

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

HOME PROPERTIES OF NEW YORK INC
Form 8-K/A
November 27, 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):
March 30, 2001

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

MARYLAND	1-13136	16-1455126
(State or other jurisdiction of incorporation or organization)	(Commission file number)	(I.R.S. Employer 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
ON FORM 8-K/A

Home Properties of New York, Inc. (the "Company") hereby amends items 5 and 7 of its Current Report on Form 8-K, which was filed on September 12, 2001, as set forth in the pages attached hereto:

Item 5. Other Events

On October 24, 2001, Home Properties of New York, L.P., a New York limited partnership (the "Operating Partnership") purchased two apartment communities in a single transaction. This acquisition does not constitute a "significant subsidiary".

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

Wellington Woods and Wellington Lakes. On October 24, 2001, the Operating Partnership acquired Wellington Woods and Wellington Lakes (together referred to herein as the "Wellington Properties"), which include 274 units located in Fredericksburg, Virginia. Neither the Company nor any of its shareholders owned any interests in the sellers prior to the acquisition of the Wellington Properties. The purchase price of \$11.1 million was funded by the assumption of \$7.9 million of debt and \$3.2 million of cash from available funds.

In determining the price paid for the Wellington Properties or any of the Acquisition Properties, as defined below, the Company considered the historical and expected cash flow from the properties, the nature of the occupancy trends and terms of the leases in place, current operating costs and taxes, the physical condition of the properties, the potential to increase their cash flow and other factors. The Company also considered the capitalization rates at which it believes apartment properties have recently sold, but determined the prices it was willing to pay for the properties primarily based on the factors discussed above. No independent appraisals were performed in connection with the acquisition. The Company, after investigation of the properties, is not aware of any material factors, other than those enumerated above, that would cause the financial information reported to not be necessarily indicative of future expected operating results.

The Operating Partnership also sold two properties. These dispositions are not deemed "significant dispositions" either collectively or individually and are reported herein for information purposes only.

The Towers and Mountainside Apartments. On October 31, 2001, the Operating Partnership sold two communities: The Towers Apartments, 137 units, and Mountainside Apartments, 227 units, for a total of \$23.8 million.

As further described in the Form 8-K filed on September 12, 2001, the Company acquired the following apartment communities (referred to herein along with the Wellington Properties as the "Acquisition Properties"):

Community -----	Acquisition Date -----
Woodholme Manor	March 30, 2001
Virginia Village*	May 31, 2001
Sandalwood	May 31, 2001
Southern Meadows	June 29, 2001
Devonshire Hills (formerly Windsor at Hauppauge)*	July 16, 2001
Fenland Field*	August 1, 2001
Courtyards Village*	August 29, 2001
The Manor	August 31, 2001

*collectively referred to herein along with the Wellington Properties as the "Selected Acquisition Properties"

In addition, the Company sold the following apartment communities (referred to herein along with The Towers and Mountainside Apartments as the "Sale Properties").

Community -----	Disposition Date -----
Williamstowne Apartments	May 17, 2001
Garden Village Apartments	May 17, 2001
Fairway Apartments	May 17, 2001
Springcreek Apartments	June 15, 2001
Hill Court Apartments	July 17, 2001

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

Ivy Ridge Apartments	July 17, 2001
Hamlet Court Apartments	August 15, 2001
Country Club Apartments	August 30, 2001
Doub Meadow	August 30, 2001
Laurel Pines Apartments	August 30, 2001
Strawberry Hills Apartments	August 30, 2001
Riverdale Apartments	August 30, 2001

Item 7. Financial Statements and Exhibits.

a. Financial Statements of the Selected Acquisition Properties:

Item 7 of this report includes (i) unaudited statements of revenues and certain expenses for each of the Selected Acquisition Properties for the period ended September 30, 2001, the date of acquisition, or June 30, 2001, the Company's last fiscal quarter prior to the acquisition date, as appropriate, and (ii) audited statements of revenues and certain expenses for the year ended December 31, 2000 for each of the Selected Acquisition Properties. See pages F-1 to F-15.

None of the Acquisition Properties constitute a "significant subsidiary" pursuant to the S-X rules. Audited statements of revenues and certain expenses for the year ended December 31, 2000 and related unaudited financial information for the period through the acquisition or the Company's appropriate quarterly reporting period are presented herein only for the Selected Acquisition Properties, which represent a majority of the Acquisition Properties. An audited statement of revenues and certain expenses for the year ended December 31, 2000 and related unaudited financial information for the period through the acquisition date or the Company's appropriate quarterly reporting period of Woodholme Manor, Sandalwood, Southern Meadows, and The Manor have not been presented as these apartment communities were individually below the 5% materiality threshold to require presentation under S-X Rule 3-14.

b. Pro Forma Financial Information:

Pro forma condensed consolidated balance sheet of the Company as of September 30, 2001 and related notes (unaudited). See pages F-16 to F-17.

