

## INSTRUCTIONS FOR COMPLETING – APARTMENT INCOME AND EXPENSE REPORT

The following instructions are provided to aid you in filling out this questionnaire. The information submitted in this report should be in accordance with the accounting methodology used for Federal income tax purposes. Expenses are to be reported only once; double reporting is prohibited. If you have any questions, please call Mr. Anthony Daniels, Program Coordinator, at (202) 442-6794.

### **TIP: Use the TAB key to navigate the form.**

- List Apartment Name and premise address.
- List the main Square, Suffix and Lot (SSL) for the property.
- You may list additional SSLs that may comprise an economic unit and receive filing credit for the additional SSLs.
- Provide the Owner's name and address.

### **CERTIFICATION**

*District of Columbia law (D.C. code §22-2514) requires certification of this information by the owner or an officially authorized representative. Please print or type the name and title of the person certifying the Information, the name and phone number of the person to contact with questions on the information, and the property owner's federal tax I.D. number.*

- Provide certification information. Be certain to ensure *required fields* contain your response. You will not be able to save or submit your form if *required fields* remain blank.
- It is essential that you provide an accurate e-mail address. This address will be used to send e-mail links to saved forms and conformation of submitted forms. Once you submit your form, you will not be able to edit it further.

### **A. SUMMARY OF RENT SCHEDULES**

1. Please provide the number of residential units and average monthly rent for each listed category.
2. Provide information for retail/commercial units.

### **HUD/SUBSIDIZED/LOW INCOME HOUSING INFORMATION**

This information is requested to identify subsidized properties. Please identify in the space provided the subsidy program in which you participate.

### **DEBT SERVICE INFORMATION**

1. Please provide information concerning any existing mortgage or mortgages that exist on this property. Please list the mortgage or mortgages amount, itemize if needed. This information is requested to study the financing trends for this property type to determine typical debt coverage ratios.
2. Please list the most recent appraisal, date of valuation and appraised amount. If an appraisal has been completed within the past 24 months please provide a copy.

### **B. ANNUAL INCOME**

*Please enter income information for the period covered by this statement.*

1. List the total rental revenue received of occupied units at their contract rent **and the total potential rent of the vacant units at market rent**. The potential gross income includes all the rental income assuming 100% occupancy, including employee apartments. This potential gross income should be reported on line 1. All miscellaneous income contributed to retail, office, corporate suites, parking, etc. will be addressed on lines 7-11. **(Potential Gross Income line 1 Annual Income Section)**
2. List the rental loss (Vacancy) at current rental rates due to un-leased units during this reporting period. **(line 2 Annual Income Section)**
3. List the income loss due to inability to collect rent owed (Collection Loss) **(line 3 Annual Income Section)**.
4. List all incentives (Concessions) given to tenants in order to increase occupancy **(line 4 Annual Income Section)**.
5. List the income loss at current rental rates for employee apartments. Please provide the number of units made available for employees (occupied or not) for year ending December 31<sup>st</sup> **(line 5 Annual Income Section)**.
6. Total Actual Income **line 6** is derived as follows **(line 1 less lines 2-5)**
7. Please provide income received from corporate suites, retail, office, commercial units. This reported income should be referenced from the retail/commercial section under Summary of Rent Schedules **(line 7 Annual Income Section)**.
8. Provide the total amount of income collected from coin laundry, parking, storage, clubhouse and or party rooms, vending etc. **(line 8 Annual Income Section)**.
9. List any tenant/HUD/Subsidized Housing repayment to the owners for utilities where utilities are sub-metered or where reimbursements are given by HUD for Subsidized units **(line 9 Annual Income Section)**.
10. For subsidized apartments only, indicate the amount of HUD interest subsidy reimbursements to owners. Indicate the program; if it provides tax credits, subsidized financing, etc. please provide attachments for covenant terms and time frame **(line 10 Annual Income Section)**.

11. Please provide any other miscellaneous income under other. This could pertain to any income received from percentage leases, fees collected for pet allowance, pool use, exercise facility or other fees not accounted for elsewhere (**line 11 Annual Income Section**).

12. Total actual income is derived as follows (**line 1 less lines 2-5 plus lines 7-11**).

### C. EXPENSES

These are annual expenses necessary to maintain the production of income from operation of the property. Do not include under any expense category items such as ground rent, mortgage interest or amortization, personal property tax, depreciation, income taxes, or capital expenditures. These are not operating expenses. Capital expenditures include investments in remodeling, or replacements, which materially add to the value of the property or appreciably prolong its life. **Capital expenditures are requested under Capital Improvements Section (lines 34 & 35).**

13. Amount paid to a management company or self for operating the building. This should be management expense only, if any management expenses are categorized under administrative or under payroll they should be reported here and not under payroll or administrative.
14. Administrative expenses should include: advertising, office supplies, accounting, legal fees and liability insurance. List any furniture rental costs (for models, offices, tenants, etc.), please detail each and upload/submit separate sheet.
15. Payroll expenses. Itemized list required if applicable. If reporting security payroll with payroll under this section please do not double report. Do not report management expenses under payroll section, please refer them to management section line 13.
16. Expenses for providing corporate suites.

