

BERKSHIRE INCOME REALTY INC  
Form 10-Q  
May 16, 2005

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 quarter period ended March 31, 2005

**OR**

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES  
EXCHANGE ACT OF 1934  
For the transition period \_\_\_\_\_ to \_\_\_\_\_  
Commission File number 001-31659

Berkshire Income Realty, Inc.  
(Exact name of registrant as specified in its charter)

Maryland 32-0024337  
(State of other jurisdiction of incorporation or (IRS employer identification no.)  
organization)

One Beacon Street, Boston, Massachusetts 02108  
(Address of principal executive offices) (Zip code)

(Registrant's telephone number, including area code) (617) 523-7722

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                      X                      No

Indicate by check mark whether the registrant is an accelerated filer (as defined in Rule 12b-2 of the Act)

Yes                                      No                                      X

There were 1,283,313 shares of Class B common stock outstanding as of May 16, 2005.



**BERKSHIRE INCOME REALTY, INC.**

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**PART I. Financial Information**

## Item 1. Consolidated Financial Statements:

BERKSHIRE INCOME REALTY, INC.

## CONSOLIDATED BALANCE SHEETS

(unaudited)

	March 31, 2005	December 31, 2004
<b>ASSETS</b>		
Multifamily apartment communities, net of accumulated depreciation of \$118,364,261 and \$113,953,842, respectively	\$ 321,068,452	\$ 260,554,434
Cash and cash equivalents	15,534,239	31,913,045
Cash restricted for tenant security deposits	1,335,481	1,217,517
Replacement reserve escrow	2,171,603	2,157,952
Prepaid expenses and other assets	6,560,872	8,190,739
Investment in Mortgage Funds	7,072,009	10,167,693
Investment in Multifamily Venture	2,231,326	2,274,500
Acquired in place leases and tenant relationships, net of accumulated amortization of \$2,785,245 and \$1,722,428, respectively	2,245,902	2,152,840
Deferred expenses, net of accumulated amortization of \$412,254 and \$325,338, respectively	2,718,702	2,476,779
Total assets	\$ 360,938,586	\$ 321,105,499
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
Liabilities:		
Mortgage notes payable	\$ 313,747,869	\$ 268,716,955
Due to affiliates	1,737,228	1,862,822
Dividend and distributions payable	837,607	1,087,607
Accrued expenses and other liabilities	5,194,267	7,312,054
Tenant security deposits	1,723,910	1,468,397
Total liabilities	323,240,881	280,447,835
Commitments and Contingencies	-	-
Minority interest in properties	7,926,151	7,422,481
Minority interest in Operating Partnership	-	-
Stockholders' equity:		
Series A 9% Cumulative Redeemable Preferred Stock, no par value, \$25 stated value, 5,000,000 shares authorized, 2,978,110 shares issued and outstanding at March 31, 2005 and December 31, 2004, respectively	70,210,830	70,210,830
Class A common stock, \$.01 par value, 5,000,000 shares authorized; 0 shares issued and outstanding at March 31, 2005 and December 31, 2004, respectively	-	-

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Class B common stock, \$.01 par value, 5,000,000 shares authorized; 1,283,313 issued and outstanding at March 31, 2005 and December 31, 2004, respectively	12,833	12,833
Excess stock, \$.01 par value, 15,000,000 shares authorized, 0 shares issued and outstanding at March 31, 2005 and December 31, 2004 respectively	-	-
Accumulated deficit	(40,452,109)	(36,988,480)
Total stockholders' equity	29,771,554	33,235,183
Total liabilities and stockholders' equity	\$ 360,938,586	\$ 321,105,499

The accompanying notes are an integral part of these financial statements.

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BERKSHIRE INCOME REALTY, INC.

CONSOLIDATED STATEMENTS OF OPERATIONS

(unaudited)

	Three months ended March 31,	
	2005	2004
Revenue:		
Rental	\$ 13,692,514	\$ 8,832,565
Interest	105,554	251,818
Utility reimbursement	214,698	135,734
Other	503,394	342,997
Total revenue	14,516,160	9,563,114
Expenses:		
Operating	3,756,976	2,457,112
Maintenance	913,011	594,686
Real estate taxes	1,624,609	1,073,682
General and administrative	867,662	349,134
Management fees	975,218	621,494
Depreciation	4,410,419	2,703,381
Interest	3,938,656	2,699,803
Amortization of acquired in-place leases and tenant relationships	1,062,817	454,637