Pro forma consolidated statement of operations of the Company for the nine-month period ended September 30, 2001 and for the year ended December 31, 2000 (unaudited). See pages F-18 to F-19.

Notes to the pro forma consolidated statement of operations of the Company for the nine months ended September 30, 2001 and for the year ended December 31, 2000 (unaudited). See page F-20 to F-21.

c. Estimated twelve-month pro forma statement of taxable net operating income and operating funds available. See page F-22.

d. Exhibit 23.0 - Consent of PricewaterhouseCoopers LLP

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

REPORT OF INDEPENDENT ACCOUNTANTS

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

We have audited the accompanying Statement of Revenues and Certain Expenses of Virginia Village for the year ended December 31, 2000. This financial statement is the responsibility of Virginia Village's management. Our responsibility is to express an opinion on this financial statement based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards 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. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statement. We believe that our audit provides a reasonable basis for our opinion.

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 (for inclusion in the current report on Form 8-K/A of Home Properties of New York, Inc. dated March 30, 2001) as described in Note 1 and is not intended to be a complete presentation of Virginia Village's revenues and expenses.

In our opinion, the financial statement referred to above presents fairly, in all material respects, the revenue and direct operating expenses described in Note 1 of Virginia Village for the year ended December 31, 2000, in conformity with accounting principles generally accepted in the United States of America.

/s/PricewaterhouseCoopers LLP

PRICEWATERHOUSECOOPERS LLP

Rochester, New York
August 26, 2001

F-1

VIRGINIA VILLAGE
STATEMENT OF REVENUES AND CERTAIN EXPENSES
(IN THOUSANDS)

FOR THE PERIOD	FOR THE YEAR
JANUARY 1,	ENDED
THROUGH	DECEMBER 31,
MAY 31,	2000
2001	
(UNAUDITED)	

Revenues:

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

Rental income	\$ 1,613	\$ 3,668
Other income	83	183
	-----	-----
	1,696	3,851
	-----	-----
Certain expenses:		
Property operating and maintenance	606	1,331
Real estate taxes	93	203
	-----	-----
	699	1,534
	-----	-----
Revenues in excess of certain expenses	\$ 997	\$ 2,317
	=====	=====

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

F-2

VIRGINIA VILLAGE
 NOTE TO THE STATEMENT OF REVENUES AND CERTAIN EXPENSES
 (IN THOUSANDS)

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 Virginia Village, a residential property formerly owned and managed by parties not related to Home Properties of New York, Inc. (the "Company").

On May 31, 2001, the Company, through its subsidiary Home Properties of New York, L.P., acquired Virginia Village, comprised of 344 apartment units located in one community. The property is located in Alexandria,

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

Virginia.

Total consideration for the acquisition was \$27.0 million, which was funded through \$9.6 million in assumed debt, \$16.2 million of Operating Partnership Units in Home Properties of New York, L.P., and \$1.2 million of cash. The mortgage carries an interest rate of 6.91% and matures in January 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 Virginia Village for the periods 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 Virginia Village. Expenses excluded relate to property management and administrative fees, interest expense, depreciation and amortization expense. The Company is not aware of any material factors relating to Virginia Village that would cause the reported financial information not to be necessarily indicative of future operating results.

Expenditures for repairs and maintenance items are expensed as incurred. Costs related to the acquisition and improvement of property and related equipment are capitalized.

Revenue Recognition

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 May 31, 2001 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.

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.

F-3

REPORT OF INDEPENDENT ACCOUNTANTS

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

We have audited the accompanying Statement of Revenues and Certain Expenses of Devonshire Hills (formerly Windsor at Hauppauge, L.P.) for the year ended December 31, 2000. This financial statement is the responsibility of Devonshire Hills' (formerly Windsor at Hauppauge, L.P.) management. Our responsibility is to express an opinion on this financial statement based on our audit.

We conducted our audit in accordance with auditing standards generally accepted

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

in the United States of America. Those standards 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. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statement. We believe that our audit provides a reasonable basis for our opinion.

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 (for inclusion in the current report on Form 8-K/A of Home Properties of New York, Inc. dated March 30, 2001) as described in Note 1 and is not intended to be a complete presentation of Devonshire Hills' revenues and expenses.

In our opinion, the financial statement referred to above presents fairly, in all material respects, the revenue and direct operating expenses described in Note 1 of Devonshire Hills for the year ended December 31, 2000, in conformity with accounting principles generally accepted in the United States of America.

