

Ann Arbor Housing Commission

Financial Statement Highlights
For the Period Ending December 31, 2024

Below is a summary of the financial activity for AAHC for the first half of the 2025 fiscal year ending December 31, 2024.

CONSOLIDATED RESULTS	<u>YTD Actual</u>	<u>YTD Budget</u>	<u>YTD Variance</u>
Total Revenue	15,160,894	14,021,100	1,139,794
Total Expenses	16,009,078	14,059,908	(1,949,170)
Total Net Income	<u>(848,184)</u>	<u>(38,808)</u>	<u>(809,376)</u>

Notable Variances:

- **Revenue** overall is slightly higher than budgeted which is mainly the result of unbudgeted funding granted to AAHC and received 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** and so are HAP and Admin funds received from HUD in the **Section 8** cost center.
- 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.
- **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** due to increased lease-up and increasing rents in the area.

Net Operating Income

- * The **net operating loss** is the 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 had to apply for shortfall funding from HUD which was approved in December but not received until January 2025.