GOVERNMENT PROPERTIES TRUST INC
Form 10-Q
May 10, 2006

Table of Contents

UNITED STATES SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 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 MARCH 31, 2006
COMMISSION FILE NUMBER 001-31962

GOVERNMENT PROPERTIES TRUST, INC.
(EXACT NAME OF REGISTRANT AS SPECIFIED IN ITS CHARTER)

MARYLAND (State or other jurisdiction of incorporation or organization)	20-0611663 (I.R.S. Employer Identification No.)
13625 CALIFORNIA STREET, SUITE 310 OMAHA, NEBRASKA 68154 (Address of principal executive offices, including zip code)	(402) 391-0010 (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 þ No o

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, or a non-accelerated filer. See definition of accelerated filer and large accelerated filer in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer o Accelerated filer þ Non-accelerated filer o

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12-b-2 of the Exchange Act).
Yes o No þ

As of May 1, 2006, approximately 20.8 million shares of common stock of the registrant were outstanding.

TABLE OF CONTENTS

Table of Contents

GOVERNMENT PROPERTIES TRUST, INC.
CONSOLIDATED BALANCE SHEETS
(in thousands, except share amounts)

	March 31, 2006 (unaudited)	December 31, 2005
ASSETS		
Real estate at cost:		
Land	$ 35,986	$ 32,800
Buildings and improvements	306,557	280,861
Tenant origination costs	72,573	60,405
Real estate under development	228	16,577
Furniture and equipment	474	456
	415,818	391,099
Accumulated depreciation	(16,936)	(13,295)
	398,882	377,804
Cash and cash equivalents	2,512	4,857
Restricted cash escrows	11,031	16,887
Tenant receivables	8,167	6,873
Notes receivable from tenant	586	603
Deferred costs, net	3,942	4,020
Real estate deposits	150	450
Other assets	4,068	1,583
Total assets	$ 429,338	$ 413,077
LIABILITIES AND STOCKHOLDERS EQUITY		
Liabilities:		
Accounts payable and accrued expenses	$ 9,259	$ 8,420
Dividends payable	3,114	3,110
Lines of credit	26,480	17,500
Mortgage notes payable	233,304	225,033
Total liabilities	272,157	254,063
Stockholders equity:		
Common stock ($0.01 par value; 50,000,000 shares authorized, 20,763,136 and 20,721,612 shares issued and outstanding at March 31, 2006 and December 31, 2005, respectively)	206	206
Additional paid-in capital	189,548	189,123
Accumulated deficit	(34,835)	(30,916)
Accumulated other comprehensive income	2,262	601
Total stockholders equity	157,181	159,014
Total liabilities and stockholders equity	$ 429,338	$ 413,077

See accompanying notes.

Table of Contents

GOVERNMENT PROPERTIES TRUST, INC.
CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE INCOME
(unaudited and in thousands, except per share amounts)

	THREE MONTHS ENDED MARCH 31,	
	2006	**2005**
Revenue		
Rental income	$ 9,800	$ 4,324
Tenant reimbursements	566	180
Total revenue	10,366	4,504
Expenses		
Property operations	1,811	855
Real estate taxes	926	457
Depreciation and amortization	3,641	1,322
General and administrative	1,309	1,140
Total expenses	7,687	3,774
Operating income	2,679	730
Other income (expense)		
Interest income	122	658
Interest expense	(3,403)	(1,338)
Amortization of deferred financing fees	(203)	(110)
Net loss	$ (805)	$ (60)
Earnings per share (basic and diluted)		
Net loss	$ (0.04)	$
Distributions declared per share	$ 0.15	$ 0.15
Weighted average shares outstanding (basic and diluted)	20,604	20,540
Net loss	$ (805)	$ (60)
Other comprehensive income		
Unrealized derivative gain on forward-starting interest rate swaps	1,660	
Comprehensive income (loss)	$ 855	$ (60)

See accompanying notes.

