

Ann Arbor Housing Commission

Financial Statement Highlights For the Period Ending June 30, 2025 ***** PRELIMINARY & UNAUDITED *****

Below is a summary of the financial activity for AAHC for the twelve months of the 2025 fiscal year ending June 30, 2025.

Please note that the financial results for these statements are preliminary and unaudited. They are expected to change with the finalization of the financial audit.

CONSOLIDATED RESULTS	<u>YTD Actual</u>	<u>YTD Budget</u>	<u>YTD Variance</u>
Total Revenue	32,294,842	28,042,186	4,252,656
Total Expenses	32,432,209	28,145,481	(4,286,728)
Total Net Income	<u>(137,367)</u>	<u>(103,295)</u>	<u>(34,072)</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 slightly 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 as well as increasing unit rents in the community which are driving the amounts of subsidies paid to landlords up.

Net Operating Income

- * The **net operating loss** is due to **Section 8 programs** (specifically for the MTW and HCV programs). We received additional HAP funding related to the CY24 shortfall in April and June 2025 which has reduced the overall loss in the Section 8 programs from the prior month, but the HAP expenses have continued to exceed the revenue received from HUD, over which we have little control.