

## Ann Arbor Housing Commission

### Financial Statement Highlights For the Period Ending March 31, 2023

Below is a summary of the financial activity for AAHC for the first three quarters of FY23 ending March 31, 2023.

<b>CONSOLIDATED RESULTS</b>	<b>YTD Actual</b>	<b>YTD Budget</b>	<b>YTD Variance</b>
<b>Total Revenue</b>	18,676,615	16,928,368	1,748,247
<b>Total Expenses</b>	18,752,114	16,942,709	(1,809,405)
<b>Total Net Income</b>	(75,499)	(14,341)	(61,158)

#### Notable Variances:

- **Revenue** overall is higher than budgeted which is mainly the result of higher lease-up in the voucher program, 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 due to partial salaries covered by grants and millages overall as well as timing differences for several expense line items.
- **Tenant Services Expenses** are higher than budgeted in part due to the new fungibility that is possible under MTW for the Section 8 programs.
- **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 loss** is due to higher-than-budgeted HAP and Admin expenses than related revenue in the **Section 8 programs** for which timing is a significant factor, and we expect this to come in line within the remaining few months of the fiscal year.

In addition, the loss reflected in the **Central Office Cost Center** is largely due to timing differences between actual and budget related to the new 2023 FSS grant. We are one quarter behind in recording FSS revenue for the new grant as it has not been available to draw down in the HUD system. We anticipate for this to be caught up in April 2023.