

**ANNUAL STATEMENT OF INCOME AND EXPENSES  
FOR  
INCOME PRODUCING PROPERTIES**  
(Request made pursuant to N.J.A.C. 18:12A-1.8 and N.J.S.A. 54:4-34)

PERIOD TO BE REFLECTED IN COMPLETION OF STATEMENT (most recently completed accounting year)

Annual period beginning \_\_\_\_\_ and ending on \_\_\_\_\_.

**PART 1 - PROPERTY IDENTIFICATION**

Block: \_\_\_\_\_ Lot: \_\_\_\_\_ Qualifier: \_\_\_\_\_

Owner Name: \_\_\_\_\_

Property Name (if any): \_\_\_\_\_

Property Location: \_\_\_\_\_

**PART 2 - PROPERTY INFORMATION**

- 1. Year of construction .....
- 2. Predominate story height of building .....
- 3. Total Gross Floor area of all floors excluding basement and parking areas .....
- 4. Square feet of basement area .....
- 5. Predominate use of building (e.g., store, office, warehouse, etc.) .....
- 6. Does the building have elevator service? .....
- 7. Total number of rental units .....
- 8. Annual Vacancy percentage .....
- 9. Is rental of space subject to lease? .....
- 10. Do any income and expense figures for the reporting period differ significantly from the property's normal operating experience? \_\_\_\_\_(if yes, please explain under comments.)

COMMENTS \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**PART 3 - STATEMENT OF INCOME** (Schedule A must also be completed)

Complete this section after reviewing the following guidelines.

**Guidelines for Completion of Statement of Income**

**Gross Base Possible Rentals** - refers to the total annual income from the rental of space assuming that all space is 100% occupied. The fair rental value of space occupied by the owner and/or the building manager would be included.

**Escalation Income** - refer to the definition of Escalation income provided in item No. 9 under "Instructions For Completion of Schedule A."

**Percentage Rent** - refers to income received which is attributable to percentage clauses in a lease.

**Other Income** - refers to income from services that are corollary to the operation of the real estate. It is income generated by cooperation of the real property, but not derived directly from space rental. Examples of other income would include services sold to tenants, income from vending machines, signs on buildings, phones, parking fees, etc.

**GROSS POSSIBLE INCOME (100% Occupancy)**

- 1. Gross Base Possible Rental .....
- 2. Escalation Income .....
- 3. Percentage Rent .....
- 4. Other Income .....
- 5. Total of Possible Gross Income .....  
(Sum Line 1 through 4)
- 6. Total of Actual income .....
- 7. Difference .....  
(Line 5 Less 6)

**PART 4 - STATEMENT OF EXPENSES**

**Guidelines for Completion of Statement of Expenses**

**Expenses** - refer to periodic expenditures that are necessary to maintain the production of income, included are out-of-pocket costs to provide services to tenants. An alphabetic listing of typical expense items is provided to aid you in completing this section. Insert the expense item applicable to the operation of the property. If an expense item is not listed, space is provided under "Other Expense Items" to insert the type and amount of the expense.

**DO NOT** include total expense amounts if the expense does not coincide with the same annual period specified for gross income. For example, if the building insurance premium is paid on a 3 year basis, the expense reported must be an allocation for a single year. Other expense items that are not incurred annually, such as painting, are to be allocated for a single year. If painting occurs every 7 years, the cost for this expense should be divided by 7 and noted under the appropriate expense item.

**DO NOT** list expenses such as mortgage interest and amortization, depreciation charges, income or corporation taxes, special corporation costs, salaries that are not attributable to the operation of the real estate or any capital expenditures.

**EXPENSES (Do not include capital expenditures)**

<u>ITEM</u>	<u>AMOUNT</u>
1 Advertising .....	\$ _____
2 Administrative .....	_____
3 Decorating .....	_____
4 Electric (excluding 8) .....	_____
5 Elevator repairs and maintenance .....	_____
6 Exterminating .....	_____
7 Gas (excluding 8) .....	_____
8 Heat .....	_____
9 Insurance .....	_____
10 Janitorial .....	_____
11 Leasing fee .....	_____
12 Management .....	_____
13 Payroll (not included in other categories) .....	_____
14 Repairs and maintenance:	
14(a) Building .....	_____
14(b) Yard and grounds .....	_____
15 Roof repairs (if not included in 14) .....	_____
16 Rubbish removal .....	_____
17 Security .....	_____
18 Sewer .....	_____
19 Snow removal (if not included in 14) .....	_____
20 Supplies:	
20(a) Office .....	_____
20(b) Cleaning (if not included in 10) .....	_____
20(c) Other (specify) .....	_____
21 Water .....	_____
22 Window washing (if not included in 10) .....	_____

**OTHER EXPENSE ITEMS**

<u>Type of Expense</u>	<u>Amount</u>
_____	\$ _____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____

**TOTAL EXPENSES** \_\_\_\_\_

**PART 5**

**SIGNATURE AND VERIFICATION  
COMPLETE SCHEDULE A BEFORE SIGNING THIS STATEMENT**

The undersigned declares under the penalties provided by law, that this return (including any accompanying schedules and statements) has been examined by him and to the best of his knowledge and belief is a true, correct and complete return. If the return is prepared by a person other than the taxpayer, his declaration is based on all the information relating to the matters required to be reported in the return of which he has knowledge.