/s/PricewaterhouseCoopers LLP

PRICEWATERHOUSECOOPERS LLP

Boston, Massachusetts

October 3, 2001

F-4

DEVONSHIRE HILLS
(FORMERLY WINDSOR AT HAUPPAUGE, L.P.)
STATEMENT OF REVENUES AND CERTAIN EXPENSES
(IN THOUSANDS)

	FOR THE PERIOD JANUARY 1, THROUGH JUNE 30, 2001 (UNAUDITED)	FOR THE YEAR ENDED DECEMBER 31, 2000
Revenues:		
Rental income	\$2,817	\$4,860
Other income	225	397
	-----	-----
	3,042	5,257
	-----	-----
Certain expenses:		
Property operating and maintenance	668	897
Real estate taxes	203	398
	-----	-----
	871	1,295
	-----	-----

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

Revenues in excess of certain expenses	\$2,171 =====	\$3,962 =====
--	------------------	------------------

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

F-5

DEVONSHIRE HILLS
(FORMERLY WINDSOR AT HAUPPAUGE, L.P.)
NOTE TO THE STATEMENT OF REVENUES AND CERTAIN EXPENSES

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 Devonshire Hills (formerly Windsor at Hauppauge, L.P.), a residential property formerly owned and managed by parties not related to Home Properties of New York, Inc. (the "Company").

On July 16, 2001, the Company, through its subsidiary Home Properties of New York, L.P., acquired Devonshire Hills, comprised of 297 apartment units located in one community. The property is located in Hauppauge, New York.

Total consideration for the acquisition was \$47.5 million, which was funded through \$24.6 million of assumed debt and \$22.9 million of cash. The mortgage carries an interest rate of 7.74% and matures in July 2006. Interest expense amounted to \$1.9 million for the year ended December 31, 2000 and \$1 million for the period ended June 30, 2001 (unaudited).

Basis of Presentation

The accompanying financial statement has been prepared on the accrual basis of accounting, but is not representative of the actual operations

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

of Devonshire Hills 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 Devonshire Hills. Expenses excluded relate to property management fees, interest expense, depreciation and amortization expense and allocated corporate expenses. The Company is not aware of any material factors relating to Devonshire Hills that would cause the reported financial information not to be necessarily indicative of future operating results.

Expenditures for repairs and maintenance items are expensed as incurred. Costs related to the acquisition and improvement of the property and related equipment are capitalized.

Revenue Recognition

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 June 30, 2001 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.

Uses of Estimates in the Preparation of Financial Statement

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 reported period. Actual results could differ from those estimates.

F-6

REPORT OF INDEPENDENT ACCOUNTANTS

The Board of Directors and Shareholders of
Home Properties of New York, Inc.:

We have audited the accompanying Statement of Revenues and Certain Expenses of Fenland Field Apartments for the year ended December 31, 2000. This financial statement is the responsibility of Fenland Field Apartments' management. Our responsibility is to express an opinion on this financial statement based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards 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. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statement. We believe that our audit provides a reasonable basis for our opinion.

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

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 (for inclusion in the current report on Form 8-K/A of Home Properties of New York, Inc. dated March 30, 2001) as described in Note 1 and is not intended to be a complete presentation of Fenland Field Apartments' revenues and expenses.

In our opinion, the financial statement referred to above presents fairly, in all material respects, the revenue and direct operating expenses described in Note 1 of Fenland Field Apartments for the year ended December 31, 2000, in conformity with accounting principles generally accepted in the United States of America.

/s/PricewaterhouseCoopers LLP

PRICEWATERHOUSECOOPERS LLP

Boston, Massachusetts
October 1, 2001

F-7

FENLAND FIELD APARTMENTS
STATEMENT OF REVENUES AND CERTAIN EXPENSES
(IN THOUSANDS)

	FOR THE PERIOD JANUARY 1, THROUGH JUNE 30, 2001 (UNAUDITED)	FOR THE YEAR ENDED DECEMBER 31, 2000
Revenues:		
Rental income	1,083	2,065
Other income	46	68
	-----	--
	1,129	2,133
	-----	-----
Certain expenses:		
Property operating and maintenance	365	696
Real estate taxes	74	161
	-----	-----
	439	857
	-----	-----
Revenues in excess of certain expenses	690	1,276
	=====	=====

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

F-8

FENLAND FIELD APARTMENTS
NOTE TO THE STATEMENT OF REVENUES AND CERTAIN EXPENSES
(IN THOUSANDS)

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 Fenland Field Apartments, a residential property formerly owned and managed by parties not related to Home Properties of New York, Inc. (the "Company").

On August 1, 2001, the Company, through its subsidiary Home Properties of New York, L.P., acquired Fenland Field Apartments, comprised of 234 apartment units located in one community. The property is located in Columbia, Maryland.

