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HOME PROPERTIES OF NEW YORK INC
Form 8-K
October 25, 2002

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K

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 1, 2002

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: (585) 546-4900

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

HOME PROPERTIES OF NEW YORK, INC.

CURRENT REPORT
ON FORM 8-K

Item 5. Other Events

Home Properties of New York, Inc. (the "Company") conducts its business through Home Properties of New York, L.P., a New York limited partnership (the "Operating Partnership"). During 2002, the Operating Partnership purchased the following 14 apartment communities (referred to herein as the "Acquisition Properties") in 4 unrelated transactions. None of these four acquisition

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transactions constitute a "significant subsidiary" and the communities were not acquired from a related party.

Community -----	Acquisition Date -----
Cambridge Village*	March 1, 2002
Stratford Greens*	March 1, 2002
Westwood Village*	March 1, 2002
Woodmont Village*	March 1, 2002
Yorkshire Village*	March 1, 2002
Green Acres*	March 1, 2002
Hawthorne Court* (formally Concord Village)	April 4, 2002
Hawthorne Estates* (formally Concord Estates)	April 4, 2002
Heritage Square *	April 4, 2002
Muncy Apartments*	May 31, 2002
Holiday Square Apartments*	May 31, 2002
Gardencrest Apartments	June 28, 2002
Brittany Place Apartments	August 22, 2002
Cider Mill Apartments*	September 27, 2002

Holiday Properties. On March 1, 2002, April 4, 2002 and May 31, 2002, the Operating Partnership acquired 11 apartment communities totaling 1,688 units primarily in Long Island, New York (noted with an * above) from one seller pursuant to a single purchase agreement (referred to herein as the "Holiday Properties"). The combined purchase price of the portfolio of \$149.5 million was funded by \$66.7 million of assumed mortgage debt, \$61.0 million of available cash, and \$21.8 million in proceeds received from common equity offerings. The mortgages have effective interest rates ranging between 5.21% -6.45% and mature on dates ranging from 2005 to 2009.

Gardencrest Apartments. On June 28, 2002, the Operating Partnership acquired Gardencrest Apartments with a total of 696 units located in Waltham, Massachusetts. Consideration for the \$85.8 million purchase price was funded by \$6 million of assumed mortgage debt, \$21.8 million in cash, and \$58 million from the Company's line of credit. The mortgage has an effective interest rate of 6.00% and matures in 2007.

Brittany Place Apartments. On August 22, 2002, the Operating Partnership acquired Brittany Place Apartments with a total of 591 units located in Greenbelt, Maryland. Consideration for the \$44.9 million purchase price included \$20.9 of assumed mortgage debt and \$24 from the Company's line of credit. The mortgage has an effective interest rate of 4.78% and matures in 2007.

Cider Mill Apartments. On September 27, 2002, the Operating Partnership acquired Cider Mill Apartments, an 864-unit community located in Gaithersburg, Maryland. The purchase price of \$81.3 million was funded by the assumption of \$48.8 million in mortgage debt, the issuance of \$11.5 million in Operating Partnership Units ("OP Units") in the Operating Partnership, and \$21 million in cash from available funds. The OP Units are exchangeable for shares of the Company's common stock on a one-for-one basis. The mortgage has an effective interest rate of 4.72% and matures in 2010.

The Holiday Properties along with Cider Mill Apartments are collectively referred to herein as the "Selected Acquisition Properties".

In determining the price paid for the Acquisition Properties, 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

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primarily based on the factors discussed above. No independent appraisals were performed in connection with the acquisitions. 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.

In addition, the Company sold the following eight apartment communities during 2002 (referred to herein as the "Sale Properties"). These dispositions were not deemed to be "significant" and are reported herein for informational purposes only. In addition, all of the Sale Properties, excluding Carriage Hill Apartments, were classified as discontinued operations as of and for the six-month period ended June 30, 2002. Carriage Hill Apartments will be classified as discontinued operations for the ninth-month period ended September 30, 2002.

Community -----	Disposition Date -----
Lansdowne Apartments	January 23, 2002
Ridgeway Court Apartments	January 23, 2002
Old Friends Apartments	January 24, 2002
Finger Lakes Manor	April 4, 2002
Conifer Village	April 4, 2002
Rolling Park Apartments	May 31, 2002
Cloverleaf Village	June 28, 2002
Carriage Hill Apartments	August 9, 2002

Lansdowne Apartments - On January 23, 2002, the Company completed the sale of Lansdowne Apartments. The 222-unit community located in Philadelphia, Pennsylvania was sold for \$8.8 million.

