Ann Arbor Housing Commission

Financial Statement Highlights
For the Period Ending August 31, 2019

Below is a summary of the financial activity for AAHC for the second month of FY20 ending August 31, 2019.

CONSOLIDATED RESULTS	YTD Actual	YTD Budget	YTD Variance
Total Revenue	3,246,039	2,648,832	597,207
Total Expenses	3,018,859	2,648,718	(370,141)
Total Net Income	227,180	114	227,066

Please note that public housing (formerly East and West AMP) is no longer included in the AAHC financials as it was converted under RAD at the closing for the Swift Lane property and has been absorbed into Swift Lane or Colonial Oaks, effectively eliminating our public housing portfolio.

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.
  - **Continuum of Care** - higher than budgeted revenues are off-set by higher expenses. These variances are the result of a timing difference and we expect both revenues and expenses to be in line by fiscal year-end.
- Total **Administrative Expenses** are lower than budget mainly due to lower admin salaries for both Central Office and Section 8. This is partly the result of the June 2019 year-end payroll accrual but also due to a vacant position in the Section 8 program.
- **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 well as **Continuum of Care.** 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. For the **Continuum of Care** program the variances are related to timing differences.
- 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 gain overall** is higher than budgeted and is primarily from **Section 8** due to the additional revenue released by HUD. We expect for the gain to be reduced within the next few months as the HUD funding returns to normal levels and HAP expenses remain at relatively increased levels. **Central Office** is also contributing to the gain which is mainly a timing difference related to the additional revenue from the City for non-profit and mental health services, which we receive in regular monthly increments but the non-profits bill us at a variety of times retroactively.