

AAHC - Tax Credit Properties

Financial Statement Highlights For the Period Ending June 30, 2017

- Please note that June 2017 is a three-payroll month. Therefore, June's overall expenses are higher than usual for all properties.

MAPLE TOWER LDHA	YTD Actual	YTD Budget	YTD Variance
Total Revenue	538,973	520,002	18,971
Total Expenses	808,383	411,599	(396,784)
Total Net Income	(269,410)	108,403	(377,813)
NOI less non-operating	73,579	108,403	(34,824)

Debt Service Coverage Ratio (>1.15) = 1.24

Revenue:

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

Expenses:

- Total **Administrative Expenses** are slightly lower than budgeted overall with individual expense line items (i.e. audit fees) are higher than budget, others such as office and telecommunications expenses are lower than budgeted resulting in only a slight overall variance.
- Tenant Services** expenses are below budget. Resident Council is only sporadically active.
- Utilities** are lower than budgeted. The expense for Gas includes estimates for May and June.
- Maintenance Expenses** are over budget mainly due to higher maintenance supply costs, unit turn expenses, HVAC and asbestos abatement costs and expenses related to sewer backups.
- General Expenses** are over budget due to unbudgeted financing/tax credit fees which are being amortized as part of the initial project development.
- Financing Expenses** and **Non-Operating Items** were not budgeted. The expenses represent the mortgage interest of the permanent financing as well as the depreciation expense.

RIVER RUN LDHA	YTD Actual	YTD Budget	YTD Variance
Total Revenue	425,436	406,008	19,428
Total Expenses	628,863	356,389	(272,474)
Total Net Income	(203,428)	49,619	(253,047)
NOI less non-operating	30,871	49,619	(18,748)

Debt Service Coverage Ratio (>1.15) = 1.66

Revenue:

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

Expenses:

- Total **Administrative Expenses** are in line with the budget overall. However, individual negative variances from budget (i.e. audit expenses) are made up by several positive variances such as office expenses and administrative salaries.
- Tenant Services** expense are below budget. Resident Council activity is sporadic for River Run.
- Utility Expenses** are below budget and include estimates for gas expenses for May and June.
- Maintenance Expenses** are over budget mainly as a result of higher than budgeted HVAC, unit turn, sewer backup as well as asbestos abatement expenses.
- General Expenses** are over budget due to unbudgeted financing/tax credit fees which are being amortized as part of the initial project development.
- Financing Expenses** and **Non-Operating Items** were not budgeted. The monthly expenses represent the mortgage interest of the permanent financing as well as the depreciation expense.

WEST ARBOR LDHA	YTD Actual	YTD Budget	YTD Variance
Total Revenue	220,886	280,110	(59,224)
Total Expenses	154,277	167,215	12,938
Total Net Income	66,609	112,895	(46,286)

Revenue:

- The Revenue for the property is lower than budgeted due to budget being adopted for full-lease-up, but property still under construction Jan - March. Property was at full occupancy as of the end of April 2017.

Expenses:

- Total **Administrative Expenses** are largely in line with budget with unfavorable variances in office expenses, administrative salaries and unbudgeted bank fees.
- Tenant Services** expenses are slightly over budget.
- Utilities** are significantly below budget due to project development timing.
- Total **Maintenance Expenses** are in line with the budget.
- General Expenses** are over budget due to unbudgeted security/law enforcement expenses. which will discontinue July 1, 2017 after the security cameras are activated