Ridgeway Court Apartments - On January 23, 2002, the Company also sold Ridgeway Court, located in Philadelphia, Pennsylvania. Total consideration received for the 66-unit apartment community was \$2.6 million.

Old Friends Apartments - On January 24, 2002, Old Friends Apartments in Baltimore, Maryland was sold. The total sales price for the 51-unit apartment community was \$2.5 million.

Finger Lakes Manor - On April 4, 2002, the Company completed the sale of Finger Lakes Manor Apartments. The 199-unit community in Syracuse, New York was sold for \$7.1 million.

Conifer Village - On April 4, 2002, the Company also sold Conifer Village, located in Rochester, New York. Total consideration paid for the 153-unit apartment community was \$7.9 million.

Rolling Park Apartments - On May 31, 2002, the Company sold Rolling Park, a 144-unit apartment community in Rolling Park, Maryland. The total sales price was \$8.3 million.

Cloverleaf Village - On June 28, 2002, Cloverleaf Village Apartments in Pleasant Hills, Pennsylvania was sold. The sales price for the 148-unit apartment community was \$5.3 million.

Carriage Hill Apartments - On August 9, 2002, the Company sold Carriage Hill Apartments in Richmond, Virginia. The 664-unit apartment community was sold for \$41.6 million.

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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 January 1, 2002 through the date of acquisition, or June 30, 2002, 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, 2001 for each of the Selected Acquisition Properties. See pages F-1 to F-7.

None of the Acquisition Properties constitute a "significant subsidiary" pursuant to the Regulation S-X rules. Audited statements of revenues and certain expenses for the year ended December 31, 2001 and related unaudited financial information for the period through the acquisition date 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, 2001 and related unaudited financial information for the period through the acquisition date or the Company's appropriate quarterly reporting period of Gardencrest Apartments and Brittany Place Apartments have not been presented as these apartment communities were individually below the 5% materiality threshold to require presentation under Regulation S-X Rule 3-14.

b. Pro Forma Financial Information:

Pro forma condensed consolidated balance sheet of the Company as of June 30, 2002 and related notes (unaudited). See pages F-8 to F-9.

Pro forma condensed consolidated statement of operations of the Company for the six-month period ended June 30, 2002 and for the year ended December 31, 2001 (unaudited). See pages F-10 to F-12.

Notes to the pro forma consolidated statement of operations of the Company for the six-month period ended June 30, 2002 and for the year ended December 31, 2001 (unaudited). See pages F-13 to F-16.

c. Estimated twelve-month pro forma statement of taxable net operating income and operating funds available. See pages F-17 to F-18.

d. Exhibit 23.0 - Consent of PricewaterhouseCoopers LLP

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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 the Holiday Properties for the year ended December 31, 2001. This historical statement is the responsibility of Holiday Properties' management. Our responsibility is to express an opinion on this historical 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 historical statement is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the historical 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 historical statement. We believe that our audit provides a reasonable basis for our opinion.

The accompanying historical statement was prepared for the purpose of complying with the rules and regulations of the Securities and Exchange Commission (for inclusion in the Form 8-K of Home Properties of New York, Inc.) as described in Note 2 and is not intended to be a complete presentation of the Holiday Properties' revenues and expenses.

In our opinion, the combined historical statement referred to above presents fairly, in all material respects, the combined revenues and certain expenses described in Note 2 of the Holiday Properties for the year ended December 31, 2001 in conformity with accounting principles generally accepted in the United States of America.

/s/ PricewaterhouseCoopers LLP
Cleveland, Ohio
October 23, 2002

F-1

Holiday Properties
Combined Statements of Revenues and Certain
Expenses
(In thousands)

Revenues:

 Minimum rent
 Other income

For the Year
 Ended
December 31,
 2001

\$ 20,512
 883

21,395

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Certain expenses:	
Operating and maintenance	5,529
Real estate taxes	4,246

	9,775

Revenues in excess of certain expenses	\$ 11,620
	=====

The accompanying notes are an integral part of these financial statements.

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Holiday Properties

Notes to Combined Statements of Revenues and Certain Expenses

For the Year Ended December 31, 2001 and the Period January 1, 2002 through the Acquisition Dates in 2002 (Unaudited)

1. OPERATIONS OF PROPERTIES

The accompanying combined statements of revenues and certain expenses include the operations (see Note 2) of Concord Village, Heritage Square Apartments, Holiday Square Apartments, Muncy Apartments, Cambridge

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Village, Stratford Greens, Westwood Village, Woodmont Village, Yorkshire Village, Concord Estates, and Green Acres (the "Holiday Properties") residential properties formerly owned and managed by an entity not related to Home Properties of New York, Inc. (the "Company").

