

Ann Arbor Housing Commission

Financial Statement Highlights For the Period Ending October 31, 2019

Below is a summary of the financial activity for AAHC for the first four month of FY20 ending October 31, 2019.

CONSOLIDATED RESULTS	YTD Actual	YTD Budget	YTD Variance
Total Revenue	6,091,168	5,297,664	793,504
Total Expenses	6,148,921	5,297,208	(851,713)
Total Net Income	(57,753)	456	(58,209)

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 as well as capital grant funding that is being passed through to River Run for much needed building improvements at Baker Commons.
 - **Section 8 Voucher Program** - due to higher HAP funding from HUD partly as a result of special vouchers awarded recently but also because HUD released an additional \$350,000 in HAP revenue in July 2019 for the agency to be able to cover the increased HAP expenses while the agency is in shortfall.
- Total **Administrative Expenses** are lower than budget mainly due to lower admin salaries for both Central Office and Section 8, which is partly due to vacant positions.
- **Tenant Services Expenses** are below budget which is mainly due to timing differences.
- 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 loss overall** is higher than budgeted and is primarily from **Section 8** which reflects a large loss that is due to the higher Housing Assistance expenses in that program as mentioned above.