

AAHC - Business Affiliates

Financial Statement Highlights For the Period Ending June 30, 2019

Below is a summary of the financial activity for AAHC's Business Affiliates for the twelve months ending June 30, 2019.

CONSOLIDATED RESULTS	YTD Actual	YTD Budget	YTD Variance
Total Revenue	3,792,330	724,000	3,068,330
Total Expenses	1,813,816	577,403	(1,236,413)
Total Net Income	1,978,514	146,597	1,831,917

Colonial Oaks - Replacement Reserve Balance: \$74,040
Colonial Oaks - Operating Reserve Balance: \$31,016

Notable Revenue Variances:

- Revenue for **AAHDC** is higher than budget - mainly due to unbudgeted loan interest revenue related to loans made to the Maple Tower, River Run and West Arbor developments as well as higher-than-budgeted developer fees received in FY19.
- The **Colonial Oaks** revenue is higher than budget - mainly due to the recognition of its fixed assets that were capitalized in FY19. Rental revenue is lower than budget due to the delay in the Swift Lane closing which took place in February 2019.
- There is no revenue for the **Platt Road Acquisition** because the property remains unoccupied in anticipation of demolition as part of the Swift Lane project.
- No budget was created for **1508 Broadway** as it was slated to be "absorbed" into Colonial Oaks in the first half of the fiscal year.

Notable Expense Variances:

- Total **Administrative Expenses** overall are below budget due to the **Colonial Oaks** budget assumptions above
- **Tenant services** expenses are slightly over budget.
- **Utilities** are higher than budget.
- **Maintenance Expenses** are higher than budgeted due to higher HVAC contract costs as well as unit turn costs.
- **General Expenses** are higher than budgeted - mainly due to bad debt expense that is related to the loans that are on the books for Maple Tower, River Run and West Arbor. As we recognize the loan interest revenue, we simultaneously set up an allowance for doubtful account/bad debt because we do not expect the majority of the loans/loan interest to be paid back by the developments. This area also includes unbudgeted affiliated entities support in which AAHDC paid for much needed repairs at the Oakwood and Broadway sites.
- **Transfers between Programs and Projects - OUT** for **AAHDC** represent necessary capital projects at the Oakwood and Broadway properties that were paid by AAHDC.