### D. UTILITIES

This utility section applies to the utility expenses associated with operating and maintaining the property. This may include the heating and cooling of common area such as hallways, foyers, office space for management etc. Utilities services as they pertain to HVAC are excluded if associated with tenants who are responsible for paying own utilities

17. Water & sewer services for the reporting period ending December 31<sup>st</sup>. This should be electric service to maintain the common areas (hallways, foyer, entry levels), office etc.
18. Electricity service for the reporting period ending December 31<sup>st</sup>. This should be electric service to maintain the common areas (hallways, elevators, foyer, entry levels), office etc.
19. Specify the primary heating fuel (oil, gas, etc.) used for heating the common areas or office area. If more than one type of fuel is used, indicate the type and cost. Do not include an amount for electric if it is listed above. (**line 19 Expense Section**)

### E. REPAIRS MAINTENANCE AND CONTRACT SERVICES

20. Payroll expenses for maintenance staff and expenses for maintenance supplies.)
21. Maintenance and repair expenses associated with all mechanical systems of the property. These include heating, ventilation, air-conditioning, plumbing, electrical. Do not include capital Improvements/Expenditure items.
22. Roof repairs; include repairs and routine maintenance expenses to roof. Do not enter the cost to replace entire roof. Roof replacement is a capital expense, as it will be shown within capital improvements/expenditure section lines 34&35.
23. Elevator expenses. Include any cost of maintenance (parts, labor) to maintain or repair. Also include any contracts services if they exist.
24. Pool expenses. Include any cost of maintenance (parts, labor) to maintain or repair. Also include any contracts services if they exist.
25. Redecorating Costs (Carpet, paint, drywall repair etc). This could also include repairs to exterior of the property not covered elsewhere. These costs should be cosmetic items only. Do not include capital expenditures, or any short lived items being replaced through replacement reserves. A detailed list is required to be submitted or uploaded, please reference you're reporting to line 25 redecorating cost.
26. Janitorial/Cleaning. Include supplies & payroll pertaining to janitorial and cleaning services. Also include any contract service expenses if they exist
27. Landscaping and Ground Services. Include any landscaping cost, snow removal, lawn care, parking lot maintenance etc. Also include any contract service costs if they exist.
28. Trash Expenses. Include any expenses with onsite dumpsters, trash chutes, or trash removal. Include any contract service expenses if they exist.
29. Security Expenses. Include expenses associated with security guard payroll, electrical or computer systems associated with security. Maintenance of security electrical and computer systems. Do not include security payroll under this section if reporting above under payroll.
30. Other maintenance contract services etc. not covered above. A detailed list must be uploaded or submitted for consideration as expense item.

### F. FIXED EXPENSES

Fixed expenses incurred by the property should contain fire/casualty insurance, miscellaneous taxes (excluding Real Estate Taxes).

31. Identify fire/casualty insurance expenses relevant to the reporting period only (year ending December 31<sup>st</sup>). Some insurance policies are multi-year contracts. Please include only one year's cost.

32. Specify any miscellaneous taxes (ex. payroll taxes, BID Taxes, Vault, Taxes, etc.) do not include Real Estate Tax. Though Real Estate Taxes are considered fixed expense, OTR uses a loaded tax rate to compensate for Real Estate Taxes.

*Total fixed expenses should equal the sum of lines 31&32 under fixed expenses section.*

#### **G. REPLACEMENT RESERVES**

Replacement reserves, provides for the periodic replacement of building components that wear out more rapidly than the building itself and must be replaced during the building economic life. Replacement reserves **unlike** Capital Improvements/Expenditures are part of the annual expenses of operation. These expenses **do not** enhance annual net operating income or economic life, but preserve and maintain the property and onsite improvements. Examples of Replacement Reserves: roof covering, carpeting, kitchen bath and laundry equipment, HVAC compressors.

33. Please list reserves on hand and interest income earned year ending December 31<sup>st</sup>. Please specify the reserve amount per unit if applicable.

#### **H. CAPITAL IMPROVEMENTS**

Capital Improvements/Expenditures **do not** recur annually, therefore should not be included within annual expenses of operation. Capital Improvements/Expenditures may enhance the value of the property by increasing the annual net operating income or economic life of the property, but the Capital Improvement/Expenditure is not a periodic operating expense. Please report, in detail, any capital improvements or renovations incurred to the property during the current reporting period ending December 31<sup>st</sup>. Also list and detail any anticipated capital improvements in the future. When reporting anticipated future improvements an itemized list with annual plan is required. If this is a multi-year plan the years in question must be itemized and reported, please upload or attach associated documents if needed.

34. Report expenditures for capital improvements that were incurred in the last twelve months.  
35. Report the cost of all future anticipated capital improvement expenditures.(itemized list required)

#### **I. ANNUAL GROUND RENT**

Complete if the property is subject to a land lease. A copy of the land lease must be uploaded or provided for consideration.