

2016 ANNUAL INCOME & EXPENSE SUMMARY FOR RENTAL PROPERTY

(Complete one form for each piece of rental property)

RETURN TO FERRELL & KELLY, LLC BY MARCH 1, 2017

Name(s) on real estate title & percentage (%) of ownership: _____

Address of rental real estate property: _____

Name, address & phone # of property management company in 2016: _____

(NOTE: If you do not have a property management company that handles the rental of the property for you, please write "N/A" in the space above)

Has your property management company changed since 2016? _____

If you use a property management company and they provide an annual summary of income and expense for the calendar year ended 12/31/2016, please provide that information. If not, please summarize the income and expenses below. If you only provide monthly management statements and/or numerous receipts for us to total for this form, your tax preparation fees may increase.

1. **RENTAL INCOME:** Please report the amount of rental income that you collected both inside and outside of the U.S. from January 1, 2016 through December 31, 2016. Please show your rental income, net of (minus) Sales & Tourist Development Taxes, paid in U.S. dollars:

TOTAL RENT COLLECTED: _____
Less SALES & TOURIST DEVELOPMENT TAX: _____
NET RENTAL INCOME _____

2. **EXPENSES:** Please list expenses paid by you from 1/1/2016 through 12/31/2016

Amount in U.S. dollars

- a. Advertising expense _____
- b. Automobile & travel expenses _____
- c. Cleaning & maintenance _____
- d. Club membership _____
- e. Commissions _____
- f. Homeowners Association dues _____
- g. Insurance (please attach invoices) _____
- h. Legal & professional fees _____
- i. Management fees _____
- j. Mortgage interest (attach Form 1098) _____
- k. Real Estate Taxes (date paid _____) _____
- l. Repairs _____
- m. Supplies _____
- n. Tangible Personal Property Tax (date paid _____) _____
- o. Utilities _____
- p. Other, specify _____ (if furnishings, see #5) _____

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3. Number of days your home was used by yourself, your family and/or your friends when **NO** rental income or **NO** reimbursements of expenses were collected:

Number of personal use days (yourself/family/friends) _____

Number of full work days (yourself/family/friends) _____

(Days spent working substantially full-time repairing and maintaining your rental property)

Total number of days the property was rented at fair market value (FMV) in 2015 _____

4. Did you sell your property in 2016? NO YES Date sold: _____
If yes, please attach the 2-page closing settlement statement (HUD) from the sale

5. Improvements, Furniture, Property and Equipment Additions in 2016:

<u>Date(s) purchased</u>	<u>Description</u>	<u>Cost of item(s)</u>
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

6. Did you remove any furnishings in 2016? NO YES
If yes, please attach a schedule listing the original cost of the old furnishings and indicate any furnishing you listed in question 5 above, if any, that you used to replace the old furnishings. If the furnishings were purchased in a package, please estimate the original cost of individual pieces.

TERMS AND EXPLANATIONS

- a. Advertising expenses include money spent to advertise your property for rental on a website, in a newspaper or in a magazine
- b. Auto & Travel expenses - Only include the travel expense of the owner(s). Please do not include any travel expenses related to your family and/or friends. In general, only one trip per owner per year is deductible. If you rent a car for any business related meetings, provide rental cost.
- c. Cleaning and maintenance includes interior and exterior housekeeping services, pool/spa maintenance, appliance maintenance, electrical maintenance, lawn maintenance, etc.
- d. Club memberships include country club memberships, golf memberships, etc.
- e. Commissions are amounts paid to realtors or management companies to secure tenants.
- f. Association fees are paid monthly, quarterly or annually to the homeowner's association where the property is located. These fees typically cover the common area maintenance of the property or community.

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- g. Insurance is paid each year on the property to insure the property against certain types of damage.
- h. Professional fees include legal and accounting fees.
- i. Management fees are paid to companies to manage the rental property on your behalf.
- j. You should have received a statement (Form 1098) from your mortgage company showing the total interest paid by you in 2016. If you have **not** received this statement by February 28, 2017, we recommend you contact your Mortgage Company and request that they send one to you. Please note that you must request this information personally.
- k. Property taxes are taxes assessed annually that are based on the value of the property and must be paid each year. Please provide only the amount of property taxes actually paid in the current tax year. You should have received a bill from the County Tax Collector's Office prior to November 2016. Do not include sales and tourist tax collected and paid to the taxing authorities _____. Sales and tourist taxes paid are not deductible, as you are simply collecting these from your tenants on behalf of the local tax authorities.
- l. Repairs are considered expenses incurred to maintain the property and in most cases do not add significant value to the property or extend its life. Examples of repairs are fixing a broken lock or painting a room. Improvements that increase the value of the property or extend its life, such as replacing a roof or renovating a kitchen must be capitalized and depreciated (that is, they cannot be deducted in full in the year they are paid). Please include any amounts paid for improvements in the "Improvements, Furniture, Property & Equipment Additions" section at the bottom of the schedule.
- m. Supplies are expenses incurred on items tenants expect to be available for use when they arrive at your property. Bed, bath, kitchen and other home supplies would be included in this category.
- n. Tangible Personal Property Taxes - If you filed Form DR-405, Tangible Personal Property Tax Return last year and had assets greater than \$25,000, you should have received a bill from the County Tax Collector's Office for this tax sometime in November 2016.
- o. Utilities include telephone, electric, gas, water, sewer, trash collection, etc.
- p. Other - Please list any expenditures not listed in the categories above.