

# Northpark

## Financial Information

26 April 2022

# Income Statement (Summary) - T12

Account Name	Apr 2021	May 2021	Jun 2021	Jul 2021	Aug 2021	Sep 2021	Oct 2021	Nov 2021	Dec 2021	Jan 2022	Feb 2022	Mar 2022	Total
<b>Operating Income &amp; Expense</b>													
<b>Income</b>													
RENTS	29,411.35	31,167.91	28,112.46	38,776.25	34,170.63	32,991.05	30,922.25	31,007.07	34,697.76	33,190.72	40,126.43	32,151.57	396,725.45
Concessions	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-117.00	-117.00
FEES	1,097.99	2,229.59	1,930.34	3,366.83	2,316.27	1,439.74	1,152.49	1,643.14	1,314.07	2,067.97	1,672.53	1,328.50	21,559.46
Interest Income	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	20.00	0.00	0.00	20.00
<b>Total Operating Income</b>	<b>30,509.34</b>	<b>33,397.50</b>	<b>30,042.80</b>	<b>42,143.08</b>	<b>36,486.90</b>	<b>34,430.79</b>	<b>32,074.74</b>	<b>32,650.21</b>	<b>36,011.83</b>	<b>35,278.69</b>	<b>41,798.96</b>	<b>33,363.07</b>	<b>418,187.91</b>
<b>Expense</b>													
CLEANING AND MAINTENANCE	3,870.20	4,421.82	18,771.30	5,065.62	5,566.62	6,050.05	3,304.61	7,030.74	5,144.89	2,756.72	4,727.01	4,838.31	71,547.89
INSURANCE	3,551.55	3,546.55	3,537.55	3,551.55	3,545.55	3,551.55	3,551.50	4,019.59	3,071.36	3,071.36	3,090.36	3,071.36	41,159.83
PROFESSIONAL EXPENSES	0.00	995.00	-157.00	1,400.31	1,220.37	566.00	4,696.00	2,500.00	-658.00	-665.00	0.00	-479.75	9,417.93
MANAGEMENT FEES	2,000.00	3,000.00	7,500.00	5,000.00	2,500.00	7,500.00	2,500.00	5,000.00	2,500.00	7,500.00	5,000.00	5,000.00	55,000.00
MORTGAGE	9,507.37	10,186.48	10,526.02	10,186.48	10,509.38	10,490.59	10,131.28	10,450.22	10,092.93	10,408.42	10,389.26	9,365.77	122,244.20
TAXES	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	33,445.89	3,581.97	0.00	0.00	37,027.86
UTILITIES	6,711.58	6,872.59	6,441.11	5,888.58	6,377.35	6,045.48	1,844.38	10,946.82	5,823.24	4,477.02	7,058.67	6,209.56	74,696.38
OTHER	105.53	25.00	51.35	178.53	88.77	25.00	60.00	50.00	1,147.27	25.00	33.67	329.19	2,119.31
<b>Total Operating Expense</b>	<b>25,746.23</b>	<b>29,047.44</b>	<b>46,670.33</b>	<b>31,271.07</b>	<b>29,808.04</b>	<b>34,228.67</b>	<b>26,087.77</b>	<b>39,997.37</b>	<b>60,567.58</b>	<b>31,155.49</b>	<b>30,298.97</b>	<b>28,334.44</b>	<b>413,213.40</b>
<b>NOI - Net Operating Income</b>	<b>4,763.11</b>	<b>4,350.06</b>	<b>-16,627.53</b>	<b>10,872.01</b>	<b>6,678.86</b>	<b>202.12</b>	<b>5,986.97</b>	<b>-7,347.16</b>	<b>-24,555.75</b>	<b>4,123.20</b>	<b>11,499.99</b>	<b>5,028.63</b>	<b>4,974.51</b>

1-Time: Pool Removal  
\$12,950 (6/11/21)

1-Time: New Fire Extinguishers Across All Prop  
\$1,239 (9/23/21)

1-Time: Lights - Exterior/Parking Stalls  
\$4,175 (11/30/21)

1-Time Legal Expense for Legal Services  
\$4,000 (10/22/21)

KCMO Health Dept - Annual Fee Per Apt  
\$1,080 (12/30/22)

1-Time Late Fee/Penalties (Disputed w/ County)  
\$3,581.98 (1/3/22)

# Apartment Renovation Summary (54 total units across campus)

Significant investment has been made into Building Improvements (Capital) between April 2021 to March 2022 of \$128,111.23\*, which as funded below categories

