

Edgar Filing: HOME PROPERTIES OF NEW YORK INC - Form 8-K/A

HOME PROPERTIES OF NEW YORK INC

Form 8-K/A

March 15, 2001

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K/A
Amendment No. 1

CURRENT REPORT
PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934

Date of Report (Date of earliest event reported):
December 27, 2000

HOME PROPERTIES OF NEW YORK, INC.
(Exact name of Registrant as specified in its Charter)

MARYLAND	1-13136	16-1455126
(State or other jurisdiction (Commission file number)		(I.R.S. Employer
of incorporation or organization		Identification
Number)		

850 CLINTON SQUARE
ROCHESTER, NEW YORK 14604
(Address of principal executive offices)

Registrant's telephone number, including area code: (716) 546-4900

Not applicable
(Former name or former address, if changed since last report)

HOME PROPERTIES OF NEW YORK, INC.

AMENDMENT NO. 1 TO
CURRENT REPORT

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ON FORM 8-K/A

Home Properties of New York, Inc. hereby amends items 2, 5 and 7 of its Current Report on Form 8-K, which was filed on January 10, 2001, as set forth in the pages attached hereto:

Items 2 and 5. Acquisition of Assets.

Financial Statements for Cypress Place purchased on December 27, 2000 are presented in Item 7.

Item 7. Financial Statements and Exhibits.

a. Financial Statements of the real estate acquired:

Audited statement of revenues and certain expenses of Cypress Place for the year ended December 31, 1999.

b. Pro Forma Financial Information:

Pro forma condensed consolidated balance sheet of the Company as of September 30, 2000 and related notes (unaudited).

Pro forma consolidated statement of operations of the Company for the nine months ended September 30, 2000 and for the year ended December 31, 1999 (unaudited).

Notes to the pro forma consolidated statement of operations of the Company for the nine months ended September 30, 2000 and for the year ended December 31, 1999 (unaudited).

c. Exhibit 23.0 - Consent of PricewaterhouseCoopers LLP

REPORT OF INDEPENDENT ACCOUNTANTS

To the Board of Directors and Shareholders of
Home Properties of New York, Inc.

In our opinion, the accompanying statement of revenues and certain expenses, as defined in Note 1, presents fairly, in all material respects, the revenues and certain expenses, as defined in Note 1, of Cypress Place for the year ended December 31, 1999 in conformity with accounting principles generally accepted in the United States of America. The statement of revenues and certain expenses is the responsibility of Cypress Place's management; our responsibility is to express an opinion on this financial statement based on our audit. We conducted our audit of the statement of revenues and certain expenses in accordance with auditing standards generally accepted in the United States of America, which require that we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statement, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

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The accompanying statement of revenues and certain expenses was prepared for the purpose of complying with the rules and regulations of the Securities and Exchange Commission, as described in Note 1, and is not intended to be a complete presentation of Cypress Place's revenues and expenses.

/s/ PricewaterhouseCoopers LLP
PricewaterhouseCoopers LLP
Rochester, New York

March 15, 2001

CYPRESS PLACE STATEMENT OF REVENUES AND CERTAIN EXPENSES (IN THOUSANDS)

	For the Period January 1 through September 30, 2000 (UNAUDITED)	For the Year End 31, 199
	-----	-----
Revenues:		
Rental income	\$1,317	\$1,752
Other income	45	53
	-----	-----
	1,362	1,805
	-----	-----
Certain expenses:		
Property operating and maintenance	530	692
Real estate taxes	220	285
	----	---
	750	977
	----	---
Revenues in excess of certain expenses	\$612	\$828
	====	===

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The accompanying note is an integral part of this financial statement.

CYPRESS PLACE

NOTE TO STATEMENT OF REVENUES AND CERTAIN EXPENSES

YEAR ENDED DECEMBER 31, 1999

1. BASIS OF PRESENTATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

BUSINESS

The accompanying statement of revenues and certain expenses includes the operations (see "Basis of Presentation" below) of Cypress Place, one residential property owned and managed by parties not related to Home Properties of New York, Inc. (the "Company").

