

CEDAR REALTY TRUST, INC.

Form 10-Q

August 06, 2013

[Table of Contents](#)

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 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 JUNE 30, 2013

OR

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

COMMISSION FILE NUMBER: 001-31817

CEDAR REALTY TRUST, INC.

(Exact name of registrant as specified in its charter)

Edgar Filing: CEDAR REALTY TRUST, INC. - Form 10-Q

Maryland
(State or other jurisdiction of
incorporation or organization)

42-1241468
(I.R.S. Employer
Identification No.)

44 South Bayles Avenue, Port Washington, New York
(Address of principal executive offices)

11050-3765
(Zip Code)

(516) 767-6492

(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 Regulation 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 the definitions of large accelerated filer, accelerated filer and smaller reporting company in Rule 12b-2 of the Exchange Act.

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 common stock, as of the latest practicable date: At July 31, 2013, there were 72,287,723 shares of Common Stock, \$0.06 par value, outstanding.

Table of Contents

CEDAR REALTY TRUST, INC.

INDEX

<u>Forward-Looking Statements</u>	3
Part I. Financial Information	
Item 1. Financial Statements	
<u>Consolidated Balance Sheets June 30, 2013 (unaudited) and December 31, 2012</u>	4
<u>Consolidated Statements of Operations (unaudited) Three and Six months ended June 30, 2013 and 2012</u>	5
<u>Consolidated Statements of Comprehensive Income (Loss) (unaudited) Three and Six months ended June 30, 2013 and 2012</u>	6
<u>Consolidated Statement of Equity (unaudited) Six months ended June 30, 2013</u>	7
<u>Consolidated Statements of Cash Flows (unaudited) Six months ended June 30, 2013 and 2012</u>	8
<u>Notes to Consolidated Financial Statements (unaudited) June 30, 2013</u>	9-22
<u>Item 2. Management's Discussion and Analysis of Financial Condition And Results of Operations</u>	23-33
<u>Item 3. Quantitative and Qualitative Disclosures About Market Risk</u>	34
<u>Item 4. Controls and Procedures</u>	34-35
Part II. Other Information	
<u>Item 6. Exhibits</u>	36
<u>Signatures</u>	36

Table of Contents

Forward-Looking Statements

The information contained in this Form 10-Q is unaudited and does not purport to disclose all items required by accounting principles generally accepted in the United States. In addition, statements made or incorporated by reference herein may include 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 and, as such, may involve known and unknown risks, uncertainties and other factors which may cause the Company's actual results, performance or achievements to be materially different from future results, performance or achievements expressed or implied by such forward-looking statements. Forward-looking statements, which are based on certain assumptions and describe the Company's future plans, strategies and expectations, are generally identifiable by use of the words may, will, should, estimates, projects, anticipates, believes, expects, intends, future, similar import, or the negative thereof. Factors which could have a material adverse effect on the operations and future prospects of the Company are as set forth under the heading Risk Factors in the Company's Annual Report on Form 10-K for the year ended December 31, 2012.

Table of Contents**CEDAR REALTY TRUST, INC.****Consolidated Balance Sheets**

	June 30, 2013 (unaudited)	December 31, 2012
Assets		
Real estate:		
Land	\$ 282,714,000	\$ 282,318,000
Buildings and improvements	1,182,461,000	1,178,111,000
	1,465,175,000	1,460,429,000
Less accumulated depreciation	(255,656,000)	(237,751,000)
Real estate, net	1,209,519,000	1,222,678,000
Real estate held for sale/conveyance	65,026,000	77,858,000
Cash and cash equivalents	4,995,000	7,522,000
Restricted cash	12,098,000	13,752,000
Receivables	19,299,000	18,289,000
Other assets and deferred charges, net	24,767,000	29,804,000
Total assets	\$ 1,335,704,000	\$ 1,369,903,000
Liabilities and equity		
Mortgage loans payable	\$ 559,223,000	\$ 605,216,000
Mortgage loans payable real estate held for sale/conveyance	18,401,000	23,258,000
Credit facility	158,000,000	156,000,000
Accounts payable and accrued liabilities	25,161,000	28,179,000
Unamortized intangible lease liabilities	28,121,000	30,508,000
Unamortized intangible lease liabilities real estate held for sale/conveyance	4,115,000	4,992,000
Total liabilities	793,021,000	848,153,000
Noncontrolling interest limited partners' mezzanine OP Units	644,000	623,000
Commitments and contingencies		
Equity:		
Cedar Realty Trust, Inc. shareholders' equity:		
Preferred stock (\$.01 par value, 12,500,000 shares authorized):		
Series A (\$25.00 per share liquidation value, 0 and 1,410,000, shares authorized, respectively, 0 and 1,408,000 shares, issued and outstanding, respectively)		34,882,000
Series B (\$25.00 per share liquidation value, 10,000,000 and 7,500,000 shares authorized, respectively, 7,950,000 and 5,429,000 shares, issued and outstanding, respectively)	190,661,000	128,787,000
Common stock (\$.06 par value, 150,000,000 shares authorized, 72,288,000 and 71,817,000 shares, issued and outstanding, respectively)	4,337,000	4,309,000
Treasury stock (3,529,000 and 3,822,000 shares, respectively, at cost)	(20,401,000)	(21,702,000)
Additional paid-in capital	747,004,000	748,194,000
Cumulative distributions in excess of net income	(385,394,000)	(378,254,000)
Accumulated other comprehensive loss	(1,652,000)	(2,560,000)
Total Cedar Realty Trust, Inc. shareholders' equity	534,555,000	513,656,000
Noncontrolling interests:		
Minority interests in consolidated joint ventures	6,059,000	6,081,000