Total consideration for the acquisition was \$14.5 million, which was funded by available cash.

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 Fenland Field Apartments for the periods 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 Fenland Field Apartments. Expenses excluded relate to property management fees, interest expense, depreciation and amortization expense and allocated corporate. The Company is not aware of any material factors relating to Fenland Field Apartments that would cause the reported financial information not to be necessarily indicative of future operating results.

Expenditures for repairs and maintenance items are expensed as incurred. Costs related to the acquisition and improvement of property and related equipment are capitalized.

Revenue Recognition

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

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 six-month period from January 1 through June 30, 2001 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.

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.

F-9

REPORT OF INDEPENDENT ACCOUNTANTS

The Board of Directors and Shareholders of
Home Properties of New York, Inc.:

We have audited the accompanying Statement of Revenues and Certain Expenses of Courtyard Village Apartments for the year ended December 31, 2000. This financial statement is the responsibility of Courtyard Village Apartments' management. Our responsibility is to express an opinion on this financial statement based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards 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. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statement. We believe that our audit provides a reasonable basis for our opinion.

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 (for inclusion in the current report on Form 8-K/A of Home Properties of New York, Inc. dated March 30, 2001) as described in Note 1 and is not intended to be a complete presentation of Courtyard Village Apartments' revenues and expenses.

In our opinion, the financial statement referred to above presents fairly, in all material respects, the revenue and direct operating expenses described in Note 1 of Courtyard Village Apartments for the year ended December 31, 2000, in conformity with accounting principles generally accepted in the United States of America.

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

/s/PricewaterhouseCoopers LLP

PRICEWATERHOUSECOOPERS LLP

Boston, Massachusetts

October 1, 2001

F-10

COURTYARD VILLAGE APARTMENTS
STATEMENT OF REVENUES AND OPERATING EXPENSES
(IN THOUSANDS)

	FOR THE PERIOD JANUARY 1, THROUGH JUNE 30, 2001 (UNAUDITED)	FOR THE YEAR ENDED DECEMBER 31, 2000
Revenues:		
Rental income	\$1,003	\$1,991
Other income	37	79
	-----	-----
	1,040	2,070
	-----	-----
Certain expenses:		
Property operating and maintenance	407	699
Real estate taxes	94	152
	-----	-----
	501	851
	-----	-----
Revenues in excess of certain expenses	\$ 539	\$1,219
	-----	-----

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

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

F-11

COURTYARD VILLAGE APARTMENTS NOTE TO THE STATEMENT OF REVENUES AND CERTAIN EXPENSES (IN THOUSANDS)

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 Courtyard Village Apartments, a residential property formerly owned and managed by parties not related to Home Properties of New York, Inc. (the "Company").

On August 29, 2001, the Company, through its subsidiary Home Properties of New York, L.P., acquired Courtyard Village Apartments, comprised of 224 apartment units located in one community. The property is located in Naperville, Illinois.

Total consideration for the acquisition was \$12.8 million, which was funded through \$5.1 million in assumed debt and \$7.7 million in cash. The mortgage carries an interest rate of 7.88% and matures in 2007.

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 Courtyard Village Apartments for the periods 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 Courtyard Village Apartments. Expenses excluded relate to property management fees, interest expense, depreciation and amortization expense and allocated corporate expenses. The Company is not aware of any material factors relating to Courtyard Village Apartments that would cause the reported financial information not to be necessarily indicative of future operating results.

Expenditures for repairs and maintenance items are expensed as incurred. Costs related to the acquisition and improvement of property and related equipment are capitalized.

Revenue Recognition

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 six-month period from January 1 through June 30, 2001 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.

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.

F-12

REPORT OF INDEPENDENT ACCOUNTANTS

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

We have audited the accompanying Combined Statement of Revenues and Certain Expenses of Wellington Lakes and Wellington Woods Apartments ("The Wellington Properties") for the year ended December 31, 2000. This financial statement is the responsibility of the Wellington Properties' management. Our responsibility is to express an opinion on this financial statement based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards 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. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statement. We believe that our audit provides a reasonable basis for our opinion.

The accompanying Combined Statement of Revenues and Certain Expenses was prepared for the purpose of complying with the rules and regulations of the Securities and Exchange Commission (for inclusion in the current report on Form 8-K/A of Home Properties of New York, Inc. dated March 30, 2001) as described in Note 1 and is not intended to be a complete presentation of the Wellington Properties' revenues and expenses.

In our opinion, the combined financial statement referred to above presents fairly, in all material respects, the revenue and direct operating expenses described in Note 1 of the Wellington Properties for the year ended December 31, 2000, in conformity with accounting principles generally accepted in the United States of America.

