

375 Beale Condominium Corporation

November 9, 2021

Agenda Item 3 - 21-0932

375 Beale Condominium Corporation Financial Statements for FY 2020-21 Fourth Quarter

Subject:

Attached are the FY 2020-21 unaudited fourth quarter financial statement for 375 Beale Condominium Corporation (“Corporation”).

As of the end of the fiscal year, the Corporation recorded total revenue of \$5.8 million and expense of \$4.4 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 76% as saving come from the building not fully occupied. Overall there is an operating surplus of about \$1.4 million which will be returned to the owners after the audit completion.

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, as well as conference and meeting room setup. The shared services expenses are detailed on page 2 of Attachment A. Total expense of \$1.5 million is 70% of the expense budget. Expenses finished below the budget as most of the agencies’ employees are working from home.

The common area maintenance operations are contracted to Cushman + Wakefield. These operating expenses include cleaning, repairs and maintenance, utilities, ground landscaping, security, and administrative expenses. The common area expenses are shown on page 2 of Attachment A. Total expense of \$3 million is 80% of the approved budget. The actual expense is below budget due to some of the contractual services being delayed.

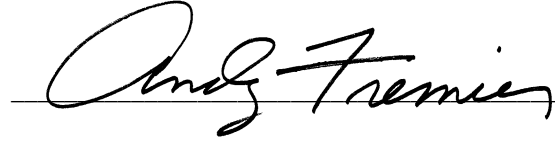
If you have any questions about this report, please contact Brian Mayhew at 415-778-6730.

Recommendations:

None. Provided for information only.

Attachments:

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

A handwritten signature in black ink, reading "Andrew B. Fremier", written over a horizontal line.

Andrew B. Fremier

375 Beale Inc. Operations

As of June 30, 2021

	FY2020-21 Budget	Actual YTD	Budget Bal Over/(Under)	% of Budget	Year Expired
Revenue					
Assessment Fee - Shared Services	\$ 2,068,960	\$ 2,068,960	\$ -	100%	100%
Assessment Fee - Common Area	3,747,498	3,747,498	-	100%	100%
Other income	-	4,026	4,026	N/A	100%
Interest Income	-	98	98	N/A	100%
Total Revenue	5,816,458	5,820,581	4,123	100%	100%
Expense					
Salaries and Benefits	639,510	537,166	(102,344)	84%	100%
Overhead	338,940	307,098	(31,842)	91%	100%
Contractual services	473,603	432,194	(41,409)	91%	100%
IT Licenses, Maintenance	707,510	492,819	(214,691)	70%	100%
Audit/Accounting/Other	83,904	76,099	(7,805)	91%	100%
Office Supplies	97,000	31,916	(65,084)	33%	100%
Repairs & Maintenance	815,517	642,124	(173,393)	79%	100%
Coffee/Tea Service	100,000	-	(100,000)	0%	100%
Security	509,584	444,937	(64,647)	87%	100%
Other Exp	98,000	3,144	(94,856)	3%	100%
Insurance	195,826	177,944	(17,883)	91%	100%
Utility	638,118	561,795	(76,323)	88%	100%
Janitorial Service	1,046,687	712,284	(334,403)	68%	100%
Landscape	47,259	15,895	(31,364)	34%	100%
Special Event Setups	25,000	2,334	(22,666)	9%	100%
Total Operating Exp	5,816,458	4,437,748	(1,378,710)	76%	100%
Total Operating Suplus (Deficit)	\$ -	\$ 1,382,833			

375 Beale Inc. Operations

As of June 30, 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	\$ 3,747,498	\$ -	100.0%	100.0%
Total operating revenue	3,747,498	3,747,498	-	100.0%	100.0%
Operating expenses:					
Cleaning	1,046,687	712,284	(334,403)	68.1%	100.0%
Repairs & Maintenance	815,517	642,124	(173,393)	78.7%	100.0%
Utilities	638,118	561,795	(76,323)	88.0%	100.0%
Landscape (Grounds)	47,259	15,895	(31,364)	33.6%	100.0%
Security	509,584	444,937	(64,647)	87.3%	100.0%
Administrative	473,603	432,194	(41,409)	91.3%	100.0%
Taxes/Licenses/Permits	20,904	18,833	(2,071)	90.1%	100.0%
Insurance	195,826	152,819	(43,007)	78.0%	100.0%
Total operating expenses	3,747,498	2,980,881	(766,617)	79.5%	100.0%
Total operating gain (loss)	\$ -	\$ 766,617			
Shared Service Operation Breakdown					
Revenue:					
Assessment fee - shared services	\$ 2,068,960	\$ 2,068,960	\$ -	100.0%	100.0%
Other income	-	4,026	4,026	N/A	N/A
Interest income	-	98	98	100.0%	100.0%
Total operating revenue	2,068,960	2,073,083	4,123	100.2%	100.0%
Operating expenses:					
Salaries and Benefits	639,510	537,166	(102,344)	84.0%	100.0%
Overhead	338,940	307,098	(31,842)	90.6%	100.0%
IT licenses, maintenance	707,510	492,819	(214,691)	69.7%	100.0%
Audit/Tax/Bank Fee	63,000	57,266	(5,734)	90.9%	100.0%
Supplies/Signage/Copy Paper/Shredding	97,000	31,916	(65,084)	32.9%	100.0%
Comcast/Direct TV	3,000	3,144	144	104.8%	100.0%
Safety Equip. (AEDs, First Aid Kits)	40,000	-	(40,000)	0.0%	100.0%
Coffee/Tea Service	100,000	-	(100,000)	0.0%	100.0%
Other Exp	55,000	25,125	(29,876)	45.7%	100.0%
Special Event Setup	25,000	2,334	(22,666)	9.3%	100.0%
Total operating expenses	2,068,960	1,456,867	(612,093)	70.4%	100.0%
Total operating gain (loss)	\$ -	\$ 616,216			
Total 375 Beale Inc operating gain (loss)		\$ 1,382,833			