

N.B. HOMES URBAN RENEWAL LIMITED PARTNERSHIP
(A New Jersey Limited Partnership)

Supplemental Data Required by the City of New Brunswick
Annual Calculation of Allowable Net Profit and Excess Profit Change
For the Years Ended December 31, 2021 and 2020

483,895.84
~~1,054,087~~
~~1,054,087~~

Urban Renewal Entity: N.B. HOMES URBAN RENEWAL LIMITED PARTNERSHIP
Annual Calculation of Allowable Net Profit and Excess Profit Change
per N.J.S.A. 40:20-3(a) and (c) for the fiscal years ending: 2021 and 2020

	2021	2020
<u>Gross revenue:</u>		
(1) Total gross revenue per audited Statement of Operations	\$ 1,073,143	\$ 1,054,087
<u>Adjustments:</u>		
(2) Insurance, operating and maintenance expenses paid by tenant which are ordinarily paid by a landlord	-	-
(3) Vacancy reserves in excess of the allowable reserve of 10% of Gross Revenues	-	-
(4) Rental income from an affiliate related to the Project	-	-
(5) Adjusted total gross revenue (Sum of (1) through (4))	1,073,143	1,054,087
<u>Expenses:</u>		
(6) Total expenses per audited Statement of Operations	1,870,293	1,823,300
<i>(The statutes of N.J.S.A. 40A:20-15 do not expressly identify what items are to be deducted from gross revenues. City's position is that these statutes be read in pari-materia with N.J.S.A. 40A: 20-13)</i>		
<u>Adjustments:</u>		
(7) Depreciation or obsolescence	490,778	469,563
(8) Interest on debt, except interest which is part of debt service	495,055	464,405
(9) Income taxes	-	-
(10) Salaries, bonuses, or compensation paid, directly or indirectly, to Directors, Management, Officers, Stockholders, Partners or other person holding any proprietary ownership interest in the property.	-	-
(11) Payments for services rendered in excess of reasonable and customary payments to an affiliate or	-	-
(12) Amortization in excess of allowable reserve	-	-
(13) Adjusted total expenses (Line (6) less lines (7) through (12))	884,460	889,332
(14) Statutory net profit (Line (5) less (13))	188,683	164,755
(15) Less allowable profit (allowable profit 9 3/4% (per financial agreement) x total project cost (Line 17))	1,373,865	1,373,865
(16) Excess service charge (Line 14 less (15) (please remit to the City within 90 days of fiscal year end with a copy of this report)	(1,185,182)	(1,209,110)
(17) Total project cost (per "Computation of total project cost per N.J.S.A. 40A: 20-3(h)" form)	\$ 14,090,918	\$ 14,090,918

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Notes to Financial Statements

December 31, 2021 and 2020

(4) Affiliate and Related Party Disclosures - continued

(e) Project Expense Loans

In the event that the Partnership requires funds to pay project expenses, as defined, TCB is obligated to make non-interest bearing loans. All project expense loans are payable from net cash flow or proceeds from capital transactions. TCB advanced a cumulative amount of \$204,654 to the Partnership in a prior year. As of December 31, 2021 and 2020, \$119,500 is outstanding and included in advances from affiliate on the accompanying balance sheets.

(f) Mortgage Notes Payable

The Partnership has shared third mortgage notes payable to TCB, see Note 3(c).

21,145.05

(5) Commercial Leases

The Partnership has various leases on approximately 9,625 square feet of commercial space. For the years ended December 31, 2021 and 2020, the Partnership earned \$140,967 and \$145,534, respectively, of commercial rental income. For the years ended December 31, 2021 and 2020, the Partnership earned \$21,802 and \$6,563, respectively, of commercial common area maintenance income. As of December 31, 2021 and 2020, zero and \$27,970, respectively, of commercial rental income was included in accounts receivable - commercial tenant on the accompanying balance sheets. Future minimum rental payments are as follow:

<u>Year</u>	<u>Amount</u>
2022	\$ 113,184
2023	83,542
2024	70,988
2025	25,940
2026	28,939

(6) Current Vulnerability Due to Certain Concentrations

The Partnership's sole asset is the Project located in New Brunswick, New Jersey. The Partnership's operations are concentrated in the multi-family real estate market. In addition, the Partnership operates in a heavily regulated environment. The operations of the Partnership are subject to administrative directives, rules and regulations of federal, state and local regulatory agencies, including but not limited to the NBHA and HUD. Such administrative directives, rules and regulations are subject to change by an act of Congress or an administrative change mandated by or passed through the NBHA and HUD. Such changes may occur with little notice or inadequate funding to pay for the related cost, including the additional administrative burden, to comply with a change.