A

## Full Rehab Completed - 11 units

- #13 - Rent Ready
- #15 - Rented
- #17 - Rented
- #103 - Rented
- #203 - Rented
- #4 - Rented
- #104 - Rented
- #204 - Rented
- #7 - Rented
- #107 - Rented
- #207 - Rented

B

## Full Rehab Nearly Complete - 3 units

- #11 (To be completed - 29 Apr)
- #102 (To be completed - 2 May)
- #205 (To be completed - 6 May)

C

## Full Rehab Started / Pending - 6 units

- #2 (1 Br - Full Rehab - Not started)
- #3 (1 Br - Full Rehab - Not started)
- #5 (2 Br - Full Rehab - Not started)
- #16 (1 Br - Full Rehab - Not started)
- #101 (3 Br - Full Rehab - Partial Work)
- #201 (3 Br - Full Rehab - Partial Work)

\* Lifetime (since 2018) Building Improvement investment near \$250,000

Include Zero Balance GL Accounts: No

Account Name	Apr 2021	May 2021	Jun 2021	Jul 2021	Aug 2021	Sep 2021	Oct 2021	Nov 2021	Dec 2021	Jan 2022	Feb 2022	Mar 2022	Total
<b>Operating Income &amp; Expense</b>													
<b>Income</b>													
<b>RENTS</b>													
Apartment Rent	22,294.35	24,350.91	22,951.46	32,400.25	29,185.63	26,631.05	26,161.25	25,906.07	28,985.76	28,586.72	35,879.43	27,021.57	330,354.45
Section 8 Rent	7,092.00	6,792.00	5,136.00	6,351.00	4,960.00	6,345.00	4,726.00	5,091.00	5,642.00	4,579.00	4,237.00	5,057.00	66,008.00
Storage Rent	15.00	15.00	15.00	15.00	15.00	15.00	15.00	0.00	30.00	15.00	0.00	33.00	183.00
Parking Rent	10.00	10.00	10.00	10.00	10.00	0.00	20.00	10.00	40.00	10.00	10.00	40.00	180.00
<b>Total RENTS</b>	<b>29,411.35</b>	<b>31,167.91</b>	<b>28,112.46</b>	<b>38,776.25</b>	<b>34,170.63</b>	<b>32,991.05</b>	<b>30,922.25</b>	<b>31,007.07</b>	<b>34,697.76</b>	<b>33,190.72</b>	<b>40,126.43</b>	<b>32,151.57</b>	<b>396,725.45</b>
Concessions	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-117.00	-117.00
<b>FEES</b>													
NSF Fees Collected	0.00	0.00	0.00	0.00	0.00	35.00	0.00	0.00	0.00	0.00	0.00	0.00	35.00
Pet Fee-Non Refundable	0.00	0.00	0.00	150.00	300.00	0.00	0.00	0.00	0.00	233.97	66.03	0.00	750.00
Application Fee Income	35.50	105.00	175.00	140.00	105.00	-70.00	0.00	105.00	0.00	105.00	0.00	0.00	700.50
Insurance Services	57.00	81.00	84.50	119.50	123.50	142.50	142.50	161.50	152.00	133.00	199.50	142.50	1,539.00
Late Fee	279.67	375.00	150.00	675.33	497.77	552.23	300.00	305.93	297.07	225.00	447.00	225.00	4,330.00
Utility Reimbursement	725.82	1,668.59	1,020.84	1,092.00	1,255.00	780.01	709.99	995.71	865.00	971.00	960.00	961.00	12,004.96
Tenant Responsible Repairs	0.00	0.00	500.00	1,190.00	35.00	0.00	0.00	75.00	0.00	400.00	0.00	0.00	2,200.00
<b>Total FEES</b>	<b>1,097.99</b>	<b>2,229.59</b>	<b>1,930.34</b>	<b>3,366.83</b>	<b>2,316.27</b>	<b>1,439.74</b>	<b>1,152.49</b>	<b>1,643.14</b>	<b>1,314.07</b>	<b>2,067.97</b>	<b>1,672.53</b>	<b>1,328.50</b>	<b>21,559.46</b>
Interest Income	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	20.00	0.00	0.00	20.00
<b>Total Operating Income</b>	<b>30,509.34</b>	<b>33,397.50</b>	<b>30,042.80</b>	<b>42,143.08</b>	<b>36,486.90</b>	<b>34,430.79</b>	<b>32,074.74</b>	<b>32,650.21</b>	<b>36,011.83</b>	<b>35,278.69</b>	<b>41,798.96</b>	<b>33,363.07</b>	<b>418,187.91</b>

