

NEW ENGLAND REALTY ASSOCIATES LIMITED PARTNERSHIP
Form 10-Q
May 08, 2014
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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, 2014

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 001-31568

New England Realty Associates Limited Partnership

(Exact name of registrant as specified in its charter)

Massachusetts
(State or other jurisdiction of
incorporation or organization)

04-2619298
(I.R.S. employer
identification no.)

39 Brighton Avenue, Allston, Massachusetts
(Address of principal executive offices)

02134
(Zip Code)

Registrant's telephone number, including area code: **(617) 783-0039**

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 definitions of large accelerated filer, accelerated filer and smaller 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 a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

As of May 6, 2014, there were 103,242 of the registrant's Class A units (3,097,252 Depositary Receipts) of limited partnership issued and outstanding and 24,551 Class B units issued and outstanding.

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NEW ENGLAND REALTY ASSOCIATES, L.P.

PART 1 FINANCIAL INFORMATION

Item 1. Financial Statements

The accompanying unaudited consolidated balance sheets, statements of income, changes in partners' capital, and cash flows and related notes thereto, have been prepared in accordance with generally accepted accounting principles in the United States of America (GAAP) for interim financial information and in conjunction with the rules and regulations of the Securities and Exchange Commission (SEC). Accordingly, they do not include all of the disclosures required by GAAP for complete financial statements. The financial statements reflect all adjustments consisting only of normal, recurring adjustments, which are in the opinion of management, necessary for a fair presentation for the interim periods.

The consolidated balance sheet as of December 31, 2013 has been derived from the audited consolidated balance sheet at that date but does not include all of the information and footnotes required by U.S. generally accepted accounting principles for complete financial statements.

The aforementioned financial statements should be read in conjunction with the notes to the aforementioned financial statements and Management's Discussion and Analysis of Financial Condition and Results of Operations and the financial statements and notes thereto included in New England Realty Associates L.P.'s Annual Report on Form 10-K for the fiscal year ended December 31, 2013.

The results of operations for the three month period ended March 31, 2014 are not necessarily indicative of the results to be expected for the entire fiscal year or any other period.

NEW ENGLAND REALTY ASSOCIATES LIMITED PARTNERSHIP AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

	March 31, 2014 Unaudited	December 31, 2013
ASSETS		
Rental Properties	\$ 151,211,354	\$ 152,904,661
Cash and Cash Equivalents	10,987,525	14,013,380
Rents Receivable	502,289	496,149
Real Estate Tax Escrows	289,702	375,560
Prepaid Expenses and Other Assets	3,945,880	3,895,189
Investments in Unconsolidated Joint Ventures	11,632,341	12,025,142

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Financing and Leasing Fees		1,580,506		1,635,076
Total Assets		\$ 180,149,597	\$	185,345,157
LIABILITIES AND PARTNERS CAPITAL				
Mortgage Notes Payable		195,073,358		198,520,478
Distribution and Loss in Excess of Investment in Unconsolidated Joint Venture		1,332,797		1,252,346
Accounts Payable and Accrued Expenses		2,672,024		3,178,495
Advance Rental Payments and Security Deposits		4,298,211		4,242,401
Total Liabilities		203,376,390		207,193,720
Commitments and Contingent Liabilities (Notes 3 and 9)				
Partners Capital 129,216 and 129,487 units outstanding in 2014 and 2013 respectively		(23,226,793)		(21,848,563)
Total Liabilities and Partners Capital		\$ 180,149,597	\$	185,345,157

See notes to consolidated financial statements.

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NEW ENGLAND REALTY ASSOCIATES LIMITED PARTNERSHIP AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF INCOME

(Unaudited)

	Three Months Ended	
	2014	March 31, 2013
Revenues		
Rental income	\$ 10,514,719	\$ 8,924,007
Laundry and sundry income	103,209	95,686
	10,617,928	9,019,693
Expenses		
Administrative	530,567	452,619
Depreciation and amortization	2,724,180	1,454,131
Management fee	427,392	369,252
Operating	1,681,934	1,432,175
Renting	36,856	29,851
Repairs and maintenance	1,211,254	1,081,279
Taxes and insurance	1,441,123	1,160,930
	8,053,306	5,980,237
Income Before Other Income and Discontinued Operations	2,564,622	3,039,456
Other Income (Expense)		
Interest income	183	364
Interest expense	(2,386,167)	(1,841,069)
(Loss) from investments in unconsolidated joint ventures	(208,252)	(316,857)
	(2,594,236)	(2,157,562)
Income (loss) From Continuing Operations	(29,614)	881,894
Discontinued Operations		
Income from discontinued operations		19,731
Net Income (Loss)	\$ (29,614)	\$ 901,625
Income (loss) per Unit		
Income (loss) before discontinued operations	\$ (0.23)	\$ 6.77
Income from discontinued operations		0.15
Net Income (loss) per Unit	\$ (0.23)	\$ 6.92
Weighted Average Number of Units Outstanding	129,312	130,244

See notes to consolidated financial statements.