

**"SAMPLE BUILDING"**  
**BUDGET ANALYSIS 2004/2005**

	<u>2004</u>	<u>9/30/2004</u>	<u>2005</u>	<u>NOTES</u>
	BUDGET	ACTUAL	BUDGET	
<b>INCOME</b>				
Maintenance	1,235,000	917,478	1,469,195	A
Commercial Rent	5,807	4,355	6,900	B
Garage Rent	115,260	83,409	111,660	C
Laundry	21,600	16,200	21,600	D
Sublet Surcharge	58,028	46,009	80,742	E
Misc. Income	5,000	15,567	15,000	F
<b>Total Income</b>	<b>1,440,695</b>	<b>1,083,018</b>	<b>1,705,097</b>	
<b>EXPENSES</b>				
Salaries & Benefits	400,391	314,184	409,447	G
Heating	115,000	97,125	135,000	H
Utilities	31,500	24,585	33,800	I
R.E.Taxes	300,781	260,811	328,259	J
Water & Sewer	90,000	55,000	94,000	K
Repairs,Maint. & Supplies	110,000	60,356	100,000	L
Service Contracts	18,000	5,371	18,500	M
Insurance	69,000	39,761	78,000	N
Management Fees	30,000	25,417	35,000	O
Legal & Audit	8,000	3,638	11,800	P
Franchise & Corp. Taxes	5,600	4,542	6,200	Q
Mortgage Payments	239,803	179,853	239,803	R
Interest on Line of Credit	6,875	4,956	17,634	S
Contingency	3,600	3,743	5,025	T
Inspection,Permits & Fees	10,000	21,674	20,000	U
<b>Total Disbursements</b>	<b>1,438,550</b>	<b>1,101,016</b>	<b>1,532,469</b>	
Gain (Deficit) From Operations Before Building Improvements And Reserve Fund	2,145	(17,998)	172,628	
Transfer ( to) from Money Market	(4,645)	44,238		
Assessment Income	100,632	75,428	80,065	V
Pay Down Line of Credit	(100,632)		(63,943)	S
Interest Income	2,500	0	250	W
Building Improvements	(350,000)	(360,270)		X
Insurance Dividend		463		
Notes Payable				
Improvements		(83,186)	(109,000)	X
Lobby Improvements			(80,000)	X
Line of Credit - Loan	350,000	315,000	0	Y
<b>Net Gain (Deficit)</b>	<b>0</b>	<b>(26,325)</b>	<b>(0)</b>	

**NOTES:**

**CASH OPERATING AS OF 9/30/04**

- OPERATING CASH 29,155.00

**- MONEY MARKETS / CD BALANCES**

NORTH FORK M.M.	18,761.45	
NORTH FORK SECURITY M.M.	3,980.68	
NORTH FORK ASSESSMENT	797.94	
		23,540.07

**ACCOUNTS PAYABLE AS OF 9/30/04**

	125,381.00
INCLUDES PARAPET RESTORATION	(37,201.40)
INCLUDES WATER BILL	(39,972.00)
	<u>48,207.60</u>

**\* CERTAIN BUDGET FIGURES ARE BASED ON  
12 MONTH ACTUAL FIGURES FROM 8/1/03 TO 7/31/04**

**A MAINTENANCE INCOME**

100,081 SHARES @ \$12.34 PER SHARE	1,235,000	
- July Assessment Added to Maintenance	100,632	
Total Annual Maintenance 11/2004 (\$13.3455 Per Share)	1,335,632	
- Percent Increase for 1/1/05	<u>10.0%</u>	
Total Annual Maintenance 1/2005 (\$14.6801 Per Share)		1,469,195

NOTE: MAINTENANCE DOES NOT INCLUDE SUPER'S APT #233

**PREVIOUS MAINTENANCE INCREASES:**

7/91 = 6.74% per share  
1/94 = 5% per share  
7/00 = 3.1 % per share  
1/01 = 3.04 % per share  
7/01 = 2.92 % per share  
1/04 = 6% per share  
7/04 = 8.148% per share (Assessment added to Maintenance)  
1/05 = 10% per share

**B COMMERCIAL RENT**

ONE PROFESSIONAL UNIT @ \$483.94 MONTHLY 6,900  
- Increases coincide with maintenance increases.

**C GARAGE RENT**

CURRENTLY - 105 SPACES

84 SPACES @ \$100	8,400
2 SPACES @ \$85	170
1 SPACE @ \$135	135
4 SPACES @ \$150	600
2 SPACES USED BY SUPER	0
6 USED FOR RECYCLE BINS	0
CURRENTLY 6 VACANT SPACES	<u>0</u>

