

Ann Arbor Housing Commission

Financial Statement Highlights
For the Period Ending February 28, 2023

Below is a summary of the financial activity for AAHC for the eight months of FY23 ending February 28, 2023.

CONSOLIDATED RESULTS	<u>YTD Actual</u>	<u>YTD Budget</u>	<u>YTD Variance</u>
Total Revenue	16,566,947	15,039,134	1,527,813
Total Expenses	16,487,470	15,062,993	(1,424,477)
Total Net Income	<u>79,477</u>	<u>(23,859)</u>	<u>103,336</u>

Notable Variances:

- **Revenue** overall is higher than budgeted which is mainly the result of higher lease-up in the voucher program, which increases both the HAP and Admin Fee revenue in the **Section 8** programs.
- Total **Administrative Expenses** are below budget as a result of lower-than-budgeted admin salaries due to partial salaries covered by grants and millages overall as well as timing differences for several expense line items.
- **Tenant Services Expenses** are higher than budgeted in part due to the new fungibility that is possible under MTW for the Section 8 programs.
- **Maintenance Expenses** are over budget due to unbudgeted expenses related to lawn care as well as the purchase of AED units.
- **General Expenses** represent insurance costs which are over budget due to a significant premium increase for 2022.
- **Housing Assistance Payments** are higher than budget for **Section 8** due to increased lease-up.

Net Operating Income

- * The **net operating gain** is mainly due to recent HUD changes related to FSS forfeitures as part of the Section 8 programs. The new HUD regulations lets forfeited escrows be used for expenses to support current FSS participants. At this time, we have \$58,825 in FSS forfeitures with no associated participant support expenses. We anticipate to start spending the forfeiture funding within the next few months bringing revenues and expenses more in line.