/s/PricewaterhouseCoopers LLP

PRICEWATERHOUSECOOPERS LLP

Rochester, New York
November 19, 2001

F-13

THE WELLINGTON PROPERTIES
COMBINED STATEMENT OF REVENUES AND CERTAIN EXPENSES
(IN THOUSANDS)

FOR THE PERIOD

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

	JANUARY 1, THROUGH SEPTEMBER 30, 2001 (UNAUDITED)	FOR THE YEAR ENDED DECEMBER 31, 2000
Revenues:		
Rental income	\$1,566	\$1,823
Other income	67	79
	-----	-----
	1,633	1,902
	-----	-----
Certain expenses:		
Property operating and maintenance	593	840
Real estate taxes	80	98
	-----	-----
	673	938
	-----	-----
Revenues in excess of certain expenses	\$960	\$964
	=====	=====

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

F-14

THE WELLINGTON PROPERTIES
NOTE TO COMBINED STATEMENT OF REVENUES AND CERTAIN EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2000

1. BASIS OF PRESENTATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
BUSINESS

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

The accompanying combined statement of revenues and certain expenses includes the operations (see "Basis of Presentation" below) of Wellington Lakes and Wellington Woods Apartments (together the "Wellington Properties"), two residential properties formerly owned and managed by parties not related to Home Properties of New York, Inc. (the "Company").

On October 24, 2001, the Company, through its subsidiary Home Properties of New York, L.P., acquired the Wellington Properties, comprised of 274 apartment units located in two communities. The Wellington Properties are located in Fredericksburg, Virginia.

Total consideration for the acquisition was \$11.1 million, which was funded through \$7.9 million in assumed debt, and \$3.2 million of cash. The mortgage carries a stated interest rate of 6.98% and matures in June 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 the Wellington Properties for the periods 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 the Wellington Properties. Expenses excluded relate to property management and administrative fees, interest expense, depreciation and amortization expense and allocated corporate expenses. The Company is not aware of any material factors relating to the Wellington Properties that would cause the reported financial information not to be necessarily indicative of future operating results.

Expenditures for repairs and maintenance items are expensed as incurred. Costs related to the acquisition and improvement of property and related equipment are capitalized.

REVENUE RECOGNITION

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

INTERIM UNAUDITED COMBINED FINANCIAL STATEMENT

The accompanying interim combined unaudited statement of revenues and certain expenses for the period from January 1 through September 30, 2001 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.

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.

F-15

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

SEPTEMBER 30, 2001
(Unaudited, In Thousands)

This unaudited pro forma Condensed Consolidated Balance Sheet is presented as if the acquisition of the Wellington Properties and the sale of The Towers and Mountainside Apartments had occurred as of September 30, 2001.

Such pro forma information is based upon the historical consolidated balance sheet of the Company as of that date, giving effect to the transactions described above. In management's opinion, all adjustments necessary to reflect the above transactions have been made. This unaudited pro forma Condensed Consolidated Balance Sheet should be read in conjunction with the pro forma Consolidated Statement of Operations of the Company presented herein and the historical financial statements and notes thereto of the Company included in the Home Properties of New York, Inc. Form 10-Q and 10-K for the nine-month period ended September 30, 2001 and the year ended December 31, 2000, respectively.

This unaudited pro forma Condensed Consolidated Balance Sheet is not necessarily indicative of what the actual financial position of the Company would have been at September 30, 2001 nor does it purport to represent the future financial position of the Company.

	As of September 30, 2001		
	Home Properties of New York, Inc. (A)	Pro Forma Adjustments(B)	Company Pro Forma
	-----	-----	-----
ASSETS			
Real estate, net	\$1,915,363	(\$ 5,400)	\$1,909,963
Cash and cash equivalents	5,197	(3,200)	1,997
Other assets	117,651	(708)	116,943
	-----	-----	-----
Total Assets	\$2,038,211	(\$ 9,308)	\$2,028,903
	=====	=====	=====
LIABILITIES			
Mortgage notes payable	\$904,356	\$ 7,900 (C)	\$ 912,256
Line of credit	72,000	(22,138) (D)	49,862
Other liabilities	54,502	(494)	54,008
	-----	-----	-----
Total Liabilities	1,030,858	(14,732)	1,016,126
	-----	-----	-----
Minority interest	343,075	2,642 (E)	345,717
	-----	-----	-----
Preferred Stock, Series B	48,733	-	48,733
	-----	-----	-----
STOCKHOLDERS' EQUITY			
Preferred Stock	149,000		149,000
Common stock	221		221
Additional paid-in capital	559,405		559,405

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

Accumulated other comprehensive

(loss)	(635)		(635)
Accumulated deficit	(83,732)	2,782 (F)	(80,950)
Officer and Director notes for stock purchases	(8,714)	-	(8,714)
	-----	-----	-----
Total stockholders' equity	615,545	2,782	618,327
	-----	-----	-----
Total liabilities and stockholders' equity	\$2,038,211	(\$ 9,308)	\$2,028,903
	=====	=====	=====

F-16

HOME PROPERTIES OF NEW YORK, INC.
NOTES TO PRO FORMA CONDENSED CONSOLIDATED BALANCE SHEET
SEPTEMBER 30, 2001
(Unaudited, in Thousands)

- (A) Reflects the Company's historical consolidated balance sheet as of September 30, 2001 as reported on Form 10-Q.

