

CARRAMERICA REALTY CORP
Form 10-Q
May 07, 2003
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SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

QUARTERLY REPORT UNDER SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934

FOR QUARTER ENDED March 31, 2003

COMMISSION FILE NO. 1-11706

CARRAMERICA REALTY CORPORATION

(Exact name of registrant as specified in its charter)

Maryland
(State or other jurisdiction of
incorporation or organization)

52-1796339
(I.R.S. Employer
Identification Number)

1850 K Street, N.W., Washington, D.C. 20006

(Address or principal executive office) (Zip code)

Registrant's telephone number, including area code (202) 729-1700

N/A

(Former name, former address and former fiscal year, if changed since last report)

Number of shares outstanding of each of the registrant's

classes of common stock, as of April 30, 2003:

Common Stock, par value \$.01 per share: 51,877,080 shares

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 twelve (12) months (or such shorter period that the Registrant was required to file such reports) and (2) has been subject to such filing requirements for the past ninety (90) days. YES NO

Indicate by check mark whether the registrant is an accelerated filer (as defined in Rule 12b-2 of the Exchange Act). YES NO

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Part I

Item 1. Financial Information

The information furnished in our accompanying consolidated balance sheets, consolidated statements of operations and consolidated statements of cash flows reflects all adjustments which are, in our opinion, necessary for a fair presentation of the aforementioned financial statements for the interim periods.

The financial statements should be read in conjunction with the notes to the financial statements and Management's Discussion and Analysis of Financial Condition and Results of Operations. The results of operations for the three months ended March 31, 2003 are not necessarily indicative of the operating results to be expected for the full year.

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Consolidated Balance Sheets As Of March 31, 2003 and December 31, 2002

	March 31, 2003	December 31, 2002
	(unaudited)	
(In thousands, except share and per share amounts)		
Assets		
Rental property:		
Land	\$ 669,034	\$ 668,223
Buildings	1,976,611	1,967,496
Tenant improvements	371,176	369,901
Furniture, fixtures and equipment	4,264	4,262
	3,021,085	3,009,882
Less: Accumulated depreciation	(596,762)	(569,970)
Total rental property	2,424,323	2,439,912
Land held for development or sale	45,298	44,778
Construction in progress	6,574	12,732
Cash and cash equivalents	5,274	3,023
Restricted deposits	1,960	4,505
Accounts and notes receivable, net	16,444	20,391
Investments in unconsolidated entities	128,211	125,079
Accrued straight-line rents	77,037	74,884
Tenant leasing costs, net	43,421	42,170
Prepaid expenses and other assets, net	50,093	50,231
	\$ 2,798,635	\$ 2,817,705
Liabilities, Minority Interest, and Stockholders Equity		
Liabilities:		
Mortgages and notes payable, net	\$ 1,672,713	\$ 1,603,949
Accounts payable and accrued expenses	85,361	102,153
Rent received in advance and security deposits	37,189	35,590
Total liabilities	1,795,263	1,741,692
Minority interest	76,144	76,222
Stockholders equity:		
Preferred stock, \$.01 par value, authorized 35,000,000 shares: Series B, C, and D Cumulative Redeemable Preferred Stock, at redemption value, issued and outstanding, 1,602,650 shares at March 31, 2003 and 3,622,589 shares at December 31, 2002	200,634	254,518
Common Stock, \$.01 par value, authorized 180,000,000 shares: issued and outstanding 51,850,900 shares at March 31, 2003 and 51,835,647 shares at December 31, 2002.	519	518
Additional paid-in capital	946,804	951,281
Cumulative dividends in excess of net income	(220,729)	(208,526)

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Total stockholders' equity	927,228	997,791
Commitments and contingencies	\$ 2,798,635	\$ 2,815,705

See accompanying notes to consolidated financial statements.

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Consolidated Statements of Operations

For the Three Months Ended March 31, 2003 and 2002

	Three Months Ended	
	March 31,	
	2003	2002
(Unaudited and in thousands, except per share amounts)		
Operating revenues:		
Rental revenue:		
Base rent	\$ 105,763	\$ 105,124
Recoveries from tenants	16,052	16,158
Parking and other tenant charges	5,988	2,793
	<u>127,803</u>	<u>124,075</u>
Total rental revenue		
Real estate service revenue	5,555	6,127
	<u>133,358</u>	<u>130,202</u>
Total operating revenues		
Operating expenses:		
Property expenses:		
Operating expenses	32,374	30,837
Real estate taxes	12,000	11,733
Interest expense	25,537	24,388
General and administrative	10,286	11,041
Depreciation and amortization	32,010	32,740
	<u>112,207</u>	<u>110,739</u>
Total operating expenses		
Real estate operating income	21,151	19,463
	<u>21,151</u>	<u>19,463</u>
Other income (expense):		
Interest income	98	194
Obligations under lease guarantees		(2,400)
Equity in earnings of unconsolidated entities	1,327	2,043
	<u>1,425</u>	<u>(163)</u>
Total other income (expense)		
Income from continuing operations before income taxes, minority interest, and loss on sale of assets and other provisions, net	22,576	19,300
Income taxes	(252)	(33)
Minority interest	(3,076)	(2,623)
Loss on sale of assets and other provisions, net	(277)	(860)

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Income from continuing operations	18,971	15,784
Discontinued operations		1,716
Net operations of sold property		1,716
Net income	\$ 18,971	\$ 17,500
Basic net income per common share:		
Continuing operations	\$ 0.26	\$ 0.14
Discontinued operations		0.03
Net income	\$ 0.26	\$ 0.17
Diluted net income per common share:		
Continuing operations	\$ 0.26	\$ 0.14
Discontinued operations		0.03
Net income	\$ 0.26	\$ 0.17

See accompanying notes to consolidated financial statements.

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CARRAMERICA REALTY CORPORATION AND SUBSIDIARIES

Consolidated Statements of Cash Flows

For the Three Months Ended March 31, 2003 and 2002

	<u>2003</u>	<u>2002</u>
(Unaudited and in thousands)		
Cash flows from operating activities:		
Net income	\$ 18,971	\$ 17,500
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization		