

ONE LIBERTY PROPERTIES INC  
Form 10-Q  
November 07, 2008

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 September 30, 2008

OR

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

Commission File Number 001-09279

ONE LIBERTY PROPERTIES, INC.

(Exact name of registrant as specified in its charter)

MARYLAND	13-3147497
(State or other jurisdiction of incorporation or organization)	(I.R.S. employer identification number)

60 Cutter Mill Road, Great Neck, New York	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 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 "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).

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Yes  No

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

As of November 3, 2008, the registrant had 10,207,509 shares of common stock outstanding.

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## Part I – FINANCIAL INFORMATION

Item 1 Financial Statements

ONE LIBERTY PROPERTIES, INC. AND SUBSIDIARIES  
CONSOLIDATED BALANCE SHEETS  
(Amounts in Thousands, Except Per Share Data)

	September 30, 2008 (Unaudited)	December 31, 2007
<b>Assets</b>		
Real estate investments, at cost		
Land	\$ 89,738	\$ 72,386
Buildings and improvements	347,329	307,884
	437,067	380,270
Less accumulated depreciation	42,485	36,228
	394,582	344,042
Investment in unconsolidated joint ventures	5,848	6,570
Cash and cash equivalents	6,449	25,737
Restricted cash	7,812	7,742
Unbilled rent receivable	10,637	9,893
Escrow, deposits and other receivables	1,528	2,465
Investment in BRT Realty Trust at market (related party)	258	459
Deferred financing costs	2,756	3,119
Other assets (including available-for-sale securities at market of \$461 and \$1,024)	1,043	1,672
Unamortized intangible lease assets	8,879	4,935
<b>Total assets</b>	<b>\$ 439,792</b>	<b>\$ 406,634</b>
<b>Liabilities and Stockholders' Equity</b>		
<b>Liabilities:</b>		
Mortgages and loan payable	\$ 222,523	\$ 222,035
Line of credit	34,000	-
Dividends payable	3,661	3,638
Accrued expenses and other liabilities	4,438	4,252
Unamortized intangible lease liabilities	5,597	5,470
<b>Total liabilities</b>	<b>270,219</b>	<b>235,395</b>
Commitments and contingencies	-	-
<b>Stockholders' equity:</b>		
Preferred stock, \$1 par value; 12,500 shares authorized; none issued	-	-
Common stock, \$1 par value; 25,000 shares authorized; 9,957 and 9,906 shares issued and outstanding	9,957	9,906
Paid-in capital	138,129	137,076

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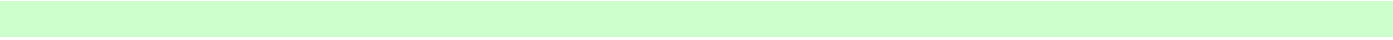
Accumulated other comprehensive income – net unrealized gain on available-for-sale securities	83	344
Accumulated undistributed net income	21,404	23,913
Total stockholders' equity	169,573	171,239
Total liabilities and stockholders' equity	\$ 439,792	\$ 406,634

See accompanying notes to consolidated financial statements.

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ONE LIBERTY PROPERTIES, INC. AND SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF INCOME  
(Amounts in Thousands, Except Per Share Data)  
(Unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2008	2007	2008	2007
<b>Revenues:</b>				
Rental income	\$ 9,950	\$ 9,569	\$ 29,388	\$ 28,803
<b>Operating expenses:</b>				
Depreciation and amortization	2,149	2,046	6,475	6,219
General and administrative (including \$547, \$572, \$1,641 and \$1,718, respectively, to related party)	1,695	1,583	4,893	4,867
Impairment charge	-	-	752	-
Federal excise tax	-	5	-	55
Real estate expenses	42	56	163	185
Leasehold rent	77	77	231	231
Total operating expenses	3,963	3,767	12,514	11,557
Operating income	5,987	5,802	16,874	17,246
<b>Other income and expenses:</b>				
Equity in earnings of unconsolidated joint ventures	149	141	446	433
Gain on dispositions of real estate of unconsolidated joint ventures	-	-	297	583
Gain on sale of excess unimproved land	-	-	1,830	-
Interest and other income	157	432	487	1,477
<b>Interest:</b>				
Expense	(3,669)	(3,752)	(10,971)	(11,220)
Amortization of deferred financing costs	(156)	(159)	(470)	(479)
Income from continuing operations	2,468	2,464	8,493	8,040
Income from discontinued operations	-	115	-	216
Net income	\$ 2,468	\$ 2,579	\$ 8,493	\$ 8,256
<b>Weighted average number of common shares outstanding - basic and diluted</b>				
	10,169	10,078	10,180	10,045
<b>Net income per common share – basic and diluted:</b>				
Income from continuing operations	\$ .24	\$ .25	\$ .83	\$ .80
Income from discontinued operations	-	.01	-	.02
Net income per common share	\$ .24	\$ .26	\$ .83	\$ .82



Cash distributions per share of common stock	\$	.36	\$	1.03	\$	1.08	\$	1.75
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See accompanying notes to consolidated financial statements.