The Company's historical consolidated balance sheet includes the balance sheets of the Acquisition Properties except the Wellington Properties, which were purchased on October 24, 2001. The acquisitions were recorded as follows:

	Land	Building	Appliances & Equipment	Mortgages Assumed
	-----	-----	-----	-----
Woodholme Manor	\$ 1,232	\$ 4,422	\$ 176	-
Virginia Village	5,160	21,540	344	(9,600)
Sandalwood	3,840	13,355	384	-
Southern Meadows	9,040	31,422	452	(20,600)
Devonshire Hills	14,850	31,902	297	(25,200)
Fenland Field	3,510	10,796	234	-
Courtyard Village	3,360	9,303	224	(5,400)
The Manor Apartments	8,700	27,250	435	-
	-----	-----	-----	-----
	\$49,692	\$149,990	\$2,546	(\$60,800)
	=====	=====	=====	=====

- (1) Funded with excess cash and the Company's line of credit, except as indicated in (2) and (3) below
- (2) Includes the issuance of 81,880 operating units at a price of \$30 and excess cash of \$3,374.
- (3) Includes the issuance of 569,307 operating units at a price of \$28.50 and excess cash of \$1,219.

- (B) The pro forma adjustments reflect the purchase of the Wellington Properties (\$7,900 in total assets), net of the sale of The Towers and

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

Mountainside Apartments (\$17,208 in total assets and \$494 in other liabilities).

The appliances and equipment have an estimated useful life of ten years and the building has an estimated useful life of thirty-five years.

- (C) Represents the assumption of mortgages in connection with the acquisition of the Wellington Properties, which occurred subsequent to September 30, 2001.
- (D) Represents the repayment of the Company's line of credit secured from the proceeds from the properties sold subsequent to September 30, 2001.
- (E) Reflects the adjustment to minority interest based upon the impact of the pro-forma income statement adjustments.
- (F) Reflects the adjustment to accumulated deficit based upon the impact of the pro forma income statement adjustments, net of minority interest.

F-17

HOME PROPERTIES OF NEW YORK, INC.
PRO FORMA CONSOLIDATED STATEMENT OF OPERATIONS
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2001
(Unaudited, in Thousands, Except Share and Per Share Data)

The unaudited pro forma Consolidated Statement of Operations for the nine-month period ended September 30, 2001 and for the year ended December 31, 2000 is presented as if the following had occurred on January 1, 2000, (i) the acquisition by the Company of the Acquisition Properties, (ii) the disposition by the Company of the Sale Properties, (iii) the 2000 transactions related to the acquisition of 22 apartment communities in twelve separate transactions, and (iv) the \$115 million Series C, D and E Preferred Stock offerings.

Such pro forma information is based upon the historical consolidated results of operations of the Company for the nine-month period ended September 30, 2001 and for the year ended December 31, 2000, giving effect to the transactions described above. In management's opinion, all adjustments necessary to reflect the above transactions have been made. The pro forma Consolidated Statements of Operations should be read in conjunction with the pro forma Condensed Consolidated Balance Sheet of the Company presented herein and the historical financial statements and notes thereto of the Company included in the Home Properties of New York, Inc. Form 10-Q and 10-K for the nine-month period ended September 30, 2001 and the year ended December 31, 2000, respectively.

The unaudited pro forma Consolidated Statements of Operations for the nine-month period ended September 30, 2001 and for the year ended December 31, 2000 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 Se

Home
Properties of

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

	New York, Inc. Historical (A)	Pro Forma Adjustment
	-----	-----
Revenues:		
Rental Income	\$258,937	\$ 2,870
Property other income	9,716	325
Interest and Dividend Income	2,548	-
Other income	1,610	-
	-----	-----
Total revenues	272,811	3,195
	-----	-----
Expenses:		
Operating and Maintenance	110,877	428
General and Administrative	13,274	96
Interest	49,056	3,785
Depreciation and Amortization	_ 47,386	762
	-----	-----
Total Expenses	220,593	5,071
	-----	-----
Income before gain on disposition of property and minority Interest	52,218	(1,876)
Gain on disposition of Property	22,085	7,300
	-----	-----
Income before minority Interest	74,303	5,424
Minority interest	25,558	2,642
	-----	-----
Net income	48,745	2,782
Preferred dividends	13,492	-
	-----	-----
Net income available for common shareholders	\$35,253	\$ 2,782
	=====	=====
Net income per common share		
- basic	\$1.61	
	=====	
- diluted	\$1.61	
	=====	
Weighted average number of shares outstanding		
- basic	21,852,439	
	=====	
- diluted	21,948,154	
	=====	

