

AAHC - Business Activities

Financial Statement Highlights For the Period Ending June 30, 2025 ***** PRELIMINARY & UNAUDITED *****

Below is a summary of the financial activity for AAHC's Business Affiliates for the twelve months of the 2025 fiscal year ending June 30, 2025.

Please note that the financial results for these statements are preliminary and unaudited. They are expected to change with the finalization of the financial audit.

AAHDC	YTD Actual	YTD Budget	YTD Variance
Total Revenue	12,276,359	12,481,992	(205,633)
Total Expenses	7,721,692	12,303,801	4,582,109
Total Net Income	4,554,667	178,191	4,376,476
Total NOI	185,186		

AAHDC - Total Cash & Investments: \$ 8,089,723
AAHDC - Unrestricted Cash: \$ 732,048

Revenue:

- The revenue for the entity is in line with budget. However, it includes the following unbudgeted variances:
 - A \$435,000 capital contributions from the City that is part of the 1510 E. Stadium purchase which took place in July 2024. We purchased the property from the City for \$35,000, but the as-is appraised value was \$470,000, the difference of which was recorded as a capital contribution.
 - Revenue includes \$3,000,000 of affordable housing revenue that was provided as a loan as part of a private development project, Union @ A2, for which there are no accompanying expenses recorded as the mortgage/note receivable for the project is recorded on the AAHDC's balance sheet.
 - In addition, revenue includes \$934,481 in affordable housing millage revenue for the installation of a fire suppression system at Baker Commons, one of the River Run LDHA locations. However, this funding was provided as a loan to River Run, so there are no accompanying expenses recorded as the note receivable for this project is recorded on AAHDC's balance sheet.

Expenses:

- Total **Administrative Expenses** are higher than budget mainly due to higher consultant expenses related to video creation and story telling about millage expenditures, unbudgeted software license fees related to DocuSign software as well as unbudgeted Admin and Accounting Fees related to the support of the Marijuana Funding and Mental Health Millage administration. These expenses are off-set by associated Marijuana Rebate revenue as well as unrestricted interest income generated by the Mental Health Millage investment account.
- Tenant Services Expenses** are in line with budget.
- Utility Expenses** are over budget.
- Maintenance Expenses** are over budget due to timing differences as well as an unbudgeted fence installation, grounds and snow removal expenses.
- General Expenses** are lower than budget. These expenses largely represent development-related expenses that are covered by affordable housing millage funds. As mentioned above, some of the funding which is recorded as revenue was spent as a loan (Union @ A2 & River Run LDHA) which is not recorded as an expense but rather a mortgage/note receivable on the balance sheet.

COLONIAL OAKS	YTD Actual	YTD Budget	YTD Variance
Total Revenue	799,074	827,317	(28,243)
Total Expenses	699,634	973,540	273,906
Total Net Income	99,440	(146,223)	245,663
Total NOI	78,572		

Operating Cash Balance: \$49,862
Replacement Reserve Balance: \$31,118
Operating Reserve Balance: \$31,659
Insurance Renewal Amt CY2025: \$28,643 Paid in January 2025

Revenue:

- The revenue for the property is in line with budget. Although all units at 1504 & 1506 Broadway are currently off-line for renovations, we are able to collect vacancy payments during construction. Occupancy for the property is otherwise stable.

Expenses:

- Total **Administrative Expenses** are below budget largely due to Property Management payroll allocations being lower than budget.
- Utility Expenses** are in line with budget.
- Maintenance Expenses** are slightly higher than budget due to unbudgeted parking lot repairs at the Pennsylvania and S. 7th Street locations as well as higher-than-budgeted unit turn expenses and electrical contract costs for lighting upgrades at S. 7th Street.
- General Expenses** represent mainly insurance expenses and are in line with budget.
- Non-Operating Expenses** represent the depreciation expense which haven't been recorded at this time but will be recorded for the final financials.

LURIE TERRACE	YTD Actual	YTD Budget	YTD Variance
Total Revenue	1,541,193	1,510,015	31,178
Total Expenses	1,621,397	1,602,027	(19,370)

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Total Net Income	(80,205)	(92,012)	11,807
Total NOI	219,172		

YTD Debt Service Coverage Ratio (>1.15):	1.19
Operating Cash Balance:	\$85,532 Op Cash net of deferred revenue
Replacement Reserve Balance:	\$451,477
Insurance Escrow Balance:	\$43,339
Lument MIP Reserve:	\$3,145
Residual Receipts Reserve:	\$52,258

Revenue:

- The Revenue for the property is right on budget and occupancy for the property is stable.

Expenses:

- Total **Administrative Expenses** are on budget.
- Tenant Services Expenses** are slightly lower than budgeted.
- Utility Expenses** are slightly lower than budget.
- Maintenance Expenses** are in line with budget.
- General Expenses** are on budget.
- Financing Expenses** are in line with budget.
- Non Operating Expenses** represent depreciation and are in line with budget.

SILLER TERRACE	YTD Actual	YTD Budget	YTD Variance
Total Revenue	274,239	293,508	(19,269)
Total Expenses	332,038	360,736	28,698
Total Net Income	(57,799)	(67,228)	9,429
Total NOI	63,419		

YTD Debt Service Coverage Ratio (>1.15):	1.21
Operating Cash Balance:	\$18,299
Replacement Reserve Balance:	\$92,680
Operating Reserve Balance:	\$25,000

Revenue:

- The Revenue for the property is now in line with budget. As of June 2025, there are no vacant units. Occupancy for the property is generally stable. However, several original market-rate tenants had moved out when their lease ended. The vacancy losses for these units for prior months have been covered by the operating reserve. Now that the property is fully occupied, we project the DSCR to improve again.

Expenses:

- Total **Administrative Expenses** are in line with budget
- Utility Expenses** are slightly over budget due to timing differences as well as the seasonality of these expenses.
- Maintenance Expenses** overall are in line with budget.
- General Expenses** are on budget.
- Financing Expenses** are lower than budget due to timing differences.
- Non-Operating Expenses** represent the depreciation expense which haven't been recorded at this time but will be recorded for the final financials.