

SECURITIES AND EXCHANGE COMMISSION

FORM 10-Q

Quarterly report pursuant to sections 13 or 15(d)

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FILER

BROWN BENCHMARK PROPERTIES LIMITED PARTNERSHIP

CIK: **818084** | IRS No.: **311209608** | State of Incorporation: **DE** | Fiscal Year End: **1231**
Type: **10-Q** | Act: **34** | File No.: **000-16698** | Film No.: **02645174**
SIC: **6513** Operators of apartment buildings

Mailing Address
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BALTIMORE MD 21202

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SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

QUARTERLY REPORT UNDER SECTION 13 OR 15 (d) OF THE SECURITIES
EXCHANGE ACT OF 1934

(Mark One)

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

For the quarterly period ended March 31, 2002

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

For the transition period from _____ to _____

For Quarter Ended March 31, 2002 Commission file number 000-16698

Brown-Benchmark Properties Limited Partnership
(Exact Name of Registrant as Specified in its Charter)

Delaware 31-1209608
(State or Other Jurisdiction of (I.R.S. Employer
Incorporation or Organization) Identification Number)

225 East Redwood Street, Baltimore, Maryland 21202
(Address of Principal Executive Offices) (Zip Code)

Registrant's Telephone Number, Including Area Code: (410) 727-4083

N/A
(Former Name, Former Address, and Former Fiscal Year,
if Changed Since Last Report.)

Indicate by check mark whether the registrant (1) has filed all reports
required to be filed by Section 13 or 15 (d) of the Securities Exchange Act of
1934 during the preceding 12 months (or for such shorter period that the
registrant was required to file such reports), and (2) has been subject to such
filing requirements for the past 90 days.

Yes X No

BROWN-BENCHMARK PROPERTIES LIMITED PARTNERSHIP

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Part II. Other Information

BROWN-BENCHMARK PROPERTIES LIMITED PARTNERSHIP
Balance Sheets

<TABLE>
<CAPTION>

	March 31, 2002 (Unaudited)	December 31, 2001
	-----	-----
Assets		
<S>	<C>	<C>
Investment in real estate	\$ 11,728,779	\$ 11,950,233
Cash and cash equivalents	584,091	563,187
Other assets		
Accounts receivable, net	33,511	19,135
Prepaid expenses	44,083	15,868
Escrow for real estate taxes	155,407	272,753
Loan fees, less accumulated amortization of \$98,708 and \$93,022, respectively	4,654	10,340
	-----	-----
Total other assets	237,655	318,096
	-----	-----
Total assets	\$ 12,550,525	\$ 12,831,516
	=====	=====
Liabilities and Partners' Capital (Deficit)		
Liabilities		
Accounts payable and accrued expenses	\$ 519,786	\$ 635,865
Tenant security deposits	116,632	113,348
Due to affiliates	16,737	8,891
Mortgage loans payable	13,409,594	13,448,501
	-----	-----
Total liabilities	14,062,749	14,206,605
	-----	-----
Partners' Capital (Deficit)		
General Partners	(243,847)	(241,104)
Assignor Limited Partner:		
Assignment of Limited Partnership Interests - \$25 stated value per unit, 500,000 units outstanding	(1,183,463)	(1,049,082)
Limited Partnership Interests - \$25 stated value per unit, 40 units outstanding	(85,014)	(85,003)
Subordinated Limited Partners	100	100
	-----	-----
Total partners' capital (deficit)	(1,512,224)	(1,375,089)
	-----	-----
Total liabilities and partners' capital (deficit)	\$ 12,550,525	\$ 12,831,516
	=====	=====

</TABLE>

See accompanying notes to financial statements.