On December 27, 2000, the Company, through its subsidiary Home Properties of New York, L.P., acquired 100% of the real estate of Cypress Place, 192 apartment units located in one community. The property is located in Chicago, Illinois.

The acquisition was funded through the assumption of approximately \$6.6 million in a mortgage, the payment of approximately \$1.3 million in cash and through the issuance of Operating Partnership Units in Home Properties of New York, L.P. valued at approximately \$2.2 million. The mortgage carries an interest rate of 7.13% and matures in 2008.

BASIS OF PRESENTATION

The accompanying financial statement has been prepared on the accrual basis of accounting, but is not representative of the actual operations of Cypress Place for the period shown. As required by the Securities and Exchange Commission, Regulation S-X, Rule 3-14, certain expenses have been excluded which may not be comparable to the proposed future operations of Cypress Place. Expenses excluded relate to property management fees, interest expense, depreciation and amortization expense and other expenses not directly related to the future operations of Cypress Place. The Company is not aware of any material factors relating to Cypress Place that would cause the reported financial information not to be necessarily indicative of future operating results.

REVENUE RECOGNITION

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Rental income attributable to residential leases is recorded when due from residents. Leases are generally for terms of one year.

INTERIM UNAUDITED FINANCIAL STATEMENT

The accompanying interim unaudited statement of revenues and certain expenses for the period from January 1 through September 30, 2000 has been prepared pursuant to the rules and regulations of the Securities and Exchange Commission described above. The results of operations of such interim period are not necessarily indicative of the results for the full year.

CYPRESS PLACE

NOTE TO STATEMENT OF REVENUES AND CERTAIN EXPENSES
YEAR ENDED DECEMBER 31, 1999

USE OF ESTIMATES IN THE PREPARATION OF FINANCIAL STATEMENTS

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

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HOME PROPERTIES OF NEW YORK, INC. PRO FORMA CONDENSED CONSOLIDATED BALANCE SHEET SEPTEMBER 30, 2000 (Unaudited, In Thousands)

This unaudited pro forma Condensed Consolidated Balance Sheet is presented as if the Company had purchased Cypress Place on September 30, 2000. This unaudited pro forma Condensed Consolidated Balance Sheet should be read in conjunction with the Statement of Revenues and Certain Expenses of Cypress Place and notes thereto included elsewhere herein. In management's opinion, all adjustments necessary to reflect the purchase of Cypress Place have been made.

AS OF SEPTEMBER 30, 2000

	Home Properties of New York, Inc. (A)	Cypress Place Apartments (B)	ProForma Adjust. (C)
	-----	-----	-----
ASSETS			
Real estate, net	\$1,598,554	\$ 740	\$ 9,360 (D)
Cash and cash equivalents	46,816		(1,343)
Other assets	130,160	-	-
	-----	-----	-----
Total Assets	\$1,775,530	\$ 740	\$ 8,017
	=====	=====	=====
LIABILITIES			
Mortgage notes payable	\$765,803	\$ 6,589	\$ -
Line of credit	-		
Other liabilities	45,717		
	-----	-----	-----
Total Liabilities	811,520	6,589	-
	-----	-----	-----
Minority interest	369,105	-	2,168
	-----	-----	-----
Preferred Stock, Series B	48,733		

STOCKHOLDERS' EQUITY			
Preferred Stock, Series A	35,000		
Preferred Stock, Series C	59,500		
Preferred Stock, Series D	25,000		
Common stock	212		
Additional paid-in capital	484,117		
Accumulated deficit	(48,040)	(5,849)	5,849 (E)
Officer and Director notes for stock purchases	(9,617)		
	-----	-----	-----
Total stockholders' equity	546,172	(5,849)	5,849
	-----	-----	-----
Total liabilities and stockholders' equity	\$1,775,530	\$ 740	\$ 8,017
	=====	=====	=====

