

VORNADO REALTY TRUST
Form 10-Q/A
June 10, 2005

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

WASHINGTON, DC 20549

FORM 10-Q/A

(Mark one)

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

For the quarterly 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 from: **to**

Commission File Number: **001-11954**

VORNADO REALTY TRUST

(Exact name of registrant as specified in its charter)

Maryland

(State or other jurisdiction of incorporation
or organization)

22-1657560

(I.R.S. Employer Identification Number)

888 Seventh Avenue, New York, New York

(Address of principal executive offices)

10019

(Zip Code)

(212) 894-7000

(Registrant's telephone number, including area code)

N/A

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

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 an accelerated filer (as defined in Rule 12b-2 of the Exchange Act).

Yes No

As of March 31, 2005, 129,701,581 of the registrant's common shares of beneficial interest are outstanding.

EXPLANATORY PARAGRAPH

This Form 10-Q/A for the quarterly period ended March 31, 2005 is being filed for the purpose of restating the Company's consolidated statements of cash flows for the three months ended March 31, 2005 and 2004. In the three months ended March 31, 2005, an amount of \$21,797,000 was previously included in net cash provided by operating activities and should have been included in net cash (used in) provided by investing activities as it relates to \$21,797,000 of cash received upon the exchange of Sears common shares owned by the Company for cash and common shares of Sears Holdings Corporation. In addition, in the three months ended March 31, 2005 and 2004, \$6,201,000 and \$4,226,000 of distributions received from partially-owned entities were previously included in net cash (used in) provided by investing activities and should have been included in net cash provided by operating activities as they relate to distributions of income received from partially-owned entities accounted for on the equity method. These restatements do not affect the total net change in cash and cash equivalents for the three months ended March 31, 2005 and 2004 and have no impact on the Company's consolidated balance sheets, consolidated statements of income or the related income per share amounts. These restatements also have no impact on the non-GAAP measure of funds from operations which is described on page 48. Conforming changes have been made to management's discussion and analysis of financial condition and results of operations included in the accompanying Form 10-Q/A. See footnote 17 in the notes to the consolidated financial statements for further information relating to these restatements. In connection with the restatements, management has revised its assessment of the effectiveness of the Company's disclosure controls and procedures as of March 31, 2005. This Form 10-Q/A has not been updated for events or information subsequent to the date of filing of the original Form 10-Q except in connection with the foregoing. Accordingly, this Form 10-Q/A should be read in conjunction with the Company's filings made with the SEC subsequent to the filing of the original Form 10-Q.

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PART I. FINANCIAL INFORMATION**Item 1. Financial Statements****VORNADO REALTY TRUST****CONSOLIDATED BALANCE SHEETS**

(Amounts in thousands, except share and per share amounts)

	(UNAUDITED) March 31, 2005		December 31, 2004	
ASSETS				
Real estate, at cost:				
Land	\$	1,685,515	\$	1,681,792
Buildings and improvements		7,588,079		7,548,425
Development costs and construction in progress		191,322		180,968
Leasehold improvements and equipment		311,893		307,660
Total		9,776,809		9,718,845
Less accumulated depreciation and amortization		(1,465,703)		(1,404,441)
Real estate, net		8,311,106		8,314,404
Cash and cash equivalents, including U.S. government obligations under repurchase agreements of \$77,290 and \$23,110		974,330		599,282
Escrow deposits and restricted cash		186,936		229,193
Marketable securities		232,300		185,394
Investments and advances to partially-owned entities, including Alexander's of \$233,502 and \$204,762		742,367		605,300
Due from officers		21,145		21,735
Accounts receivable, net of allowance for doubtful accounts of \$16,276 and \$17,339		154,345		164,524
Notes and mortgage loans receivable		317,475		440,186
Receivable arising from the straight-lining of rents, net of allowance of \$7,333 and \$6,787		335,711		324,266
Other assets		668,572		577,574
Assets related to discontinued operations		119,851		118,659
TOTAL ASSETS	\$	12,064,138	\$	11,580,517

	(UNAUDITED) March 31,		December 31, 2004	
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	2005			
LIABILITIES AND SHAREHOLDERS EQUITY				
Notes and mortgages payable	\$	4,074,655	\$	3,974,537
Senior unsecured notes		953,343		962,096
Exchangeable senior debentures		490,000		
Accounts payable and accrued expenses		395,859		413,923
Officers compensation payable		41,445		32,506
Deferred credit		106,799		102,387
Other liabilities		111,568		113,402
Liabilities related to discontinued operations		21,056		21,054
Total liabilities		6,194,725		5,619,905
Minority interest, including unitholders in the Operating Partnership		1,798,328		1,947,871
Commitments and contingencies				