Account Name	Apr 2021	May 2021	Jun 2021	Jul 2021	Aug 2021	Sep 2021	Oct 2021	Nov 2021	Dec 2021	Jan 2022	Feb 2022	Mar 2022	Total
<b>MAINTENANCE</b>	Vast majority of "Contract Labor" is On-Site 1099 Maintenance Person - ~30+ hrs per week @ \$20 per hour												(pg 2)
Contract Labor	3,002.00	2,109.00	3,620.00	2,053.00	2,714.00	2,556.00	1,653.00	1,542.00	2,945.00	1,520.00	2,723.00	2,840.00	29,277.00
Landscaping & Snow Removal	520.00	954.24	404.00	415.23	1,540.56	500.00	1,000.00	0.00	1,111.93	640.00	1,100.00	1,014.94	9,200.90
		1-Time: Pool Removal \$12,950 (6/11/21)											
General Maintenance	11.28	0.00	12,950.00	0.00	308.09	1,541.80	70.80	296.53	12.93	47.18	23.12	270.00	15,531.73
Pest Control	0.00	38.40	0.00	249.00	261.46	319.80	0.00	297.00	259.99	33.99	139.73	0.00	1,599.37
Turn - Contract Labor	96.00	964.00	500.00	628.60	397.00	0.00	220.00	0.00	0.00	75.00	0.00	0.00	2,880.60
Turn - Materials	0.00	0.00	609.03	767.72	61.09	0.00	0.00	181.91	296.15	154.74	211.00	141.42	2,423.06
General Repairs	240.92	356.18	688.27	952.07	284.42	1,132.45	360.81	4,713.30	518.89	285.81	530.16	571.95	10,635.23
<b>Total CLEANING AND MAINTENANCE</b>	<b>3,870.20</b>	<b>4,421.82</b>	<b>18,771.30</b>	<b>5,065.62</b>	<b>5,566.62</b>	<b>6,050.05</b>	<b>3,304.61</b>	<b>7,030.74</b>	<b>5,144.89</b>	<b>2,756.72</b>	<b>4,727.01</b>	<b>4,838.31</b>	<b>71,547.89</b>
<b>INSURANCE</b>	Insurance Renewed Nov 2022 - Large Increase (November) then reduced (December) by increasing deductible												
Property Insurance	3,551.55	3,551.55	3,551.55	3,551.55	3,551.55	3,551.55	3,551.50	4,042.09	3,090.36	3,090.36	3,090.36	3,090.36	41,264.33
Insurance Other	0.00	-5.00	-14.00	0.00	-6.00	0.00	0.00	-22.50	-19.00	-19.00	0.00	-19.00	-104.50
<b>Total INSURANCE</b>	<b>3,551.55</b>	<b>3,546.55</b>	<b>3,537.55</b>	<b>3,551.55</b>	<b>3,545.55</b>	<b>3,551.55</b>	<b>3,551.50</b>	<b>4,019.59</b>	<b>3,071.36</b>	<b>3,071.36</b>	<b>3,090.36</b>	<b>3,071.36</b>	<b>41,159.83</b>
<b>PROFESSIONAL EXPENSES</b>	1-time (\$4,000) legal expense for needed legal services; Other expenses are evictions												
Legal	0.00	0.00	-157.00	-262.00	212.00	566.00	4,696.00	0.00	-658.00	-665.00	0.00	-479.75	3,252.25
Other Services	0.00	995.00	0.00	1,662.31	1,008.37	0.00	0.00	2,500.00	0.00	0.00	0.00	0.00	6,165.68
<b>Total</b>	<b>0.00</b>	<b>995.00</b>	<b>-157.00</b>	<b>1,400.31</b>	<b>1,220.37</b>	<b>566.00</b>	<b>4,696.00</b>	<b>2,500.00</b>	<b>-658.00</b>	<b>-665.00</b>	<b>0.00</b>	<b>-479.75</b>	<b>9,417.93</b>

