

Ann Arbor Housing Commission

Financial Statement Highlights For the Period Ending June 30, 2021

*** PRELIMINARY & UNAUDITED ***

Below is a summary of the financial activity for AAHC for FY21 ending June 30, 2021.

CONSOLIDATED RESULTS	YTD Actual	YTD Budget	YTD Variance
Total Revenue	21,866,053	19,579,332	2,286,721
Total Expenses	21,526,058	19,579,306	(1,946,752)
Total Net Income	339,995	26	339,969

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 fee revenue is higher than budgeted mainly due to the additional revenue in the Section 8 program.
- Total **Administrative Expenses** are higher than budgeted. This is mainly the result of unbudgeted Temporary Help expenses as well as higher-than-budgeted expenses related to overtime as well as retiree insurance benefits. In addition, higher office supply expenses are related to the pandemic and are covered by CARES Act revenue.
- **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.