

Preston Park Budget Memo - Revenue Summary

Budget Option 1 – 2.4% Rent Increase

Revenue	Approved Budget FY 2013/2014	Estimated Actuals FY 2013/ 2014	Proposed FY 2014/ 2015		Variance of Approved Budget From 2013/2014 Estimated Actuals	%	Comments		Variance of Proposed Budget from FY 2013/2014 Estimated Actuals	%	Comments		2014/2015 Proposed Budget vs. 2013/2014 Approved Budget	%
GROSS MARKET POTENTIAL	\$5,816,930	\$6,038,519	\$6,210,166	I	\$221,589	3.7%	The community continues to outperform expectations as new move-in rents increase.	I	\$171,647	2.8%	Large increase due mostly to 2.4% rental increase.	I	\$393,236	6.8%
MARKET GAIN/LOSS TO LEASE	\$16,124	(\$153,411)	(\$185,590)	D	(\$169,535)	110.5%		D	(\$32,179)	21.0%		D	(\$201,714)	-1251.0%
NON-REVENUE APARTMENTS	(\$56,187)	(\$68,070)	(\$63,094)	D	(\$11,883)	17.5%	Decrease in this category as several large maintenance issues arose requiring residents to move within the community.	I	\$4,976	-7.3%	Shared office/community center expense with Abrams Park. Reduction due to major repair units coming back online.	D	(\$6,907)	12.3%
VACANCY LOSS	(\$114,328)	(\$127,385)	(\$123,798)	D	(\$13,057)	10.3%	Decrease in income as homes were vacant for longer periods than expected.	D	\$3,587	-2.8%	Projecting slightly higher turn times as major repair items are uncovered.	D	(\$9,470)	8.3%
BAD DEBT EXPENSE	(\$1,750)	\$0	(\$1,205)	I	\$1,750	0.0%	Increase due to higher average collection of owed rent and damages.	D	(\$1,205)	0.0%	Decrease in income projected in anticipation of average collection rate of rent and damages.	I	\$545	-31.1%
OTHER RESIDENT INCOME	\$36,750	\$40,287	\$52,378	I	\$3,537	8.8%	Collection of Cleaning/Damage Fees increased vs. previous period3.	I	\$12,091	30.0%	Increase due to addition of MTM Fees and Pet Rent for incoming residents.	I	\$15,628	42.5%
MISCELLANEOUS INCOME	\$8,450	\$10,554	\$6,600	I	\$2,104	19.9%	Interest collection on Reserve Account outperformed expectations.	D	(\$3,954)	-37.5%	Anticipating reduction in interest income in correlation with reduction in Reserve Account Balance.	D	(\$1,850)	-21.9%
TOTAL INCOME	\$5,705,989	\$5,741,604	\$5,895,457	I	\$35,615	0.6%	Increase in overall income.	I	\$153,853	2.7%	Increase in overall income.	I	\$189,468	3.3%
NET INCOME	\$3,898,422	\$3,805,417	\$3,798,443	I	\$93,005	2.4%	Increase in overall income.	D	(\$6,974)	-0.2%	Decrease in overall income	D	(\$99,979)	-2.6%

I -- DESIGNATES INCREASE (Results in Increase in Revenue)

D -- DESIGNATES DECREASE (Results in Decrease in Revenue)

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Budget Option 2 -- No Rent Increase Proposed

Revenue	Approved Budget FY 2013/2014	Estimated Actuals FY 2013/ 2014	Proposed FY 2014/ 2015		Variance of Approved Budget From 2013/2014 Estimated Actuals	%	Comments		Variance of Proposed Budget from FY 2013/2014 Estimated Actuals	%	Comments		2014/2015 Proposed Budget vs. 2013/2014 Approved Budget	%
GROSS MARKET POTENTIAL	\$5,816,930	\$6,038,519	\$6,178,925	I	\$221,589	3.7%	The community continues to outperform expectations as new move-in rents increase.	I	\$140,406	2.3%	No rental increase proposed. Increase generated by new move-in rental rates.	I	\$361,995	6.2%
MARKET GAIN/LOSS TO LEASE	\$16,124	(\$153,411)	(\$167,535)	D	(\$169,535)	110.5%		I	(\$14,124)	9.2%		D	(\$183,659)	-1139.0%
NON-REVENUE APARTMENTS	(\$56,187)	(\$68,070)	(\$62,948)	D	(\$11,883)	17.5%	Decrease in this category as several large maintenance issues arose requiring residents to move within the community.	I	\$5,122	-7.5%	Shared office/community center expense with Abrams Park. Reduction in due to major repair units coming back online.	D	(\$6,761)	12.0%
VACANCY LOSS	(\$114,328)	(\$127,385)	(\$123,567)	D	(\$13,057)	10.3%	Decrease in income as homes were vacant for longer periods than expected.	D	\$3,818	-3.0%	Projecting slightly higher turn times as major repair items are uncovered.	D	(\$9,239)	8.1%
BAD DEBT EXPENSE	(\$1,750)	\$0	(\$1,202)	I	\$1,750	0.0%	Increase due to higher average collection of owed rent and damages.	D	(\$1,202)	0.0%	Decrease in income projected in anticipation of average collection rate of rent and damages.	I	\$548	-31.3%
OTHER RESIDENT INCOME	\$36,750	\$40,287	\$52,378	I	\$3,537	8.8%	Collection of Cleaning/ Damage Fees increased vs. previous period3.	I	\$12,091	30.0%	Increase due to addition of MTM Fees and Pet Rent for incoming residents.	I	\$15,628	42.5%
MISCELLANEOUS INCOME	\$8,450	\$10,554	\$6,600	I	\$2,104	19.9%	Interest collection on Reserve Account outperformed expectations.	D	(\$3,954)	-37.5%	Anticipating reduction in interest income in correlation with reduction in Reserve Account Balance	D	(\$1,850)	-21.9%
TOTAL INCOME	\$5,705,989	\$5,741,604	\$5,882,650	I	\$35,615	0.6%	Increase in overall income.	I	\$141,046	2.5%	Increase in overall income.	I	\$176,661	3.1%
NET INCOME	\$3,898,422	\$3,805,417	\$3,785,956	I	\$93,005	2.4%	Increase in overall income.	D	(\$19,461)	-0.5%	Decrease in income due to large Non-Routine Expense	D	(\$112,466)	-2.9%

I -- DESIGNATES INCREASE (Results in Increase in Revenue)

D -- DESIGNATES DECREASE (Results in Decrease in Revenue)