

DIVIDEND CAPITAL TRUST INC
Form 8-K/A
March 02, 2004

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 8-K/A

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): **December 15, 2003**

DIVIDEND CAPITAL TRUST INC.

(Exact name of small business issuer as specified in its charter)

Maryland

(State or other jurisdiction of
incorporation or organization)

333-86234

(Commission File No.)

82-0538520

(I.R.S. Employer Identification
No.)

518 17th Street, Suite 1700

Denver, CO 80202

(Address of principal executive offices)

(303) 228-2200

(Registrant's telephone number)

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Item 2. Acquisition or Disposition of Assets

Purchase of the Park West, Pinnacle and DFW Facilities. We filed a Form 8-K dated December 15, 2003, on December 30, 2003 with regard to the acquisition of six distribution facilities located in Hebron, Kentucky, a submarket of Cincinnati (Park West) and Dallas, Texas (Pinnacle and DFW), without the requisite financial information. Accordingly, we are filing this Form 8-K/A to include that financial information.

Item 7. Financial Statements and Exhibits.

(a) Financial Statements of Real Estate Property Acquired:

Park West, Pinnacle and DFW Distribution Facilities:

Independent Auditors' Report

Combined Statements of Revenue and Certain Expenses for the Nine Months Ended September 30, 2003 (Unaudited) and for the Year Ended December 31, 2002

Notes to Combined Statements of Revenue and Certain Expenses

(b) Unaudited Pro Forma Financial Information:

Pro Forma Financial Information (Unaudited)

Pro Forma Consolidated Balance Sheet as of September 30, 2003 (Unaudited)

Pro Forma Consolidated Statements of Operations for the Nine Months Ended September 30, 2003 (Unaudited)

Pro Forma Consolidated Statements of Operations for the Year Ended December 31, 2002 (Unaudited)

Notes to Pro Forma Consolidated Financial Statements (Unaudited)

(c) Statement of Estimated Taxable Operating Results and Cash to be Made Available by Operations for the Year ended December 31, 2002 (Unaudited)

Note to Statement of Estimated Taxable Operating Results and Cash to be Made Available by Operations (Unaudited)

(d) Exhibits:

Exhibit Number

Exhibit Title

99.1 Press Release dated December 16, 2003

SIGNATURES

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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.

DIVIDEND CAPITAL TRUST INC.

March 1, 2004

By: /s/ *Evan H. Zucker*
Evan H. Zucker
Chief Executive Officer

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Independent Auditors' Report

The Board of Directors

Dividend Capital Trust Inc.:

We have audited the accompanying combined statement of revenue and certain expenses of the Park West, Pinnacle and DFW Distribution Facilities located in Hebron, Kentucky and Dallas, Texas (together the Properties) for the year ended December 31, 2002. This financial statement is the responsibility of the Property'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 financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

The combined statement of revenue and certain expenses was prepared for the purpose of complying with the rules and regulations of the Securities and Exchange Commission and for inclusion in the Current Report on Form 8-K/A of Dividend Capital Trust Inc., as described in note 2. The presentation is not intended to be a complete presentation of the Property's revenue and expenses.

In our opinion, the combined financial statement referred to above presents fairly, in all material respects, the combined revenue and certain expenses of the Park West, Pinnacle and DFW Distribution Facilities for the year ended December 31, 2002, in conformity with accounting principles generally accepted in the United States of America.

/s/ KPMG LLP

Denver, Colorado
December 19, 2003

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Park West, Pinnacle and DFW Distribution Facilities

Combined Statements of Revenue and Certain Expenses

	For the Nine Months Ended September 30, 2003 (Unaudited)	For the Year Ended December 31, 2002
REVENUE:		
Rental revenue	\$ 3,130,351	\$ 2,645,527
Other revenue	908,052	701,477
Total revenue	4,038,403	3,347,004
CERTAIN EXPENSES:		
Property taxes	579,667	693,267
Repairs and maintenance	78,854	93,536
Management fees	103,266	88,915
Other operating expenses	409,046	496,805
Total expenses	1,170,833	1,372,523
EXCESS OF REVENUE OVER CERTAIN EXPENSES	\$ 2,867,570	\$ 1,974,481

The accompanying notes are an integral part of these financial statements

Park West, Pinnacle and DFW Distribution Facilities

Notes to Combined Statements of Revenue and Certain Expenses

as of December 31, 2002

Note 1 Business

The accompanying combined statements of revenue and certain expenses reflects the operations of the Park West, Pinnacle and DFW Distribution Facilities (together the Properties) for the nine months ended September 30, 2003 and for the year ended December 31, 2002. Completed in 2001 and 2003, the Properties contain six one-story distribution facilities. Three buildings are located in Dallas, Texas (Pinnacle and DFW) and three buildings are located in Hebron, KY, a submarket of Cincinnati (Park West).

The Properties were acquired by Dividend Capital Trust Inc. and subsidiary (the Company) on December 15, 2003 for a combined purchase price of approximately \$63.6 million.