	9,305	111,660
PARKING INCREASED \$15 ON 1/1/04		
<b>D</b>	<b><u>LAUNDRY</u></b>	
	CURRENT CONTRACT - HERCULES	
	FLAT FEE - \$1,800 PER MONTH	21,600
	NEW 6 YEARS CONTRACT EFFECTIVE 1/27/02 WHEN MACHINES WERE INSTALLED.	
<b>E</b>	<b><u>SUBLET SURCHARGE</u></b>	
	CURRENTLY THERE ARE 33 UNITS	
	WITH 13,457 SHARES SUBLETTING.	
	2005 ESTIMATE	80,742
	EFFECTIVE JANUARY 1, 2005, SUBLET FEES WILL	
	BE INCREASED FROM \$4 / SHARE TO \$6 / SHARE	
<b>F</b>	<b><u>MISC. INCOME</u></b>	
*	- REPAIRS	2,400
*	- ADMIN. FEE	11,500
*	- OTHER , LATE FEE	4,450
	TOTAL MISC. INCOME	18,350
	2005 ESTIMATE	15,000
<b>G</b>	<b><u>SALARIES &amp; BENEFITS</u></b>	
	SEE SUPPORTING SCHEDULE FOR SALARIES AND BENEFITS	
	PLEASE NOTE -	
	WORKERS COMPENSATION ANNUAL PREMIUM IS INCLUDED	
	IN THIS NUMBER.	
		409,447
<b>H</b>	<b><u>HEATING</u></b>	
	DUAL SYSTEM - GAS AND OIL HEAT	
	2005 BUDGET BASED ON 8/03 - 7/04 CONSUMPTION	
*	OIL # 2: 11,002 GALLONS @ AVG COST OF \$1.23 PER GALLON	11,011
*	GAS: 135,681 THERMS @ AN AVERAGE COST OF \$.73	110,500
	PER THERM, PLUS MINIMUM CHARGE REQUIREMENTS	121,511
	AND TAXES	
	2005 ESTIMATE INCLUDES 10% ANTICIPATED INCREASE IN COSTS	135,000
<b>I</b>	<b><u>UTILITIES</u></b>	
*	- TELEPHONE	1,300
*	- GAS	3,100
*	- ELECTRICITY	29,400
	TOTAL	33,800
<b>J</b>	<b><u>REAL ESTATE TAXES</u></b>	
	BILLABLE ASSESSED VALUE 2004/05	2,749,347
	TAX RATE	12.620%
	<b>REAL ESTATE TAX DUE</b>	<b>346,988</b>
	PLUS - PORTION OF VETERAN EXEMPT	
	SUBJECT TO SCHOOL TAX	1,300
	LESS:	
	J-51 ABATEMENT- 1/1997 to 10/2008	(7,142)
	ASBESTOS, BOILER & BURNER, COMPACTOR	
	J-51 ABATEMENT - 1/2003 to 4/2015	(7,833)
	WATERPROOFING & PARAPET	

J-51 ABATEMENT - 2004 -2018  
 ENTRANCE, LOBBY, POINTING, OIL TANK (5,033)  
 TOTAL TAX DUE 328,259 328,259

MONTHLY ESCROW PAYMENT OF \$23,675.57, ANNUAL  
 TOTAL \$284,106.84 PAID TO HSBC - BANK ESCROWING  
 BASED ON TOTAL DUE INCLUDING STAR CREDITS.

CO-OP ABATEMENT FOR 2005 WILL BE \$41,565.24

**K WATER & SEWER**

2005 BUDGET BASED ON ACTUAL ANNUAL BILL FOR  
 PERIOD 7/1/04 - 6/30/05 = \$93,895.92 94,000

**L REPAIRS, MAINT. & SUPPLIES**

TOTAL JULY YTD 48,224  
 TOTAL UNPAIDS JULY YTD 15,072  
 TOTAL REPAIRS, MAINT. & SUPPLIES 63,296  
 - COMPACTOR REPAIRS (5,800)  
 ADJUSTED REPAIRS & MAINT. 57,496  
 PRORATED FOR 12 MONTH PERIOD 98,565

2005 ESTIMATE 100,000

**M SERVICE CONTRACTS**

MONTHLY

BURNER CONTRACT - STAR 1,194.88  
 ELEVATOR - VER TECH 961.33 11,535.96  
 EXTERMINATING - STANDARD 162.94 1,955.28  
 BEEPER - METROCALL 6.33 75.96  
 WATER TREATMENT - OCS CHEMICAL 293.29  
 GARAGE CONTRACT - POLARIS 97.76 1,173.12  
 COMPACTOR - APPLE INCINERATOR 977.62  
 AUTOMATIC DOOR - MACKENZIE 651.75  
 SPRINKLER - ACTION 363.89  
 TOTAL 18,221.75

2005 ESTIMATE 18,500.00

**N INSURANCE**

- PACKAGE 5/2/04 - 5/2/05 59,945.35  
 - D AND O COVERAGE 5/2/04 - 5/2/05 1,961.00  
 - UMBRELLA 10/1/03 - 10/1/04 8,772.94  
 TOTAL 70,679.29  
 PLUS 10% 7,000.00  
 77,679.29 78,000

BOILER COVERAGE NOW INCLUDED IN PACKAGE POLICY

**O MANAGEMENT FEE**

\$2,916.67 PER MONTH, ANNUAL = 35,000  
 CONTRACT EXPIRES DECEMBER 2005

**P** LEGAL AND AUDIT

LEGAL - NO MONTHLY RETAINER

* 2005 BUDGET ESTIMATE	3,800	
ACCOUNTANT- QUARTERLY PAYMENTS PLUS MISC ACCTG FEES		
* 2005 BUDGET ESTIMATE	<u>8,000</u>	
TOTAL		11,800

