

ACADIA REALTY TRUST  
Form 10-Q  
August 09, 2006

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, 2006

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 1-12002

ACADIA REALTY TRUST

(Exact name of registrant in its charter)

MARYLAND

(State or other jurisdiction of  
incorporation or organization)

23-2715194

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

1311 MAMARONECK AVENUE, SUITE  
260, WHITE PLAINS, NY

(Address of principal executive offices)

10605

(Zip Code)

(914) 288-8100

(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 (as defined in Exchange Act Rule 12b-2).

Large Accelerated Filer                  Accelerated Filer                  Non-accelerated Filer

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

As of August 9, 2006, there were 31,771,544 common shares of beneficial interest, par value \$.001 per share, outstanding.



ACADIA REALTY TRUST AND SUBSIDIARIES

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Total minority interests	114,898	146,265
	<u>          </u>	<u>          </u>
Shareholders' equity:		
Common shares	31	31
Additional paid-in capital	223,920	223,199
Accumulated other comprehensive income (loss)	1,861	(12 )
Deficit	(2,809 )	(2,642 )
	<u>          </u>	<u>          </u>
Total shareholders' equity	223,003	220,576
	<u>          </u>	<u>          </u>
	\$761,191	\$841,858
	<u>          </u>	<u>          </u>

See accompanying notes

[Back to Contents](#)**Part I. Financial Information****Item 1. Financial Statements****ACADIA REALTY TRUST AND SUBSIDIARIES****CONSOLIDATED STATEMENTS OF INCOME****FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2006 AND 2005**

(unaudited)

	Three months ended		Six months ended	
	June 30,		June 30,	
	2006	2005	2006	2005
(dollars in thousands, except per share amounts)				
Revenues				
Minimum rents	\$ 17,448	\$ 19,134	\$ 35,236	\$ 37,635
Percentage rents	126	150	311	351
Expense reimbursements	3,480	3,555	7,559	7,929
Other property income	251	175	462	505
Management fee income	1,281	982	2,482	1,557
Interest income	1,907	903	3,653	1,320
<b>Total revenues</b>	<b>24,493</b>	<b>24,899</b>	<b>49,703</b>	<b>49,297</b>
Operating Expenses				
Property operating	3,602	4,639	7,652	9,459
Real estate taxes	2,460	2,325	5,259	4,887
General and administrative	4,779	3,820	10,086	6,935
Depreciation and amortization	6,506	6,234	12,904	12,506
<b>Total operating expenses</b>	<b>17,347</b>	<b>17,018</b>	<b>35,901</b>	<b>33,787</b>
Operating income	7,146	7,881	13,802	15,510
Equity in earnings of unconsolidated affiliates	3,028	126	7,140	387
Interest expense	(5,654 )	(4,352 )	(10,839 )	(8,285 )
Minority interest	327	1,050	(754 )	1,251
Income from continuing operations before income taxes	4,847	4,705	9,349	8,863
Income taxes	(363 )		(812 )	
<b>Income from continuing operations</b>	<b>4,484</b>	<b>4,705</b>	<b>8,537</b>	<b>8,863</b>
Discontinued operations:				
Operating income from discontinued operations	371	400	677	692
Impairment of real estate		(770 )		(770 )
Minority interest	(7 )	10	(13 )	5

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Income (loss) from discontinued operations	364	(360 )	664	(73 )
Net income	\$4,848	\$4,345	\$9,201	\$8,790
Basic earnings per share				
Income from continuing operations	\$0.14	\$0.15	\$0.26	\$0.28
Income (loss) from discontinued operations	0.01	(0.01 )	0.02	
Basic earnings per share	\$0.15	\$0.14	\$0.28	\$0.28
Diluted earnings per share				
Income from continuing operations	\$0.14	\$0.15	\$0.26	\$0.27
Income (loss) from discontinued operations	0.01	(0.01 )	0.02	
Diluted earnings per common share	\$0.15	\$0.14	\$0.28	\$0.27

See accompanying notes

[Back to Contents](#)**ACADIA REALTY TRUST AND SUBSIDIARIES****CONSOLIDATED STATEMENTS OF CASH FLOWS****FOR THE SIX MONTHS ENDED JUNE 30, 2006 AND 2005**

(unaudited)

	<b>June 30, 2006</b>	<b>June 30, 2005</b>
	<hr/>	<hr/>
	(dollars in thousands)	
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Net income	\$9,201	\$8,790
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	13,465	12,338
Minority interests	767	(1,256 )
Equity in earnings of unconsolidated affiliates	(7,140 )	(387 )
Amortization of derivative settlement included in interest expense	218	219
Distributions of operating income from unconsolidated affiliates	6,079	310
Restricted share compensation	2,543	542
Trustee share compensation	75	
Changes in assets and liabilities:		
Cash in escrow	(1,394 )	3
Restricted cash	(1 )	102
Rents receivable	2,887	(4,773 )
Prepaid expenses	30	28
Other assets	(1,840 )	(5,764 )
Accounts payable and accrued expenses	(3,694 )	(208 )
Other liabilities	2,949	889
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