

INSTRUCTIONS FOR COMPLETING HOTEL-MOTEL INCOME & EXPENSE REPORT

The following instructions are provided to aid you in filling out the Income and Expense Report form. The information provided on the report should be in accordance with the accounting methodology used to report federal income taxes. Expenses are to be reported only once; double reporting is prohibited. Please round amounts to the nearest dollar. If you have any questions, or need assistance, please contact our Assessment Program Coordinator at fp308@dc.gov.

Owner Page

1. List the Hotel/Motel name.
2. Provide the Owner's EIN
- 3-8. Provide the Owner's name and mailing address.
- 9-10. Add any additional SSLs that comprise an economic unit with the main SSL for filing purposes (these additional SSLs do not separately report).

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Property Page

1. Indicate if hotel is a franchise or chain.
2. Enter the total number of guest rooms (keys).
3. Enter the total number of parking spaces.
4. Enter the Average Number of Rooms Occupied Per Day, which is the total number of rooms sold divided by the number of days in the reporting period.
5. Enter the Average Daily Room Rate (ADR). ADR is Gross Room Revenue divided by the total number of rooms sold.
6. Enter the Occupancy Rate. Occupancy Rate is total number of rooms sold divided by total number of potential rooms.
7. Enter the Revenue per Available Room (RevPAR). RevPAR is the ADR multiplied by the Occupancy Rate.
8. Enter the total number of guest rooms (keys) that have a kitchenette.
9. Enter the total number of guest rooms (keys) that have a full kitchen.
10. List the amenities offered at the subject hotel/motel. [Examples include but are not limited to: fitness center, swimming pool, spa, business center, concierge, room service, wifi, parking, etc.]
11. List the name, type and seating capacity of any food and/or beverage outlets. Click the button to add a record for each such outlet; then enter the requested information.
12. Enter the combined total square footage of all conference/meeting areas.
13. Enter the square footage of the single largest conference/meeting area.

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Income and Expenses Page

a. Indicate the Accounting Methodology used.

ANNUAL REVENUE

1. Enter the Room Revenue. This is the actual room revenue and NOT gross potential revenue at 100% occupancy.
2. Enter the Food & Beverage revenue. This is actual revenue received from the sale of all food, beverages and sundries. This includes revenue from all food & beverage outlets, room service, etc.
3. Enter the Telephone Service revenue. This is actual revenue received from the use of telecommunications services.
4. Enter the income from other sources. This is actual revenue from other sources not included above. This includes other operating departments such as: parking, laundry, gift shop, health club, spa, etc.
5. Enter the Rental Income. This is actual income received from rental services and operations.
6. Enter the Total Revenue. This is the sum of lines 1 through 5.

OPERATED DEPARTMENT COSTS

These are costs 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, 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 to be included in Lines 27 or 28.

7. Enter the Rooms Costs. Costs directly attributed to room upkeep.
8. Enter the Food & Beverage Costs. Costs directly attributed to providing food, beverages, meals and drinks.

9. Enter the Telephone Service Costs. Costs of providing telecommunications services to guests.
10. Enter the total of Other Costs. Additional departmental costs not listed above. Please attach list.
11. Enter the Total Operated Department Costs. This is the sum of lines 7 through 10.
12. Enter the Gross Operating Income. This is Total Revenue (line 6) minus Total Operated Department Costs (line 11).

UNALLOCATED OPERATING EXPENSES

These are costs necessary to maintain the production of income from operation of the property. Do not include under any expense category items such as: tenant improvements, ground rent, mortgage interest or amortization, 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 to be included in Lines 27 or 28. This section is for local, site specific expenses; do not include any corporate allocations. Payroll taxes are to be included in this section. Please include here all other expenses to the property. Operating expenses are to be reported only once. Double reporting is prohibited.

13. Enter the Administrative & General Expenses. Payroll expenses for administrative staff. All managerial and operational expenses that cannot be attributed to a particular department (ex. Commissions on credit card charges, doubtful accounts, professional services-i.e., legal, accounting general insurance for liability (not fire/casualty insurance, this goes under Line 18), life insurance, theft, etc. Do not include Base Management Fees or Incentive Management Fees, which are to be reported in Lines 22a and 22b.
14. Enter the Property Operations & Maintenance Expenses. Payroll expenses for maintenance staff and expenses for maintenance supplies. Maintenance and repair expense for heating, ventilating and air-conditioning, and related maintenance and/or repairs. Roof repairs and routine maintenance expenses. Do not enter the cost to replace entire roof. Roof replacement is a capital expenditure, which should be shown in Lines 27 or 28. Do not include capital items. Janitorial and cleaning expenses for the property. Any other property operations and maintenance expense not listed elsewhere (trash, grounds, snow removal, carpet, paint, security, etc.).
15. Enter the Utility Expenses. Include all utility costs.
16. Enter the Marketing Expenses. Payroll expenses for marketing activities (salary, wages, benefits, bonuses, etc.). Indicate all other expenses associated with the promotion and marketing of the property (advertising, merchandising, etc.). Do not include Franchise Fees. Do not include hotel chain marketing expenses. Do not include salaries, wages, benefits, bonuses or other expenses that are already included elsewhere, such as Administrative Expenses in #13 above.