BROWN-BENCHMARK PROPERTIES LIMITED PARTNERSHIP
 Statements of Operations
 (Unaudited)

<TABLE>
 <CAPTION>

	Three Months Ended	
	March 31, 2002	March 31, 2001
Revenues		
<S>	<C>	<C>
Rental income	\$ 981,833	\$ 1,037,202
Interest income	892	4,949
	982,725	1,042,151
Expenses		
Compensation and benefits	104,080	112,810
Utilities	69,765	93,955
Property taxes	96,613	92,490
Maintenance and repairs	43,947	69,808
Property management fee	44,182	46,443
Advertising	10,133	11,289
Insurance	19,990	8,625
Other	18,118	22,078
Administrative and professional fees	26,702	17,378
Interest expense	255,962	263,923
Depreciation of property and equipment	233,340	233,340
Amortization of loan fees	5,686	5,166
	928,518	977,305
Net income	\$ 54,207	\$ 64,846
Net income per unit of assignee limited partnership interest - basic	\$ 0.11	\$ 0.13

</TABLE>

See accompanying notes to financial statements.

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BROWN-BENCHMARK PROPERTIES LIMITED PARTNERSHIP
 Statements of Partners' Capital (Deficit)
 Three months ended March 31, 2002 and 2001
 (Unaudited)

<TABLE>
 <CAPTION>

	Assignor Limited Partner				Total
	General Partners	Assignment of Limited Partnership Interests	Limited Partnership Interests	Subordinated Limited Partners	
<S>	<C>	<C>	<C>	<C>	<C>
Balance at December 31, 2001	\$ (241,104)	\$ (1,049,082)	\$ (85,003)	\$ 100	\$ (1,375,089)
Net income	1,084	53,119	4	-	54,207
Distributions to partners	(3,827)	(187,500)	(15)	-	(191,342)

Balance at March 31, 2002	\$ (243,847)	\$ (1,183,463)	\$ (85,014)	\$ 100	\$ (1,512,224)
Balance at December 31, 2000	\$ (227,278)	\$ (371,634)	\$ (84,949)	\$ 100	\$ (683,761)
Net income	1,297	63,544	5	-	64,846
Distributions to partners	(3,827)	(187,500)	(15)	-	(191,342)
Balance at March 31, 2000	\$ (229,808)	\$ (495,590)	\$ (84,959)	\$ 100	\$ (810,257)

</TABLE>

See accompanying notes to financial statements.

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BROWN-BENCHMARK PROPERTIES LIMITED PARTNERSHIP
Statements of Cash Flows
(Unaudited)

<TABLE>
<CAPTION>

	Three Months Ended	
	March 31, 2002	March 31, 2001
Cash flows from operating activities		
<S>	<C>	<C>
Net income	\$ 54,207	\$ 64,846
Adjustments to reconcile net income to net cash provided by operating activities		
Depreciation of property and equipment	233,340	233,340
Amortization of loan fees	5,686	5,166
Changes in assets and liabilities		
Increase in accounts receivable	(14,376)	(1,648)
Increase in prepaid expenses	(28,215)	(1,387)
Decrease in escrow for real estate taxes	117,346	93,127
Decrease in accounts payable and accrued expenses	(116,079)	(92,596)
Increase in due to affiliates	7,846	3,129
Increase (decrease) in tenant security deposits	3,284	(558)
Net cash provided by operating activities	263,039	303,419
Cash flows from investing activities-		
additions to investment in real estate	(11,886)	(27,969)
Cash flows from financing activities		
Distributions to partners	(191,342)	(191,342)
Mortgage loan principal reduction	(38,907)	(63,218)
Net cash used in financing activities	(230,249)	(254,560)
Net increase in cash and cash equivalents	20,904	20,890
Cash and cash equivalents		
Beginning of period	563,187	638,784
End of period	\$ 584,091	\$ 659,674

</TABLE>

BROWN-BENCHMARK PROPERTIES LIMITED PARTNERSHIP

Notes to Financial Statements
 March 31, 2002 and 2001
 (Unaudited)

NOTE 1 - THE PARTNERSHIP AND BASIS OF PREPARATION

The accompanying financial statements of Brown-Benchmark Properties Limited Partnership (the "Partnership") do not include all of the information and note disclosures normally included in financial statements prepared in accordance with accounting principles generally accepted in the United States of America. The unaudited interim financial statements reflect all adjustments which are, in the opinion of management, necessary to a fair statement of financial position, operating results and cash flows for the interim periods presented. All such adjustments are of a normal recurring nature. The unaudited interim financial information should be read in conjunction with the financial statements contained in the 2001 Annual Report.