Table of Contents

GOVERNMENT PROPERTIES TRUST, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(unaudited and in thousands)

	THREE MONTHS ENDED MARCH 31,	
	2006	**2005**
Operating activities		
Net loss	$ (805)	$ (59)
Adjustments to reconcile net loss to net cash provided by operating activities:		
Depreciation and amortization	3,641	1,322
Amortization of deferred financing fees	203	110
Amortization of premium on mortgage notes payable	(26)	
Compensation expense	179	181
Changes in assets and liabilities:		
Tenant receivables	(1,294)	(231)
Restricted cash escrows	551	(42)
Other assets	(822)	(1,362)
Accounts payable and accrued expenses	(69)	744
Net cash provided by operating activities	1,558	663
Investing activities		
Expenditures for real estate	(9,475)	(50,015)
Deposits on future real estate purchases	(150)	(967)
Development of real estate assets	(4,749)	(639)
Restricted cash escrows	5,305	(12,152)
Note receivable from tenant	17	15
Expenditures for furniture and equipment	(17)	
Net cash used in investing activities	(9,069)	(63,758)
Financing activities		
Financing fees	(125)	(1,174)
Net borrowings under lines of credit	8,980	
Proceeds from mortgage notes payable		52,632
Principal payments on mortgage notes payable	(579)	(309)
Dividends paid	(3,110)	(3,104)
Net cash provided by financing activities	5,166	48,045
Net decrease in cash and cash equivalents	(2,345)	(15,050)
Cash and cash equivalents, beginning of period	4,857	93,815
Cash and cash equivalents, end of period	$ 2,512	$ 78,765

Non-Cash Operating Activity

Accounts payable and accrued expenses included in real estate, net	$	5,215	$	
Non-Cash Financing Activity				
Assumption of mortgage note payable included in real estate, net	$	8,876	$	

See accompanying notes.

4

GOVERNMENT PROPERTIES TRUST, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. **Basis of Presentation**

The accompanying unaudited condensed consolidated financial statements of Government Properties Trust, Inc., a Maryland corporation (the Company), have been prepared pursuant to Securities and Exchange Commission (SEC) rules and regulations and should be read in conjunction with the condensed consolidated financial statements and notes thereto included in the 2005 Form 10-K. The accompanying condensed consolidated financial statements highlight significant changes to the Notes included in the 2005 Form 10-K and present interim disclosures as required by the SEC. The accompanying condensed consolidated financial statements reflect, in the opinion of management, all adjustments considered necessary for a fair presentation of the interim financial statements. All such adjustments are of a normal and recurring nature.

The preparation of the condensed consolidated financial statements in conformity with U.S. generally accepted accounting principles (GAAP) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expense during the reporting periods. Our results for the three months ended March 31, 2006 are not necessarily indicative of our results for any future interim period or for the full fiscal year.

2. **Nature of Business and Operations**

The Company began formal operations with its first property acquisition in December 2002 and, as of March 31, 2006, the Company owned twenty properties located throughout the United States. The Company acquires properties through various operating entities, which are wholly owned by the Company. The Company has elected to be taxed as a real estate investment trust (REIT) under the Internal Revenue Code of 1986, as amended. The Company operates in one segment.

3. **Common Stock and Earnings Per Share**

The Company reports earnings per share pursuant to Statement of Financial Accounting Standards No. 128, Earnings Per Share . Basic and diluted loss per share attributable for all periods presented is computed by dividing the loss to common stockholders by the weighted average number of common shares and potential common stock outstanding during the period. The Company had nonvested stock grants of 133,790 and 181,896 shares outstanding during the three months ended March 31, 2006 and 2005, respectively, which were not included in the computation of diluted earnings per share because the effect would have been anti-dilutive.

4. **Deferred Costs**

Deferred costs consist of the following (in thousands):

	March 31, 2006	December 31, 2005
Financing costs	$ 4,781	$ 4,656
Accumulated amortization	(839)	(636)
	$ 3,942	$ 4,020

5. **Equity Incentive Plan**

In December 2004, the FASB issued Statement of Financial Accounting Standards No. 123 (revised 2004), *Share-Based Payment* (FAS 123(R)), which replaced FAS 123. FAS 123(R) requires compensation cost related to share-based payment transactions to be recognized in the financial statements. We adopted FAS 123(R) effective January 1, 2006 using the modified-prospective method. Because we previously used a fair value based method of accounting for determining compensation expense associated with the issuance of all restricted shares granted, the adoption of this standard did not have a material effect on our results of operations and financial position. Had we adopted FAS 123(R) in prior periods, the impact of that standard would have approximated the impact of FAS 123 as previously disclosed.