17. Enter Other Costs. Specify any other expense not identified elsewhere. Do not include ADA upgrades; they should go under Capital Expenditures. Attach a list.

18. Enter the Insurance Expenses. Identify fire/casualty insurance expenses relevant to the reporting period only. Please include only one year's cost.

19. Enter the expenses for Public Space Rental. Include costs associated with public space, including vault rental.

20. Enter the Total Unallocated Operating Expenses. This is the sum of Lines 13 through 19.

21. Enter the Net Operating Income. This is Gross Operating Income (Line 12) minus Total Unallocated Operating Expenses (Line 20).

22.a. Base Management Fee. Enter, in dollars, the amount paid over the reporting period (typically one calendar year). Do not state as a percentage (Line 22a).

22.b. Incentive Management Fee. Enter, in dollars, the amount paid over the reporting period (typically one calendar year). Do not state as a percentage (Line 22b).

23. Franchise Fee. Enter, in dollars, the amount paid over the calendar year. Do not state as a percentage.

24. Enter the Replacement Reserves. The normal annual amount set aside during the current reporting period as an allowance for the periodic replacement of building components and FF&E that wear out more rapidly than the building itself. Do not include capital expense items; they should be shown in Lines 27 or 28.

25. Enter the Real Estate Taxes. The dollar amount paid over the calendar year.

26. Enter the FF&E Value. The furniture, fixtures and equipment value that is reported in the hotel's most recently submitted D.C. personal property tax return.

27. Enter Capital Expenditures (last 12 months). Report, in detail, any capital improvements or renovations to the property during the current reporting period. Do not include FF&E. This is not a capital expense.

28. Enter Capital Expenditures (next 5 years). Report, in detail, any planned capital improvements or renovations to be incurred over the next 5 years. Do not include FF&E. This is not a capital expense.

ANNUAL GROUND RENT

29. If there is a ground lease, enter the amount of annual ground rent.

30. If there is a ground lease, enter the inception date of the ground lease.

31. If there is a ground lease, enter the ending date of the ground lease.

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Mortgage/Sale/Management Page

1. Indicate if there is a mortgage on the property referenced in this questionnaire. If yes, please provide information pertaining to the new or existing mortgage.
2. If a sale or 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.
3. Indicate when the most recent independent fee appraisal has been done for the property and by which firm.
4. If the property is managed by a management company, please provide information pertaining to the management company.

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Leased Building Areas Page

If space within the hotel/motel or on the subject premises is leased to a tenant indicate the type, location and amount of such space, the tenant name, and the amount of annual and/or additional rent paid.

1. Enter the type of space, if any.
2. Enter the location within the building (or elsewhere on the property) of any such leased space.
3. Enter the name of the tenant(s).
4. Enter the total square footage of leased space(s).
5. Enter the total annual base rent, in dollars.
6. Enter the total amount, in dollars, of any additional rent.

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Certification Page

The Income & Expense Report must be signed by the owner or an officially authorized representative. Please provide the name, title and contact information of the Approver certifying the Report. The Approver is the owner or a representative authorized by the owner to submit the Income & Expense Report on the owner's behalf. Also provide the name, title and contact information of the Preparer (may be the same person as the Approver) as the person to contact regarding any questions about the information within the Report.

Entering the submission code and clicking the submit button constitutes your electronic signature. Your signature certifies, under penalty of law, that the information provided is true, correct and complete to the best of your knowledge and belief. Making a false statement is punishable by criminal penalties. Please reference DC Code §§ 22-2405 and 47-4106.

SUBMISSION CODE

a. Enter the six-character alphanumeric submission code that was provided to you in the Notice of Income & Expense Filing Requirement notice that was mailed on February 17.

PREPARER DETAILS

1. Enter the preparer's Company Name.
2. Enter the preparer's Title and the preparer's relationship to the property owner.
3. Enter the preparer's Name.
- 4-5. Enter the preparer's Address (use Address line 2 if necessary).
6. Enter the preparer's City.
7. Enter the preparer's State (using the drop-down selection box).
8. Enter the preparer's Zip Code.
- 9-10. Enter the preparer's Email address. Confirm the preparer's email address.
- 11-12. Enter the preparer's Phone number. Confirm the preparer's phone number.

APPROVER DETAILS

13. Enter the approver's Company Name.
14. Enter the approver's Title and the approver's relationship to the property owner.
15. Enter the approver's Name.
- 16-17. Enter the approver's Address (use Address line 2 if necessary).
18. Enter the approver's City.
19. Enter the approver's State (using the drop-down selection box).
20. Enter the approver's Zip Code.
- 21-22. Enter the approver's Email address. Confirm the approver's email address.
- 23-24. Enter the approver's Phone number. Confirm the approver's phone number.

SUBMIT

b. Once the entire online Income & Expense Report is complete and ready to be submitted, click the Submit button to submit the online Report. Submission of the online Income & Expense Report certifies, under penalty of law, that the information provided is true, correct and complete to the best of your knowledge and belief. Making a false statement is punishable by criminal penalties. Please reference DC Code §§ 22-2405 and 47-4106.