Note 2 Basis of Presentation

The accompanying combined statements of revenue and certain expenses has been prepared for the purpose of complying with Rule 3-14 of the Securities and Exchange Commission Regulation S-X and for inclusion in the Current Report on Form 8-K/A of Dividend Capital Trust Inc. and is not intended to be a complete presentation of the Properties' revenues and expenses. The financial statements of the Properties have been combined for presentation purposes due to the acquisitions being related acquisitions.

The accounting records of the Properties are maintained on the accrual basis. The accompanying combined statements of revenue and certain expenses was prepared in accordance with accounting principles generally accepted in the United States of America pursuant to the rules and regulations of the Securities and Exchange Commission. These statements exclude certain expenses such as mortgage interest, depreciation and amortization, professional fees and other costs not directly related to future operations of the Properties.

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

Interim Information (unaudited)

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In the opinion of management, the unaudited information as of September 30, 2003 included herein contains all the adjustments necessary, which are of a normal recurring nature, to present fairly the revenue and certain expenses for the nine months ended September 30, 2003. Results of interim periods are not necessarily indicative of results to be expected for the year. Management is not aware of any material factors that would cause the information included herein to not be indicative of future operating results.

Note 3 Operating Leases

The Properties' revenue is obtained from tenant rental payments as provided for under non-cancelable operating leases. As of December 31, 2003, the Properties were net leased to 15 tenants. Net means that the tenants are responsible for repairs, maintenance, property taxes, utilities, insurance and other operating costs while we as landlord, have responsibility for capital repairs or replacement of

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specific structural components of a property such as the roof of the building, the truck court and parking areas, as well as the interior floor or slab of the building. The Company records rental revenue for the full term of the lease on a straight-line basis. In this case, where the minimum rental payments increase over the life of the lease, the Company records a receivable due from tenants for the difference between the amount of revenue recorded and the amount of cash received.

Future minimum rental payments due under the leases, excluding tenant reimbursements of operating expenses, as of December 31, 2002, are as follows:

Year Ending December 31:		
2003	\$	3,727,990
2004		4,848,345
2005		4,779,337
2006		4,231,786
2007		3,802,034
Thereafter		9,952,053
Total	\$	31,341,545

Tenant reimbursements of operating expenses are included in other revenue on the accompanying combined statements of revenue and certain expenses.

As of December 31, 2002, the Property was leased to various tenants which operate in various industries such as manufacturing, distribution and transportation of goods. As of December 31, 2002, Sandvik Inc., International Truck and Engine Corp. and Associated Sales and Bag Company represented 10% or more of the aggregate future rental revenues to be received by the Properties or 10% or more of the gross leasable space provided by the Properties. The following table describes these tenants and terms of their respective lease agreements.

Tenant	Leased Square Feet	Percent of Properties	Annualized Rental Revenue	Percent of Properties	Lease Expiration	Rental Increases	Industry/Business
Sandvik Inc.	99,092	7.5%	\$ 485,551	10.0%	9/30/12	10/01/07 - \$558,879	High-technology material engineering and manufacturing
International Truck and Engine Corp.	280,000	21.2%	\$ 882,000	18.2%	12/15/12	12/01/08 - \$988,400	Manufacturing and distribution of midsized trucks, school buses, diesel engines and replacement parts
Associated Sales and Bag Company	133,332	10.1%	\$ 413,328	8.5%	1/31/09	None	Distribution of packaging and shipping supplies
Total	512,424	38.8 %	\$ 1,780,879	36.7 %			

Dividend Capital Trust Inc. and Subsidiary

Pro Forma Financial Information

(Unaudited)

The accompanying unaudited pro forma consolidated balance sheet presents the historical financial information of the Company as of September 30, 2003 as adjusted for the previous acquisitions of the Rancho Business Center, Mallard Lake and West by Northwest, all made subsequent to September 30, 2003, and the Park West, Pinnacle and DFW acquisitions as if these transactions had occurred on September 30, 2003.

The accompanying unaudited pro forma consolidated statements of operations for the nine months ended September 30, 2003 and the year ended December 31, 2002 combine the historical operations of the Company with the historical operations of acquired properties, with the exception of Rancho Business Center, as if these transactions had occurred on January 1, 2002. Rancho Business Center was acquired with no operating history and as such no activity associated with Rancho Business Center has been assumed in the presentation of the unaudited pro forma consolidated statements of operations for the nine months ended September 30, 2003 and the year ended December 31, 2002.

The unaudited pro forma consolidated financial statements have been prepared by the Company's management based upon the historical financial statements of the Company and of the individually acquired properties. These pro forma statements may not be indicative of the results that actually would have occurred if the combination had been in effect on the dates indicated or which may be obtained in the future. The pro forma financial statements should be read in conjunction with the historical financial statements included in the Company's previous filings with the Securities and Exchange Commission.

Dividend Capital Trust Inc. and Subsidiary

Pro Forma Consolidating Balance Sheet

As of September 30, 2003

(Unaudited)

	DCT Historical	Rancho Business Center	Mallard Lake	West by Northwest	Park West, Pinnacle and DFW	Pro Forma Adjustments	Pro Forma Consolidated
ASSETS							