

AAHC - Tax Credit Properties

Financial Statement Highlights
For the Period Ending March 31, 2020

Below is a summary of the financial activity for Maple Tower, River Run, West Arbor and Swift Lane LDHA for the first quarter of the FY20 fiscal year ending March 31, 2020.

MAPLE TOWER LDHA	YTD Actual	YTD Budget	YTD Variance
Total Revenue	350,431	303,813	46,618
Total Expenses	462,220	436,300	(25,920)
Total Net Income	(111,789)	(132,487)	20,698
NOI less non-operating	49,142	36,299	12,843

YTD Debt Service Coverage Ratio (>1.15): **1.65**
 Replacement Reserve Balance: **\$158,550**
 Operating Reserve Balance: **\$276,485**

Revenue:

- The Revenue for the property is higher than budgeted and occupancy remains stable. The higher revenue is also in part due to the recognition of DDA funding for Miller Manor received through AAHC to cover major expenses at the property related to the flooring replacement of the common areas on the first and second floor as well as lighting upgrades for the community room.

Expenses:

- Total **Administrative Expenses** overall are slightly below budget mainly due to lower Contract-Property Management as well as General Legal expenses.
- Utility Expenses** are in line with budget.
- Maintenance Expenses** are higher than budget due to the costs related to the common flooring replacement mentioned above as well as higher actual expenses for HVAC Contract Costs which were related to the installation of exhaust fans and the inspection and cleaning of the boiler at Miller Manor.
- General Expenses** are in line with budget.
- Financing Expenses** are below budget because the January 2020 mortgage payment was taken out of the bank account early (in December 2019) by the lender, Cinnaire, and was, therefore, recorded in December 2019.
- Non-Operating Items** represent the depreciation expense which is in line with budget.

RIVER RUN LDHA	YTD Actual	YTD Budget	YTD Variance
Total Revenue	273,943	267,789	6,154
Total Expenses	328,792	368,313	39,521
Total Net Income	(54,849)	(100,524)	45,675
NOI less non-operating	63,442	18,453	44,989

YTD Debt Service Coverage Ratio (>1.15): **6.83**
 Replacement Reserve Balance: **\$266,581**
 Operating Reserve Balance: **\$216,245**

Revenue:

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

Expenses:

- Total **Administrative Expenses** overall are below budget mainly due to lower Contract-Property Management.
- Utility Expenses** overall are below budget which is mainly due to timing differences in receiving utility bills.
- Maintenance Expenses** are below budget overall mainly as a result of lower-than-budgeted General Maintenance expenses (including salaries and overtime) as well as lower Appliance costs and Unit Turn expenses.
- General Expenses** are in line with budget.
- Financing Expenses** are below budget because the January 2020 mortgage payment was taken out of the bank account early (in December 2019) by the lender, Cinnaire, and was, therefore, recorded in December 2019.
- Non-Operating Items** represent the depreciation expense which is largely in line with budget.

WEST ARBOR LDHA	YTD Actual	YTD Budget	YTD Variance
Total Revenue	180,427	171,348	9,079
Total Expenses	253,965	258,936	4,971
Total Net Income	(73,538)	(87,588)	14,050
NOI less non-operating	54,499	40,560	13,939

YTD Debt Service Coverage Ratio (>1.15): **1.35**
 Replacement Reserve Balance: **\$76,257**
 Operating Reserve Balance: **\$211,884**

Revenue:

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

Expenses:

- Total **Administrative Expenses** are slightly lower than budget mainly as a result of lower Administrative salaries.
- Utilities** are slightly lower than budget. As of March 2020 we are still missing about 4 months of DTE invoices for one building and two addresses. Estimates for the missing invoices have been included in the financials.
- Total **Maintenance Expenses** are slightly lower than budget.
- General Expenses** are in line with budget.
- Financing Expenses** and **Non-Operating Items** represent the mortgage interest and depreciation expenses and are both in line with budget.

SWIFT LANE LDHA	YTD Actual	YTD Budget	YTD Variance
Total Revenue	55,044	195,783	(140,739)
Total Expenses	(53,337)	132,982	186,319
Total Net Income	108,381	62,801	45,580

Please note: Swift Lane is currently still under development and, therefore, not operational yet.

Revenue:

- Actual revenue for the property represent RAD rehab vacancy payments to the property while it is under construction.

Expenses:

- Expenses are limited while the property is under development. The negative expense in Operating Transfers-IN represents the HUD CFP funding to help cover expenses during development.