On March 1, 2002, the Company, through its subsidiary Home Properties of New York, L.P., acquired Cambridge Village, Stratford Greens, Westwood Village, Woodmont Village, Yorkshire Village and Green Acres (the "Initial Acquisition"), comprised of 1,031 apartment units located in five communities in New York and Pennsylvania. Total consideration for the Initial Acquisition was \$100.3 million, which was funded through \$47 million in assumed debt and \$53.3 million in cash. The mortgages carry stated interest rates of 6.875% to 8.50% and mature at various dates through November 1, 2009.

On April 4, 2002, the Company, through its subsidiary Home Properties of New York, L.P., acquired Concord Village, Heritage Square Apartments, and Concord Estates (the "Second Acquisition"), comprised of 514 apartment units located in two communities in New York. Total consideration for the Second Acquisition was \$37.3 million, which was funded through \$13.4 million in assumed debt and \$23.9 million in cash. The mortgages carry stated interest rates of 8.25% to 8.775% and mature at various dates through November 1, 2006.

On May 31, 2002, the Company, through its subsidiary Home Properties of New York, L.P., acquired Muncy Apartments and Holiday Square Apartments (the "Third Acquisition"), comprised of 143 apartment units located in two communities in New York. Total consideration for the Third Acquisition was \$9.5 million, which was funded through \$3.9 million in assumed debt and \$5.6 million in cash. The mortgage carries a stated interest rate of 10.85% through September 1, 2003 and 6.125% through its maturity on March 1, 2024.

The Initial Acquisition, Second Acquisition and Third Acquisition were made pursuant to a single purchase agreement between the Company and the seller and contained multiple closing dates. As a result, a combined presentation of the historical statements is considered to be the most meaningful.

2. BASIS OF PRESENTATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The accompanying combined financial statements have been prepared on the accrual basis of accounting.

The accompanying combined financial statements are not representative of the actual operations of the Holiday Properties for the periods presented. As required by the Securities and Exchange Commission, Regulation S-X, Rule 3-14, certain expenses, which may not be comparable to the proposed future operations of the Holiday Properties have been excluded. Expenses excluded relate to property management fees, interest expense, depreciation and amortization expense, and other expenses unrelated to the future operations of the Holiday Properties. The Company is not aware of any material factors relating to the Holiday Properties that would cause the reported financial information not to be necessarily indicative of future operating results.

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For the Year Ended December 31, 2001 and the Period January 1, 2002 through the Acquisition Dates in 2002 (Unaudited)

Real Estate

Expenditures for repairs and maintenance items are expensed as incurred. Costs related to the acquisition and improvement of the Holiday Properties and related assets are capitalized.

Revenue Recognition

Rental income attributable to residential leases is recorded when due from residents. Leases are generally for terms of one 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 revenues and expenses during the reporting period. Actual results could differ from those estimates.

Interim Unaudited Combined Financial Statements

The accompanying interim combined statement of revenues and certain expenses for the period from January 1, 2002 through the acquisition dates of each of the properties comprising the Holiday Properties (Note 1), is unaudited. However, in the opinion of the Company, the interim statements include all adjustments, consisting only of normal recurring adjustments, necessary for a fair statement of the results for the interim period. The results for the period presented are not necessarily indicative of the results for the full year.

F-4

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 Cider Mill Apartments, Gaithersburg, Maryland (the "Property") for the year ended December 31, 2001. This historical statement is the responsibility of the Property's management. Our responsibility is to express an opinion on this historical 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 historical statement is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the historical statement. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall

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presentation of the historical statement. We believe that our audit provides a reasonable basis for our opinion.

The accompanying historical statement was prepared for the purpose of complying with the rules and regulations of the Securities and Exchange Commission (for inclusion in the Form 8-K of Home Properties of New York, Inc.) as described in Note 1 and is not intended to be a complete presentation of Cider Mill Apartments' revenues and expenses.

In our opinion, the historical statement referred to above presents fairly, in all material respects, the revenues and certain expenses described in Note 1 of Cider Mill Apartments for the year December 31, 2001 in conformity with accounting principles generally accepted in the United States of America.

