

## Ann Arbor Housing Commission

### Financial Statement Highlights For the Period Ending September 30, 2022

Below is a summary of the financial activity for AAHC for the first quarter of FY23 ending September 30, 2022.

<b>CONSOLIDATED RESULTS</b>	<b><u>YTD Actual</u></b>	<b><u>YTD Budget</u></b>	<b><u>YTD Variance</u></b>
<b>Total Revenue</b>	5,767,992	5,630,383	137,609
<b>Total Expenses</b>	5,987,243	5,643,413	(343,830)
<b>Total Net Income</b>	<u>(219,251)</u>	<u>(13,030)</u>	<u>(206,221)</u>

#### Notable Variances:

- **Revenue** overall is higher than budgeted which is mainly the result of higher HAP and Admin Fee revenue than budgeted in the **Section 8** programs.
- Total **Administrative Expenses** are below budget as a result of lower-than-budgeted admin salaries overall.
- **Tenant Services Expenses** are lower than budgeted mainly due to timing differences between actual and budget.
- **Maintenance Expenses** are over budget due to timing differences.
- **General Expenses** represent insurance costs which are over budget.
- **Housing Assistance Payments** are higher than budget for **Section 8**.

#### Net Operating Income

- \* The **net operating loss** is due to lower HAP revenues than related expenses in the **Section 8** programs. This is largely the result of the reversal of a required accrual entry made for FY22 HAP revenue, but also because HAP expenses have exceeded revenues. We have had a recent meeting with HUD and were assured that - based on HUD's projections - we do not expect to go into shortfall for this calendar year.