AAHC - Business Activities

Financial Statement Highlights
For the Period Ending June 30, 2026

***** PRELIMINARY & UNAUDITED *****

Below is a summary of the **preliminary and unaudited** financial activity for AAHC's Business Affiliates for the 2026 fiscal year ending June 30, 2026.

AAHDC	YTD Actual	YTD Budget	YTD Variance
Total Revenue	10,294,904	13,666,548	(3,371,644)
Total Expenses	6,634,967	13,417,417	6,782,450
Total Net Income	3,659,937	249,131	3,410,806
Total NOI	(821,563)		

AAHDC - Total Cash & Investments: $ 12,333,102
AAHDC - Unrestricted Cash: $ 435,156

Revenue:
- Revenue is lower than budgeted due to timing differences for several revenue line items, including millage revenues. These variances are largely mirrored by lower-than budgeted expenses because the budgeted revenue is expense-based.

Expenses:
- Total **Administrative Expenses** are higher than budgeted. This is mainly due to unbudgeted expenses related to the production of the documentary film "The Road Home". A large portion of the production costs are off-set by sponsorship revenue.
- **Tenant Services Expenses** are on budget.
- **Utility Expenses** are lower than budgeted mainly because the budget included the assumption that the S. Industrial office would relocate to 1510 E. Stadium, which is no longer the case (see maintenance expense variance explanation below).
- **Maintenance Expenses** are below budget - mainly due to the budget assuming increased expenses related to the Stadium property which we anticipated for Admin, Development and Accounting staff to occupy. It has since been determined that the costs for the Stadium property renovation are too high because the required upgrades would be much more extensive than originally anticipated, so staff continues to work at the S. Industrial location for now.
- **General Expenses** are lower than budget. These expenses largely represent development-related expenses that are covered by millage funds (as mentioned in the revenue section above). In addition, a significant portion of the development expenses were capitalized and are reflected on the balance sheet.
- **Net Income** is higher than budget mainly due to millage revenue recognized for capital expenses that are reflected on the balance sheet (rather as an expense on the P&L) for solar panels at West Arbor as well as development expenses for several large projects.

COLONIAL OAKS	YTD Actual	YTD Budget	YTD Variance
Total Revenue	877,772	836,015	41,757
Total Expenses	793,538	1,037,026	243,488
Total Net Income	84,234	(201,011)	285,245
Total NOI	62,742		

Operating Cash Balance: $82,594
Replacement Reserve Balance: $52,888
Operating Reserve Balance: $31,868
Insurance Renewal Amt CY2026: $38,214 paid in January 2026

Revenue:
- The revenue for the property is in line with budget. The renovations at 1504 and 1506 Broadway have been completed and are back "on line" as of November 2025. The occupancy for this development is stable.

Expenses:
- Total **Administrative Expenses** are in line with budget.
- **Utility Expenses** are in line with budget.
- **Maintenance Expenses** are right on budget.
- **General Expenses** represent insurance expenses which are in line with budget.

LURIE TERRACE	YTD Actual	YTD Budget	YTD Variance
Total Revenue	1,675,870	2,555,325	(879,455)
Total Expenses	1,631,849	2,576,423	944,574
Total Net Income	44,021	(21,098)	65,119
Total NOI	207,425		

YTD Debt Service Coverage Ratio (>1.15): 1.12
Operating Cash Balance: $135,336 **Op Cash net of deferred revenue**
Replacement Reserve Balance: $501,853
Insurance Escrow Balance: $58,039
Lument MIP Reserve: $17,421
Residual Receipts Reserve: $52,561

Revenue:

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- Occupancy for the property is stable.
- The Revenue for the property is below budget due to the budget including grant revenue related to an FHLB grant that has been awarded to the property, however, no related expenses have been incurred to date. Therefore, none of the FHLB revenue has been earned yet either.
- The property did received appr. $125k in unbudgeted miscellaneous other income that is related to the repayment of salaries/benefits of supervisory staff charged in FY24 and 25 which is not allowed per HUD multi-family regs. The receipt of these funds also increased the property's cash balance accordingly.

Expenses:

- Total **Administrative Expenses** are in line with budget.
- **Tenant Services Expenses** are on budget.
- **Utility Expenses** overall are right on budget.
- **Maintenance Expenses** overall are below budget due to the FHLB grant related expenses not having been incurred as mentioned in the revenue section above. There are some budget overages within the maintenance contract costs in the Floor Covering and Unit Turn Contract costs line items that are largely related to flooring expenses to replace the common area flooring on the 4th floor as well as higher unit turns than expected/budgeted.
- **General Expenses** are represent mainly insurance expenses which are on budget.
- **Financing Expenses** are below budget due to the FY25 mortgage interest accrual.
- **Non Operating Expenses** represent depreciation and are in line with budget.

SILLER TERRACE	YTD Actual	YTD Budget	YTD Variance
Total Revenue	317,648	308,595	9,053
Total Expenses	310,879	423,964	113,085
Total Net Income	6,769	(115,369)	122,138
Total NOI	65,971		

YTD Debt Service Coverage Ratio (>1.15):	**1.26**
Operating Cash Balance:	**$21,267**
Replacement Reserve Balance:	**$85,714**
Operating Reserve Balance:	**$9,981**

Revenue:

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

Expenses:

- Total **Administrative Expenses** are slightly higher than budget due to property management salary allocations as well as audit fees and higher than . budgeted IT related charges.
- **Tenant Services Expenses** are below budget.
- **Utility Expenses** are in line with budget.
- **Maintenance Expenses** are higher than budget due to a fence installation at 1484 Liberty, general tree and bush trimming costs that exceeded budget, as well as unbudgeted environmental remediation expenses related to soil at the site.
- **General Expenses** are on budget.
- **Financing Expenses** are right on budget.