

# 350 BLEECKER STREET NEWSLETTER #142

October 27, 2001

The board met on October 15, 2001. Among the items discussed:

## **CONSTRUCTION – BLEECKER STREET PLANTERS**

Sal-Mar finished the sheet metal installation work on October 27, 6 weeks later than the previous deadline. The work was delayed by the WTC disaster as well as repeated errors by the subcontractor sheet metal fabrication shop. The errors did not raise the price to the co-op (about \$25,000), but the repeated delays were frustrating, since everyone wants to put plants into the planters as soon as possible.

## **LANDSCAPING FOR BLEECKER STREET PLANTERS**

Ron Walker, the landscape architect, should have his drawings ready by approximately November 5. As soon as the plans are received, they will be posted or distributed so that everyone can contribute their comments and suggestions. After any requested changes, several nurseries will bid on supplying the plants, soil, and labor for installation. The goal is to finish around Thanksgiving. The co-op has \$20,000 set aside in its budget for this project.

## **NEW AWNING**

Acme Awning installed it for \$1,650. Rifat Otovic and Jerry Rawls repainted the steel frame.

## **FINANCIAL REPORT**

A two page year-to-date financial report by the Treasurer, Marylou Moravec, is attached. The co-op expects to end the year with about \$118,925 instead of the budgeted \$112,685.

The financial report was substantially delayed because the former managing agent, Ken Newman, submitted incorrect financial reports repeatedly, and our CPA firm, Marin and Montanye, could not get the data needed to certify the Year 2000 audit. Our Year 2000 financials were finished by the CPA firm on September 6, and the Year 2001 financials are partially dependent on an audit (not yet completed) of Ken Newman's last month as managing agent, January 2001.

So the figures attached are based on the Year 2000 audit finished September 6, unaudited figures reported afterwards, and estimates made by the Treasurer. The estimates are based on last year's figures for similar items, January through September 2001 figures, and this year's budget. Budgeting 2001 was difficult because Ken's financial reports in 2000 were problematic.

Newsletters in previous years reported this information once or twice a year. Going forward, everyone should expect to receive this information monthly, posted on the web site. If you do not have access to the Internet, please ask any board member to print it out for you.

Our cash position was \$280,000 at the end of September, slightly above budget. The newsletter used to report the cash position monthly, but this ended when it became apparent that financial reports submitted by Ken Newman as managing agent were incorrect. Furthermore, bills were not paid promptly on a consistent basis by Ken's office, so the cash position sometimes was misleading. For example, as part of the audit, the CPA reported that on December 31, 2000, \$40,939 was owed, but not paid, by the co-op.

## 350 Bleecker Street Apartment Corp

### 2001 Estimate

(\$ in 000's)

	2001 Budget	Estimate Over/(Under) Budget	Jan-Sept. Unaudited Actual	Oct-Dec Estimate	Full Year 2001
<b><u>Income</u></b>					
Commercial Rent	\$ 104,978	\$ (102)	\$ 90,542	\$ 14,334	\$ 104,876
Laundry Income	12,000	2,448	11,448	3,000	14,448
Transfer Fees	25,000	(3,600)	21,400	-	21,400
Maintenance	(1) 1,041,587	(12,769)	768,700	260,118	1,028,818
Other Income (Sublets, etc.)	15,850	4,040	13,090	6,800	19,890
Total Income	<u>\$ 1,199,415</u>	<u>\$ (9,983)</u>	<u>\$ 905,180</u>	<u>\$ 284,252</u>	<u>\$ 1,189,432</u>
<b><u>Expenses:</u></b>					
Real Estate Tax	(2) 300,000	28,521	156,541	171,980	328,521
Mortgage Interest & Principal	290,400	126	217,317	73,209	290,526
Other Taxes	1,668	2,825	2,067	2,426	4,493
Total Taxes & Interest	<u>592,068</u>	<u>31,472</u>	<u>375,925</u>	<u>247,615</u>	<u>623,540</u>
Insurance	33,120	92	33,212	-	33,212
Management Fee	35,000	1,209	26,333	9,876	36,209
Legal Fees	(3) 87,000	31,077	110,577	7,500	118,077
Accounting	(4) 7,200	4,849	10,300	1,749	12,049
All Other (security, postage, etc.)	13,956	4,144	11,610	6,490	18,100
Total Administration	<u>176,276</u>	<u>41,372</u>	<u>192,033</u>	<u>25,615</u>	<u>217,648</u>
Labor	(5) 200,364	18,584	157,247	61,701	218,948
Utilities	(6) 90,000	32,065	71,255	50,810	122,065
Maintenance & Repairs	77,765	(25,560)	38,774	13,431	52,205
Contingency	15,000	(15,000)	-	-	-
Construction/Capital Projects	(7) 228,750	(140,050)	37,608	51,092	88,700
Total Expense	<u>(8) \$ 1,380,223</u>	<u>\$ (57,116)</u>	<u>\$ 872,843</u>	<u>\$ 450,264</u>	<u>\$ 1,323,107</u>
Net Operating Income/(Loss)	<u>\$ (180,808)</u>	<u>\$ 47,133</u>	<u>\$ 32,337</u>	<u>\$ (166,012)</u>	<u>\$ (133,675)</u>
Projected Cash @ 12/31/01	<u>\$ 112,685</u>	<u>\$ 6,240</u>			<u>\$ 118,925</u>

See notes on following page.

**Notes:**

- (1) Maintenance and assessments are below budget because Ken Newman's January accounting records show an underpayment.
- (2) Due to the city's fiscal calendar, real estate taxes are unknown at budget time, so an estimate is made. The co-op challenges its assessment every year.
- (3) According to our CPA, Ken Newman did not pay \$13,814 of legal expenses in 2000 so this amount was paid in 2001. The amount was unknown at budget time because Ken's books seemed in disarray. There were unanticipated legal expenses relating to water damage caused by 102 Charles Street.
- (4) Audit fees were substantially higher than planned because the audit took an extra 7 months due to difficulties with Ken Newman's records.
- (5) \$10,901 of the overage appears in the January records of Ken Newman. This amount is being audited and may actually relate to the previous year.
- (6) According to our CPA, Ken Newman did not pay \$13,447 of utilities in 2000, which had to be paid in 2001.
- (7) Construction was overbudgeted approximately \$100,000 because AM&G was paid most of its holdback in 2000 not 2001. Additionally, AM&G refused to install new air conditioner grills and sleeves for \$34,000. Major construction costs were approximately:

Zolotone painting	\$	30,000
Planter sheet metal		25,000
Planter landscaping (estimate)		20,000
Nawkaw brick staining		8,000
Commercial Space Water Meters (to be reimbursed by Ken Newman)		6,000
		<u>6,000</u>
	\$	<u>89,000</u>

- (8) According to our CPA, Ken Newman did not pay \$40,939 in expenses in 2000. \$27,261 of this total is discussed in the footnotes above.