/s/ PricewaterhouseCoopers LLP
Cleveland, Ohio
October 15, 2002

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Cider Mill Apartments
Statements of Revenues and Certain Expenses
(In thousands)

	For the Year Ended December 31, 2001
Revenues:	
Minimum rent	\$ 9,106
Other income	543

	9,649

Certain expenses:	
Operating and maintenance	3,302
Real estate taxes	494

	3,796

Revenues in excess of certain expenses	\$ 5,853
	=====

The accompanying note is an integral part of these financial statements.

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Cider Mill Apartments

Note to Statements of Revenues and Certain Expenses

For the Year Ended December 31, 2001 and the Six-Month Period Ended June 30, 2002 (unaudited)

1. BASIS OF PRESENTATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Operations

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

On September 27, 2002, the Company, through its subsidiary Home Properties of New York, L.P., acquired the Property. The Property is a residential development located in Gaithersburg, Maryland.

Total consideration for the acquisition was \$73.7 million, which was funded through \$40.9 million in assumed debt, \$11.8 million of Operating Partnership Units in Home Properties of New York, L.P., and \$21 million of cash. The mortgage carries an interest rate of 7.7% and matures in October 2010.

Basis of Presentation

The accompanying financial statement has been prepared on the accrual

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basis of accounting.

The accompanying financial statement is not representative of the actual operations of the Property for the periods presented. As required by the Securities and Exchange Commission, Regulation S-X, Rule 3-14, certain expenses, which may not be comparable to the expenses expected to be incurred by the Company in the future operation of the Property, have been excluded. Expenses excluded relate to property management fees, audit fees, interest expense, depreciation and amortization expense. The Company is not aware of any material factors relating to the Property that would cause the reported financial information not to be necessarily indicative of future operating results.

Real Estate

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.

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 revenues and expenses during the reporting period. Actual results could differ from those estimates.

Interim Unaudited Financial Statement

The accompanying interim statement of revenues and certain expenses for the six-month period ended June 30, 2002 is unaudited; however, in the opinion of the Company, the interim statement includes all adjustments, consisting only of normal recurring adjustments, necessary for a fair statement for the interim period. The results of such interim period are not necessarily indicative of the results for the full year.

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HOME PROPERTIES OF NEW YORK, INC.
PRO FORMA CONDENSED CONSOLIDATED BALANCE SHEET
JUNE 30, 2002
(Unaudited, In Thousands)

This unaudited Pro forma Condensed Consolidated Balance Sheet is presented as if the acquisition of Cider Mill Apartments and Brittany Place Apartments and the sale of Carriage Hill Apartments which occurred subsequent to June 30, 2002, had occurred as of June 30, 2002.

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 unaudited Pro

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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 8-K dated January 23, 2002 (which financial statements reflect the impact of property sales as discontinued operations pursuant to the provisions of SFAS 144 - "Accounting for the Impairment or Disposal of Long-Lived Assets") for the six-month period ended June 30, 2002 and the year ended December 31, 2001, 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 June 30, 2002, nor does it purport to represent the future financial position of the Company.

	As of June 30, 2002		
	Home Properties of New York, Inc. (A)	Pro Forma Adjustments (B)	Company Pro Forma
ASSETS			
Real estate, net	\$2,155,221	\$ 89,534 (C)	\$2,244,755
Cash and cash equivalents	12,739	690 (D)	13,429
Other assets	118,765	(33)	118,732
	-----	-----	-----
		(D)	
Total Assets	\$2,286,725	\$ 90,191	\$2,376,916
	=====	=====	=====
LIABILITIES			
Mortgage notes payable	\$1,105,041	\$ 69,653 (E)	\$1,174,694
Line of credit	58,000	9,288 (F)	67,288
Other liabilities	60,097	(276) (D)	59,821
	-----	-----	-----
Total Liabilities	1,223,138	78,665	1,301,803
	-----	-----	-----
Minority interest	338,381	8,688 (G)	347,069
	-----	-----	-----
STOCKHOLDERS' EQUITY			
Convertible Preferred Stock	114,000		114,000
Redeemable Preferred Stock	60,000		60,000
Common stock	262		262
Additional paid-in capital	623,473	2,838 (G)	626,311
Accumulated other comprehensive loss	(620)		(620)
Accumulated deficit	(66,228)		(66,228)
Officer and Director notes for stock Purchases	(5,681)	-	(5,681)
	-----	-----	-----
Total stockholders' equity	725,206	-	728,044
	-----	-----	-----
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$2,286,725	(\$ 90,191)	\$2,376,916
	=====	=====	=====

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HOME PROPERTIES OF NEW YORK, INC.
 NOTES TO PRO FORMA CONDENSED CONSOLIDATED BALANCE SHEET
 JUNE 30, 2002
 (Unaudited, in Thousands)