NOTE 2 - NEW ACCOUNTING PRONOUNCEMENT

In October 2001, the Financial Accounting Standards Board (FASB) issued Statement of Financial Accounting Standards (SFAS) No. 144, "Accounting for the Impairment or Disposal of Long-Lived Assets." SFAS No. 144 supersedes SFAS No. 121, "Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to Be Disposed Of" and APB Opinion No. 30, "Reporting the Results of Operations - Reporting the Effects of Disposal of a Segment of a Business, and Extraordinary, Unusual and Infrequently Occurring Events and Transactions." SFAS No. 144 does not change the fundamental provisions of SFAS No. 121; however, it resolves various implementation issues of SFAS No. 121 and establishes a single accounting model for long-lived assets to be disposed of by sale. It retains the requirement of APB Opinion No. 30 to report separately discontinued operations but extends that reporting to a component of an entity that either has been disposed of (by sale, abandonment, or in distribution to owners) or is classified as held for sale. The adoption of SFAS No. 144 in 2002 did not have a material effect on the Partnership's financial statements.

NOTE 3 - INVESTMENT IN REAL ESTATE

Investment in real estate is summarized as follows:

	March 31, 2002	December 31, 2001
Land	\$ 1,257,000	\$ 1,257,000
Buildings	21,416,568	21,416,568
Furniture, fixtures and equipment	2,689,279	2,677,393
	-----	-----
	25,362,847	25,350,961
Less accumulated depreciation	13,634,068	13,400,728
	-----	-----
Total	\$11,728,779	\$11,950,233
	=====	=====

NOTE 4 - CASH AND CASH EQUIVALENTS

The Partnership considers all short-term investments with maturities of three months or less at dates of purchase as cash equivalents. Cash and cash equivalents consist of cash and money market accounts and are stated at cost, which approximated market value at March 31, 2002 and December 31, 2001.

NOTE 5 - RELATED PARTY TRANSACTIONS

The Administrative General Partner was reimbursed for certain costs associated with administering the Partnership, including clerical services, investor

communication services, and reports and filings made to regulatory authorities totaling \$16,737 and \$11,455 during the three months ended March 31, 2002 and 2001, respectively.

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BROWN-BENCHMARK PROPERTIES LIMITED PARTNERSHIP

Notes to Financial Statements
March 31, 2002 and 2001
(Unaudited)

NOTE 5 - RELATED PARTY TRANSACTIONS (continued)

Benchmark Properties, Inc., an affiliate of the Development General Partner, the managing agent for the properties through January 7, 2002, earned a management fee of \$3,422 in 2002 and \$46,443 for the three months ended March 31, 2001, respectively. Effective January 7, 2002, the management agreement was assigned to NHP Management Company in anticipation of the assignment of the General Partner interest of the Development General Partner to AIMCO/NHP Properties, Inc. or one of its affiliates (See Item 4. Submission of Matters to a Vote of Security Holders). NHP Management Company earned a management fee of \$40,760 for the quarter ended March 31, 2002.

NOTE 6 - MORTGAGE LOANS PAYABLE

The mortgage loans bear interest at 7.7% and are due June 1, 2002. Monthly payments are based on a 25-year amortization schedule with a balloon payment due at maturity. The General Partner has received a commitment from the existing lender to extend the loan for one year under terms similar to the existing loan, except the interest rate will be reduced to 7.5%.

The mortgage loan interest paid was \$255,962 and \$263,923 for the three months ended March 31, 2002 and 2001, respectively.

NOTE 7 - NET INCOME PER UNIT OF ASSIGNEE LIMITED PARTNERSHIP INTEREST

Net income per Unit of assignee limited partnership interest is disclosed on the Statement of Operations and is based upon average units outstanding of 500,000 during the periods ended March 31, 2002 and 2001.

