

Edgar Filing: BRT Apartments Corp. - Form 10-Q

BRT Apartments Corp.  
Form 10-Q  
August 08, 2017  
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UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, DC 20549

FORM 10-Q

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

For the quarterly period ended June 30, 2017

OR

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

Commission File Number 001-07172

BRT APARTMENTS CORP.  
(Exact name of Registrant as specified in its charter)  
Maryland 13-2755856  
(State or other jurisdiction of (I.R.S. Employer  
incorporation or organization) Identification No.)  
60 Cutter Mill Road, Great Neck, NY 11021  
(Address of principal executive offices) (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  Smaller reporting company   
(Do not check if a smaller reporting company)

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405) of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this

chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act

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.

14,025,031 Shares of Common Stock,  
par value \$0.01 per share, outstanding on August 5, 2017

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BRT APARTMENTS CORP. AND SUBSIDIARIES

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## Part I FINANCIAL INFORMATION

## Item 1. Financial Statements

## BRT APARTMENTS CORP. AND SUBSIDIARIES

## CONSOLIDATED BALANCE SHEETS

(Dollars in thousands, except per share data)

	June 30, 2017 (Unaudited)	September 30, 2016
<b>ASSETS</b>		
Real estate properties, net of accumulated depreciation and amortization of \$57,997 and \$41,995	\$ 890,100	\$ 759,576
Real estate loan	5,650	19,500
Cash and cash equivalents	9,795	27,399
Restricted cash	5,791	7,383
Deposits and escrows	26,407	18,972
Investments in unconsolidated joint ventures	14,134	298
Other assets	5,992	7,775
Real estate properties held for sale	21,515	33,996
<b>Total Assets</b>	<b>\$ 979,384</b>	<b>\$ 874,899</b>
<b>LIABILITIES AND EQUITY</b>		
<b>Liabilities:</b>		
Mortgages payable, net of deferred costs of \$6,754 and \$5,873	\$ 691,337	\$ 588,457
Junior subordinated notes, net of deferred costs of \$387 and \$402	37,013	36,998
Accounts payable and accrued liabilities	17,095	20,716
Mortgage payable held for sale	—	27,052
<b>Total Liabilities</b>	<b>745,445</b>	<b>673,223</b>
<b>Commitments and contingencies</b>		
<b>Equity:</b>		
<b>BRT Apartments Corp. stockholders' equity:</b>		
<b>Preferred shares, \$.01 par and \$1 par value:</b>		
Authorized 20,000 and 10,000 shares, none issued	—	—
Common stock, \$.01 par value, 300,000 shares authorized; 13,336 shares issued at June 30, 2017	133	—
Shares of Beneficial Interest, \$3 par value, number of shares authorized, unlimited; 13,232 issued at September 30, 2016	—	39,696
Additional paid-in capital	201,776	161,321
Accumulated other comprehensive income (loss)	1,019	(1,602 )
Accumulated deficit	(39,986 )	(48,125 )
<b>Total BRT Apartments Corp. stockholders' equity</b>	<b>162,942</b>	<b>151,290</b>
Non-controlling interests	70,997	50,386
<b>Total Equity</b>	<b>233,939</b>	<b>201,676</b>
<b>Total Liabilities and Equity</b>	<b>\$ 979,384</b>	<b>\$ 874,899</b>

See accompanying notes to consolidated financial statements.



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BRT APARTMENTS CORP. AND SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF OPERATIONS  
(Unaudited)(Dollars in thousands, except share data)

	Three Months Ended June 30, 2017		Nine Months Ended June 30, 2016	
Revenues:				
Rental and other revenues from real estate properties	\$26,673	\$23,679	\$76,404	\$69,991
Other income	188	608	980	2,641
Total revenues	26,861	24,287	77,384	72,632
Expenses:				
Real estate operating expenses - including \$696 and \$531 to related parties for the three months ended and \$1,948 and \$1,336 for the nine months ended	13,283	11,986	37,638	35,177
Interest expense - including \$0 and \$86 to related party for the nine months ended	7,180	6,014	20,269	17,594
Advisor's fees, related party	—	—	—	693
Property acquisition costs - including \$0 and \$892 to related parties for the three months ended and \$0 and \$1,331 for the nine months ended	—	1,408	—	2,418
General and administrative - including \$84 and \$47 to related parties for the three months ended and \$266 and \$134 for the nine months ended	2,309	2,373	7,296	6,402
Depreciation	7,561	5,871	21,630	16,487
Total expenses	30,333	27,652	86,833	78,771
Total revenue less total expenses	(3,472 )	(3,365 )	(9,449 )	(6,139 )
Equity in loss of unconsolidated joint ventures	(307 )	—	(307 )	—
Gain on sale of real estate	—	10,263	35,838	35,098
Gain on sale of partnership interest	—	386		