

**AAHC - Tax Credit Properties**

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

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

MAPLE TOWER LDHA	YTD Actual	YTD Budget	YTD Variance
Total Revenue	921,300	810,168	111,132
Total Expenses	1,152,856	1,166,232	13,376
Total Net Income	(231,555)	(356,064)	124,509
NOI less non-operating	122,560	94,032	28,528

YTD Debt Service Coverage Ratio (>1.15): 1.55  
 Replacement Reserve Balance: \$177,654  
 Operating Reserve Balance: \$276,536

Revenue:

- The Revenue for the property is higher than budgeted and occupancy remains stable. The higher revenue is 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 seasonal increases for electric and gas expenses. 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	724,341	714,104	10,237
Total Expenses	937,218	988,082	50,864
Total Net Income	(212,876)	(273,978)	61,102
NOI less non-operating	106,722	43,294	63,428

YTD Debt Service Coverage Ratio (>1.15): 4.31  
 Replacement Reserve Balance: \$285,814  
 Operating Reserve Balance: \$216,288

Revenue:

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

Expenses:

- Total **Administrative Expenses** overall are slightly below budget.
- Utility Expenses** overall are below budget which is mainly due to timing differences.
- 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 slightly higher than budgeted due to the addition of a few capital improvements that were recently added and are now being depreciated.

WEST ARBOR LDHA	YTD Actual	YTD Budget	YTD Variance
Total Revenue	471,167	456,928	14,239
Total Expenses	646,034	672,604	26,570
Total Net Income	(174,867)	(215,676)	40,809
NOI less non-operating	166,304	126,052	40,252

YTD Debt Service Coverage Ratio (>1.15): 1.54  
 Replacement Reserve Balance: \$82,417  
 Operating Reserve Balance: \$211,919

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 - mainly due to timing differences.
- 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	146,784	522,088	(375,304)
Total Expenses	21,334	354,012	332,678
Total Net Income	125,450	168,076	(42,626)

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.