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BROWN-BENCHMARK PROPERTIES LIMITED PARTNERSHIP

Management's Discussion and Analysis of Financial
Condition and Results of Operations

Liquidity and Capital Resources

The Partnership's liquidity is largely dependent on its ability to maintain reasonably high occupancy levels, achieve rental rate increases as the markets allow and to control operating expenses. The Partnership has sufficient liquid assets from its rental revenues to satisfy its anticipated operating expenditures and debt service obligations in 2002.

On May 13, 2002, the Partnership will make a cash distribution to its partners totaling \$191,342, representing an annualized return of 6% on invested capital. This distribution will be funded from the operations of the three apartment properties during the first quarter of the year. Based on the operating results through the first quarter, and the budget for the remainder of the year, operating cash flow during 2002 is expected to fully fund a distribution rate of 6%.

The Partnership's first mortgage loan with Canada Life Assurance Company matures June 1, 2002. The Partnership has received a commitment to extend the loan one year. All terms are essentially the same, except the

interest rate will decrease from 7.7% to 7.5%. There will be no prepayment penalty and the loan may be paid off following a sixty-day written notice to the lender. The General Partners expect to evaluate the possibility of selling the portfolio during the extension period. If an acceptable selling price is not achievable, new financing will be secured.

The Partnership does not anticipate an outlay for any significant capital improvements or repair costs that might adversely impact its liquidity in 2002.

Results of Operations

First quarter 2002 revenues decreased by \$59,426 (5.7%) when compared to revenues during the first quarter of 2001. The decrease in revenues through the first quarter is primarily due to the aggregate occupancy level of the portfolio decreasing from 94% in 2001 to 88% in 2002. The main reasons for the decrease in occupancy are due to the recession, new apartment construction and home buying. A slower economy has led to slower job growth and an increase in the unemployment rate in Ohio from 3.9% in March 2001 to 5.7% in March 2002. New apartment construction, primarily in Cincinnati, has caused the apartment rental market to be very competitive. Low mortgage interest rates have caused significant home buying by prospective and existing tenants which has contributed to the decrease in occupancy.

First quarter operating expenses, excluding interest charges, depreciation and amortization costs decreased \$41,346 (8.7%) versus similar expenses incurred during the first quarter of 2001. Operating expenses are expected to remain stable throughout the year.

Through the first quarter of 2002, the aggregate net operating income of the Partnership (defined as revenues less operating expenses excluding interest charges, depreciation and amortization costs) decreased \$18,080 (3.2%) when compared to 2001.

The average occupancy levels at Woodhills, in Dayton, Ohio during the first quarter was 86%, a decrease from 92% experienced in the first quarter of 2001. Rental revenues through the first quarter of 2002 were approximately \$10,000 (3%) lower than those received in 2001 due to lower occupancy levels. The average rental rate at Woodhills increased slightly from \$605 during the first quarter of 2001 to \$612 during the same period in 2002. The Dayton apartment rental market remains competitive and management is focused on increasing occupancy during 2002. Management is attempting to increase occupancy without decreasing the rental rates.

The average occupancy level at the Deerfield property in Cincinnati, Ohio during the first quarter was 90%; down from the 95% level sustained throughout the first quarter of 2001. During the first quarter of 2001 and 2002, the average rental rate of \$645 at the community has not changed. Rental revenues received during the first quarter of 2002 decreased approximately \$29,000 (7%) when compared to revenues received during the first quarter of 2001. The overall apartment vacancy rate in Greater Cincinnati increased from 7% in July 2001 to 12% in January 2002.

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BROWN-BENCHMARK PROPERTIES LIMITED PARTNERSHIP

Management's Discussion and Analysis of Financial Condition and Results of Operations

Results of Operations (continued)

Construction was completed for approximately 3,000 apartments during the quarter ended March 31, 2002 in Cincinnati. The new construction coupled with a slow economy were the primary factors for the increase in vacancy. Throughout the remainder of 2002, management will strive to return the property's occupancy level to 95%.

