

BRT REALTY TRUST
Form 10-Q
February 07, 2013
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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, DC 20549

FORM 10-Q

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

For the quarterly period ended December 31, 2012

OR

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

Commission File Number 001-07172

BRT REALTY TRUST

(Exact name of Registrant as specified in its charter)

Massachusetts
(State or other jurisdiction of
incorporation or organization)

13-2755856
(I.R.S. Employer
Identification No.)

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60 Cutter Mill Road, Great Neck, NY
(Address of principal executive offices)

11021
(Zip Code)

516-466-3100

(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 has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulations S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No

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

Large accelerated filer

Accelerated filer

Non-accelerated filer
(Do not check if a smaller reporting company)

Smaller reporting company

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

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

14,191,887 Shares of Beneficial Interest,

\$3 par value, outstanding on February 5, 2013

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BRT REALTY TRUST AND SUBSIDIARIES

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	December 31, 2012 (Unaudited)	September 30, 2012
ASSETS		
Real estate properties net of accumulated depreciation and amortization of \$6,072 and \$4,787	\$ 255,422	\$ 190,317
Real estate loans, all earning interest	71,257	37,096
Deferred fee income	(1,056)	(512)
Real estate loans, net	70,201	36,584
Cash and cash equivalents	32,613	78,245
Restricted cash construction holdbacks	49,597	55,252
Available-for-sale securities at fair value	1,226	1,249
Deferred costs, net	12,449	12,337
Prepaid expenses	5,110	5,978
Other assets	5,725	5,994
Total Assets	\$ 432,343	\$ 385,956
LIABILITIES AND EQUITY		
Liabilities:		
Mortgages payable	\$ 214,810	\$ 169,284
Junior subordinated notes	37,400	37,400
Accounts payable and accrued liabilities	4,611	4,298
Deposits payable	2,160	2,108
Deferred income	25,848	25,848
Total Liabilities	284,829	238,938
Commitments and contingencies		
Equity:		
BRT Realty Trust shareholders equity:		
Preferred shares, \$1 par value:		
Authorized 10,000 shares, none issued		
Shares of beneficial interest, \$3 par value:		
Authorized number of shares, unlimited, 13,473 issued in both periods	40,420	40,420
Additional paid-in capital	165,451	165,258
Accumulated other comprehensive income	344	356
Accumulated deficit	(73,889)	(72,585)
Total BRT Realty Trust shareholders equity	132,326	133,449
Non-controlling interests	15,188	13,569
Total Equity	147,514	147,018
Total Liabilities and Equity	\$ 432,343	\$ 385,956

See accompanying notes to consolidated financial statements.

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BRT REALTY TRUST AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS

(Unaudited)

(Dollars in thousands, except share data)

	Three Months Ended December 31,	
	2012	2011
Revenues:		
Rental and other revenue from real estate properties	\$ 5,640	\$ 768
Interest and fees on real estate loans	1,879	2,252
Recovery of previously provided allowances	422	7
Other income	310	127
Total revenues	8,251	3,154
Expenses:		
Interest expense	2,946	467
Advisor s fees, related party	374	171
General and administrative including \$205 and \$279 to related party	1,863	1,674
Property acquisition costs	878	
Operating expenses relating to real estate properties	3,146	786
Depreciation and amortization	1,287	184
Total expenses	10,494	3,282
Total revenues less total expenses	(2,243)	(128)
Equity in earnings (loss) of unconsolidated ventures	61	(75)
Loss on sale of available-for-sale securities		(18)
Gain on sale of loan		3,192
(Loss) income from continuing operations	(2,182)	2,971
Discontinued operations:		
Gain on sale of real estate assets		490
Net (loss) income	(2,182)	3,461
Plus: net loss attributable to non- controlling interests	878	413
Net (loss) income attributable to common shareholders	\$ (1,304)	\$ 3,874
Basic and diluted per share amounts attributable to common shareholders:		
(Loss) income from continuing operations	\$ (.09)	\$.24
Discontinued operations		.04
Basic and diluted (loss) income per share	\$ (.09)	\$.28
Amounts attributable to BRT Realty Trust:		
(Loss) income from continuing operations	\$ (1,304)	\$ 3,384
Discontinued operations		490
Net (loss) income	\$ (1,304)	\$ 3,874
Weighted average number of common shares outstanding:		
Basic and diluted	14,053,362	13,982,164

See accompanying notes to consolidated financial statements.

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BRT REALTY TRUST AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE (LOSS) INCOME

(Unaudited)

(Dollars in thousands)

	Three Months Ended December 31,	
	2012	2011
Net (loss) income	\$ (2,182)	\$ 3,461
Other comprehensive income:		
Net unrealized (loss) gain on available-for-sale securities	(23)	377
Unrealized gain on derivative instruments	11	
Other comprehensive (loss) income	(12)	377
Comprehensive (loss) income	(2,194)	3,838
Comprehensive income (loss) attributable to non-controlling interests	2	
Comprehensive (loss) income attributable to common shareholders	\$ (2,192)	\$ 3,838

See accompanying notes to consolidated financial statements.

Table of Contents**BRT REALTY TRUST AND SUBSIDIARIES****CONSOLIDATED STATEMENT OF EQUITY****Three Months Ended December 31, 2012****(Unaudited)****(Dollars in thousands, except share data)**

	Shares of Beneficial Interest	Additional Paid-In Capital	Accumulated Other Comprehensive Income	Accumulated Deficit	Non- Controlling Interest	Total
Balances, September 30, 2012	\$ 40,420	\$ 165,258	\$ 356	\$ (72,585)	\$ 13,569	\$ 147,018
Restricted stock vesting						
Compensation expense restricted stock		193				193
Contributions from non-controlling interests					2,894	2,894
Distributions to non-controlling interests					(397)	(397)
Net loss				(1,304)	(878)	(2,182)
Other comprehensive loss			(12)			(12)
Comprehensive loss						(2,194)
Balances, December 31, 2012	\$ 40,420	\$ 165,451	\$ 344	\$ (73,889)	\$ 15,188	\$ 147,514

See accompanying notes to consolidated financial statements.

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BRT REALTY TRUST AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

(Unaudited)

(Dollars in Thousands)

	Three Months Ended December 31,	
	2012	2011
Cash flows from operating activities:		
Net (loss) income	\$ (2,182)	\$ 3,461
Adjustments to reconcile net (loss) income to net cash provided by operating activities:		
Recovery of previously provided allowances	(422)	(7)
Amortization and depreciation	1,683	264
Amortization of deferred fee income	(333)	(320)
Amortization of restricted stock	193	210
Gain on sale of real estate assets from discontinued operations		(490)
Gain on sale of available-for-sale securities		18
Gain on sale of loan		(3,192)
Equity in (loss) earnings of unconsolidated joint ventures	(61)	75
Distribution of earnings of unconsolidated joint ventures	45	123
Change in straight-line rent	3	12
Increases and decreases from changes in other assets and liabilities:		