

AAHC - Tax Credit Properties

Financial Statement Highlights For the Period Ending November 30, 2021

Below is a summary of the financial activity for Maple Tower, River Run, West Arbor and Swift Lane LDHA for the eleven months of the FY21 fiscal year ending November 30, 2021.

MAPLE TOWER LDHA	<u>YTD Actual</u>	<u>YTD Budget</u>	<u>YTD Variance</u>
Total Revenue	1,164,869	1,184,503	(19,634)
Total Expenses	1,498,173	1,654,189	156,016
Total Net Income	<u>(333,304)</u>	<u>(469,686)</u>	<u>136,382</u>
NOI less non-operating	<u>165,299</u>	<u>139,593</u>	<u>25,706</u>

YTD Debt Service Coverage Ratio (>1.15): **1.52**

Replacement Reserve Balance: **\$234,753**

Operating Reserve Balance: **\$276,595**

Revenue:

- The revenue for the property overall is below budget which is mainly a result of a loss of revenue for the units that have been off-line since the fire incident at Miller Manor in February. We are working with the insurance company regarding recapturing the lost business income.

Expenses:

- Total **Administrative Expenses** overall are below budget mainly due to lower-than-budgeted Administrative salaries as well as lower General Legal and Office expenses.
- **Tenant Services Expenses** are lower than budgeted.
- **Utility Expenses** overall are lower than budgeted due to timing differences.
- **Maintenance Expenses** are higher than budget. This is due to budget overages in several line items including Grounds Contract Costs (sidewalk repairs, tree removal), Unit Turn Contract Costs as well as unbudgeted Generator Contract Expenses. A building generator for the Miller Manor location is currently being rented due to the total failure of the existing generator at that site until it can be replaced.
- **General Expenses** are in line with budget.
- **Financing Expenses** are in line with budget.
- **Non-Operating Items** represent the depreciation expense which is lower than originally budgeted.

RIVER RUN LDHA	<u>YTD Actual</u>	<u>YTD Budget</u>	<u>YTD Variance</u>
Total Revenue	1,067,122	1,030,321	36,801
Total Expenses	1,285,460	1,387,856	102,396
Total Net Income	<u>(218,338)</u>	<u>(357,535)</u>	<u>139,197</u>
NOI less non-operating	<u>89,759</u>	<u>77,130</u>	<u>12,629</u>

YTD Debt Service Coverage Ratio (>1.15): **2.64**

Replacement Reserve Balance: **\$289,547**

Operating Reserve Balance: **\$216,338**

Revenue:

- The revenue for the property is over budget and occupancy remains stable.

Expenses:

- Total **Administrative Expenses** overall are over budget mainly due to changes in staff allocation between actual and budget.
- **Utility Expenses** overall are higher than budgeted mainly due to timing differences.
- **Maintenance Expenses** are over budget due to higher-than-budgeted Appliance, Plumbing Contract Costs, as well as Unit Turn expenses.
- **General Expenses** are below budget. This is due to the budgeted Security expenses having been covered by CARES Act funding through March 2021. In addition, security service is no longer provided at Baker Commons.
- **Financing Expenses** are in line with budget.
- **Non-Operating Items** represent the depreciation expense which is lower than originally budgeted.

WEST ARBOR LDHA	<u>YTD Actual</u>	<u>YTD Budget</u>	<u>YTD Variance</u>
Total Revenue	680,210	661,369	18,841
Total Expenses	907,797	912,600	4,803
Total Net Income	<u>(227,587)</u>	<u>(251,231)</u>	<u>23,644</u>
NOI less non-operating	<u>239,100</u>	<u>217,404</u>	<u>21,696</u>

YTD Debt Service Coverage Ratio (>1.15): **1.61**

Replacement Reserve Balance: **\$101,061**

Operating Reserve Balance: **\$211,960**

Revenue:

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

Expenses:

- Total **Administrative Expenses** overall are in line with budget.
- **Utility Expenses** overall are slightly below budget due to timing differences.
- **Maintenance Expenses** are slightly over budget primarily due to higher-than-budgeted Unit Turn Contract Costs.
- **General Expenses** are in line with budget.
- **Financing Expenses** are in line with budget.
- **Non-Operating Items** represent the depreciation expenses which are in line with budget.

SWIFT LANE LDHA	<u>YTD Actual</u>	<u>YTD Budget</u>	<u>YTD Variance</u>
Total Revenue	781,246	751,203	30,043
Total Expenses	1,194,197	442,982	(751,215)
Total Net Income	<u>(412,951)</u>	<u>308,221</u>	<u>(721,172)</u>
NOI less non-operating	<u>228,426</u>	<u>290,621</u>	<u>(62,195)</u>

YTD Debt Service Coverage Ratio (>1.15): **1.41**

Replacement Reserve Balance - Cinnaire: **\$6,400**

Replacement Reserve Balance - Internal: **\$46,400**

Revenue:

- The Revenue is higher than budgeted due to significantly lower vacancies than budgeted. Occupancy for the property is stable.

Expenses:

- Total **Administrative Expenses** overall are over budget mainly due to overages related to Auditing Fees, General Legal Fees (development-related), Office Supplies as well as Copiers. Audit fees came in higher than budgeted. The copier expense is due to the purchase of copiers for both Swift Lane locations and a one-time expense. Other line items such as Admin salaries are below budget.
- **Tenant Services Expenses** are over budget due to unbudgeted expenses incurred as part of placing the new buildings in service (i.e. furnishings, tenant moving costs, etc.) that were not covered by development.
- **Utility Expenses** overall are below budget.
- **Maintenance Expenses** are higher than budgeted due to higher total Material costs, Pest Control, Janitorial, Trash Removal and Snow Removal expenses.
- **General Expenses** are over budget due to higher-than-budgeted insurance expenses.
- **Financing Expenses** represent the mortgage interest which was not budgeted for FY21.
- **Non-Operating Expenses** represent depreciation which was not budgeted for FY21.