

AAHC - Tax Credit Properties

Financial Statement Highlights For the Period Ending August 31, 2023

Below is a summary of the financial activity for Maple Tower, River Run, West Arbor and Swift Lane LDHA for the eight months FY23 ending August 31, 2023.

MAPLE TOWER LDHA	YTD Actual	YTD Budget	YTD Variance
Total Revenue	1,142,294	933,040	209,254
Total Expenses	1,015,601	1,258,712	243,111
Total Net Income	<u>126,693</u>	<u>(325,672)</u>	<u>452,365</u>
NOI less non-operating	<u>130,059</u>		

YTD Debt Service Coverage Ratio (>1.15):	1.64
Replacement Reserve Balance:	\$289,054
Operating Reserve Balance:	\$209,186

Revenue:

- The Revenue for the property is over budget. This is mainly due to grant revenue from AAHDC through the Affordable Housing Millage for the emergency exit path to West Park at Miller Manor as well as the closeout of the Miller Manor generator replacement project. In addition, we received unbudgeted funding for the replacement of standard lighting to LED lighting from DTE. Occupancy for the property remains stable.

Expenses:

- Total **Administrative Expenses** overall are below budget mainly due to a reimbursement of consultant expenses related to the structural evaluation of Miller Manor. These expenses were originally incurred in the prior fiscal year by the property but are now being covered by City funding through AAHDC. The refund created the significant positive variance to budget.
- **Tenant Services Expenses** are lower than budget due to timing.
- **Utility Expenses** are below budget mainly due to the seasonality of these expenses.
- **Maintenance Expenses** overall are in line with budget.
- **General Expenses** overall are significantly lower than budget and reflect a negative expense total. This is attributable to the final insurance claim reimbursement we received for the Miller Manor generator replacement.
- **Financing Expenses** are below budget related to FY22 year-end accruals related to mortgage interest.
- **Non-Operating Items** represent the depreciation expense which are in line with budget.

RIVER RUN LDHA	YTD Actual	YTD Budget	YTD Variance
Total Revenue	916,302	824,184	92,118
Total Expenses	1,040,523	1,014,717	(25,806)
Total Net Income	<u>(124,221)</u>	<u>(190,533)</u>	<u>66,312</u>
NOI less non-operating	<u>31,791</u>		

YTD Debt Service Coverage Ratio (>1.15):	1.28
Replacement Reserve Balance:	\$159,004
Operating Reserve Balance:	\$219,094

Revenue:

- The revenue for the property is over budget due to a grant from DTE for lighting upgrades at the Baker Commons property. Occupancy remains stable.

Expenses:

- Total **Administrative Expenses** are in line with budget.
- **Utility Expenses** are lower than budgeted mainly due to the seasonality of these expenses.
- **Maintenance Expenses** are over budget due to unbudgeted HVAC expenses, Grounds Contract expenses related to parking lot maintenance at the three locations as well as Building Repair

Contract costs a portion of which will be reimbursed from AAHDC in October from the DDA grant for capital improvements at the Baker Commons location.

- **General Expenses** are in line with budget.
- **Financing Expenses** are below budget related to FY22 year-end accruals related to mortgage interest.
- **Non-Operating Items** represent the depreciation expense which is in line with budget.

WEST ARBOR LDHA	YTD Actual	YTD Budget	YTD Variance
Total Revenue	534,387	520,240	14,147
Total Expenses	720,574	733,295	12,721
Total Net Income	(186,187)	(213,055)	26,868
NOI less non-operating	150,767		

YTD Debt Service Coverage Ratio (>1.15): **1.40**
Replacement Reserve Balance: **\$130,195**
Operating Reserve Balance: **\$214,218**

Revenue:

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

Expenses:

- Total **Administrative Expenses** overall are in line with budget.
- **Utility Expenses** overall are below budget due to seasonality of the nature of the expenses as well as timing differences.
- **Maintenance Expenses** are over budget mainly because of higher Unit Turn, Snow Removal, overall Materials and Plumbing Contract expenses than budgeted. The Plumbing Contract expenses were related to the flushing of all tankless water heaters at the property.
- **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	YTD Actual	YTD Budget	YTD Variance
Total Revenue	611,561	590,608	20,953
Total Expenses	1,031,012	1,013,063	(17,949)
Total Net Income	(419,451)	(422,455)	3,004
NOI less non-operating	147,564		

YTD Debt Service Coverage Ratio (>1.15): **1.25**
Replacement Reserve Balance - Cinnaire: **\$41,589**
Replacement Reserve Balance - Internal: **\$46,778**
Operating Reserve Balance: **\$325,677**
Social Services Reserve Balance: **\$179,985**

Revenue:

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

Expenses:

- Total **Administrative Expenses** overall are in line with budget.
- **Tenant Services Expenses** are on budget.
- **Utility Expenses** overall are slightly lower than budget.
- **Maintenance Expenses** are higher than budget mainly due to the following: Electrical Contract cost line item represents the replacement cost of faulty circuit breakers for the State Street property units. In addition, Plumbing Contract costs are also over budget due to the maintenance on and flushing of all tankless water heaters. Lastly Grounds Contract Costs are over budget due to the planting of trees at the State Crossing location.
- **General Expenses** are lower than budget due to timing differences.
- **Financing Expenses** are below budget due to FY22 year-end accruals for mortgage interest as well as timing differences.
- **Non-Operating Items** represent the depreciation expenses which are in line with budget.