

MIH Mastermind – Multifamily Lender-Ready Financial Reporting Template & Guide

Purpose

This guide helps investors present property financials in a lender-underwriting format rather than a tax-bookkeeping format. Lenders finance Net Operating Income (NOI), not accounting classifications.

Core Principle

NOI must represent property performance before financing and ownership decisions. Debt service and ownership-related expenses belong below NOI.

1. Income

Gross Rental Income
Less Vacancy & Credit Loss
Effective Gross Income (EGI)
Other Property Income
Utility Reimbursements
Late Fees / Application Fees
TOTAL OPERATING INCOME

2. Operating Expenses (Above NOI)

Property Operations:
- Property Management Fees
- Payroll / Onsite Staff
- Leasing Costs

Repairs & Maintenance:

- Maintenance Labor
- Contract Repairs
- Grounds Maintenance
- HVAC / Plumbing / Electrical
- Maintenance Supplies
- Unit Turn Costs

Property Expenses:

- Utilities
- Insurance
- Property Taxes
- Trash / Sewer
- Pest Control

Administrative (Property-Level Only):

- Background Checks
- Software required for operations
- Licensing

Replacement Reserves (\$250–350 per unit annually)

Net Operating Income (NOI)

NOI (Before Debt Service)

3. Non-Operating Expenses (Below NOI)

Financing:

- Mortgage Interest
- Loan Fees
- Amortization

Ownership Expenses:

- Owner Travel

- Meals
- Vehicle Expenses
- Conferences
- Education
- Wellbeing
- Corporate Overhead

Investor Activity:

- Distributions
- Draws
- Asset Management Fees

Balance Sheet – Lender Format

Assets:

- Operating Cash
- Operating Reserve
- Cash Held by Property Manager
- Security Deposits Held by PM
- Land
- Building
- Capital Improvements
- Less Accumulated Depreciation

Liabilities:

- Accounts Payable
- Credit Cards
- Security Deposits
- Mortgage Debt

Equity:

- Sponsor Capital Contributions
- Sponsor Advances to Property

- Retained Earnings
- Owner Distributions

Required Supporting Schedules

1. Sponsor Equity & Capital History
2. Capital Improvement Summary
3. Liquidity Summary

Why MIH Teaches This Method

Tax P&L is for compliance. Lender NOI statements are for capital markets. Proper financial presentation can materially impact valuation and refinancing outcomes.