

AAHC - Business Activities

**Financial Statement Highlights
For the Period Ending March 31, 2023**

Below is a summary of the financial activity for AAHC's Business Affiliates for the first three quarters of FY23 ending March 31, 2023.

AAHDC	YTD Actual	YTD Budget	YTD Variance
Total Revenue	4,383,587	7,044,309	(2,660,722)
Total Expenses	4,067,371	7,094,652	3,027,281
Total Net Income	316,216	(50,343)	366,559

AAHDC - Total Cash & Investments: \$ **2,279,728**
AAHDC - Unrestricted Cash: \$ **643,947** \$100,000 of which has been committed for the park purchase and development on Dexter (next to the West Arbor development).

Revenue:

- The revenue for AAHDC is under budget. This is mainly due to lower-than-budgeted pre-development expenses which are off-set by the associated lower revenue to date. As development related contracts are executed and work is underway the expenses will increase and the associated revenue to pay those expenses will increase accordingly.

Expenses:

- Total **Administrative Expenses** are over budget. This is mainly due to pre-development expenses (reflected in Temporary Help, Consultant expense as well as Operating Transfers Out) all of which were budgeted to a different line item called Affiliated Entities Support in the General Expense section expense line item, which is significantly below budget (as mentioned in the revenue section above).
- Tenant Services Expenses** are higher than budget mainly due to timing differences between actual and budget. Our nonprofit providers in after services are rendered.
- Maintenance Expenses** variances are due to unbudgeted Grounds Contract Costs expenses at the S. Industrial and Miller Manor locations.
- General Expenses** are significantly below budget as explained above.
- Non-Operating Items** represent the Operating Transfers OUT expense that is referenced in the revenue section above.

Net income for AAHDC is significantly higher than budgeted mainly due to timing differences of the mental health millage funding and associated serv for which there are timing differences. We anticipate this to come more into line by year-end. In addition, we received unbudgeted developer fee r the Swift Lane development.

COLONIAL OAKS	YTD Actual	YTD Budget	YTD Variance
Total Revenue	503,803	495,189	8,614
Total Expenses	511,088	467,838	(43,250)
Total Net Income	(7,285)	27,351	(34,636)

Operating Cash Balance: \$76,947
Replacement Reserve Balance: \$58,686
Operating Reserve Balance: \$31,169

Revenue:

- The revenue for the property is slightly over budget. Occupancy for the property is stable.

Expenses:

- Total **Administrative Expenses** overall slightly below budget.
- Utility Expenses** overall are in line with budget.
- Maintenance Expenses** are over budget mainly due to unbudgeted radon mitigation expenses at the Broadway Terrace, Oakwood and Pennsylvania locations which are reflected in the Fire/Life/Safety Expenses and Supplies expense line item.
- General Expenses** are in line with budget.

LURIE TERRACE	YTD Actual	YTD Budget	YTD Variance
Total Revenue	1,306,113	986,141	319,972
Total Expenses	904,859	985,175	80,316
Total Net Income	401,254	966	400,288
Total NOI	214,339		

YTD Debt Service Coverage Ratio (>1.15): 1.55
Replacement Reserve Balance: \$772,956
Insurance Escrow Balance: \$9,080
Regions MIP Reserve: \$13,928
Residual Receipts Reserve: \$735

Revenue:

- The Revenue for the property is significantly over budget. This is mainly due to unbudgeted grant revenue for the replacement of all of the property's water heaters and LED lighting replacements which were reimbursed by DTE funding. The water heaters were capitalized and will be depreciated over time. The occupancy for the property is stable.

Expenses:

- Administrative Expenses** are below budget mainly due to lower than budgeted administrative salaries.
- Tenant Services Expenses** are lower than budget as due to the support service provider PACE expenses being paid by AAHDC along with the associated grant revenue.
- Utility Expenses** are higher than budget mainly due to the seasonal nature of these expenses.
- Maintenance Expenses** are below budget mainly as a result of lower contract costs overall to date than budgeted. We anticipate some of these variances to come in line with budget by year-end.
- General Expenses** are largely in line with budget.
- Financing Expenses** represents the mortgage interest which is lower than budget due to timing differences.
- Non Operating Expenses** represents depreciation which is line with budget.