

AAHC - Tax Credit Properties

Financial Statement Highlights For the Period Ending July 31, 2017

MAPLE TOWER LDHA	YTD Actual	YTD Budget	YTD Variance
Total Revenue	628,257	606,669	21,588
Total Expenses	945,478	477,369	(468,109)
Total Net Income	(317,221)	129,300	(446,521)
NOI less non-operating	82,903	129,300	(46,397)

YTD Debt Service Coverage Ratio (>1.15) = 1.20

Revenue:

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

Expenses:

- Total **Administrative Expenses** are slightly lower than budgeted overall with individual expense line items (i.e. audit fees) are higher than budget, others such as office and telecommunications expenses are lower than budgeted resulting in only a slight overall variance.
- Tenant Services** expenses are slightly below budget. Resident Council is only sporadically active.
- Utilities** are lower than budgeted. The expense for Gas includes estimates for June and July.
- Maintenance Expenses** are over budget mainly due to higher maintenance supply costs, unit turn expenses, HVAC and asbestos abatement costs and expenses related to sewer backups.
- General Expenses** are over budget due to unbudgeted financing/tax credit fees which are being amortized as part of the initial project development.
- Financing Expenses** and **Non-Operating Items** were not budgeted. The expenses represent the mortgage interest of the permanent financing as well as the depreciation expense.

RIVER RUN LDHA	YTD Actual	YTD Budget	YTD Variance
Total Revenue	495,781	473,676	22,105
Total Expenses	730,909	413,517	(317,392)
Total Net Income	(235,128)	60,159	(295,287)
NOI less non-operating	38,212	60,159	(21,947)

YTD Debt Service Coverage Ratio (>1.15) = 1.76

Revenue:

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

Expenses:

- Total **Administrative Expenses** are in line with the budget overall. However, individual negative variances from budget (i.e. audit expenses) are made up by several positive variances such as office expenses and administrative salaries.
- Tenant Services** expense are below budget. Resident Council activity is sporadic for River Run.
- Utility Expenses** are below budget and include estimates for gas expenses for June and July.
- Maintenance Expenses** are over budget mainly as a result of higher than budgeted HVAC, unit turn, sewer backup as well as asbestos abatement expenses.
- General Expenses** are over budget due to unbudgeted financing/tax credit fees which are being amortized as part of the initial project development.
- Financing Expenses** and **Non-Operating Items** were not budgeted. The monthly expenses represent the mortgage interest of the permanent financing as well as the depreciation expense.

WEST ARBOR LDHA	YTD Actual	YTD Budget	YTD Variance
Total Revenue	269,147	326,795	(57,648)
Total Expenses	189,129	193,936	4,807
Total Net Income	80,017	132,859	(52,842)

Revenue:

- The Revenue for the property is lower than budgeted due to budget being adopted for full-lease-up, but property still under construction Jan - March. Property was at full occupancy as of the end of April 2017.

Expenses:

- Total **Administrative Expenses** are higher than budgeted mainly due to unbudgeted bank fees.
- Tenant Services** expenses are slightly over budget.
- Utilities** are significantly below budget due to project development timing.
- Total **Maintenance Expenses** are largely in line with the budget.
- General Expenses** are over budget due to unbudgeted security/law enforcement expenses. Security monitoring services at the property have now been discontinued as security cameras have been installed.