

AAHC - Business Affiliates

Financial Statement Highlights

For the Period Ending June 30, 2017

***** DRAFT - UNAUDITED *****

CONSOLIDATED RESULTS	<u>YTD Actual</u>	<u>YTD Budget</u>	<u>YTD Variance</u>
Total Revenue	1,035,972	282,235	753,737
Total Expenses	350,394	208,658	(141,736)
Total Net Income	685,577	73,577	612,000

Notable Revenue Variances:

- Revenue for **AAHDC** is significantly higher than budgeted due to several factors including the sale of Cranbrook Towers (\$300,000), the receipt of developer fees in FY17 which had been budgeted for FY16, as well as the receipt of a \$31,000 reimbursement from the City of Ann Arbor for installation of fiber network at West Arbor.
- **Colonial Oaks** revenue is higher than budgeted mainly because a large reimbursement for development was received in FY17 with the associated expenses having been recognized in FY16
- There is no revenue for the **Platt Road Acquisition** because the property remains unoccupied.
- Revenue for the **1508 Broadway** property is in line with budgeted amounts.

Notable Expense Variances:

- Total **Administrative Expenses** for **Colonial Oaks** are over budget mainly as a result of higher than budgeted Management Fees and Consultant expenses.
- **Tenant services** expenses are higher than budgeted for **AAHDC** as a result of adopting the budget prior to executing the SOS and Avalon contracts.
- **Maintenance Expenses** are higher than budgeted for **1508 Broadway** due to completing full renovations on units as they are turned.
- **Maintenance Expenses** were higher than budgeted for **AAHDC** due to fiber network installation at West Arbor which was subsequently reimbursed by the City of Ann Arbor.