F-18

HOME PROPERTIES OF NEW YORK, INC.
PRO FORMA CONSOLIDATED STATEMENT OF OPERATIONS
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2000
(Unaudited, in Thousands, Except Share and Per Share Data)

For the Year Ended December 31,

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

	Home Properties of New York, Inc. Historical (A) -----	Pro Forma Adjustments (B) -----
Revenues:		
Rental Income	\$298,860	\$31,292
Property other income	11,389	1,528
Interest and Dividends	7,746	
Other income	1,053	-
	-----	-----
Total revenues	319,048	32,820
	-----	-----
Expenses:		
Operating and maintenance	128,034	11,336
General and administrative	13,235	985 (C)
Interest	56,792	10,113 (D)
Depreciation and amort.	52,430	6,218 (E)
	-----	-----
Total Expenses	250,491	28,652
	-----	-----
Income before loss on disposition of property, and		
minority interest	68,557	4,168
Gain/(Loss) on disposition of Property	(1,386)	29,385 (F)
	-----	-----
Income before minority interest	67,171	33,553
Minority interest	25,715	11,352 (G)
	-----	-----
Net income	41,456	22,201
Preferred dividends	12,178	5,811 (H)
	-----	-----
Net income available for common shareholders	\$ 29,278	\$16,390
	=====	=====
Net income available for common shareholders		
- Basic	\$1.42	
	=====	
- Diluted	\$1.41	
	=====	
Weighted average number of shares outstanding		
- Basic	20,639,241	
	=====	
- diluted	20,755,721	
	=====	

F-19

HOME PROPERTIES OF NEW YORK, INC.
NOTES TO PRO FORMA CONSOLIDATED STATEMENT OF OPERATIONS
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2001 AND
FOR THE YEAR ENDED DECEMBER 31, 2000

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

(Unaudited, in Thousands)

- (A) Reflects the historical unaudited consolidated statement of operations for the Company for the nine-month period ended September 30, 2001 and the historical consolidated statement of operations for the Company for the year ended December 31, 2000, as appropriate
- (B) Reflects the historical revenues and certain expenses of each of the Acquisition Properties and the Sale Properties for the period January 1, 2001 through the earlier of the date of acquisition or disposition or September 30, 2001, as follows:

	For the Nine Months Ended September 30, 2001		
	Acquisition Properties	Sale Properties	Pro Forma Adjustments,
	-----	-----	-----
Revenues:			
Rental Income	\$15,608	(\$12,738)	\$2,870
Property other income	749	(424)	325
Interest and dividend income	-	-	-
Other income	-	-	-
	-----	-----	-----
Total revenues	16,357	(13,162)	3,195
	-----	-----	-----
Expenses:			
Operating and maintenance	6,482	(6,054)	428
General and administrative	96	-	96 (C)
Interest	4,282	(497)	3,785 (C)
Depreciation and amortization	2,666	(1,904)	762 (C)
	-----	-----	-----
Total Expenses	13,526	(8,455)	5,071
	-----	-----	-----
Income before gain on disposition of property and minority interest	2,831	(4,707)	(1,876)
Gain on disposition of Property	-	7,300	7,300
	-----	-----	-----
Income before minority interest	\$ 2,831	\$ 2,593	\$5,424
	=====	=====	=====

F-20

HOME PROPERTIES OF NEW YORK, INC.
NOTES TO PRO FORMA CONSOLIDATED STATEMENT OF OPERATIONS
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2001 AND
FOR THE YEAR ENDED DECEMBER 31, 2000
(Unaudited, in Thousands)

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

Reflects the historical revenues and certain expenses of each of the Acquisition Properties, the Sale Properties, and the 22 apartment communities acquired in twelve separate transactions in 2000 for the period January 1, 2000 through December 31, 2000, as follows:

