

INSTRUCTIONS FOR COMPLETING – APARTMENT BUILDING INCOME AND EXPENSE REPORT

The following instructions are provided to aid you in filling out this form. 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 or via email at anthony.daniels@dc.gov.

TIP: Use TAB Key to navigate the form.

You need Square Suffix Lot and the Assessment Notice number to access the form. Please provide the authorized Approver E-mail address to receive a submission code. You may edit the form at any time before submission but, you will not be able to edit the form once you key in the submission code and click the submit button.

- List the reporting date. Reporting date is typically January through December
- List Apartment Name – Square Suffix and Lot (List the main SSL here)
- List the Premise Address
- 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 §22-2405) 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.

1. Provide certification information. Be certain to sign the form to ensure you receive filing credit.
2. List Utilities paid by tenants.
3. Provide information regarding HUD or Low-Income programs.

B. SUMMARY OF RENT SCHEDULES

1. Please provide the number of residential units and average monthly market rent for each listed category.
2. Provide information for retail/commercial units.
3. Submit a copy of your EOY rent roll along with the form.

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.

VACANCY AND COLLECTION LOSS

1. Provide income loss due to vacancy
2. Provide income loss due to collection
3. Provide income loss due to concessions
4. Provide income loss due to employees' quarters (if applicable)

C. ANNUAL INCOME

1. List the actual total rental revenue received on all occupied units in a 12-month (reporting) period at their contract rent.
2. List the actual income received on all leased Retail/Commercial spaces in a 12-month (reporting) period at their contract rent.
3. Please provide actual (miscellaneous) income received in a 12-month (reporting) period for parking etc.
4. List the actual income received in a 12-month (reporting) period for storage
5. List the actual utility reimbursements received in a 12-month (reporting) period.
6. Please provide HUD interest subsidy reimbursement for the reporting period.
7. List the other income received in a 12-month (reporting) period and specify what it represents.
8. Provide the total amount of income collected (**sum of lines 1 through 7**)

D. 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 31 & 32).**

9. 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.
10. Administrative expenses should include: advertising, office supplies and liability insurance. List any furniture rental costs (for models, offices, tenants, etc.), please detail each and submit separate sheet.
11. 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 9.
12. Professional fees should include: accounting and legal fees
13. Expenses for providing corporate suites.

E. 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

14. Water & sewer services for the reporting period ending December 31st. This should be electric service to maintain the common areas (hallways, foyer, and entry ways), office etc.
15. Electricity service for the reporting period ending December 31st. This should be electric service to maintain the common areas (hallways, elevators, foyer, entry ways), office etc.
16. 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 15**)
- 17.

F. REPAIRS MAINTENANCE AND CONTRACT SERVICES

- 18. Payroll expenses for maintenance staff and expenses for maintenance supplies.)
- 19. 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.
- 20. 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 31 & 32.
- 21. Elevator expenses. Include any cost of maintenance (parts, labor) to maintain or repair. Also include any contracts services if they exist.
- 22. Pool expenses. Include any cost of maintenance (parts, labor) to maintain or repair. Also include any contracts services if they exist.
- 23. 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.
- 24. Janitorial/Cleaning. Include supplies & payroll pertaining to janitorial and cleaning services. Also include any contract service expenses if they exist
- 25. 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.
- 26. Trash Expenses. Include any expenses with onsite dumpsters, trash chutes, or trash removal. Include any contract service expenses if they exist.
- 27. 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.
- 28. Other maintenance contract services etc. not covered above. A detailed list must be attached 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).

- 29. Identify fire/casualty insurance expenses relevant to the reporting period only (year ending December 31st). Some insurance policies are multi-year contracts. Please include only one year's cost.
- 30. 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 28 & 29 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.

31. Please list reserves on hand and interest income earned year ending December 31st. 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 31st. 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 attach associated documents if needed.

32. Report expenditures for capital improvements that were incurred in the last twelve months.

33. 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 provided for consideration.

J. MORTGAGE/SALE /MANAGEMENT INFORMATION

1. Indicate if there is a mortgage on the property.
2. If yes, please provide information pertaining to the new or existing mortgage.
3. Sales information. If a transfer has occurred in the last 3 years, detail the most recent transfer. List the percent of ownership that changed whether it is fractional or complete.
4. Indicate when the most recent independent fee appraisal has been done for the property and by which firm.

K. ANNUAL LEASING REPORT

Please provide current rent roll of the property. As an alternative, you may download the ANNUAL LEASING REPORT (RENT ROLL) spreadsheet from our website in order to electronically list larger numbers of leases.

Mail your completed form to:

Real Property Tax Administration
Attention: Income & Expense
P.O. Box 71440
Washington, DC 20024