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ONE LIBERTY PROPERTIES, INC. AND SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY

For the nine month period ended September 30, 2008 (Unaudited)  
and the year ended December 31, 2007  
(Amounts in Thousands)

	Common Stock	Paid-in Capital	Accumulated Other Comprehensive Income	Accumulated Undistributed Net Income	Total
Balances, January 1, 2007	\$ 9,823	\$ 134,826	\$ 935	\$ 34,541	\$ 180,125
Distributions – common stock	-	-	-	(21,218)	(21,218)
Repurchase of common stock	(159)	(3,053)	-	-	(3,212)
Shares issued through dividend reinvestment plan	237	4,482	-	-	4,719
Restricted stock vesting	5	(5)	-	-	-
Compensation expense – restricted stock	-	826	-	-	826
Net income	-	-	-	10,590	10,590
Other comprehensive income – net unrealized loss on available-for-sale securities	-	-	(591)	-	(591)
Comprehensive income	-	-	-	-	9,999
Balances, December 31, 2007	9,906	137,076	344	23,913	171,239
Distributions – common stock	-	-	-	(11,002)	(11,002)
Repurchase of common stock	(93)	(1,471)	-	-	(1,564)
Shares issued through dividend reinvestment plan	121	1,877	-	-	1,998
Restricted stock vesting	23	(23)	-	-	-
Compensation expense – restricted stock	-	670	-	-	670
Net income	-	-	-	8,493	8,493
Other comprehensive income-net unrealized loss on available-for-sale securities	-	-	(261)	-	(261)
Comprehensive income	-	-	-	-	8,232
Balances, September 30, 2008	\$ 9,957	\$ 138,129	\$ 83	\$ 21,404	\$ 169,573

See accompanying notes to consolidated financial statements.

ONE LIBERTY PROPERTIES, INC. AND SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF CASH FLOWS  
(Amounts in Thousands)  
(Unaudited)

	Nine Months Ended September 30,	
	2008	2007
<b>Cash flows from operating activities:</b>		
Net income	\$ 8,493	\$ 8,256
<b>Adjustments to reconcile net income to net cash provided by operating activities:</b>		
Gain on sale of excess unimproved land and other	(1,830)	(122)
Increase in rental income from straight-lining of rent	(744)	(1,617)
Increase in rental income from amortization of intangibles relating to leases	(182)	(190)
Impairment charge	752	-
Amortization of restricted stock expense	670	619
Equity in earnings of unconsolidated joint ventures	(446)	(433)
Gain on disposition of real estate related to unconsolidated joint ventures	(297)	(583)
Distributions of earnings from unconsolidated joint ventures	414	977
Depreciation and amortization	6,475	6,219
Amortization of financing costs	470	479
<b>Changes in assets and liabilities:</b>		
Decrease in escrow, deposits and other receivables	1,012	134
Decrease (increase) in accrued expenses and other liabilities	63	(632)
<b>Net cash provided by operating activities</b>	<b>14,850</b>	<b>13,107</b>
<b>Cash flows from investing activities:</b>		
Purchase of real estate and improvements	(59,657)	(38)
Net proceeds from sale of excess unimproved land	2,977	4
Investment in unconsolidated joint ventures	(379)	-
Distributions of return of capital from unconsolidated joint ventures	1,399	442
Net proceeds from sale of available-for-sale securities	525	161
Purchase of available-for-sale securities	-	(535)
<b>Net cash (used in) provided by investing activities</b>	<b>(55,135)</b>	<b>34</b>
<b>Cash flows from financing activities:</b>		
Proceeds from bank line of credit	34,000	-
Repayment of mortgages payable	(5,793)	(3,545)
Proceeds from mortgage financings	3,509	2,700
Payment of financing costs	(105)	(666)
Increase in restricted cash	(70)	(278)
Cash distributions – common stock	(10,978)	(10,819)
Repurchase of common stock	(1,564)	-