Edgar Filing: CEDAR REALTY TRUST, INC. - Form 10-Q

Limited partners OP Units	1,425,000	1,390,000
Total noncontrolling interests	7,484,000	7,471,000
Total equity	542,039,000	521,127,000
Total liabilities and equity	\$ 1,335,704,000	\$ 1,369,903,000

See accompanying notes to consolidated financial statements.

Table of Contents**CEDAR REALTY TRUST, INC.****Consolidated Statements of Operations****(unaudited)**

	Three months ended June 30, 2013	2012	Six months ended June 30, 2013	2012
Revenues:				
Rents	\$ 28,532,000	\$ 26,913,000	\$ 56,977,000	\$ 53,537,000
Expense recoveries	6,674,000	6,343,000	14,969,000	13,284,000
Other	165,000	3,642,000	388,000	4,461,000
Total revenues	35,371,000	36,898,000	72,334,000	71,282,000
Expenses:				
Operating, maintenance and management	5,557,000	5,496,000	12,623,000	11,866,000
Real estate and other property-related taxes	4,526,000	4,249,000	9,123,000	8,629,000
General and administrative	3,456,000	3,737,000	6,726,000	7,362,000
Employee termination costs			106,000	
Impairment reversal			(1,100,000)	
Depreciation and amortization	9,763,000	9,768,000	19,585,000	25,467,000
Total expenses	23,302,000	23,250,000	47,063,000	53,324,000
Operating income	12,069,000	13,648,000	25,271,000	17,958,000
Non-operating income and expense:				
Interest expense	(9,143,000)	(9,721,000)	(18,245,000)	(19,876,000)
Early extinguishment of debt costs	(21,000)		(106,000)	(2,607,000)
Interest income	2,000	62,000	2,000	124,000
Equity in income of unconsolidated joint venture		576,000		1,021,000
Gain on sales		79,000	346,000	79,000
Total non-operating income and expense	(9,162,000)	(9,004,000)	(18,003,000)	(21,259,000)
Income (loss) from continuing operations	2,907,000	4,644,000	7,268,000	(3,301,000)
Discontinued operations:				
Income (loss) from operations	281,000	958,000	(228,000)	2,440,000
Impairment reversals, net				1,138,000
Gain on extinguishment of debt	1,298,000		1,298,000	
Gain on sales		293,000		750,000
Total discontinued operations	1,579,000	1,251,000	1,070,000	4,328,000
Net income	4,486,000	5,895,000	8,338,000	1,027,000
Less, net loss (income) attributable to noncontrolling interests:				
Minority interests in consolidated joint ventures	97,000	(662,000)	103,000	(1,708,000)
Limited partners' interest in Operating Partnership	(4,000)	(8,000)	(1,000)	97,000
Total net loss (income) attributable to noncontrolling interests	93,000	(670,000)	102,000	(1,611,000)
Net income (loss) attributable to Cedar Realty Trust, Inc.	4,579,000	5,225,000	8,440,000	(584,000)
Preferred stock dividends	(3,602,000)	(3,607,000)	(7,209,000)	(7,138,000)

Preferred stock redemption costs

(382,000)