

AAHC - Business Activities

**Financial Statement Highlights
For the Period Ending April 30, 2023**

Below is a summary of the financial activity for AAHC's Business Affiliates for the ten months of FY23 ending April 30, 2023.

AAHDC	YTD Actual	YTD Budget	YTD Variance
Total Revenue	8,096,886	7,827,010	269,876
Total Expenses	6,728,391	7,882,610	1,154,219
Total Net Income	1,368,495	(55,600)	1,424,095

AAHDC - Total Cash & Investments: \$ **3,090,423**
AAHDC - Unrestricted Cash: \$ **302,566** \$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 over budget. This is mainly due to the receipt of \$3.5 million in ARPA funds through the City of Ann Arbor for the purchase of Siller Terrace. These funds were passed on to the Siller Terrace entity and are also reflected in the Affiliated Entities Support expense line item, offsetting the revenue that was recorded making the net effect zero.

Expenses:

- Total **Administrative Expenses** are over budget. This is mainly due to pre-development expenses (reflected in Temporary Help, Consultant expense as well as Contractor Expense - Admin) 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 invoice after services are rendered. They also include unbudgeted expenses related to \$305,000 of City funding that was awarded to AAHDC for the purpose of providing eviction prevention in the community.
- 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 as well as funding for the purchase of Siller Terrace.

Net income for AAHDC is significantly higher than budgeted mainly due to the effect of setting up a note receivable for miscellaneous costs related to Maple Tower which were incurred by AAHDC on the properties' behalf. The costs included funding for the Miller Manor fire suppression system as well as providing operating cash to cover the significantly increased package insurance premium for CY22 & 23 for Maple Tower. In addition, there are some timing differences which we anticipate to come more into line by year-end. In addition, we received unbudgeted developer fee revenue related to the Swift Lane development.

COLONIAL OAKS	YTD Actual	YTD Budget	YTD Variance
Total Revenue	561,466	550,190	11,276
Total Expenses	570,629	518,805	(51,824)
Total Net Income	(9,163)	31,385	(40,548)

Operating Cash Balance: \$10,387
Replacement Reserve Balance: \$60,325
Operating Reserve Balance: \$31,169
Anticipated Insurance Renewal Amt CY2024: \$33,823

Revenue:

- The revenue for the property is within budget. Occupancy for the property is stable.

Expenses:

- Total **Administrative Expenses** overall are within budget
- Utility Expenses** overall are within budget.
- Maintenance Expenses** are over budget mainly due to unbudgeted radon testing expenses at the Broadway Terrace, Oakwood and Pennsylvania locations which are reflected in the Fire/Life/Safety Expenses and Supplies expense line item. These items were required for a federal grant.
- General Expenses** are in line with budget.

LURIE TERRACE	YTD Actual	YTD Budget	YTD Variance
Total Revenue	1,447,551	1,095,630	351,921
Total Expenses	1,015,334	1,092,320	76,986
Total Net Income	432,217	3,310	428,907
Total NOI	234,651		

YTD Debt Service Coverage Ratio (>1.15): 1.52
Replacement Reserve Balance: \$777,253
Insurance Escrow Balance: \$12,162
Regions MIP Reserve: \$15,194
Residual Receipts Reserve: \$736

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. In addition, there revenue includes appr. \$34,000 from the Rabhi grant which will cover part of the fire suppression system as well as an ADA bathroom conversion. The occupancy for the property is stable.

Expenses:

- Administrative Expenses** are within budget
- 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 within budget.
- Financing Expenses** are within budget
- Non Operating Expenses** represents depreciation are within budget