

## AAHC - Tax Credit Properties

### Financial Statement Highlights For the Period Ending March 31, 2019

Below is a summary of the financial activity for Maple Tower, River Run and West Arbor LDHA for the first quarter of the FY19 fiscal year as of March 31, 2019.

MAPLE TOWER LDHA	YTD Actual	YTD Budget	YTD Variance
Total Revenue	316,606	293,003	23,603
Total Expenses	413,409	428,243	14,834
Total Net Income	(96,803)	(135,240)	38,437
NOI less non-operating	72,519	33,893	38,626

YTD Debt Service Coverage Ratio (>1.15): **2.44**  
 Replacement Reserve Balance: **\$122,498**  
 Operating Reserve Balance: **\$275,449**

Revenue:

- The Revenue for the property is higher than budgeted. 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. This is mainly due to lower than budgeted property management salaries because Teamster raises have been delayed by HR
- Utility Expenses** are below budget. The switch-over of tenant utilities into the property's name has not been a smooth one and the utility vendors have still not completed the conversion. For that reason, a fair portion of the utilities have been estimated.
- Maintenance Expenses** are slightly over budget due to higher-than-budgeted Sewer Backup expenses as well as higher snow removal expenses, the latter of which is due to a timing difference from budget.
- General Expenses** are slightly higher than budgeted due to higher insurance renewal costs than originally budgeted. Insurance was switched to a new carrier with broader coverage
- 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	277,440	253,347	24,093
Total Expenses	358,407	360,131	1,724
Total Net Income	(80,967)	(106,784)	25,817
NOI less non-operating	35,954	9,219	26,735

YTD Debt Service Coverage Ratio (>1.15): **3.87**  
 Replacement Reserve Balance: **\$271,788**  
 Operating Reserve Balance: **\$215,377**

Revenue:

- The Revenue for the property is higher than budgeted. 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 slightly below budget.
- Utility Expenses** are slightly below budget. The switch-over of tenant utilities into the property's name has not been a smooth one and the utility vendors have still not completed the conversion. For that reason, a portion of the utilities has been estimated.
- Maintenance Expenses** are slightly over budget. This is mainly due higher material costs overall but also the result of a timing difference between actual and budget for snow removal.
- 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.

WEST ARBOR LDHA	YTD Actual	YTD Budget	YTD Variance
Total Revenue	180,329	161,697	18,632
Total Expenses	258,842	244,790	(14,052)
Total Net Income	(78,513)	(83,093)	4,580
NOI less non-operating	50,049	45,324	4,725

YTD Debt Service Coverage Ratio (>1.15): **1.24**  
 Replacement Reserve Balance: **\$60,864**  
 Operating Reserve Balance: **\$211,093**

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 slightly lower than budgeted.
- Utilities** are in line with budget.
- Total **Maintenance Expenses** are higher than budget as a result of higher than budgeted unit turn costs, particularly due to replacement flooring
- 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.