** rent subsidies due to the award of additional special program vouchers (Non-Elderly Disabled and Family Reunification). The increased revenue is off-set by higher HAP expenses in the form of rent payments to landlords.
- Total **Administrative Expenses** are higher than budget mainly due to West and East AMP not having a budget for FY19 based on the assumption that they would have been absorbed by the Swift Lane converted in Feb 2019.
- **Tenant Services Expenses** are below budget which is related to the **Continuum of Care** program for pass-through payments to non-profit service providers. The rent subsidies are paid in advance and the support services are paid retroactively.
- **Utilities, Total Maintenance and Total General Expenses** are over budget because the budget assumed that the remaining public housing portfolio (**West and East AMP**) would have been converted under RAD to Swift Lane earlier and were, therefore, not included in the AAHC budget. Conversion happened in February 2019.
- Total **Housing Assistance Payments** are higher than budgeted for **Section 8** as well as **Continuum of Care** and are off-set by higher than budgeted revenue in related to this category.
- Total **Non-Operating Items** include transfers to the Swift Lane project as well as transfers from **AAHDC** for necessary infrastructure repairs that were made at the Oakwood and Broadway properties. The repairs were significant and are, therefore, being capitalized as assets on the balance sheet. This category also includes large losses on the sale of fixed assets which represents the transfer of assets from East and West AMP to Swift Lane and Colonial Oaks.

#### Net Operating Income

- \* **Net loss overall** is higher than budgeted and is primarily from **Section 8**. The loss reflected for Section 8 is split between the administrative and HAP portions of the program and - for the HAP portion - is mainly the result of a timing difference between the expenses incurred versus revenue received.
- \* These losses have been mitigated through a city rebate of \$144,877 from the Risk Fund due to better than expected performance over the last 4 years, as well as an additional \$60,000 in city general funds approved by city council in May 2019.