

## 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 Robin Potter, CBJ Assessor at (907) 586-0333.

- \* List Complex Name and Parcel Number/s.
- \* List the Premise address.
- \* You may list additional Parcels that may comprise an economic unit and receive filing credit.
- \* Provide the Owner's name and address.

### CERTIFICATION

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 ID number.

- \* Provide certification information. Be sure to sign the form to ensure you receive filing credit.
- \* List utilities paid by tenants.
- \* Provide information regarding HUD or Low-Income programs.

### A. SUMMARY OF RENT SCHEDULES

- \* Provide the number of residential units sorted (# bdrms & # bath) with average monthly rent for each category.
- \* 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.

### B. ANNUAL INCOME

1. **(Potential Gross Income line 1 Annual Income Section)**  
List 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.  
All other income contributed to vending, laundry, parking, reimbursements etc. will be listed in line 5.
2. **(Vacancy & Collections line 2 Annual Income Section)**  
List the rental loss (Vacancy) at current rental rates due to un-leased units during this reporting period. Include income loss due to inability to collect rent owed (Collection Loss).
3. **Incentives (Concessions line 3 Annual Income Section).**  
Provided to tenants to increase occupancy.
4. **(Employee Quarters line 4 Annual Income Section).**  
List the income loss at current rental rates for employee apartments and provide # of units made available (occupied or not) for the year.
5. **(Other Income line 5 Annual Income Section).**  
Include all other income - vending, laundry, parking, reimbursements, storage, utilities, pet allowance, etc.
6. **Total Actual Income** (line 1 less lines 2-4 plus line 5)

### C. EXPENSES

These are the 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 it's life.

7. Amount paid to a management company or self for operating the complex. Should be management expense only. Do not report management expense under payroll or administrative.
8. Administrative expenses should include; advertising, office supplies, accounting, legal fees, liability insurance and furniture rental costs.
9. Payroll expenses. Itemized list required if applicable. If security payroll is included, do not double report.

**D. UTILITIES**

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

- 10. Heating fuel. Specify primary fuel used for heating common or office areas.
- 11. Electric service. To maintain common and office areas.
- 12. Water and sewer service to maintain common and office areas. Do not include services paid by tenant.

**E. REPAIRS MAINTENANCE AND CONTRACT SERVICES**

- 13. Payroll expenses for maintenance staff and maintenance supplies.
- 14. Maintenance and repair expenses associated with heating, ventilation, air conditioning, plumbing or electrical. Do not include capital improvements/expenditure items.
- 15. Roof repairs; include repairs and routine maintenance expenses to roof. Do not enter replacement cost for entire roof. Roof replacement is a capital expense.
- 16. Elevator expenses. Include cost of maintenance (parts, labor) to maintain or repair and contract services if applicable.
- 17. Redecorating Costs (carpet, paint, drywall repair etc.) This could also include exterior repairs not covered elsewhere. The costs should be cosmetic items only. Do not include any capital expenditures or short lived items. A detailed list is required to be submitted. Please reference your list as "line 17 redecorating cost".
- 18. Janitorial/Cleaning. Supplies and payroll pertaining to janitorial and cleaning services. Include contract services if applicable.
- 19. Landscaping and ground services. Include any landscaping cost, snow removal, lawn care, parking lot maintenance etc.
- 20. Trash expenses. Include any expenses with onsite dumpsters, trash chutes or trash removal and contract services if applicable.
- 21. Security expenses. Include expenses associated with security guard payroll, electrical or computer systems associated with security. (Do not include security payroll if reporting under payroll).
- 22. Other Contract services not included elsewhere. 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).

- 23. Identify fire/casualty insurance expenses relevant to the reporting period only (year ending December 31st). Some policies are multi-year contracts. Please include only one year's cost.
- 24. Specify any miscellaneous taxes. Do not include Real Estate Tax. Taxes are considered a fixed expense. The Assessor uses a loaded tax rate to compensate for Real Estate Taxes.
- 25. Property taxes. Noted for report purpose only. Included in CAP rate.

**G. REPLACEMENT RESERVES**

Replacement reserves provide 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.

- 26. Please list reserves on hand and interest income earned year ending December 31. Please specify the reserve amount per unit if applicable.

**H. GROUND RENT**

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