\_\_\_\_\_  
 (Date) (Signature of Taxpayer) (Title)

\_\_\_\_\_  
 (Date) (Signature of Individual Preparing Return) (Title)

Any questions regarding the completion of this form should be directed to the office of the tax assessor.

# INSTRUCTIONS FOR COMPLETION OF SCHEDULE A

Break down each type of rental space that the property includes. Each different unit rental should also be broken down. For example, if the property is a 3 story office building and there are 4 different unit rental values, each unit is required to be listed separately.

## **COLUMN 1 – TYPE OF RENTAL SPACE**

Break down the type of rental space into one of the major categories listed below. Type of rental space is the use of the space. Categories are as follows:

S = Store  
O = Office  
W = Warehouse

P = Parking  
I = Industrial  
A = Apartment

Note the category(ies) that best fit(s) the use of rental space(s) for your property. **If none of the categories apply, please insert the particular use of the space.**

## **COLUMN 2 – LOCATION OF RENTAL SPACE**

Location of rental space refers to the location in the building where the rental space is situated with regard to story level(s). For example, the rental space may be located in the basement, first floor, second floor, etc. or on multiple stories, such as 3<sup>rd</sup> through 5<sup>th</sup> floors.

## **COLUMN 3 – STATUS OF OCCUPANCY**

Insert an O if the rental space is occupied.  
Insert a V if the rental space is vacant

## **COLUMN 4 – UNIT OF RENTAL**

Unit of rental refers to unit on which the rental is based. Below are definitions of units of rental.

**Net Rentable Area (NRA)** is a unit of rental that excludes areas occupied by exterior and corridor walls, common corridors, common restroom and washroom areas, stairways, and shafts devoted to elevator and mechanical use.

**Gross Rentable Area (GRA)** is a unit of rental that includes all areas enclosed by outside walls except for areas occupied by stairways, elevators, and shafts.

**Full Floor Area (FFA)** is a unit of rental that includes the exclusive area of tenant use plus an allocation of common areas to each tenant.

**Gross Leasable Area (GLA)** is a unit of rental used for single-occupancy property or for independently served space

Insert the unit of rental that is applicable to the rental space for your property. If a unit of rental does not fall into one of the above categories, please insert the unit that applies to the rental space. For example, other units that may apply include per room, per apartment, per car space, etc.

## **COLUMN 5 – CLASSIFICATION OF LEASE**

Classification of lease refers to whether the lease is based on either a gross rental basis (GRB) or a net rental basis (NRB). Under a gross rental basis, the lessor pays all operating expenses for the property. Under a net rental basis, the tenant pays all the operating expenses. If a lease falls between these two classifications, please note by inserting the word "Shared", otherwise insert either GRB or NRB under this column.

## **COLUMN 6 – SQUARE FEET OF RENTAL SPACE**

Insert the square feet of rental space on which the rental is based.

## **COLUMN 7 – BASE ANNUAL RENTAL PER SQUARE FOOT**

Base annual rental refers to the current guaranteed rental being received for the rental space. Base annual rent would not include percentage and escalation income from the rental of space. If the space is vacant, insert the current market rent for the space.

## **COLUMN 8 – OVERAGE RENT**

Overage rent refers to percentage rent that is paid over and above the base annual rent as noted in column 7.

## **COLUMN 9 – ESCALATION INCOME**

Escalation income refers to income that is received for additional charges to tenants. A property owner may be reimbursed for costs such as insurance, taxes, utilities, and other items that may be specified under the lease. If escalation income is received, the total amount should be inserted in this column and a breakdown of the escalation income noted in Section 2 of Schedule A under "Other Income".

## **COLUMN 10 – YEAR LEASE ENTERED INTO**

Enter the year that the lease was executed.

## **COLUMN 11 – YEARS REMAINING UNDER LEASE**

Enter the number of years that remain on the lease.

## **COLUMN 12 – YEAR OF LAST RENTAL REVISION**

Enter the last year that the rental was revised because of graduated clauses, renewals, renegotiations, and/or any other reasons.