The Company has a 2003 Equity Incentive Compensation Plan (the Plan), which reserved 1,000,000 shares of Common Stock for issuance thereunder. In connection with the original issuance of shares during the first quarter of 2004, the Company adopted the fair value recognition provisions of SFAS No. 123, Accounting for Stock Based Compensation and

Table of Contents

SFAS No. 148, Accounting for Stock Based Compensation Transition and Disclosure an amendment of FASB Statement No. 123 .

The Company recognizes compensation expense for restricted shares issued based upon the fair market value of the common stock at the grant date. Compensation expense is recognized on a straight-line basis over the service period which is typically the vesting period and is included in general and administrative expense in the accompanying consolidated statement of operations. The Company began issuing restricted shares in 2004. The Company granted 190,045 restricted shares during 2004, 26,198 restricted shares during 2005 and 41,524 restricted shares during the three months ended March 31, 2006 to members of the Board of Directors, employees and consultants. During 2005 there were 184 restricted shares forfeited. The Company recorded $179,000 and $181,000 of compensation expense related to the restricted stock grants for the three months ended March 31, 2006 and 2005, respectively. As of March 31, 2006, there are 742,417 shares available for grant under the Plan.

6. **Mortgage Notes Payable and Line-of-Credit**

Mortgage notes payable and lines-of-credit consisted of the following (in thousands):

	March 31, 2006	December 31, 2005
Mortgage Notes Payable(A),(B),(C)		
Mortgage notes payable to various financial institutions, collateralized by various properties, interest at fixed rates ranging from 5.09% to 8.23% per annum, with principal and interest payable monthly through 2026. The weighted average interest rate at March 31, 2006 and December 31, 2005 was 5.80%	$ 231,897	$ 223,601
Lines of Credit(D)		
Line-of-credit with a financial institution for property acquisitions (maximum borrowing level of $50 million and available through November 20, 2008). The weighted average interest rate at March 31, 2006 and December 31, 2005 was equal to 5.99% and 5.57%, respectively. Advances are collateralized by various properties	$ 26,480	$ 17,500

(A) The mortgages notes payable are subject to various operating covenants. In addition, the Company must periodically fund and maintain escrow accounts, to make future real estate taxes, repairs and maintenance and insurance payments, as well as to fund certain tenant releasing costs. These are included in restricted cash escrows.

(B) Certain of the Company s real estate assets have been pledged as collateral for its mortgages notes payable. The amount of gross assets that have been encumbered is $331.4 million and $309.0 million for March 31, 2006 and December 31, 2005, respectively.

(C) Amounts exclude a premium of $1.4 million at March 31, 2006 and December 31, 2005 related to the above market interest rate on a mortgage assumed.

(D) The line-of-credit facility at March 31, 2006 was obtained in November 2005 and bears an interest rate equal to either (a) a base rate determined by the higher of the prime rate or the federal funds rate plus 1/2 of 1%, or (b) an applicable margin, based upon the Company s total indebtedness to total asset value, plus LIBOR. At March 31, 2006 and December 31, 2005, the margin is LIBOR plus 1.20%. Payments are interest only through the term and are payable at least quarterly. The line-of-credit facility contains certain covenants including maintenance of leverage, minimum fixed charge coverage ratios, minimum tangible net worth and limitations on certain indebtedness, guarantees and cash dividends. Advances under the line-of-credit totaled $9.0 million for the three months ended March 31, 2006 and $17.5

million during the year ended December 31, 2005. The line-of-credit facility is guaranteed by the Company. The amount of gross assets that have been encumbered is $81.5 million for March 31, 2006 and December 31, 2005. In April 2006, the maximum borrowing level of the line-of-credit was increased to $65 million.

