

BERKSHIRE INCOME REALTY INC
Form 10-Q
August 15, 2007

**United States
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

Form 10-Q

**xQUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE
ACT OF 1934**

For the quarterly period ended June 30, 2007

or

**TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE
ACT OF 1934**

Commission File number 001-31659

Berkshire Income Realty, Inc.

Maryland
(State of other
jurisdiction of
incorporation or
organization)

32-0024337
(I.R.S. Employer
Identification
No.)

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

02108
(Zip Code)

(617) 523-7722
(Registrants 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, 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):

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Large Accelerated Filer

Accelerated Filer

Non-accelerated Filer

Indicate by check mark whether the Registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes No

There were 1,406,196 shares of Class B common stock outstanding as of August 13, 2007.

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Part I

Item 1.

FINANCIAL INFORMATION**CONSOLIDATED FINANCIAL STATEMENTS**

BERKSHIRE INCOME REALTY, INC.
CONSOLIDATED BALANCE SHEETS
(unaudited)

	June 30, 2007	December 31, 2006
ASSETS		
Multifamily apartment communities, net of accumulated depreciation of \$154,430,286 and \$148,670,523, respectively	\$ 469,746,523	\$ 445,597,599
Cash and cash equivalents	8,093,728	15,393,249
Cash restricted for tenant security deposits	1,791,465	1,803,633
Cash held in escrow for 1031 exchange	18,487,209	-
Replacement reserve escrow	7,257,527	5,645,565
Prepaid expenses and other assets	9,985,449	9,013,615
Investment in Mortgage Funds	-	-
Investment in Multifamily Venture and Limited Partnership Venture	12,573,490	11,000,949
Acquired in place leases and tenant relationships, net of accumulated amortization of \$6,755,375 and \$6,215,155, respectively	582,186	718,994
Deferred expenses, net of accumulated amortization of \$847,921 and \$702,730, respectively	3,454,002	3,526,574
Total assets	\$ 531,971,579	\$ 492,700,178
LIABILITIES AND STOCKHOLDERS' EQUITY		
Liabilities:		
Mortgage notes payable	\$ 477,585,100	\$ 469,378,510
Note payable to affiliates	17,500,000	-
Due to affiliates	1,966,383	1,380,472
Dividend and distributions payable	1,837,607	1,837,607
Accrued expenses and other liabilities	12,142,941	12,012,347
Tenant security deposits	2,187,098	2,152,228
Total liabilities	513,219,129	486,761,164
Commitments and contingencies	-	-
Minority interest in properties	-	-
Minority common interest in Operating Partnership	-	-
Stockholders' equity:		
Series A 9% Cumulative Redeemable Preferred Stock, no par value, \$25 stated value, 5,000,000	70,210,830	70,210,830

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shares authorized, 2,978,110 shares issued and outstanding at June 30, 2007 and December 31, 2006, respectively		
Class A common stock, \$.01 par value, 5,000,000 shares authorized, 0 shares issued and outstanding at June 30, 2007 and December 31, 2006, respectively	-	-
Class B common stock, \$.01 par value, 5,000,000 shares authorized, 1,406,196 issued and outstanding at June 30, 2007 and December 31, 2006, respectively	14,062	14,062
Excess stock, \$.01 par value, 15,000,000 shares authorized, 0 shares issued and outstanding at June 30, 2007 and December 31, 2006, respectively	-	-