- (A) Reflects the Company's historical consolidated balance sheet as of June 30, 2002, as reported in the Form 10-Q as of June 30, 2002.
- (B) The Company's historical consolidated balance sheet is adjusted to give effect to the acquisition of Cider Mill Apartments on September 27, 2002 and Brittany Place Apartments on August 22, 2002 and the sale of Carriage Hill Apartments on August 22, 2002.
- (C) The acquisitions and disposition in (B) were recorded as follows:

	Land ----	Building -----	Appliances & Equipment -----	Total Real Estate -----	Mon As ---
Cider Mill Apartments	\$15,552	\$ 65,023	\$ 864	\$81,439	(\$4
Brittany Place Apartments	4,728	38,869	591	44,188	(2
	-----	-----	---	-----	---
	\$20,280	\$103,892	\$1,455	\$125,627	(\$6
	=====	=====	=====	=====	=====
Carriage Hill	(\$ 3,984)	(\$31,279)	(\$ 830)	(36,093)	
	=====	=====	=====	-----	
				\$89,534	

The appliances and equipment have an estimated useful life of ten years and the building has an estimated useful life of 40 years.

- (1) Funded with the Company's line of credit, except as indicated in (2) below
- (2) Includes the issuance of 326,517 OP Units recorded at \$11,526 and funds from the line of credit of \$21,118.

- (D) The pro forma adjustments reflect the other assets and liabilities of Cider Mill Apartments and Brittany Place Apartments net of the sale of Carriage Hill Apartments as follows:

	Cash	Other Assets	Other Liabilities
Cider Mill Apartments	\$ 93	\$ -	\$ -
Brittany Place Apartments	710	-	-
	---	-----	-----
Carriage Hill	803	-	-
	(113)	(33)	(276)
	-----	-----	-----
	\$690	(\$33)	(\$276)
	=====	=====	=====

- (E) Represents the assumption of mortgages recorded at the approximate fair

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values in connection with the acquisition of Cider Mill Apartments and Brittany Place Apartments, which occurred subsequent to June 30, 2002.

- (F) Represents the increase in the Company's line of credit of \$45,251 to fund the cash portion of the purchase price of Cider Mill Apartments and Brittany Place Apartments net of the repayment of \$35,963 from the proceeds from the sale of Carriage Hill Apartments subsequent to June 30, 2002.
- (G) Reflects the adjustment to minority interest for the issuance of OP Units as described in (C) above of \$11,526 and the subsequent rebalancing of minority interest and additional paid in capital of \$2,838.

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HOME PROPERTIES OF NEW YORK, INC.
PRO FORMA CONSOLIDATED STATEMENT OF OPERATIONS
FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2002
AND FOR THE YEAR ENDED DECEMBER 31, 2001
(Unaudited, in Thousands, Except Share and Per Share Data)

The unaudited Pro forma Consolidated Statement of Operations for the six-month period ended June 30, 2002 is presented as if the following had occurred on January 1, 2002: (i) the acquisition by the Company of the Acquisition Properties, (ii) the disposition by the Company of Carriage Hill Apartments, (iii) the sale by the Company of 2,400,000 shares of its 9.00% Series F Cumulative Redeemable Preferred Stock in March 2002 and (iv) the sale by the Company of an aggregate of 704,602 common shares in February 2002 in two separate offerings.

The unaudited Pro forma Consolidated Statement of Operations for the year ended December 31, 2001 is presented as if the following had occurred on January 1, 2001: (i) the acquisition by the Company of the Acquisition Properties, (ii) the disposition by the Company of Carriage Hill Apartments, (iii) the acquisition of ten apartment communities in nine separate transactions in 2001 (the "2001 Acquisitions"), (iv) the disposition of 14 apartment communities in six separate transactions in 2001 (the "2001 Sale Properties"), (v) the sale by the Company of 2,400,000 shares of its 9.00% Series F Cumulative Redeemable Preferred Stock in March 2002 and (vi) the sale by the Company of an aggregate of 704,602 common shares in February 2002 in two separate offerings.

Such pro forma information is based upon the historical consolidated results of operations of the Company for the six-month period ended June 30, 2002 and for the year ended December 31, 2001, 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 8-K dated January 23, 2002 (which financial statements reflect the impact of property sales as discontinued operations pursuant to the provisions of SFAS 144 - "Accounting for the Impairment or Disposal of Long-Lived Assets") for the six-month period ended June 30, 2002 and the year ended December 31, 2001, respectively.