In April 2006, the Company obtained an additional line-of-credit facility with a maximum borrowing level of $10 million and available through April 2007. The $10 million line-of-credit facility is unsecured and is subject to the covenants described above in Item (D). Borrowings under this facility bear an interest rate equal to an applicable margin, based upon our total indebtedness to total asset value, plus the three month LIBOR rate. Any borrowings on the credit facility would currently be priced at LIBOR plus 2.20%. Payments are interest only through the term of the credit facility and are payable monthly.

Total interest paid on the mortgage notes payable and lines-of-credit was $3.5 million and $1.1 million for the three months ended March 31, 2006 and 2005, respectively.

7. **Derivative Instruments and Hedging Activities**

Statement of Financial Accounting Standards No. 133, Accounting for Derivative Instruments and Hedging Activities (SFAS 133), as amended and interpreted, establishes accounting and reporting standards for derivative instruments, including certain derivative instruments embedded in other contracts, and for hedging activities. As required by SFAS 133, the Company records all derivatives on the balance sheet at fair value. The accounting for changes in the fair value of derivatives depends on the intended use of the derivative and the resulting designation. Derivatives used to hedge the exposure to changes in the fair value of an asset, liability, or firm commitment attributable to a particular risk, such as interest rate risk, are considered fair value hedges. Derivatives used to hedge the exposure to variability in expected future cash flows, or other types of forecasted transactions, are considered cash flow hedges.

For derivatives designated as cash flow hedges, the effective portion of changes in the fair value of the derivative is initially reported in other comprehensive income (outside of earnings) and subsequently reclassified to earnings when the hedged transaction affects earnings, and the ineffective portion of changes in the fair value of the derivative is recognized directly in earnings. The Company assesses the effectiveness of each hedging relationship by comparing the changes in fair value or cash flows of the derivative hedging instrument with the changes in fair value or cash flows of the designated hedged item or transaction. For derivatives not designated as hedges, changes in fair value are recognized in earnings.

The Company s objective in using derivatives is to add stability to interest expense and to manage its exposure to interest rate movements or other identified risks. To accomplish this objective, the Company primarily uses interest rate swaps as part of its cash flow hedging strategy. Interest rate swaps designated as cash flow hedges involve the receipt of variable-rate amounts in exchange for fixed-rate payments over the life of the agreements without exchange of the underlying principal amount. In the second quarter of 2005, the Company entered into two forward-starting interest rate swap contracts with an aggregate notional amount of $50 million to fix a portion of the interest rate associated with the anticipated issuance of future financings that are expected to occur in the fourth quarter of 2006. Accordingly, the maximum period of time over which the Company is currently hedging its exposure to variability in future cash flows for forecasted transactions is approximately seven months.

As of March 31, 2006, no derivatives were designated as fair value hedges or hedges of net investments in foreign operations. Additionally, the Company does not use derivatives for trading or speculative purposes. At March 31, 2006, derivatives with a fair value of $2.3 million were included in other assets. The amounts reported in accumulated other comprehensive loss relate to the derivatives described above. Upon the expected settlement of the derivatives in the fourth quarter of 2006, the amount paid or received will be amortized to interest expense over the term of the Company s hedged debt.

8. **Concentration of Credit Risk**

Financial instruments that potentially subject the Company to a concentration of credit risk are primarily cash investments and accounts receivable from tenants. In order to limit credit risk, the Company places its cash and investments in investment-grade short-term instruments with high quality financial institutions. The cash and investment account balances at each financial institution typically exceed Federal Deposit Insurance Corporation (FDIC) insurance coverage.

9. **Related Party Transactions**

Genesis, the sponsor of the initial public offering by the predecessor company Gen-Net Lease Income Trust, Inc., owes the Company $310,000 (included in other assets) at March 31, 2006 and December 31, 2005 for previous offering costs pursuant to a conditional agreement between Genesis and the Company. The amount owed is non-interest bearing and is secured by an irrevocable letter of credit which expires on June 30, 2006.

10. **Property Acquisitions**

The Company acquired the following properties during the three months ended March 31, 2006 and during the year ended December 31, 2005. The results of their operations are included in the Company s consolidated statements of operations from their respective dates of acquisition.

