

Ann Arbor Housing Commission

Financial Statement Highlights For the Period Ending December 31, 2022

Below is a summary of the financial activity for AAHC for the first half of FY23 ending December 31, 2022.

CONSOLIDATED RESULTS	<u>YTD Actual</u>	<u>YTD Budget</u>	<u>YTD Variance</u>
Total Revenue	12,445,331	11,260,666	1,184,665
Total Expenses	12,169,653	11,303,561	(866,092)
Total Net Income	<u>275,678</u>	<u>(42,895)</u>	<u>318,573</u>

Notable Variances:

- **Revenue** overall is higher than budgeted which is mainly the result of higher lease-up which increases both the HAP and Admin Fee revenue in the **Section 8** programs.
- Total **Administrative Expenses** are below budget as a result of lower-than-budgeted admin salaries overall as well as timing differences for several expense line items.
- **Tenant Services Expenses** are in line with budget.
- **Maintenance Expenses** are over budget due to unbudgeted expenses related to lawn care as well as the purchase of AED units.
- **General Expenses** represent insurance costs which are over budget due to a significant premium increase for 2022.
- **Housing Assistance Payments** are higher than budget for **Section 8 due to increased lease-up**

Net Operating Income

- * The **net operating gain** is due to the receipt of higher-than-budgeted HAP and Admin fee revenues than related expenses in the **Section 8 programs** for which timing is a significant factor and we expect this to come in line within the next few months. We did not go into shortfall for 2022.