The unaudited Pro Forma Consolidated Statements of Operations for the six-month period ended June 30, 2002 and for the year ended December 31, 2001 are not

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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.

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HOME PROPERTIES OF NEW YORK, INC.
 PRO FORMA CONSOLIDATED STATEMENT OF OPERATIONS
 FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2002
 (Unaudited, in Thousands, Except Share and Per Share Data)

	For the Six-Month Period En	
	Home Properties of New York, Inc. Historical (A)	Pro Form Adjustments
Revenues:		
Rental Income	\$182,949	\$ 12,921
Property other income	6,146	314
Interest and Dividend Income	795	-
Other income	581	-
	190,471	13,235
Total revenues		
Expenses:		
Operating and Maintenance	81,653	6,395
General and Administrative	5,921	397
Interest	37,042	1,886
Depreciation and Amortization	31,672	2,254
	156,288	10,932
Total Expenses		
Income before loss on disposition of property, minority interest and discontinued operations	34,183	2,303
Loss on disposition of property	(402)	-
	33,781	2,303
Income before minority interest and discontinued operations		
Minority interest	8,299	468
	25,482	1,835
Income from continuing operations		
Preferred dividends	7,234	1,245
Premium on Series B Preferred Stock Repurchase	5,025	-
	\$13,223	\$ 590
Income applicable to common shareholders from continuing operations	\$13,223	\$ 590
Basic earnings per share data:		
Income applicable to common shareholders from continuing Operations	\$.52	
Diluted earnings per share data:		
Income applicable to common shareholders from continuing Operations	\$.52	

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Weighted average number of shares outstanding		
Basic	25,451,169	225,784
	=====	
Diluted	25,773,934	225,784
	=====	

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HOME PROPERTIES OF NEW YORK, INC.
PRO FORMA CONSOLIDATED STATEMENT OF OPERATIONS
FOR THE YEAR ENDED DECEMBER 31, 2001
(Unaudited, in Thousands, Except Share and Per Share Data)

	For the Year Ended December 31,	
	Home Properties of New York, Inc. Historical (A)	Pro Forma Adjustments (B)
Revenues:		
Rental Income	\$341,653	\$40,141
Property other income	13,090	1,846
Interest and Dividends	3,011	
Other income	2,273	-
	-----	-----
Total revenues	360,027	41,987
	-----	-----
Expenses:		
Operating and maintenance	142,281	18,036
General and administrative	18,614	1,260 (C)
Interest	65,742	9,077 (D)
Depreciation and amortization	63,379	6,649 (E)
	-----	-----
Total Expenses	290,016	35,022
	-----	-----
Income before gain on disposition of property and business, minority interest, discontinued operations and extraordinary item	70,011	6,965
Gain on disposition of property and business	26,241	(29,802)
	-----	-----
Income before minority interest, discontinued operations and extraordinary item	96,252	(22,837)
Minority interest	32,844	(11,743) (F)
	-----	-----
Income from continuing operations	63,408	(11,094)
Preferred dividends	17,681	5,400 (G)
	-----	-----

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Income applicable to common shareholders from continuing operations	\$ 45,727 =====	(\$16,494) =====
Basic earnings per share data:		
Income applicable to common shareholders from continuing operations	\$2.07	
Diluted earnings per share data:		
Income applicable to common shareholders from continuing operations	\$2.06	
Weighted average number of shares outstanding		
Basic	22,101,027 =====	704,602
Diluted	22,227,521 =====	704,602

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HOME PROPERTIES OF NEW YORK, INC.
NOTES TO PRO FORMA CONSOLIDATED STATEMENT OF OPERATIONS
FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2002 AND
FOR THE YEAR ENDED DECEMBER 31, 2000
(Unaudited, in Thousands)

- (A) Reflects the historical unaudited consolidated statement of operations for the Company for the six-month period ended June 30, 2002 and the historical consolidated statement of operations for the Company for the year ended December 31, 2001, as appropriate.
- (B) Reflects the historical revenues and certain expenses of each of the Acquisition Properties for the period January 1, 2002 through the earlier of the date of acquisition or June 30, 2002, the sale of Carriage Hill Apartments, which is included in income from continuing operations for the period January 1, 2002 through June 30, 2002, and the offering of common and preferred shares that occurred in the first quarter of 2002, as follows. Note that all other Sale Properties, as defined herein, are excluded from this adjustment as they are included in income from discontinued operations in the historical presentation which is not required in this pro forma presentation. In addition to those adjustments previously described, the table reflects other adjustments related to the acquisition or disposition of the properties as denoted by (C), (D), (E) and (F) below.

