AAHC - Tax Credit Properties

Financial Statement Highlights
For the Period Ending August 31, 2018

Below is a summary of the financial activity for Maple Tower, River Run and West Arbor LDHA for the first eight months of FY18, ending August 31, 2018.

MAPLE TOWER LDHA	YTD Actual	YTD Budget	YTD Variance
Total Revenue	739,902	702,120	37,782
Total Expenses	962,347	1,060,915	98,568
Total Net Income	(222,445)	(358,795)	136,350
NOI less non-operating	101,807	94,096	7,711

YTD Debt Service Coverage Ratio (>1.15) = 1.28

Revenue:
- The Revenue for the property is higher than budgeted because occupancy remains stable and we were required to budget a 7% vacancy loss which is well above our actual vacancy rate.

Expenses:
- Total **Administrative Expenses** overall are slightly below budget with individual expense line items (i.e. general legal expenses, auditing fees, consultants, etc.) being slightly higher than budget, while others (such as property management, telecommunications and misc admin expenses) are lower than budgeted, resulting in the positive variance. Auditing Fees are expected to remain higher than budget due to an invoice for additional services from Plante & Moran, the prior year auditors, which related to prior year activities/issues.
- **Tenant Service**s expenses are higher than budgeted due to unbudgeted Tenant Service Contract Costs.
- **Utility Expenses** are higher than budget. This is mainly due to a quarterly water bill from the prior year having been recorded in this fiscal year but is also related to seasonality.
- **Maintenance Expenses** are higher than budgeted partly due to higher unit turn costs as well as asbestos abatement expenses.
- **General Expenses** are significantly below budget. This is due to the receipt of an insurance payout/advance in the amount of $139,627 related to the February 2018 fire at Miller Manor. The proceeds were recorded as a "negative" expense in a contra-expense account which is included in the General Expense category.
- **Financing Expenses** and **Non-Operating Items** are in line with budget and represent the mortgage interest expense for the permanent financing as well as depreciation expense.

RIVER RUN LDHA	YTD Actual	YTD Budget	YTD Variance
Total Revenue	587,587	566,208	21,379
Total Expenses	878,783	834,640	(44,143)
Total Net Income	(291,196)	(268,432)	(22,764)
NOI less non-operating	29,442	42,056	(12,614)

YTD Debt Service Coverage Ratio (>1.15) = 1.19

Revenue:
- The Revenue for the property is higher than budgeted because occupancy remains stable and we were required to budget a 7% vacancy loss which is well above our actual vacancy rate.

Expenses:
- Total **Administrative Expenses** remain lower than budget which is mainly due to lower than budgeted property management salary allocations.
- **Tenant Services** expense are below budget.
- **Utility Expenses** are slightly higher than budget, mainly due to seasonality.
- **Maintenance Expenses** are higher than budgeted due to increased unit turn and asbestos abatement costs.
- **General Expenses** are over budget due to unbudgeted security/law enforcement expenses.
- **Financing Expenses** and **Non-Operating Items** represent the mortgage interest and depreciation expenses and are both in line with budget.

WEST ARBOR LDHA	YTD Actual	YTD Budget	YTD Variance
Total Revenue	376,681	371,560	5,121
Total Expenses	612,180	63,676	(548,504)
Total Net Income	(235,499)	307,884	(543,383)
NOI less non-operating	162,958	132,684	30,274

YTD Debt Service Coverage Ratio (>1.15) = 1.51

Revenue:
- The Revenue for the property is higher than budgeted because occupancy remains stable and we were required to budget a 7% vacancy loss which is well above our actual vacancy rate.

Expenses:
- Total **Administrative Expenses** are below budget mostly due to timing differences for several expense line items, but also due to lower than budgeted Administrative salaries.
- **Tenant Services** remain below budget.
- **Utilities** are below budget.
- Total **Maintenance Expenses** are only slightly higher than budget.
- **Financing Expenses** and **Non-Operating Items** represent the mortgage interest and depreciation expenses and are both in line with budget.