

AAHC - Tax Credit Properties

Financial Statement Highlights
For the Period Ending April, 2020

Below is a summary of the financial activity for Maple Tower, River Run, West Arbor and Swift Lane LDHA for the fourth month of the FY20 fiscal year ending April 30, 2020.

MAPLE TOWER LDHA	YTD Actual	YTD Budget	YTD Variance
Total Revenue	454,321	405,084	49,237
Total Expenses	598,662	587,004	(11,658)
Total Net Income	(144,341)	(181,920)	37,579
NOI less non-operating	72,906	43,128	29,778

YTD Debt Service Coverage Ratio (>1.15): **1.84**
 Replacement Reserve Balance: **\$162,449**
 Operating Reserve Balance: **\$276,494**

Revenue:

- The Revenue for the property is higher than budgeted and occupancy remains stable. The higher revenue is also in part due to the recognition of DDA funding for Miller Manor received through AAHC to cover major expenses at the property related to the flooring replacement of the common areas on the first and second floor as well as lighting upgrades for the community room.

Expenses:

- Total **Administrative Expenses** overall are below budget mainly due to lower Contract-Property Management as well as General Legal expenses.
- Tenant Services Expenses** are higher than budgeted due to the purchase of new lobby chairs as well as replacement partitions for the community room at Miller Manor.
- Utility Expenses** are higher than budgeted mainly due to the gas expense being over budget. We expect this overage to come back in line with budget by fiscal year end.
- Maintenance Expenses** are higher than budget due to the costs related to the common flooring replacement mentioned above as well as higher actual expenses for HVAC Contract Costs which were related to the installation of exhaust fans and the inspection and cleaning of the boiler at Miller Manor.
- General Expenses** are in line with budget.
- Financing Expenses** are below budget because the January 2020 mortgage payment was taken out of the bank account early (in December 2019) by the lender, Cinnaire, and was, therefore, recorded in December 2019.
- Non-Operating Items** represent the depreciation expense which is in line with budget.

RIVER RUN LDHA	YTD Actual	YTD Budget	YTD Variance
Total Revenue	364,260	357,052	7,208
Total Expenses	439,521	495,234	55,713
Total Net Income	(75,261)	(138,182)	62,921
NOI less non-operating	83,297	20,454	62,843

YTD Debt Service Coverage Ratio (>1.15): **6.73**
 Replacement Reserve Balance: **\$270,558**
 Operating Reserve Balance: **\$216,253**

Revenue:

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

Expenses:

- Total **Administrative Expenses** overall are below budget due to lower Contract-Property Management, Temporary Help, and auditing expenses. The auditing expense variance to budget is related to timing differences and will come in line by fiscal year end.
- Utility Expenses** overall are below budget which is mainly due to timing differences in receiving utility bills.
- Maintenance Expenses** are below budget overall mainly as a result of lower-than-budgeted General Maintenance expenses (including salaries and overtime) as well as lower Appliance costs and Unit Turn expenses.
- General Expenses** are in line with budget.
- Financing Expenses** are below budget because the January 2020 mortgage payment was taken out of the bank account early (in December 2019) by the lender, Cinnaire, and was, therefore, recorded in December 2019.
- Non-Operating Items** represent the depreciation expense which is largely in line with budget.

WEST ARBOR LDHA	YTD Actual	YTD Budget	YTD Variance
Total Revenue	238,282	228,464	9,818
Total Expenses	331,109	340,896	9,787
Total Net Income	(92,827)	(112,432)	19,605
NOI less non-operating	77,864	58,432	19,432

YTD Debt Service Coverage Ratio (>1.15): **1.44**
 Replacement Reserve Balance: **\$77,527**
 Operating Reserve Balance: **\$211,891**

Revenue:

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

Expenses:

- Total **Administrative Expenses** are largely in line with budget.
- Utilities** are slightly below budget.
- Maintenance Expenses** are below budget overall mainly as a result of lower-than-budgeted General Maintenance expenses (including salaries and overtime).
- General Expenses** are in line with budget.
- Financing Expenses** and **Non-Operating Items** represent the mortgage interest and deprecation expenses and are both in line with budget.

SWIFT LANE LDHA	YTD Actual	YTD Budget	YTD Variance
Total Revenue	73,392	261,044	(187,652)
Total Expenses	(41,339)	177,188	218,527
Total Net Income	114,731	83,856	30,875

Please note: Swift Lane is currently still under development and, therefore, not operational yet.

Revenue:

- Actual revenue for the property represent RAD rehab vacancy payments to the property while it is under construction.

Expenses:

- Expenses are limited while the property is under development. The negative expense in Operating Transfers-IN represents the HUD CFP funding to help cover expenses during development.