

Ann Arbor Housing Commission

Financial Statement Highlights
For the Period Ending March 31, 2025

Below is a summary of the financial activity for AAHC for the three quarters of the 2025 fiscal year ending March 31, 2025.

CONSOLIDATED RESULTS	YTD Actual	YTD Budget	YTD Variance
Total Revenue	23,868,904	21,031,650	2,837,254
Total Expenses	24,014,832	21,089,862	(2,924,970)
Total Net Income	<u>(145,929)</u>	<u>(58,212)</u>	<u>(87,717)</u>

Notable Variances:

- Revenue overall is higher than budgeted which is mainly the result of higher than budgeted HAP and Admin funds received from HUD in the **Section 8** program. In addition, we received unbudgeted grant funding in the **Central Office** cost center. This funding is related and was passed through to the new development at 121 Catherine. In addition, management fee revenue is higher than budgeted for Central Office.
- Total **Administrative Expenses** are in line with budget.
- **Tenant Services Expenses** are in line with budget.
- **Maintenance Expenses** are higher than budgeted. This is mainly driven by the Garden cost center not having a budget for FY25 because we thought HUD would have approved the conversion of Garden to PBV by August 2024
- **General Expenses** significantly higher than budget which is the result of the pass-through funding related to the 121 Catherine development mentioned in the revenue section above.
- **Housing Assistance Payments** are higher than budget for **Section 8** mainly due to higher lease-up in specialty voucher programs.

Net Operating Income

- * The **net operating loss** is the lingering result of going into shortfall in the **Section 8 programs** (specifically for the MTW and HCV programs). The cause for the shortfall are increasing rents in the area which are - in turn - causing the HAP subsidies to go up while HAP revenue from HUD did not increase. We received shortfall funding in January which did not quite cover the total amount of shortfall. We have received confirmation from HUD that we will be receiving additional shortfall funding of around \$136,000 in the first calendar quarter of 2025, however, we have not received the additional funding yet.