

375 Beale Condominium Corporation

June 14, 2021

Agenda Item 3 - 21-0643

375 Beale Condo Corporation Financial Statements for FY 2020-21 Third Quarter

Background: Attached are the 375 Beale Condo Corporation financial statements for the third quarter, which ended March 31, 2021.

As of the end of the third quarter, the Corporation recorded total revenue of \$4.4 million and expense of \$3.3 million (Attachment A, Page 1). Revenue is in-line with the budget as quarterly assessments are collected from each owner at the beginning of the quarter. Total expense is below the budget at 56% with three quarters of the fiscal year expired. Overall there is an operating surplus of \$1.1 million with three months left in the current fiscal year.

The shared services operations are comprised of services provided by the Bay Area Headquarters Authority (BAHA) on behalf of the three condominium unit 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 \$1.1 million is 51% of the expense budget. Expenses are trending below the budget as most of the agencies' employees are working from home under the City and County of San Francisco Department of Public Health Stay Safer at Home Health Order.

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. The common area expenses are shown on page 2 of Attachment A, along with the assessment fee of \$2.8 million collected through the third quarter. Total expense of \$2.2 million is 59% of the approved budget. The actual expense is below budget due to some of the contractual services being delayed.

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

Recommendation: None. Provided for information only.

Attachment: Attachment A: 375 Beale Condo Corporation Financial Statements for FY 2020-21 Third Quarter

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Brian Mayhew

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Brian Mayhew

375 Beale Inc. Operations

As of March 31, 2021

	FY2018-19 Budget	Actual YTD	Budget Bal Over/(Under)	% of Budget	Year Expired
Revenue					
Assessment Fee - Shared Services	\$ 2,068,960	\$ 1,551,720	\$ (517,240)	75%	75%
Assessment Fee - Common Area	3,747,498	2,810,624	(936,875)	75%	75%
Interest Income	-	83	83	N/A	75%
Total Revenue	5,816,458	4,362,426	(1,454,032)	75%	75%
Salaries and Benefits	639,510	419,679	(219,831)	66%	75%
Overhead	338,940	239,931	(99,009)	71%	75%
Contractual services	473,603	313,684	(159,919)	66%	75%
IT Licenses, Maintenance	707,510	306,558	(400,952)	43%	75%
Audit/Accounting/Other	83,904	55,915	(27,989)	67%	75%
Office Supplies	97,000	22,714	(74,286)	23%	75%
Repairs & Maintenance	815,517	476,125	(339,392)	58%	75%
Coffee/Tea Service	100,000	-	(100,000)	0%	75%
Security	509,584	330,325	(179,259)	65%	75%
Other Exp	98,000	1,548	(96,452)	2%	75%
Insurance	195,826	134,451	(61,375)	69%	75%
Utility	638,118	425,699	(212,419)	67%	75%
Janitorial Service	1,046,687	532,894	(513,793)	51%	75%
Landscape	47,259	12,104	(35,155)	26%	75%
Special Event Setups	25,000	778	(24,222)	3%	75%
Total Operating Exp	5,816,458	3,272,405	(2,544,053)	56%	75%
Total Operating Suplus (Deficit)	\$ -	\$ 1,090,021			

375 Beale Inc. Operations

As of March 31, 2021

	Adopted FY2020-21 Budget	Actual YTD	Budget Bal Over/(Under)	% of Budget	Year Expired
Common Area Breakdown					
Revenue:					
Assessment fee - common area	\$ 3,747,498	\$ 2,810,624	\$ (936,875)	75.0%	75.0%
Total operating revenue	3,747,498	2,810,624	(936,875)	75.0%	75.0%
Operating expenses:					
Cleaning	1,046,687	532,894	(513,793)	50.9%	75.0%
Repairs & Maintenance	815,517	476,125	(339,392)	58.4%	75.0%
Utilities	638,118	425,699	(212,419)	66.7%	75.0%
Landscape (Grounds)	47,259	12,104	(35,155)	25.6%	75.0%
Security	509,584	330,325	(179,259)	64.8%	75.0%
Administrative	473,603	313,684	(159,919)	66.2%	75.0%
Taxes/Licenses/Permits	20,904	14,125	(6,779)	67.6%	75.0%
Insurance	195,826	113,828	(81,998)	58.1%	75.0%
Total operating expenses	3,747,498	2,218,784	(1,528,714)	59.2%	75.0%
Total operating gain (loss)	\$ -	\$ 591,839			
Shared Service Operation Breakdown					
Revenue:					
Assessment fee - shared services	\$ 2,068,960	\$ 1,551,720	\$ (517,240)	75.0%	75.0%
Interest income	-	83	83	100.0%	75.0%
Total operating revenue	2,068,960	1,551,803	(517,157)	75.0%	75.0%
Operating expenses:					
Salaries and Benefits	639,510	419,679	(219,831)	65.6%	75.0%
Overhead	338,940	239,931	(99,009)	70.8%	75.0%
IT licenses, maintenance	707,510	306,558	(400,952)	43.3%	75.0%
Audit/Tax/Bank Fee	63,000	41,790	(21,210)	66.3%	75.0%
Supplies/Signage/Copy Paper/Shredding	97,000	22,714	(74,286)	23.4%	75.0%
Comcast/Direct TV	3,000	1,548	(1,452)	51.6%	75.0%
Safety Equip. (AEDs, First Aid Kits)	40,000	-	(40,000)	0.0%	75.0%
Coffee/Tea Service	100,000	-	(100,000)	0.0%	75.0%
Other Exp	55,000	20,623	(34,377)	37.5%	75.0%
Special Event Setup	25,000	778	(24,222)	3.1%	75.0%
Total operating expenses	2,068,960	1,053,621	(1,015,339)	50.9%	75.0%
Total operating gain (loss)	\$ -	\$ 498,182			
Total 375 Beale Inc operating gain (loss)		\$ 1,090,021			