

AAHC - Tax Credit Properties

**Financial Statement Highlights**  
**For the Period Ending November 30, 2018**

Below is a summary of the financial activity for Maple Tower, River Run and West Arbor LDHA for the eleven months ending November 30, 2018.

MAPLE TOWER LDHA	YTD Actual	YTD Budget	YTD Variance
Total Revenue	1,038,197	965,415	72,782
Total Expenses	1,391,367	1,454,368	63,001
Total Net Income	(353,170)	(488,953)	135,783
NOI less non-operating	140,684	133,524	7,160

YTD Debt Service Coverage Ratio (>1.15): **1.29**  
 Replacement Reserve Balance: **\$107,348**  
 Operating Reserve Balance: **\$275,017**

Revenue:

- The Revenue for the property is higher than budgeted. Occupancy remains stable and we were required to budget a 7% vacancy loss which is well above our actual vacancy rate. In addition, in October a rent increase was implemented that not only increased rents based on OCAF, but also to include tenant utilities. This change also affects the utility expenses overall, as all tenant utilities are now included in rent.

Expenses:

- Total **Administrative Expenses** are slightly higher than budgeted. This is partly due to higher than budgeted legal expenses as well as higher management fees which are the result of increased revenues.
- Tenant Services** expenses are higher than budgeted due to unbudgeted Tenant Service Contract Costs for Comcast.
- Utility Expenses** are higher than budget. This is partly due to a quarterly water bill from the prior year having been recorded in this fiscal year as well as tenant utilities being included in rent (as mentioned above) effective in October. For timing reasons, a portion of the November utilities are estimated.
- Maintenance Expenses** are higher than budgeted partly due to higher unit turn costs as well as asbestos abatement expenses.
- General Expenses** are significantly below budget. This is due to the receipt of an insurance payout/advance in the amount of \$139,627 related to the February 2018 fire at Miller Manor. The proceeds were recorded as a "negative" expense in a contra-expense account which is included in the General Expense category.
- Financing Expenses** and **Non-Operating Items** are in line with budget and represent the mortgage interest expense for the permanent financing as well as depreciation expense.

RIVER RUN LDHA	YTD Actual	YTD Budget	YTD Variance
Total Revenue	850,291	778,536	71,755
Total Expenses	1,239,377	1,145,743	(93,634)
Total Net Income	(389,086)	(367,207)	(21,879)
NOI less non-operating	47,841	59,565	(11,724)

YTD Debt Service Coverage Ratio (>1.15): **1.41**  
 Replacement Reserve Balance: **\$255,545**  
 Operating Reserve Balance: **\$215,015**

Revenue:

- The Revenue for the property is higher than budgeted. Occupancy remains stable and we were required to budget a 7% vacancy loss which is well above our actual vacancy rate. In addition, in October a rent increase was implemented that not only increased rents based on OCAF, but also to include tenant utilities. This change also affects the utility expenses overall, as all tenant utilities are now included in rent.

Expenses:

- Total **Administrative Expenses** remain lower than budget which is mainly due to lower than budgeted property management salary allocations. Total audit fees are expected to remain higher than budgeted due to several auditor invoices that relate to prior years.
- Tenant Services** expense are below budget.
- Utility Expenses** are higher than budget. This is partly due to a quarterly water bill from the prior year having been recorded in this fiscal year as well as tenant utilities being included in rent (as mentioned above) effective in October. For timing reasons, some of the November utilities were estimated.
- Maintenance Expenses** are higher than budgeted due to increased unit turn and asbestos abatement costs.
- General Expenses** are over budget due to unbudgeted security/law enforcement expenses.
- Financing Expenses** and **Non-Operating Items** represent the mortgage interest and depreciation expenses and are both in line with budget.

WEST ARBOR LDHA	YTD Actual	YTD Budget	YTD Variance
Total Revenue	603,892	583,880	20,012
Total Expenses	864,888	873,452	8,564
Total Net Income	(260,996)	(289,572)	28,576
NOI less non-operating	211,959	183,392	28,567

YTD Debt Service Coverage Ratio (>1.15): **1.43**  
 Replacement Reserve Balance: **\$55,709**  
 Operating Reserve Balance: **\$210,730**

Revenue:

- The Revenue for the property is higher than budgeted because occupancy remains stable and we were required to budget a 7% vacancy loss which is well above our actual vacancy rate.

Expenses:

- Total **Administrative Expenses** are slightly higher than budgeted due to unbudgeted staff training as well as miscellaneous other smaller expense variances.
- Tenant Services** expenses remain below budget.
- Utilities** remain below budget.
- Total **Maintenance Expenses** are slightly higher than budget as a result of higher than budgeted material and maintenance contracts expenses.
- Financing Expenses** and **Non-Operating Items** represent the mortgage interest and depreciation expenses and are both in line with budget.