

AAHC - Tax Credit Properties

Financial Statement Highlights
For the Period Ending May 31, 2020

Below is a summary of the financial activity for Maple Tower, River Run, West Arbor and Swift Lane LDHA for the five month of the FY20 fiscal year ending May 31, 2020.

| MAPLE TOWER LDHA | YTD Actual | YTD Budget | YTD Variance |
|------------------------|------------|------------|--------------|
| Total Revenue | 557,537 | 506,355 | 51,182 |
| Total Expenses | 745,269 | 731,811 | (13,458) |
| Total Net Income | (187,732) | (225,456) | 37,724 |
| NOI less non-operating | 85,824 | 55,854 | 29,970 |

YTD Debt Service Coverage Ratio (>1.15): **1.73**
 Replacement Reserve Balance: **\$166,254**
 Operating Reserve Balance: **\$276,505**

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 funding for Miller Manor received through AAHC to cover major expenses at the property related to the flooring replacement of the common areas on the first and second floor as well as lighting upgrades for the community room.

Expenses:

- Total **Administrative Expenses** overall are in line with 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 higher than budget due to the costs related to the common flooring replacement mentioned above as well as higher actual expenses for HVAC Contract Costs which were related to the installation of exhaust fans and the inspection and cleaning of the boiler at Miller Manor.
- 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 | 453,840 | 446,315 | 7,525 |
| Total Expenses | 561,387 | 618,446 | 57,059 |
| Total Net Income | (107,547) | (172,131) | 64,584 |
| NOI less non-operating | 91,275 | 26,164 | 65,111 |

YTD Debt Service Coverage Ratio (>1.15): **5.90**
 Replacement Reserve Balance: **\$274,378**
 Operating Reserve Balance: **\$216,262**

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 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 | 296,193 | 285,580 | 10,613 |
| Total Expenses | 404,230 | 423,823 | 19,593 |
| Total Net Income | (108,037) | (138,243) | 30,206 |
| NOI less non-operating | 105,293 | 75,337 | 29,956 |

YTD Debt Service Coverage Ratio (>1.15): **1.56**
 Replacement Reserve Balance: **\$78,751**
 Operating Reserve Balance: **\$211,898**

Revenue:

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

Expenses:

- Total **Administrative Expenses** are in line with budget.
- Utilities** are slightly below budget.
- Maintenance Expenses** are below budget overall mainly as a result of lower-than-budgeted General Maintenance expenses (including salaries and overtime).
- 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 | 91,740 | 326,305 | (234,565) |
| Total Expenses | (24,167) | 221,394 | 245,561 |
| Total Net Income | 115,907 | 104,911 | 10,996 |

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 help cover expenses during development.