

NEW ENGLAND REALTY ASSOCIATES LIMITED PARTNERSHIP

Form 10-Q

November 14, 2013

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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 September 30, 2013

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**

Securities registered pursuant to Section 12(b) of the Act:

Depository Receipts
(Title of each Class)

NYSE AMEX
(Name of each Exchange on which Registered)

Securities registered pursuant to Section 12(g) of the Act:

Class A

Limited Partnership Units

(Title of class)

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):

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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

As of November 13, 2013, there were 103,629 of the registrant's Class A units (3,108,860 Depositary Receipts) of limited partnership issued and outstanding and 24,613 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, 2012 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, 2012.

The results of operations for the nine month period ended September 30, 2013 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

	September 30, 2013 (Unaudited)	December 31, 2012 (Audited)
ASSETS		
Rental Properties	\$ 154,264,585	\$ 94,973,600
Property Held for Sale		462,250
Cash and Cash Equivalents	5,259,049	6,981,906
Rents Receivable	564,197	475,083
Real Estate Tax Escrows	262,787	449,652
Prepaid Expenses and Other Assets	5,402,043	3,073,890

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Investments in Unconsolidated Joint Ventures		10,652,571		13,986,173
Financing and Leasing Fees		1,225,463		1,135,936
Total Assets	\$	177,630,695	\$	121,538,490
LIABILITIES AND PARTNERS' CAPITAL				
Mortgage Notes Payable		191,974,239	\$	138,055,522
Accounts Payable and Accrued Expenses		2,751,753		2,361,942
Advance Rental Payments and Security Deposits		4,026,643		3,636,704
Total Liabilities		198,752,635		144,054,168
Commitments and Contingent Liabilities (Notes 3 and 9)				
Partners' Capital 129,539 and 130,444 units outstanding in 2013 and 2012 respectively		(21,121,940)		(22,515,678)
Total Liabilities and Partners' Capital	\$	177,630,695	\$	121,538,490

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 September 30,		Nine Months Ended September 30,	
	2013	2012	2013	2012
Revenues				
Rental income	\$ 9,859,135	\$ 8,666,844	\$ 27,687,903	\$ 25,902,587
Laundry and sundry income	108,617	92,182	302,305	281,276
	9,967,752	8,759,026	27,990,208	26,183,863
Expenses				
Administrative	451,268	459,714	1,601,123	1,351,872
Depreciation and amortization	2,824,318	1,554,985	5,758,310	4,592,503
Management fee	400,588	355,613	1,144,462	1,064,402
Operating	786,179	720,490	3,032,964	2,648,567
Renting	78,874	48,483	135,540	147,844
Repairs and maintenance	1,641,608	1,449,939	4,238,821	3,776,725
Taxes and insurance	1,301,388	1,053,196	3,667,180	3,206,065
	7,484,223	5,642,420	19,578,400	16,787,978
Income Before Other Income (Expenses) and Discontinued Operations	2,483,529	3,116,606	8,411,808	9,395,885
Other Income (Expense)				
Interest income	230	554	945	1,746
Interest expense	(2,142,817)	(1,926,556)		