

**AAHC - Tax Credit Properties**

**Financial Statement Highlights  
For the Period Ending July 31, 2020**

Below is a summary of the financial activity for Maple Tower, River Run, West Arbor and Swift Lane LDHA for the first seven months of the FY20 fiscal year ending July 31, 2020.

MAPLE TOWER LDHA	YTD Actual	YTD Budget	YTD Variance
Total Revenue	821,275	708,897	112,378
Total Expenses	1,008,117	1,021,425	13,308
Total Net Income	(186,842)	(312,528)	125,686
NOI less non-operating	110,990	81,306	29,684

YTD Debt Service Coverage Ratio (>1.15): **1.60**  
 Replacement Reserve Balance: **\$173,858**  
 Operating Reserve Balance: **\$276,526**

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 those properties. The grant revenue covered a new tenant entry system and common area flooring replacements 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 seasonal 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. Reduced costs were due to a 2 month delay for routine work orders because of COVID-19. Maintenance started responding to routine work orders again and is fully staffed and fully operational.
- 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	634,093	624,841	9,252
Total Expenses	810,675	864,870	54,195
Total Net Income	(176,582)	(240,029)	63,447
NOI less non-operating	102,760	37,584	65,176

YTD Debt Service Coverage Ratio (>1.15): **4.74**  
 Replacement Reserve Balance: **\$282,009**  
 Operating Reserve Balance: **\$216,280**

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. Reduced costs were due to a 2 month delay for routine work orders because of COVID-19. Maintenance started responding to routine work orders again and is fully staffed and fully operational.
- 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	412,861	399,812	13,049
Total Expenses	572,097	589,677	17,580
Total Net Income	(159,236)	(189,865)	30,629
NOI less non-operating	139,334	109,148	30,186

YTD Debt Service Coverage Ratio (>1.15): **1.48**  
 Replacement Reserve Balance: **\$81,197**  
 Operating Reserve Balance: **\$211,912**

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). Reduced costs were due to a 2 month delay for routine work orders because of COVID-19. Maintenance started responding to routine work orders again and is fully staffed and fully operational.
- General Expenses** are in line with budget.
- Financing Expenses** and **Non-Operating Items** represent the mortgage interest and depreciation expenses and are both in line with budget.

SWIFT LANE LDHA	YTD Actual	YTD Budget	YTD Variance
Total Revenue	128,436	456,827	(328,391)
Total Expenses	2,591	309,806	307,215
Total Net Income	125,845	147,021	(21,176)

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 of \$91,678 in Operating Transfers-IN represents the HUD CFP funding to cover vacancies during development of the project for FY19 but we did not receive until January 2020 in FY20.