Account Name	Apr 2021	May 2021	Jun 2021	Jul 2021	Aug 2021	Sep 2021	Oct 2021	Nov 2021	Dec 2021	Jan 2022	Feb 2022	Mar 2022	Total
<b>MANAGEMENT FEES</b>	Management company paid flat \$5,000 per month to provide 75% full-time on-site employee responsible for leasing, tenant affairs, coordinating maintenance/rehab & light turns												
Management fees	2,000.00	3,000.00	7,500.00	5,000.00	2,500.00	7,500.00	2,500.00	5,000.00	2,500.00	7,500.00	5,000.00	5,000.00	55,000.00
<b>Total</b>	<b>2,000.00</b>	<b>3,000.00</b>	<b>7,500.00</b>	<b>5,000.00</b>	<b>2,500.00</b>	<b>7,500.00</b>	<b>2,500.00</b>	<b>5,000.00</b>	<b>2,500.00</b>	<b>7,500.00</b>	<b>5,000.00</b>	<b>5,000.00</b>	<b>55,000.00</b>
<b>MORTGAGE</b>													
Mortgage Interest	9,507.37	10,186.48	10,526.02	10,186.48	10,509.38	10,490.59	10,131.28	10,450.22	10,092.93	10,408.42	10,389.26	9,365.77	122,244.20
<b>Total MORTGAGE</b>	<b>9,507.37</b>	<b>10,186.48</b>	<b>10,526.02</b>	<b>10,186.48</b>	<b>10,509.38</b>	<b>10,490.59</b>	<b>10,131.28</b>	<b>10,450.22</b>	<b>10,092.93</b>	<b>10,408.42</b>	<b>10,389.26</b>	<b>9,365.77</b>	<b>122,244.20</b>
<b>TAXES</b>	Ownership worked successfully with County to eliminate massive County wide tax increases on property. Reduced taxes to what was paid in 2019.												
Property Tax	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	33,445.89	3,581.97	0.00	37,027.86
<b>Total TAXES</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>33,445.89</b>	<b>3,581.97</b>	<b>0.00</b>	<b>37,027.86</b>
<b>UTILITIES</b>	Significant multi-year investment into new toilets and leak mitigation technology has dramatically reduce water bill despite more tenants												
Electricity	515.32	680.90	904.97	817.16	603.31	766.90	583.17	833.90	755.06	0.00	1,498.24	1,204.70	9,163.63
Gas	1,286.89	1,007.63	959.45	665.44	625.10	1,086.98	621.21	630.71	1,033.91	1,571.90	1,899.67	1,858.37	13,247.26
Water & Sewer	3,715.76	3,909.52	3,920.95	3,089.68	4,748.94	4,093.44	-90.00	9,132.21	3,634.27	2,775.12	2,930.76	2,962.95	44,823.60
Garbage	1,123.61	1,204.54	585.74	1,246.30	330.00	28.16	660.00	280.00	330.00	60.00	660.00	113.54	6,621.89
Telecom	70.00	70.00	70.00	70.00	70.00	70.00	70.00	70.00	70.00	70.00	70.00	70.00	840.00
<b>Total UTILITIES</b>	<b>6,711.58</b>	<b>6,872.59</b>	<b>6,441.11</b>	<b>5,888.58</b>	<b>6,377.35</b>	<b>6,045.48</b>	<b>1,844.38</b>	<b>10,946.82</b>	<b>5,823.24</b>	<b>4,477.02</b>	<b>7,058.67</b>	<b>6,209.56</b>	<b>74,696.38</b>
<b>OTHER</b>	New garbage contractor has DRAMATICALLY reduced monthly expense to \$330 per month (AAA Services) from \$1,200 per month (Deffenbaugh)												
Bank Fees	54.50	25.00	26.50	27.00	25.67	25.00	60.00	50.00	25.00	25.00	25.00	25.00	393.67
Tools	0.00	0.00	0.00	65.75	0.00	0.00	0.00	0.00	0.00	0.00	0.00	285.12	350.87
Subscriptions / Licenses / Permits	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,080.00	0.00	0.00	0.00	1,080.00
Office Supplies	51.03	0.00	24.85	85.78	63.10	0.00	0.00	0.00	42.27	0.00	8.67	19.07	294.77
<b>Total OTHER</b>	<b>105.53</b>	<b>25.00</b>	<b>51.35</b>	<b>178.53</b>	<b>88.77</b>	<b>25.00</b>	<b>60.00</b>	<b>50.00</b>	<b>1,147.27</b>	<b>25.00</b>	<b>33.67</b>	<b>329.19</b>	<b>2,119.31</b>
<b>Total Operating Expense</b>	<b>25,746.23</b>	<b>29,047.44</b>	<b>46,670.33</b>	<b>31,271.07</b>	<b>29,808.04</b>	<b>34,228.67</b>	<b>26,087.77</b>	<b>39,997.37</b>	<b>60,567.58</b>	<b>31,155.49</b>	<b>30,298.97</b>	<b>28,334.44</b>	<b>413,213.40</b>
<b>NOI - Net</b>	<b>4,763.11</b>	<b>4,350.06</b>	<b>-16,627.53</b>	<b>10,872.01</b>	<b>6,678.86</b>	<b>202.12</b>	<b>5,986.97</b>	<b>-7,347.16</b>	<b>-24,555.75</b>	<b>4,123.20</b>	<b>11,499.99</b>	<b>5,028.63</b>	<b>4,974.51</b>

