Ann Arbor Housing Commission

Financial Statement Highlights
For the Period Ending December 31, 2019

Below is a summary of the financial activity for AAHC for the first half of FY20 ending December 31, 2019.

CONSOLIDATED RESULTS	YTD Actual	YTD Budget	YTD Variance
Total Revenue	9,716,403	7,946,496	1,769,907
Total Expenses	9,277,801	7,945,698	(1,332,103)
Total Net Income	438,602	798	437,804

Notable Variances:

- Revenue overall is higher than budgeted in several areas:
  - **Central Office** - due to additional City support for mental health and non-profit support services, capital grant funding that is being passed through to River Run for much needed building improvements at Baker Commons as well as unbudgeted revenue related to a City-owned property affordable housing study/analysis.
  - **Section 8 Voucher Program** - due to higher HAP and Admin Fee funding from HUD as a result of special vouchers awarded late last year/early this year and additional shortfall funding received.
- Total **Administrative Expenses** are higher than budgeted. This is mainly due to consultant expenses in Central Office which are related to the City-owned property affordable housing study which are off-set by the additional unbudgeted revenue mentioned above.
- **Tenant Services Expenses** are below budget which is due to timing differences between receiving revenue from the City and getting billed for services by nonprofits
- Total **Housing Assistance Payments** are higher than budgeted for **Section 8.** As indicated in the revenue section, for the **Section 8** program, the higher HAP expenses are in part due to the additional new FUP and NED vouchers that were recently awarded, but also because of increased subsidy levels as a result of higher rents in the community.
- Total **Non-Operating Items** include transfers to the Swift Lane project as well as transfers to the River Run property for the capital funding of their building improvements mentioned above.

Net Operating Income

* The **net gain overall** is higher than budgeted and is primarily from **Section 8** which reflects a significant gain that is due to additional HAP and Admin Fee funding received in December. The gain is also partially attributable to timing differences between revenue and tenant services expenses in **COCC** that are expected to come in line by fiscal year-end.