HOME PROPERTIES OF NEW YORK, INC.
NOTES TO PRO FORMA CONDENSED CONSOLIDATED BALANCE SHEET
SEPTEMBER 30, 2000
(Unaudited, in Thousands)

- (A) Reflects the Company's historical consolidated balance sheet as of September 30, 2000 as reported on Form 10-Q
- (B) Reflects Cypress Place historical balance sheet as of September 30, 2000 for the assets/liabilities acquired by the Company.
- (C) The pro forma adjustments reflect the purchase of Cypress Place for \$10,100. The purchase price was allocated \$2,304 to land, \$192 to appliances and equipment and \$7,604 to building. The appliances and equipment have an estimated useful life of ten years and the building has an estimated useful life of thirty-five years.
- (D) Reflects the excess of the cash purchase price of \$10,100 over the historical seller's cost basis of \$740.
- (E) Represents the elimination of the seller's historical capital account.

HOME PROPERTIES OF NEW YORK, INC.
PRO FORMA CONSOLIDATED STATEMENT OF OPERATIONS
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2000
(Unaudited, in Thousands, Except Share and Per Share Data)

The unaudited pro forma Consolidated Statement of Operations for the nine months ended September 30, 2000 and for the year ended December 31, 1999 is

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presented as if the acquisitions of Cypress Place had occurred on January 1, 1999. The unaudited pro forma Consolidated Statement of Operations should be read in conjunction with the Statements of Revenues Certain Expenses of Cypress Place and notes thereto included elsewhere herein. In management's opinion, all adjustments necessary to reflect the effects of the purchase of Cypress Place have been made.

The unaudited pro forma Consolidated Statement of Operations for the nine months ended September 30, 2000 and for the year ended December 31, 1999 is not necessarily indicative of what the actual results of operations would have been assuming the transactions had occurred as of the beginning of the period presented, nor does it purport to represent the results of operations for future periods.

	FOR THE NINE MONTHS ENDED SEPTEMBER			
	Home Properties of New York, Inc. Historical (A) -----	Cypress Place(B) -----	Pro Forma Adjumnt. -----	Com For ---
Revenues:				
Rental Income	\$218,039	\$1,317		
Property other income	8,080	45		
Interest and Dividend Income	6,035			
Other income	381			
	-----	-----	-----	
Total revenues	232,535	1,362	-	
	-----	-----	-----	
Expenses:				
Operating and Maintenance	92,862	750		
General and Administrative	9,799		41 (C)	
Interest	41,522		352 (D)	
Depreciation and Amortization	37,795		175 (E)	
	-----	-----	-----	
Total Expenses	181,978	750	568	
	-----	-----	-----	
Income before gain on disposition of property and minority interest	50,557	612	(568)	
Loss on disposition of Property	417			
	-----	-----	-----	
Income before minority Interest	\$50,140	\$ 612	(\$ 568)	
	=====	=====	=====	
Minority interest of Unit holders				
Net income before preferred dividends				
Preferred dividends				
Net income available for common shareholders				
Net income per common share				
- basic				
- diluted				
Weighted average number of				

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shares outstanding - basic
- diluted

HOME PROPERTIES OF NEW YORK, INC. PRO FORMA CONSOLIDATED STATEMENT OF OPERATIONS FOR THE TWELVE MONTHS ENDED DECEMBER 31, 1999 (Unaudited, in Thousands, Except Share and Per Share Data)