	For the Six-Month Period Ended June 30		
	Acquisition Properties	Carriage Hill Apartments	Preferred/ Common Offerings
Revenues:			
Rental Income	\$15,840	\$ (2,919)	-
Property other income	342	(28)	-
Interest and Dividends	-	-	-
Other income	-	-	-
	-----	-----	-----

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Total revenues	16,182	(2,947)	-
	-----	-----	-----
Expenses:			
Operating and maintenance	7,186	(791)	-
General and administrative	397	-	-
Interest	2,617	-	(731)
Depreciation and amortization	2,750	(496)	-
	-----	-----	-----
Total Expenses	12,950	(1,287)	(731)
	-----	-----	-----
Income before minority interest and discontinued operations	3,232	(1,660)	731
Minority interest	1,312	644	200
	-----	-----	-----
Income from continuing operations	1,920	(1,016)	931
Preferred dividends	-	-	1,245
	-----	-----	-----
Income applicable to common shareholders from continuing operations	\$ 1,920	(\$ 1,016)	(\$ 314)
	=====	=====	=====

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HOME PROPERTIES OF NEW YORK, INC.
NOTES TO PRO FORMA CONSOLIDATED STATEMENT OF OPERATIONS
FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2002 AND
FOR THE YEAR ENDED DECEMBER 31, 2001
(Unaudited, in Thousands)

Reflects the historical revenues and certain expenses of each of the 2001 Acquisitions, the Acquisition Properties, the 2001 Sale Properties and Carriage Hill Apartments, which is included in income from continuing operations, for the period January 1, 2001 through the earlier of the date of acquisition or disposition or December 31, 2001, as appropriate and the offering of common and preferred shares that occurred in the first quarter of 2002. Note that all other Sale Properties, as defined herein, are excluded from this adjustment as they are included in income from discontinued operations, which is not required in this pro forma presentation. In addition to those adjustments previously described, the table reflects other adjustments related to the acquisition or disposition of the properties as denoted by (C), (D), (E) and (F) below.

	For the Year Ended December 31,			
	2001	Acquisition	2001 Sale	Carriage
	Acquisitions	Properties	Properties	Hill
				Apartments
Revenues:				
Rental Income	\$15,697	\$42,954	(\$12,662)	(\$5,848)
Property other income	750	1,599	(443)	(60)

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Interest and Dividends	-	-	-	-
Other income	-	-	-	-
	-----	-----	-----	-----
Total revenues	16,447	44,553	(13,105)	(5,908)
	-----	-----	-----	-----
Expenses:				
Operating and maintenance	6,497	20,120	(6,351)	(2,230)
General and administrative	493	1,337	(393)	(177)
Interest	4,188	7,578	(495)	-
Depreciation and amortization	2,381	7,115	(1,892)	(955)
	-----	-----	-----	-----
Total Expenses	13,559	36,150	(9,131)	(3,362)
	-----	-----	-----	-----
Income before gain on disposition of property minority interest and and discontinued operations	2,888	8,403	(3,974)	(2,546)
Gain on disposition of property	-	-	(29,802)	-
	-----	-----	-----	-----
and discontinued operations	2,888	8,403	(33,776)	(2,546)
Minority interest	1,207	3,572	14,118	1,064
	-----	-----	-----	-----
Income from continuing operations	1,681	4,831	(19,658)	(1,482)
Preferred dividends	-	-	-	-
	-----	-----	-----	-----
Income applicable to common shareholders from continuing operations	\$ 1,681	\$ 4,831	(\$19,658)	(\$1,482)
	=====	=====	=====	=====

- (C) Reflects additional general and administrative expenses calculated as 3% of total revenues.
- (D) Reflects the increase in interest expense related to the fair value of the debt assumed from the seller or obtained in order to finance each of the 2001 Acquisitions and the Acquisition Properties, offset by the decrease in interest expense related to the Sale Properties and the reduction in interest cost related to variable rate indebtedness, effectively repaid with the proceeds from the sale of 704,602 common shares completed in February 2002.