Property	Location		Acquisition Cost (in thousands)	Month Acquired
2005 acquisitions(A):				
1201 Lloyd Boulevard (Portland Property)	Portland, OR	$	50,653	March
Niagara Center (Buffalo Niagara Center Property)	Buffalo, NY		71,673	May
Social Security Administration (Buffalo SSA Property)	Buffalo, NY		5,435	May
Drug Enforcement Administration (Sterling DEA Property)(B)	Sterling, VA		21,070	June
Internal Revenue Service (Martinsburg IRS Property)(C)	Martinsburg, WV		30,643	July
Social Security Administration (Dallas SSA Property)	Dallas, TX		9,583	September
Army Corps of Engineers (Vicksburg MS, Inc.)	Vicksburg, MS		26,850	November
		$	215,907	
2006 acquisitions(A):				
Riverside County (Riverside Property)(D)	Riverside, CA	$	18,404	February

(A) In accordance with SFAS 141, the Company allocated the purchase price for these properties to net tangible and identified intangible assets acquired based on their fair values (including land, buildings, tenant improvements, acquired above and below market leases and the origination cost of acquired in-place leases) and acquired liabilities, and allocated the purchase price based on these assessments, including land at appraised value and buildings at replacement costs. The Company assessed fair value based on estimated cash flow projections that utilize discount and capitalization rates deemed appropriate by management and available market information. Such estimates are subject to refinement as additional valuation information is received. The value of tenant origination costs are amortized over the remaining term of the respective leases.

(B) In connection with the purchase of this property, the Company assumed a first mortgage note in the amount of $15.8 million. Also included in the acquisition cost is an amount of $1.5 million related to the premium recognized on the above market interest rate on the assumed mortgage.

(C) Under terms of the existing lease, the federal government has an option to purchase the Martinsburg IRS Property for approximately \$24.8 million. Real estate at cost, net of accumulated depreciation of the Martinsburg IRS Property, was \$30.0 million at March 31, 2006.

(D) In connection with the purchase of this property, the Company assumed a first mortgage note in the amount of \$8.9 million.

11. **Real Estate Development**

In March 2006, the Company completed the expansion of the Bureau of Public Debt facility in Parkersburg, West Virginia by an additional 102,000 rentable square feet. The cost of the expansion to the Property is estimated to approximate \$22.2 million and has been allocated to buildings and improvements and tenant origination costs in the accompanying Consolidated Balance Sheet as the property was placed into operations on March 15, 2006. At March 31, 2006 and December 31, 2005, approximately \$5.2 million and \$4.1 million of costs capitalized were included in accounts payable and accrued expenses in the accompanying Consolidated Balance Sheets. At March 31, 2006 the Company held \$6.5 million of restricted cash escrows to fund the accrued cost of the expansion.

12. **Unaudited Pro Forma Condensed Consolidated Financial Information**

The accompanying unaudited Pro Forma Condensed Consolidated Financial Information is presented as if, at January 1, 2005, the Company acquired the properties described in Note 10 Property Acquisitions and the shares outstanding at March 31, 2006 were also outstanding at January 1, 2005. The properties listed as follows began operations during 2005 and

8

Table of Contents

therefore their historical results of operations are included in the Pro Forma Condensed Consolidated Financial Information from the date indicated. In management s opinion, all adjustments necessary to reflect the effects of the above transactions have been made.

	Date Property Began Operation
Buffalo SSA Property	June 2005
Dallas SSA Property	August 2005

The unaudited Pro Forma Condensed Consolidated Financial Information is not necessarily indicative of what the actual results of operations would have been assuming the above mentioned transactions had occurred at the dates indicated above, nor does it purport to represent our future results of operations.

Pro Forma Condensed Consolidated Financial Information

(Unaudited and in thousands, except per share amounts)

	Three Months Ended March 31,	
	2006	2005
Total revenue	$ 10,686	$ 8,556
Net loss	$ (707)	$ (1,319)
Loss per diluted common share	$ (0.03)	$ (0.06)

13. **Subsequent Events**

On May 3, 2006 the Company declared a quarterly dividend of $0.1125 per share payable on July 14, 2006 to stockholders of record on June 30, 2006.

