

# ANALYSIS OF ANNUAL INCOME AND EXPENSES — OPERATING BUDGET

For Fannie Mae submissions, complete both pages of this form. For Freddie Mac submissions, complete this side only. Note: If developer control has terminated and the Home Owners Association has been controlled by Unit Owners for two or more years, Freddie Mac does not require this form.

Project Name \_\_\_\_\_  
 Address or Location \_\_\_\_\_ City \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_

## STATEMENT OF ANNUAL PROJECT OPERATING BUDGET AND RESERVES FOR THE YEAR 19\_\_\_\_

COMPLETE ONLY THOSE ITEMS WHICH ARE PAID BY OWNERS ASSOCIATION WHICH INCLUDES SUBJECT UNIT.

Budget below is for  Entire project  Phase No. \_\_\_\_\_

TO BE COMPLETED BY SELLER/SERVICER, OWNERS ASSOCIATION, OR MANAGEMENT AGENT

**ADMINISTRATIVE EXPENSES**

Office expenses, supplies, equipment rental, etc. .... \$ \_\_\_\_\_  
 Telephone ..... \_\_\_\_\_  
 Office salaries (itemize) ..... \_\_\_\_\_  
 Management fee (name of management firm) ..... \_\_\_\_\_  
 Legal and audit ..... \_\_\_\_\_

**OPERATING EXPENSES**

Fuel ..... \_\_\_\_\_  
 Utilities (Gas \$ \_\_\_\_\_ Electricity \$ \_\_\_\_\_ Water & Sewer \$ \_\_\_\_\_) ..... \_\_\_\_\_  
 Trash & Garbage Removal ..... \_\_\_\_\_  
 Exterminating ..... \_\_\_\_\_  
 Supplies ..... \_\_\_\_\_

**REPAIRS AND MAINTENANCE**

Decorating (exterior and interior) ..... \_\_\_\_\_  
 Cleaning expenses and supplies ..... \_\_\_\_\_  
 Snow removal ..... \_\_\_\_\_  
 Building maintenance and repairs ..... \_\_\_\_\_  
 Elevator maintenance and repairs ..... \_\_\_\_\_  
 Heating and air conditioning maintenance and repairs ..... \_\_\_\_\_  
 Pool maintenance and repairs ..... \_\_\_\_\_  
 Parking area maintenance and repairs ..... \_\_\_\_\_  
 Private street maintenance and repairs ..... \_\_\_\_\_  
 Gardening and yard maintenance and repairs including shrub replacement ..... \_\_\_\_\_  
 Other (specify) ..... \_\_\_\_\_  
 Salaries (itemize including employee benefits and payroll taxes) ..... \_\_\_\_\_

**FIXED EXPENSES**

Real estate taxes (if PUD) ..... \_\_\_\_\_  
 Other (Taxes \$ \_\_\_\_\_ Assessments \$ \_\_\_\_\_ Regime Fees \$ \_\_\_\_\_) ..... \_\_\_\_\_  
 Licenses ..... \_\_\_\_\_  
 Insurance premiums ..... \_\_\_\_\_  
 Ground rent ..... \_\_\_\_\_  
 Recreational or other facilities rental ..... \_\_\_\_\_

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

**REPLACEMENT RESERVES**

List Each Item	Yrs. of Estimated Remaining Life	Expected Replacement Cost	Average Yearly Cost
_____	_____	\$ _____	\$ _____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

**TOTAL REPLACEMENT RESERVES** ..... \$ \_\_\_\_\_

**TOTAL ANNUAL EXPENSES AND REPLACEMENT RESERVES** ..... \$ \_\_\_\_\_

Project Annual Income from: Condo/PUD charges \$ \_\_\_\_\_ Other \$ \_\_\_\_\_ Total \$ \_\_\_\_\_  
 Itemize other income \_\_\_\_\_

If the income is less than the budget, discuss deficit \_\_\_\_\_

Actual funds now held: for payment of operating expenses \$ \_\_\_\_\_ in Replacement Reserve fund \$ \_\_\_\_\_  
 No of Unit Owners over 30 days delinquent in Association charges \_\_\_\_\_ in Special Assessment charges \_\_\_\_\_  
 Explain any indebtedness or leases on the common area or parking, utilities, or other facilities (if none, so state) \_\_\_\_\_

Certified Correct: Organization \_\_\_\_\_  
 Date \_\_\_\_\_ By \_\_\_\_\_ Title \_\_\_\_\_