**New Owner Cost Pools**

- \$55,000 (Mgmt)
- \$122,244 (Interest Exp)
- \$6,000 (Leasing Comm)
- \$35,000 (Maint Person)
- \$218,244 (Total)**

**Annualized Exp Reductions**

- +\$3,000 (Garbage)
- +\$3,000 (Insurance)
- +\$6,000 (Water)
- +\$12,000 (Total)**

**1-Time Items**

- +\$12,950 (Pool)
- +\$1,239 (Fire Extg)
- +\$4,175 (Lighting)
- +\$4,000 (Legal)
- +\$3,582 (Tax)
- +\$25,946 (Total)**

# Revenue Observations / Opportunities

- ▶ Since 2018, investment into property while improving tenant base (12-mos delay due to COVID)
- ▶ T12 (Apr 22 - Mar 22) revenue of \$418,187
- ▶ Near-term revenue opportunity with three rent ready units
- ▶ Near-term revenue opportunity with three newly rehab units completed
- ▶ Longer-term revenue opportunity after investment of six units, which includes two 3 bedroom units
- ▶ Rent increases for renewals to much higher market rent
- ▶ Rent increases for new leases to much higher market rent
- ▶ Parking stall rent (currently have not yet implemented)
- ▶ Insurance services (currently new leases require rental insurance)

# Expense Observations / Opportunities

- ▶ Against the reported T12 (Apr 21 - Mar 22), the normalized (pro forma) Net Operating Income suggests significant gains either coming, due to annualization of implemented cost reductions and/or elimination of non-recurring 1-time expenses incurred during period for permanent repairs
  - ▶ Non-recurring 1-time investments were **\$25,946**
  - ▶ Annualized reductions of renegotiated contracts that will be realized - approx. **\$12,000**

## 1-Time Items

+ \$12,950 (Pool)  
+ \$1,239 (Fire Extinguishers)  
+ \$4,175 (Lighting)  
+ \$4,000 (Legal)  
+ \$3,582 (Tax)  
**+ \$25,946 (Total)**

## Annualized Exp Reductions

+ \$3,000 (Garbage)  
+ \$3,000 (Insurance)  
+ \$6,000 (Water)  
**+ \$12,000 (Total)**

- ▶ New ownership also has significant cost pools, estimated at \$213,244, across which there are possible reductions depending on ownership's management strategy and contracts

## New Owner Cost Pools

\$55,000 (Mgmt Fees)  
\$122,244 (Interest Expense)  
\$6,000 (Leasing Commission)  
\$35,000 (Maintenance Person)  
**\$218,244 (Total)**



# Rent Roll (as of 26 Apr 2022) Summary

- ▶ As of 26 April 2022, property was 80% occupied with monthly rent of **\$34,327**
  - ▶ #10 - On-Site manager - Discounted \$400 monthly rent - Market rent of \$850 (**\$450** monthly opportunity)
- ▶ Three units currently rent ready and marketed - **\$3,010** monthly revenue opportunity
  - ▶ #13: \$995 + \$25 utility charge - Application received on 26 Apr 2022 (likely rented)
  - ▶ #206: \$990 + \$25 utility charge
  - ▶ #214: \$945 + \$30 utility charge
- ▶ Three units coming online and rent ready within 14 days - **\$2,830** monthly revenue opportunity
  - ▶ #11: \$975 + \$30 utility charge
  - ▶ #102: \$825 + \$25 utility charge
  - ▶ #205: \$945 + \$30 utility charge
- ▶ Near term, six units are in the rehab and not ready but reflect another **\$6,000** per month opportunity

**Total monthly rent viewpoint**  
**\$46,617 + fees + rent increases\***

\* Beginning in 2022, rent increases come with each new lease and required for renewal; delayed due to COVID pandemic