

## AAHC - Tax Credit Properties

### Financial Statement Highlights For the Period Ending July 31, 2021

Below is a summary of the financial activity for Maple Tower, River Run, West Arbor and Swift Lane LDHA for the first seven months of the FY21 fiscal year ending July 31, 2021.

MAPLE TOWER LDHA	<u>YTD Actual</u>	<u>YTD Budget</u>	<u>YTD Variance</u>
Total Revenue	743,321	754,131	(10,810)
Total Expenses	954,130	1,057,205	103,075
Total Net Income	<u>(210,809)</u>	<u>(303,074)</u>	<u>92,265</u>
NOI less non-operating	<u>113,299</u>	<u>84,649</u>	<u>28,650</u>

YTD Debt Service Coverage Ratio (>1.15): **1.63**  
 Replacement Reserve Balance: **\$219,443**  
 Operating Reserve Balance: **\$276,587**

#### Revenue:

- The Revenue for the property overall is slightly below budget which is mainly a result of a loss of revenue for nine 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. This is partly due to the reversal of accrued payroll from December 2020 as well as timing differences for other expense line items in this category.
- Tenant Services Expenses** are slightly 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 lower than budgeted due to an accrual entry reversal related to FY20.
- 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	675,458	656,037	19,421
Total Expenses	792,668	887,733	95,065
Total Net Income	<u>(117,210)</u>	<u>(231,696)</u>	<u>114,486</u>
NOI less non-operating	<u>77,989</u>	<u>44,909</u>	<u>33,080</u>

YTD Debt Service Coverage Ratio (>1.15): **3.60**  
 Replacement Reserve Balance: **\$274,201**  
 Operating Reserve Balance: **\$216,331**

Revenue:

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

Expenses:

- Total **Administrative Expenses** overall are slightly over budget mainly due to changes in staff allocation between actual and budget.
- **Utility Expenses** overall are in line with budget.
- **Maintenance Expenses** are largely in line with budget.
- **General Expenses** are below budget. This is due to the budgeted Security expenses having been covered by CARES Act funding through March 2021.
- **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	430,439	421,293	9,146
Total Expenses	579,860	586,500	6,640
Total Net Income	<u>(149,421)</u>	<u>(165,207)</u>	<u>15,786</u>
NOI less non-operating	<u>147,758</u>	<u>133,014</u>	<u>14,744</u>

YTD Debt Service Coverage Ratio (>1.15): 1.56

Replacement Reserve Balance: \$96,033

Operating Reserve Balance: \$211,954

Revenue:

- The Revenue for the property is in line with budget and occupancy remains stable.

Expenses:

- Total **Administrative Expenses** overall are slightly below budget.
- **Utility Expenses** overall are below budget due to timing differences between actual and budget.
- **Maintenance Expenses** are 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	495,529	478,511	17,018
Total Expenses	740,343	283,775	(456,568)
Total Net Income	<u>(244,814)</u>	<u>194,736</u>	<u>(439,550)</u>
NOI less non-operating	<u>130,556</u>	<u>183,536</u>	<u>(52,980)</u>

YTD Debt Service Coverage Ratio (>1.15): 1.27

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, 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 in line with 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.
- **Non-Operating Expenses** represent depreciation which was not budgeted for FY21.