I certify that I have analyzed the above Statement of Operating Budget and Reserves. In my opinion, except as stated below, the items as set forth in this Budget appear sufficient to maintain the project, including replacement of major items, in a manner adequate to protect its marketability.  
 Comments on Budget and Reserves \_\_\_\_\_

Date \_\_\_\_\_ 19 \_\_\_\_\_ Organization \_\_\_\_\_  
 By \_\_\_\_\_ Title \_\_\_\_\_

**STATEMENT OF ANNUAL PROJECT INCOME AND EXPENSES FOR THE YEAR 19 \_\_\_\_\_**  
**COMPLETE ONLY THOSE ITEMS WHICH WERE RECEIVED OR PAID BY THE OWNERS ASSOCIATION WHICH INCLUDES SUBJECT UNIT.**

**TO BE COMPLETED BY SELLER/SERVICER, OWNERS ASSOCIATION, OR MANAGEMENT AGENT**

<b>GROSS ANNUAL INCOME:</b>		
Condo/PUD charges: \$ _____ per mo. x _____ units x 12 = .....		\$ _____
Other Income (itemized): _____		\$ _____
<b>TOTAL INCOME FROM ALL SOURCES</b>		\$ _____
<b>ADMINISTRATIVE EXPENSES</b>		
Office expenses, supplies, equipment rental, etc. ....		\$ _____
Telephone .....		_____
Office salaries (itemized) .....		_____
Management fee (name of management firm) .....		_____
Legal and audit .....		_____
<b>OPERATING EXPENSES</b>		
Fuel .....		_____
Utilities (Gas \$ _____ Electricity \$ _____ Water & Sewer \$ _____ ) .....		_____
Trash & Garbage Removal .....		_____
Exterminating .....		_____
Supplies .....		_____
<b>REPAIRS AND MAINTENANCE</b>		
Decorating (exterior and interior) .....		_____
Cleaning expenses and supplies .....		_____
Snow removal .....		_____
Building maintenance and repairs .....		_____
Elevator maintenance and repairs .....		_____
Heating and air conditioning maintenance and repairs .....		_____
Pool maintenance and repairs .....		_____
Parking area maintenance and repairs .....		_____
Private street maintenance and repairs .....		_____
Gardening and yard maintenance and repairs including shrub replacement .....		_____
Replacement expenses (itemize) .....		_____
		_____
		_____
Other (specify) .....		_____
		_____
		_____
Salaries (itemize including employee benefits and payroll taxes) .....		_____
		_____
		_____
<b>FIXED EXPENSES</b>		
Real estate taxes (if PUD) .....		_____
Other taxes or assessments .....		_____
Licenses .....		_____
Insurance premiums .....		_____
Ground rent .....		_____
Recreational or other facilities rental .....		_____
<b>TOTAL EXPENSES</b> .....		\$ _____
<b>TOTAL ANNUAL NET SURPLUS (deficit)</b> .....		\$ _____

Discuss disposition of surplus or, if (deficit), method of funding: \_\_\_\_\_

\_\_\_\_\_

Does inspection of project indicate that funds spent during preceding year for maintenance and repairs were sufficient to maintain project in a manner likely to be acceptable to the market? If answer is no, explain: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Above statement of income and expenses is certified to be correct:  
 Organization \_\_\_\_\_

By \_\_\_\_\_ Title \_\_\_\_\_ Date \_\_\_\_\_

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# Instructions

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## **Analysis of Annual Income and Expenses - Operating Budget**

The lender uses this form to summarize information about the operating budget and reserves for the coming year for Type C condominium projects and Type 2 cooperative projects.

### **Copies**

Original, plus one.

### **Print this form**

This form must be printed on legal size paper, using portrait format. When printing this form, you must use the "shrink to fit" option in the Adobe Acrobat print dialogue box.

### **Instructions**

The lender submits this form when it submits its request for a conditional project acceptance (or for the review of subsequent legal phases) of a new Type C project or when it submits its request for a final project acceptance of an existing Type C condominium project. The lender also submits this form when it requests an extension of a Type 2 cooperative project acceptance.

The form may be completed by the lender or by the owners' association (or cooperative cooperation) or management agent of the project. Either the owners' association (or cooperative cooperation) or the management agent should execute the certification that is just above the portion of Page 1 that is identified as "Seller/Service Use Only" and the certification that is at the bottom of Page 2. The lender must certify to its analysis of the information on the form by completing the information on Page 1 in the portion of the form that is specified as being for "Seller/Service Use Only."