	For the Year Ended December 31, 2000		
	2000 Acquisitions	Acquisition Properties	Sale Properties
Revenues:			
Rental Income	\$25,223	\$27,368	(\$21,299)
Property other income	940	1,295	(707)
Interest and dividend income	-	-	-
Other income	-	-	-
	-----	-----	-----
Total revenues	26,163	28,663	(22,006)
	-----	-----	-----
Expenses:			
Operating and maintenance	10,728	11,286	(10,678)
General and administrative	785	860	(660)
Interest	3,194	7,823	(904)
Depreciation and amortization	4,542	5,019	(3,343)
	-----	-----	-----
Total Expenses	19,249	24,988	(15,585)
	-----	-----	-----
Income before gain on disposition of property and minority interest	6,914	3,675	(6,421)
Gain on disposition of Property	-	-	29,385
	-----	-----	-----
Income before minority interest	\$ 6,914	\$ 3,675	\$22,964
	=====	=====	=====

- (C) Reflects additional general and administrative expenses calculated as 3% of total revenues
- (D) Reflects the increase in interest expense related to debt assumed from the seller or obtained in order to finance each of the acquisitions, offset by the decrease in interest expense related to the Sale Properties. In addition, the 2000 adjustment reflects a reduction in interest expense on the Company's line of credit of approximately \$3,355 relating to the assumed issuance of \$115 million in preferred stock on January 1, 2000.
- (E) Reflects depreciation and amortization related to each acquisition and the Sale Properties. The appliances and equipment have an estimated useful life of ten years and the building has an estimated useful life of thirty-five years.
- (F) Reflects the estimated gain on disposition of the Sale Properties.
- (G) Reflects the adjustment to minority interest expense based upon the impact of the above pro forma adjustments on income before minority interest.

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

- (H) For 2000 only, assumes that 4.8 million shares of preferred stock was outstanding as of January 1, 2000, with an average annual dividend rate of \$17,989.

F-21

HOME PROPERTIES OF NEW YORK, INC.
ESTIMATED TWELVE-MONTH PRO FORMA STATEMENT
OF TAXABLE NET OPERATING INCOME AND OPERATING FUNDS AVAILABLE
(UNAUDITED)

The following unaudited statement is a proforma estimate for a twelve-month period of taxable income and funds available from operations of the Company. The unaudited pro forma statement is based on the Company's historical operating results for the year ended December 31, 2000 adjusted as if the following transactions had occurred on January 1, 2000: (i) the acquisition by the Company of the Acquisition Properties as reported herein, (ii) the disposition by the Company of the Sale Properties as reported herein, (iii) the 2000 transactions related to the acquisition of 22 apartment communities, and (iv) the \$115 million Series C, D and E Preferred Stock offerings. This statement should be read in conjunction with (i) the historical financial statements and notes thereto of the Company and (ii) the pro forma financial statements of the Company.

ESTIMATE OF TAXABLE NET OPERATING INCOME (IN THOUSANDS):

Historical earnings from operations, exclusive of depreciation and amortization (Note 1)
Acquisition Properties net of sale properties historical earnings from operations,
as adjusted, exclusive of depreciation (Note 2)

Estimated tax basis depreciation and amortization (Note 3)

HPNY
Acquisition Properties, net of Sale Properties

Pro Forma taxable operating income before dividends deduction
Estimated dividends deduction (Note 4)

Pro Forma taxable operating income

ESTIMATE OF PRO FORMA OPERATING FUNDS AVAILABLE (NOTE 5)
(IN THOUSANDS):

Pro Forma taxable operating income before dividends deduction
Add pro forma tax basis depreciation and amortization

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

Estimate of pro forma operating funds available

- Note 1 - The historical earnings from operations represents the Company's net income applicable to common shares as adjusted for depreciation and amortization for the year ended December 31, 2000, as reflected in the historical financial statements.
- Note 2 - The historical earnings from operations represents the pro forma results of the properties acquired since January 1, 2000, as referred to in the pro forma consolidated statement of operations for the year ended December 31, 2000, included elsewhere in this report, net of the Sale Properties
- Note 3 - The tax basis depreciation of the Company is based upon the original purchase price allocated to the buildings, equipment and personal property, depreciated on a straight-line basis over a 27.5- and 5-year life, respectively. Such amount is presented net of the amounts associated with the Sale Properties.
- Note 4 - Estimated dividends deduction is based on the preferred dividend of \$17,989 plus the estimated dividend rate of \$2.40 per common share. Common shares outstanding, on a pro forma basis, are 20,639,241.
- Note 5 - Operating funds available does not represent cash generated from operating activities in accordance with generally accepted accounting principles and is not necessarily indicative of cash available to fund cash needs.

F-22

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: November 27, 2001

By: /s/ David P. Gardner

David P. Gardner
Sr. Vice President and Chief Financial Officer

Date: November 27, 2001

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

By: /s/ David P. Gardner

David P. Gardner
Sr. Vice President and Chief Financial Officer

HOME PROPERTIES OF NEW YORK, INC.

EXHIBIT INDEX

Exhibit 23.0 - Consent of PricewaterhouseCoopers LLP