	FOR THE YEAR ENDED DECEMBER		
	Home Properties of New York, Inc. Historical (A)	Cypress Place (B)	Pro Forma Adjmt. F
	-----	-----	-----
Revenues:			
Rental Income	\$217,591	\$1,752	
Property other income	6,878	53	
Interest and Dividends	7,092		
Other income	2,902		
	-----	-----	
Total revenues	234,463	1,805	
	-----	-----	
Expenses:			
Operating and maintenance	95,200	977	
General and administrative	10,696		54 (C)
Interest	39,558		470 (D)
Depreciation and amort.	37,350		236 (E)
Loss on available-for-sale Securities	2,123		
Non-recurring acquisition expenses	6,225		
	-----	-----	-----
Total Expenses	191,152	977	760
	-----	-----	-----
Income before gain on disposition of property, minority interest and extraordinary item	43,311	828	(760)

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Gain on disposition of Property	457		
	-----	-----	-----
Income before minority interest and extraordinary item	\$43,768	\$ 828	(\$ 760)
	=====	=====	=====
Minority interest			
Net income before extraordinary item			
Extraordinary item			
Net income before preferred dividends			
Preferred dividends			
Net income available for common shareholders			
Net income available for common shareholders - basic			
- diluted			
Weighted average number of shares outstanding - basic			
- diluted			

HOME PROPERTIES OF NEW YORK, INC. NOTES TO PRO FORMA CONSOLIDATED STATEMENT OF OPERATIONS FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2000 AND FOR THE YEAR ENDED DECEMBER 31, 1999 (Unaudited, in Thousands)

- (A) Reflects the historical unaudited consolidated statement of operations for the Company for the nine months ended September 30, 2000 and the historical consolidated statement of operations for the Company for the year ended December 31, 1999.
- (B) Reflects the historical revenues and certain expenses of Cypress Place which was not owned by the Company for the year ended December 31, 1999 and for the period prior to their acquisition in 2000.
- (C) Reflects additional general and administrative expenses.

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- (D) Reflects the increase in interest related to debt assumed to finance the acquisition. The interest rate is 7.13% and amounts to \$465 and \$470 for the nine months ended September 30, 2000 and for the year ended December 31, 1999, respectively.
- (E) Reflects depreciation and amortization related to the acquisition. See Note C under Notes to Pro Forma Condensed Consolidated Balance Sheet for further information on useful lives of these assets.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

HOME PROPERTIES OF NEW YORK, INC.
(Registrant)

Date: March 15, 2001

By: /S/ DAVID P. GARDNER
David P. Gardner
Vice President
Chief Financial Officer and
Treasurer

Date: March 15, 2001

By: /S/ DAVID P. GARDNER
David P. Gardner
Vice President
Chief Financial Officer and
Treasurer

HOME PROPERTIES OF NEW YORK, INC.

EXHIBIT INDEX

Exhibit 23.0 - Consent of PricewaterhouseCoopers LLP

EXHIBIT 23.0

CONSENT OF INDEPENDENT ACCOUNTANTS

WE CONSENT TO THE INCORPORATION BY REFERENCE IN THE REGISTRATION STATEMENTS ON FORMS S-3 (NOS. 33-96004, 333-37229, 333-94815, 333-92023, 333-93761, 333-46243, 333-2672, 333-58799, 333-64069, 333-52601, 333-75253, 333-44928, 333-46738 AND 333-54160) AND ON FORMS S-8 (NOS. 333-05705, 333-12551, 333-58801, 333-60731, 333-89631, 333-91985, 333-37624 AND 333-37626) FILED BY HOME PROPERTIES OF NEW YORK, INC. OF OUR REPORT DATED MARCH 5, 2001 RELATING TO THE FINANCIAL STATEMENT OF CYPRESS PLACE FOR THE YEAR ENDED DECEMBER 31, 1999, WHICH REPORT IS INCLUDED IN THE ACCOMPANYING FORM 8-K/A. WE ALSO CONSENT TO THE REFERENCE TO OUR FIRM UNDER THE CAPTION "EXPERTS."

/s/PricewaterhouseCoopers LLP

PRICEWATERHOUSECOOPERS LLP

Rochester, New York
MARCH 15, 2001