The approximated fair market value of debt assumed in acquisition and the carrying amount of debt retired upon disposition along with the respective effective interest rates is summarized as follows:

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2001 Acquisitions	Fair Market Value of Debt Assumed	Interest rate
-----	-----	-----

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Virginia Village	\$ 9,600,000	6.91%
Sandalwood	\$17,500,000	5.78%
Southern Meadows	\$20,600,000	7.25%
Windsor at Hauppauge	\$20,200,000	7.10%
Windsor at Hauppauge	\$ 5,000,000	6.70%
Fenland Field	\$14,500,000	5.78%
Courtyard Village	\$ 5,400,000	6.67%
The Manor	\$36,400,000	5.78%
Wellington	\$ 7,900,000	6.98%

Acquisition Properties -----	Fair Market Value of Debt Assumed -----	Interest rate -----
Green Acres	\$ 5,800,000	6.30%
Cambridge Village	\$ 2,800,000	5.96%
Cambridge Village	\$ 600,000	5.21%
Stratford Green	\$ 14,100,000	5.69%
Stratford Green	\$ 2,100,000	5.69%
Westwood Village	\$ 16,500,000	5.94%
Westwood Village	\$ 1,000,000	5.94%
Woodmont Village	\$ 2,700,000	5.41%
Woodmont Village	\$ 1,200,000	5.38%
Yorkshire Village	\$ 1,600,000	5.81%
Hawthorne Court (formally Concord Village)	\$ 11,100,000	5.83%
Heritage Square	\$ 3,200,000	5.88%
Holiday Square	\$ 4,000,000	6.45%
Gardencrest	\$ 6,000,000	6.00%
Brittany Place	\$ 20,900,000	4.78%
Cider Mill	\$ 48,800,000	4.72%

2001 Sale Properties -----	Carrying Value of Debt Retired -----	Interest rate -----
Garden Village	\$4,600,000	7.75%
Hamlet Court	\$1,700,000	7.11%
Doub Meadows	\$2,800,000	7.50%
Strawberry Hill	\$2,300,000	8.26%

- (E) Reflects depreciation and amortization related to each of the 2001 Acquisitions, the Acquisition Properties, 2001 Sale Properties and Carriage Hill Apartments, as appropriate. The appliances and equipment have an estimated useful life of ten years and the building has an estimated useful life of forty years.
- (F) Reflects the adjustment to minority interest expense based upon the impact of the above pro forma adjustments on income before minority interest and discontinued operations and the issuance of OP Units as of January 1, 2001.
- (G) Reflects the issuance of 2,400,000 million shares of the 9% Series F Cumulative Redeemable Preferred Stock outstanding as of January 1, 2002 or January 1, 2001, as appropriate, with an average annual dividend rate of \$2.25 per share.
- (H) Pro forma income per common share is based upon the weighted average number of common shares assumed to be outstanding during 2001 and 2002, as appropriate, and includes all shares issued in conjunction with the February 2002 common share offering.

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In accordance with SFAS 128, earnings per share from income applicable to common shareholders from continuing operations is calculated as follows (in thousands):

	June 30, 2002

Income from continuing operations	\$27,317
Less: Preferred dividends	8,479
Premium on Series B Preferred Stock repurchase	5,025

Basic and Diluted - Income from continuing operations applicable to common shareholders	\$13,813
	=====
Basic weighted average number of shares outstanding	25,676,953
Effect of dilutive stock options	322,765

Diluted weighted average number of shares outstanding	25,999,718
	=====
Basic earnings per share data:	
Income applicable to common shareholders from continuing operations	\$0.54
Diluted earnings per share data:	
Income applicable to common shareholders from continuing operations	\$0.53

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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, 2001 adjusted as if the following transactions had occurred on January 1, 2001: (i) the acquisition by the Company of the Acquisition Properties, (ii) the disposition by the Company of the Sale Properties, (iii) the acquisition by the Company of the 2001 Acquisitions, (iv) the disposition by the Company of the 2001 Sale Properties, (v) the sale by the

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Company of 2,400,000 shares of its 9.00% Series F Cumulative Redeemable Preferred Stock in March 2002 and (vi) the sale by the Company of an aggregate of 704,602 common shares in February 2002 in two separate offerings.

This statement should be read in conjunction with (i) the historical financial statements and notes thereto of the Company included in the Home Properties of New York, Inc. Form 8-K dated January 23, 2002 (which financial statements reflect the impact of property sales as discontinued operations pursuant to the provisions of SFAS 144 - "Accounting for the Impairment or Disposal of Long-Lived Assets") for the year ended December 31, 2001 and (ii) the pro forma consolidated financial statements of the Company included herein.

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

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, 2001, 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, 2001, for the year ended December 31, 2001, net of Sale Properties.

Note 3 - The tax basis depreciation of the Company is based upon the original

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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 includes the Series F preferred dividend of \$5,400 plus the estimated dividend rate of \$2.40 per common share. Common shares outstanding, on a pro forma basis, are 25,676,953.

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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.

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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: October 25, 2002

By: /s/ David P. Gardner

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