

## 375 Beale Condominium Corporation

June 1, 2020

Agenda Item 3

### 375 Beale Condo Corporation Financial Statements for FY 2019-20 Third Quarter

**Background:** Attached are the 375 Beale Condo Corporation financial statements for the third quarter, which ended March 31, 2020.

As of the end of the third quarter, the Corporation recorded total revenue of \$4.1 million and expense of \$3.8 million (Attachment A, Page 1). Total expense is slightly below the budget at 69% with 75% of the fiscal year expired. There is an operating surplus of \$325,987 before factoring in the YTD encumbrance balance of \$343,299. With the encumbrance balance factored in, the operation will have a slight deficit of \$17,312 which will be covered by the 4<sup>th</sup> quarter assessment.

Shared services operations are comprised of services provided by BAHA on behalf of the three condo owners. Shared services include a receptionist, meeting room coordinator, shared technology, and conference and meeting room setups. The shared services expenses are detailed on page 2 of Attachment A. Total expense of \$1,447,279 is 72% of the expense budget. Salary related expenses are trending high because of additional administrative staff charges to the operation. We are evaluating the additional charges for potential adjustment for year-end.

The common area maintenance operations are contracted to Cushman & Wakefield. These operating expenses include cleaning, repairs and maintenance, utilities, ground landscaping, security, parking, and administrative expenses. Total expense of \$2,324,970 is 67% of the approved budget. The actual expense is slightly below budget due to delays in some of the maintenance.

If you have any questions about this report, please contact Brian Mayhew at 415-778-6730.

**Recommendation:** None. Provided for information only.

**Attachment:** 375 Beale Condo Corporation Financial Statements for FY 2019-20 Third Quarter

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 Brian Mayhew

375 Beale Inc. Operations  
As of March 31, 2020

	FY2018-19 Budget	Actual YTD	Budget Bal Over/(Under)	% of Budget	Year Expired	Enc	YTD Total (YTD + Enc)
Revenue							
Assessment Fee - Shared Services	\$ 2,006,600	\$ 1,504,950	\$ (501,650)	75%	75%	\$ -	\$ 1,504,950
Assessment Fee - Common Area	3,455,272	2,591,454	(863,818)	75%	75%	-	2,591,454
Interest Income	-	1,832	1,832	N/A	75%	-	1,832
Total Revenue	5,461,872	4,098,236	(1,363,636)	75%	75%	-	4,098,236
Salaries and Benefits	600,600	537,662	(62,938)	90%	75%	-	537,662
Overhead	319,000	304,639	(14,361)	95%	75%	-	304,639
Contractual services	554,047	386,387	(167,660)	70%	75%	-	386,387
IT Licenses, Maintenance	655,500	372,659	(282,841)	57%	75%	188,350	561,009
Audit/Accounting/Other	72,731	47,203	(25,528)	65%	75%	2,600	49,803
Office Supplies	130,000	57,915	(72,085)	45%	75%	57,367	115,282
Repairs & Maintenance	821,653	475,428	(346,225)	58%	75%	-	475,428
Coffee/Tea Service	95,000	60,301	(34,699)	63%	75%	34,699	95,000
Security	423,458	310,087	(113,371)	73%	75%	-	310,087
Other Exp	103,500	29,889	(73,611)	29%	75%	52,154	82,043
Insurance	128,331	143,057	14,726	111%	75%	8,129	151,186
Utility	643,604	493,740	(149,864)	77%	75%	-	493,740
Janitorial Service	817,811	531,373	(286,438)	65%	75%	-	531,373
Landscape	46,637	10,962	(35,675)	24%	75%	-	10,962
Special Event Setups	50,000	10,947	(39,053)	22%	75%	-	10,947
Total Operating Exp	5,461,872	3,772,249	(1,689,623)	69%	75%	343,299	4,115,548
Total Operating Suplus (Deficit)	\$ -	\$ 325,987					

375 Beale Inc. Operations  
As of March 31, 2020

	Adopted FY2018-19 Budget	Actual YTD	Budget Bal Over/(Under)	% of Budget	Year Expired	Encumbrance
<b>Common Area Breakdown</b>						
Revenue:						
Assessment fee - common area	\$ 3,455,272	\$ 2,591,454	\$ (863,818)	75.0%	75.0%	
Total operating revenue	3,455,272	2,591,454	(863,818)	75.0%	75.0%	
Operating expenses:						
Cleaning	817,811	531,373	(286,438)	65.0%	75.0%	
Repairs & Maintenance	821,653	475,428	(346,225)	57.9%	75.0%	
Utilities	643,604	493,740	(149,864)	76.7%	75.0%	
Landscape (Grounds)	46,637	10,962	(35,675)	23.5%	75.0%	
Security	423,458	310,087	(113,371)	73.2%	75.0%	
Administrative	554,047	386,387	(167,660)	69.7%	75.0%	
Taxes/Licenses/Permits	19,731	15,164	(4,567)	76.9%	75.0%	
Insurance	128,331	101,829	(26,502)	79.3%	75.0%	
Total operating expenses	3,455,272	2,324,970	(1,130,302)	67.3%	75.0%	
Total operating gain (loss)	<u>\$ -</u>	<u>\$ 266,484</u>				
<b>Shared Service Operation Breakdown</b>						
Revenue:						
Assessment fee - shared services	\$ 2,006,600	\$ 1,504,950	\$ (501,650)	75.0%	75.0%	
Interest income	-	1,832	1,832	100.0%	75.0%	
Total operating revenue	2,006,600	1,506,782	(499,818)	75.1%	75.0%	
Operating expenses:						
Salaries and Benefits	600,600	537,662	(62,938)	89.5%	75.0%	-
Overhead	319,000	304,639	(14,361)	95.5%	75.0%	-
IT licenses, maintenance	655,500	372,659	(282,841)	56.9%	75.0%	188,350
Audit/Tax/Bank Fee	53,000	32,039	(20,961)	60.5%	75.0%	2,600
Supplies/Signage/Copy Paper/Shredding	130,000	57,915	(72,085)	44.6%	75.0%	57,367
Comcast/Direct TV	6,000	1,221	(4,779)	20.4%	75.0%	1,779
Safety Equip. (AEDs, First Aid Kits)	40,000	28,668	(11,332)	71.7%	75.0%	11,322
Coffee/Tea Service	95,000	60,301	(34,699)	63.5%	75.0%	34,699
Other Exp	57,500	41,228	(16,272)	71.7%	75.0%	8,129
Special Event Setup	50,000	10,947	(39,053)	21.9%	75.0%	39,053
Total operating expenses	2,006,600	1,447,279	(559,321)	72.1%	75.0%	343,299
Total operating gain (loss)	<u>\$ -</u>	<u>\$ 59,503</u>				
<b>Total 375 Beale Inc operating gain (loss)</b>		<u><u>\$ 325,987</u></u>				