

AAHC - Tax Credit Properties

**Financial Statement Highlights**  
**For the Period Ending June 30, 2020**

Below is a summary of the financial activity for Maple Tower, River Run, West Arbor and Swift Lane LDHA for the first six months of the FY20 fiscal year ending June 30, 2020.

MAPLE TOWER LDHA	YTD Actual	YTD Budget	YTD Variance
Total Revenue	718,109	607,626	110,483
Total Expenses	870,418	876,618	6,200
Total Net Income	(152,309)	(268,992)	116,683
NOI less non-operating	89,231	68,580	20,651

YTD Debt Service Coverage Ratio (>1.15): **1.50**  
 Replacement Reserve Balance: **\$170,059**  
 Operating Reserve Balance: **\$276,515**

Revenue:

- The Revenue for the property is higher than budgeted and occupancy remains stable. The higher revenue is also in part due to the recognition of DDA and AAHF funding for Miller Manor and Maple Meadows that was received through AAHC to cover major expenses at the properties. The grant revenue covered a new tenant entry system and common area flooring replacements for the first and second floor at Miller Manor as well as the installation of a new security camera system at Maple Meadows. All of these projects have been capitalized.

Expenses:

- Total **Administrative Expenses** overall are slightly below budget.
- Tenant Services Expenses** are higher than budgeted due to the purchase of new lobby chairs as well as replacement partitions for the community room at Miller Manor.
- Utility Expenses** are higher than budgeted mainly due to the gas expense being over budget. We expect this overage to come back in line with budget by fiscal year end.
- Maintenance Expenses** are below budget overall. This is mainly due to lower general maintenance expenses (including temporary labor, maintenance wages and overtime) as well as lower material expenses as well as unit turn costs.
- General Expenses** are in line with budget.
- Financing Expenses** are below budget because the January 2020 mortgage payment was taken out of the bank account early (in December 2019) by the lender, Cinnaire, and was, therefore, recorded in December 2019.
- Non-Operating Items** represent the depreciation expense which is in line with budget.

RIVER RUN LDHA	YTD Actual	YTD Budget	YTD Variance
Total Revenue	543,953	535,578	8,375
Total Expenses	693,884	741,658	47,774
Total Net Income	(149,931)	(206,080)	56,149
NOI less non-operating	89,152	31,874	57,278

YTD Debt Service Coverage Ratio (>1.15): **4.80**  
 Replacement Reserve Balance: **\$278,199**  
 Operating Reserve Balance: **\$216,271**

Revenue:

- The Revenue for the property is higher than budgeted and occupancy remains stable.

Expenses:

- Total **Administrative Expenses** overall are in line with budget.
- Utility Expenses** overall are below budget which is mainly due to timing differences in receiving utility bills.
- Maintenance Expenses** are below budget overall mainly as a result of lower-than-budgeted General Maintenance expenses (including temporary labor, salaries and overtime) as well as lower Appliance costs and Unit Turn expenses.
- General Expenses** are in line with budget.
- Financing Expenses** are below budget because the January 2020 mortgage payment was taken out of the bank account early (in December 2019) by the lender, Cinnaire, and was, therefore, recorded in December 2019.
- Non-Operating Items** represent the depreciation expense which is largely in line with budget.

WEST ARBOR LDHA	YTD Actual	YTD Budget	YTD Variance
Total Revenue	354,134	342,696	11,438
Total Expenses	496,439	506,750	10,311
Total Net Income	(142,305)	(164,054)	21,749
NOI less non-operating	113,652	92,242	21,410

YTD Debt Service Coverage Ratio (>1.15): **1.40**  
 Replacement Reserve Balance: **\$79,976**  
 Operating Reserve Balance: **\$211,905**

Revenue:

- The Revenue for the property is higher than budgeted and occupancy remains stable.

Expenses:

- Total **Administrative Expenses** overall are slightly below budget.
- Utilities** are slightly below budget.
- Maintenance Expenses** are below budget overall mainly as a result of lower-than-budgeted General Maintenance expenses (including temporary help, salaries and overtime).
- General Expenses** are in line with budget.
- Financing Expenses** and **Non-Operating Items** represent the mortgage interest and deprecation expenses and are both in line with budget.

SWIFT LANE LDHA	YTD Actual	YTD Budget	YTD Variance
Total Revenue	110,088	391,566	(281,478)
Total Expenses	(11,448)	265,600	277,048
Total Net Income	121,536	125,966	(4,430)

Please note: Swift Lane is currently still under development and, therefore, not operational yet.

Revenue:

- Actual revenue for the property represent RAD rehab vacancy payments to the property while it is under construction.

Expenses:

- Expenses are limited while the property is under development. The negative expense in Operating Transfers-IN represents the HUD CFP funding to cover vacancies during development of the project. In FY19, the property was eligible to receive 10 months of vacancy payments totaling \$186,480. However, because the CFP funding was not accessible at the time, we were only able to use the operating funds through December 2019 which totaled \$77,568 leaving \$108,912 unfunded. This funding is designated to cover the unfunded gap.