ITEM 2. MANAGEMENT S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

This report contains forward-looking statements. These forward-looking statements include estimates regarding:

- our estimated general and administrative expense;
- our risk mitigation strategy;
- our policy to reserve for operating expenses and capital costs:
- our distribution policy;
- our operating expenses;
- our adequacy of our available capital for future capital requirements;
- our capital expenditures; and
- the impact of changes in interest rates.

Forward-looking statements can be identified by the use of words such as may, will, should, expects, plans, anticipates, believes, estimates, predicts, intends, continue, or the negative of such terms, or other comparable terminology. Forward-looking statements also include the assumptions underlying or relating to any of the foregoing statements. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of various factors, including the risks discussed in Risk Factors and elsewhere in this report.

In addition, we discussed a number of material risks in our annual report on Form 10-K for the year ended December 31, 2005. Those risks continue to be relevant to our performance and financial condition. Moreover, we operate in a very competitive and rapidly changing environment. New risk factors emerge from time to time and it is not possible for management to predict all such risk factors, nor can it assess the impact of all such risk factors on our company s business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements. Given these risks and uncertainties, investors should not place undue reliance on forward-looking statements as a prediction of actual results.

All forward-looking statements included in this report are based on information available to us on the date hereof. We assume no obligation to update any forward-looking statements.

The following is a discussion of our interim results of operations, financial condition and liquidity and capital resources for the three months ended March 31, 2006 compared to the corresponding periods in 2005. It should be read in conjunction with the Consolidated Financial Statements and Notes thereto included herein and the 2005 Form 10-K.

OVERVIEW

We primarily invest in single tenant properties under long-term leases to the U.S. government, state governments, local governments, and government-sponsored enterprises. We are a self-managed, self-administered company that has elected to be taxed as a real estate investment trust, or REIT, under the federal tax laws. We believe that we are the only public company solely focused on investing in government-leased properties. We own each of our properties through separate, wholly owned entities. Our business consists of buying and managing recently built or renovated office properties primarily leased to the federal government, acting through the General Services Administration (GSA), under long-term leases. At March 31, 2006, we owned twenty primarily GSA-leased properties. These properties are 97% occupied.

CRITICAL ACCOUNTING POLICIES

Refer to our 2005 Annual Report on Form 10-K for a discussion of our critical accounting policies, which include our revenue recognition of related lease agreements, recording of real estate at depreciated cost, allocation of the purchase price of properties we acquire to net tangible and identified intangible assets and derivative instruments. During the first three months of 2006, there were no material changes to our critical accounting policies.

Table of Contents

RESULTS OF OPERATIONS

Comparison of three months ended March 31, 2006 to March 31, 2005

Our results of operations for the three months ended March 31, 2006 compared to the same period in 2005 were significantly affected by our acquisitions in both years. As a result, our results are not comparable from period to period. Therefore, in the table below, we have also separately presented the results of our Same Properties Portfolio. Our Same Properties Portfolio includes the results of twelve properties consisting of approximately 729,000 rentable square feet that were owned for the entire period presented in both years. Our Total Portfolio also includes the operating results of the properties we acquired during 2005 and 2006. These eight properties consist of approximately 1,044,000 rentable square feet and are collectively referred to as the Acquired Properties.

	Same Properties Portfolio			Acquired Properties		General & Administrative		Total Portfolio		
(in thousands)	**2006**	**2005**	**Change**	**2006**	**2005**	**2006**	**2005**	**2006**	**2005**	**Change**
Revenue:										
Rental income	$ 4,454	$ 4,309	$ 145	$ 5,346	$ 15	$	$	$ 9,800	$ 4,324	$ 5,476
Tenant reimbursements and other	192	180	12	374				566	180	386
Total revenue	4,646	4,489	157	5,720	15			10,366	4,504	5,862
Expenses:										
Property operations	678	847	(169)	1,133	8			1,811	855	956
Real estate taxes	588	451	137	338	6			926	457	469
Depreciation and amortization	1,342	1,297	45	2,280	18	19	7	3,641	1,322	2,319
General and administrative										