At Oakbrook, in Columbus, Ohio, occupancy levels decreased from 92% during the first quarter of 2001 to 84% during the first quarter of 2002. Rental revenues through the first quarter of 2002 decreased by \$16,600 (5%) when compared to 2001. The average rental rate increased from \$610 to \$620 when comparing the first quarter 2002 to the first quarter of 2001. Management continues to work diligently to increase occupancy levels at the Columbus property.

Critical Accounting Policies

Critical accounting policies are those that are both important to the presentation of financial condition and results of operations and require management's most difficult, complex or subjective judgments. The Partnership's critical accounting policy relates to the evaluation of impairment of long-lived assets.

If events or changes in circumstances indicate that the carrying value of a property to be held and used may be impaired, a recoverability analysis is performed based on estimated undiscounted cash flows to be generated from the property in the future. If the analysis indicates that the carrying value is not recoverable from future cash flows, the property is written down to estimated fair value and an impairment loss is recognized. If the Partnership decides to sell a property, it evaluates the recoverability of the carrying amount of the assets. If the evaluation indicates that the carrying value is not recoverable from estimated net sales proceeds, the property is written down to estimated fair value less costs to sell and an impairment loss is recognized. The estimates of cash flows and fair values of the properties are based on current market conditions and consider matters such as rental rates and occupancies for the property and comparable properties, recent sales data for comparable properties and, where applicable, contracts or the results of negotiations with purchasers or prospective purchasers. These estimates are subject to revision as market conditions and the Partnership's assessment of them change.

Consent to Transfer of General Partner Interest

The Partnership has received the Unitholders approval to the assignment of the entire General Partnership interest of the Development General Partner to AIMCO/NHP Properties Inc. or one its affiliates. It is anticipated that the Certificate of Limited Partnership and the Limited Partnership Agreement will be amended to reflect the assignment of the Development General Partner interest by the end of the second quarter. (See Item 4. Submission of Matters to a Vote of Security Holders)

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BROWN-BENCHMARK PROPERTIES LIMITED PARTNERSHIP

PART I. FINANCIAL INFORMATION

Item 3. Quantitative and Qualitative Disclosures About Market Risk

Inapplicable

PART II. OTHER INFORMATION

Item 1. Legal Proceedings

Inapplicable

Item 2. Changes in Securities and Use of Proceeds

Inapplicable

Item 3. Defaults upon Senior Securities

Inapplicable

Item 4. Submission of Matters to a Vote of Security Holders

On March 15, 2002 the Partnership filed a Schedule 14A Proxy Statement pursuant to Section 14(a) of the Securities Exchange Act of 1934 soliciting the Unitholders' approval of the assignment of the entire General Partnership interest of the Development General Partner to AIMCO/NHP Properties, Inc. or one of its affiliates. Pursuant to Sections 6.1 and 6.2 of the Agreement of Limited Partnership, the Administrative General Partner requested the consents of a majority in interest of the holders of Units in the Partnership of record as of the close of business on March 15, 2002. As of the close of business on April 15, 2002, the due date

of the consent response, 250,476 Units consented, 23,470 dissented and 226,054 did not respond to the consent solicitation. The Partnership has received the Unitholders approval to the assignment of the entire General Partnership interest of the Development General Partner to AIMCO/NHP Properties, Inc. or one of its affiliates. It is anticipated that the Certificate of Limited Partnership and the Limited Partnership Agreement will be amended to reflect the assignment of the Development General Partner interest by the end of the second quarter.

Item 5. Other Information

Inapplicable

Item 6. Exhibits and Reports on Form 8-K

a) Reports on Form 8-K: None.

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BROWN-BENCHMARK PROPERTIES LIMITED PARTNERSHIP

SIGNATURES

Pursuant to the requirements of Section 13 or 15 (d) of the Securities Exchange Act of 1934, as amended, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

BROWN-BENCHMARK PROPERTIES
LIMITED PARTNERSHIP

DATE: 05/13/02

By: /s/ John M. Prugh
John M. Prugh
President and Director
Brown-Benchmark AGP, Inc.
Administrative General Partner

DATE: 05/13/02

By: /s/ Timothy M. Gisriel
Timothy M. Gisriel
Treasurer
Brown-Benchmark AGP, Inc.
Administrative General Partner

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