**Q** FRANCHISE & CORP. TAX

* NYC CORP. TAX	2,800	
* NYS CORP. TAX.	<u>3,400</u>	
TOTAL		6,200

**R** MORTGAGE PAYMENTS

MORTGAGE HOLDER - HSBC BANK USA

BALANCE \$2,636,204.82

INTEREST RATE 7.31%

MATURES JANUARY 1,2022

MONTHLY PAYMENT \$19,983.62 239,803

\$363.34 OF MONTHLY PAYMENT IS WRAP PAYMENT  
PORTION TO HEWLETT ASSOC.

**S** INTEREST ON LINE OF CREDIT

INTEREST IS CALCULATED A 200 BASIS POINTS OVER LIBOR

CURRENTLY THE RATE IS 3.56250 & THE CURRENT

AMOUNT DRAWN IS \$495,000 as of 10/04

Estimate for 2005 will be based on a balance of \$495,000

2005 ESTIMATE 17,634

PAYDOWN ATTEMPTS OF PRINCIPLE WILL BE MADE WITH EXCESS FUNDS

MATURES JANUARY 2012

**T** CONTINGENCY

* - OFFICE EXPENSE	4,000	
* - RENT BILLS	475	
* - MISCELLANEOUS EXPENSE	<u>550</u>	
TOTAL		5,025

**U** INSPECTIONS, PERMITS & FEES

* INSPECTIONS	800	
* DUES AND SUBSCRIPTIONS	1,500	
* LICENSES, PERMITS AND FEES	4,000	
* FINES & VIOLATIONS	500	
* PROFESSIONAL FEES	<u>15,250</u>	
TOTAL	22,050	
2005 ESTIMATE		20,000

NOTE: PROF. FEES ARE HIGH DUE TO ENGINEER AND ARCHITECT FOR LOBBY RENOVATIONS AND PARAPET WALL

**V ASSESSMENT INCOME**

\$0.80 per share was voted in for 11/2004 and will be used for Lobby Improvements Noted in "X" below

80,065

\$1.00 PER SHARE Originally to Spread Over 12 Months  
Vote in July to add to Maintenance, made Effective November

**W INTEREST INCOME**

CALCULATION BASED ON ASSUMED RATE OF 1%

250

**X BUILDING IMPROVEMENTS**

GARAGE LIGHTING 23,000

GARAGE ROOF 86,000

TOTAL GARAGE IMPROVEMENT 109,000

TOTAL LOBBY IMPROVEMENT 80,000

**Y LINE OF CREDIT**

TOTAL AVAILABLE AS OF 10/04 IS \$5,000

**PAYROLL BUDGET FOR**

**"SAMPLE BUILDING"**

**FOR 2005**

(A) UNION - YES (LOCAL 32B - 32J)

	# OF EMPLOYEES	WEEKLY RATE 1/1 - 4/20/2005	WEEKLY RATE 4/21 - 12/31/2005	ANNUAL	OVERTIME	BIRTHDAY	HOLIDAYS	VACATION	SICK/PRSNL DAYS	BONUS	TOTAL
SUPT.	1	792.90	815.90	42,058.80	2,616.84		2,016.75		1,631.80	815.90	49,140.09
PORTER	2	1,395.26	1,435.26	73,993.73	10,532.63		3,548.16		2,870.53	1,435.26	92,380.31
DOORMAN	4	251.47	2,583.47	133,188.54	9,479.41		6,386.68		3,980.74	2,583.47	155,618.84
FILL-IN	1			11,000.00							11,000.00
<b>TOTAL</b>	<b>8</b>			<b>308,139.24</b>							<b>308,139.24</b>

(C) PAYROLL TAXES	RATE	TAXABLE GROSS	TAX AMOUNT	(D) UNION BENEFITS			PER QUARTER	ANNUAL
				WELFARE FUND	PENSION FUND	ANNUITY FUND		
FICA (S.S.)	6.20%	308,139.24	19,104.63					
FICA (Medicare)	1.45%	308,139.24	4,468.02					
Fed. Unempl. Ins.	0.80%	56,000.00	448.00				12,431.58	49,726.32
State Unempl. Ins.	1.50%	68,000.00	1,020.00				2,843.75	11,375.00
<b>TOTAL</b>			<b>25,040.65</b>				<b>650.00</b>	<b>2,600.00</b>
								<b>63,701.32</b>

(E) WORKERS COMPENSATION -  
ESTIMATED ANNUAL PREMIUM **12,565.57**

**2005 PROJECTED PAYROLL BUDGET**

SALARIES	308,139.24
PAYROLL TAXES	25,040.65
UNION BENEFITS	63,701.32
WORKER'S COMP.	12,565.57
<b>TOTAL</b>	<b>409,446.78</b>

NOTE 1 - THE CURRENT CONTRACT EXPIRES ON APRIL 20, 2006.