

U-Store-It Trust  
Form 10-Q  
May 10, 2007

# UNITED STATES SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

## FORM 10-Q

(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, 2007

or

Transition report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934  
For the transition period from \_\_\_\_\_ to \_\_\_\_\_.

Commission file number: 001-32324

## U-STORE-IT TRUST

(Exact Name of Registrant as Specified in its Charter)

**Maryland**

(State or Other Jurisdiction of  
Incorporation or Organization)

**20-1024732**

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

**6745 Engle Road  
Suite 300**

**Cleveland, Ohio**

(Address of Principal Executive Offices)

**44130**

(Zip Code)

(440) 234-0700

(Registrant's Telephone Number, Including Area Code)

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  No

Indicate by check mark whether the Registrant is a large accelerated filer, an accelerated filer or a non-accelerated filer. See definition of accelerated filer and large accelerated filer in Rule 12b-2 of the Exchange Act. (Check one).

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Large accelerated filer

Accelerated filer

Non-accelerated filer

Indicate by check mark whether the registrant is a shell company (as determined in Rule 12b-2 of the Exchange Act.) Yes  No

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date:

<b>Class</b>	<b>Outstanding at May 4, 2007</b>
common stock, \$.01 par value	57,408,819

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**U-STORE-IT TRUST**

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**Forward-Looking Statements**

This Quarterly Report on Form 10-Q, together with other statements and information publicly disseminated by U-Store-It Trust ( we, us, our or the Company ), contains certain forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934, as amended (the Exchange Act ). Such statements are based on assumptions and expectations that may not be realized and are inherently subject to risks, uncertainties and other factors, many of which cannot be predicted with accuracy and some of which might not even be anticipated. Although we believe the expectations reflected in these forward-looking statements are based on reasonable assumptions, future events and actual results, performance, transactions or achievements, financial and otherwise, may differ materially from the results, performance, transactions or achievements expressed or implied by the forward-looking statements. Risks, uncertainties and other factors that might cause such differences, some of which could be material, include, but are not limited to:

- national and local economic, business, real estate and other market conditions;
- the competitive environment in which we operate;
- the execution of our business plan;
- financing risks;
- increases in interest rates and operating costs;
- our ability to maintain our status as a real estate investment trust ( REIT ) for federal income tax purposes;
- acquisition and development risks;
- changes in real estate and zoning laws or regulations;
- risks related to natural disasters;
- potential environmental and other liabilities;
- material weaknesses in our internal control over financial reporting;
- other factors affecting the real estate industry generally or the self-storage industry in particular; and
- other risks identified in our Annual Report on Form 10-K and, from time to time, in other reports we file with the Securities and Exchange Commission (the SEC ) or in other documents that we publicly disseminate.

We undertake no obligation to publicly update or revise these forward-looking statements, whether as a result of new information, future events or otherwise except as may be required in securities laws.



**PART I. FINANCIAL INFORMATION****ITEM 1. FINANCIAL STATEMENTS**

**U-STORE-IT TRUST AND SUBSIDIARIES**  
**CONDENSED CONSOLIDATED BALANCE SHEETS**  
(in thousands, except share data)  
(unaudited)

	<b>March 31, 2007</b>	<b>December 31, 2006</b>
<b>ASSETS</b>		
Storage facilities	\$ 1,794,139	\$ 1,771,864
Accumulated depreciation	(221,752 )	(205,049 )
	1,572,387	1,566,815
Cash and cash equivalents	5,649	19,716
Restricted cash	15,508	14,126
Loan procurement costs net of amortization	7,132	7,575
Other assets	6,205	6,475
Due from related parties	554	632
Total assets	\$ 1,607,435	\$ 1,615,339
<b>LIABILITIES AND SHAREHOLDERS EQUITY</b>		
Revolving credit facility	\$ 107,500	\$ 90,500
Unsecured term loan	200,000	200,000
Mortgage loans and notes payable	586,804	588,930
Accounts payable and accrued expenses	20,994	22,590
Due to related parties	119	336
Distributions payable	18,192	18,197
Deferred revenue	10,429	9,740
Security deposits	632	655
Total liabilities	944,670	930,948
Minority interests	55,009	56,898
Commitments and contingencies		
Shareholders Equity		
Common shares \$.01 par value, 200,000,000 shares authorized, 57,408,819 and 57,335,490 shares issued and outstanding at March 31, 2007 and December 31, 2006, respectively	574	573
Additional paid in capital	794,901	794,632
Accumulated deficit	(187,719 )	(167,712 )
Total shareholders equity	607,756	627,493
Total liabilities and shareholders equity	\$ 1,607,435	\$ 1,615,339

See accompanying notes to the unaudited condensed consolidated financial statements.

**U-STORE-IT TRUST AND SUBSIDIARIES**  
**CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS**  
(in thousands, except per share data)  
(unaudited)

	<b>Three Months Ended March 31,</b>	
	<b>2007</b>	<b>2006</b> (as restated, see note 2)
<b>REVENUES</b>		
Rental income	\$ 51,133	\$ 44,994
Other property related income	4,282	3,101
Other related party	117	115
Total revenues	55,532	48,210
<b>OPERATING EXPENSES</b>		
Property operating expenses	23,239	18,917
Property operating expenses related party	37	20
Depreciation	16,767	14,672
General and administrative	5,888	5,389
General and administrative related party	101	177
Total operating expenses	46,032	39,175
<b>OPERATING INCOME</b>	<b>9,500</b>	<b>9,035</b>
<b>OTHER INCOME (EXPENSE)</b>		
Interest:		
Interest expense on loans	(12,826 )	(10,000 )
Loan procurement amortization expense	(445 )	(462 )