

BERKSHIRE INCOME REALTY INC  
Form 10-Q  
August 14, 2008

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 June 30, 2008

or

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

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Commission File number 001-31659

Berkshire Income Realty, Inc.

Maryland (State or 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 (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  No

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Indicate by check mark whether the registrant is a large accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act .

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

There were 1,406,196 shares of Class B common stock outstanding as of August 13, 2008.

## BERKSHIRE INCOME REALTY, INC.

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SUBMISSION OF MATTERS TO A VOTE OF SECURITY  
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Part I FINANCIAL INFORMATION  
Item 1. CONSOLIDATED FINANCIAL STATEMENTS

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

	June 30, 2008	December 31, 2007
<b>ASSETS</b>		
Multifamily apartment communities, net of accumulated depreciation of \$148,782,155 and \$144,240,061, respectively	\$ 411,651,846	\$ 464,265,061
Cash and cash equivalents	27,200,612	22,479,937
Cash restricted for tenant security deposits	1,850,304	1,953,503
Replacement reserve escrow	5,356,598	7,760,738
Prepaid expenses and other assets	8,534,440	11,026,329
Investment in Multifamily Limited Partnership	15,244,626	16,794,450
Investment in Mezzanine Loan Limited Liability Company	861,091	-
Acquired in place leases and tenant relationships, net of accumulated amortization of \$5,780,373 and \$7,136,556, respectively	84,521	201,002
Deferred expenses, net of accumulated amortization of \$1,184,612 and \$1,045,194, respectively	3,471,942	3,581,610
Total assets	\$ 474,255,980	\$ 528,062,630

**LIABILITIES AND STOCKHOLDERS' EQUITY**

<b>Liabilities:</b>		
Mortgage notes payable	\$ 458,328,182	\$ 506,903,882
Due to affiliates	1,972,336	1,952,547
Dividend and distributions payable	1,837,607	1,837,607
Accrued expenses and other liabilities	9,670,113	13,351,402
Tenant security deposits	1,826,092	1,955,389
Total liabilities	473,634,330	526,000,827
Commitments and contingencies	-	-
Minority interest in properties	-	-
Minority common interest in Operating Partnership	-	-
<b>Stockholders' equity:</b>		
Series A 9% Cumulative Redeemable Preferred Stock, no par value, \$25 stated value, 5,000,000 shares authorized, 2,978,110 shares issued and outstanding at June 30, 2008 and December 31, 2007, respectively	70,210,830	70,210,830
Class A common stock, \$.01 par value, 5,000,000 shares authorized, 0 shares issued and outstanding at June 30, 2008 and December 31, 2007, respectively	-	-
Class B common stock, \$.01 par value, 5,000,000 shares authorized, 1,406,196 issued and outstanding at June 30, 2008 and December 31, 2007, respectively	14,062	14,062
	-	-

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Excess stock, \$.01 par value, 15,000,000 shares authorized, 0 shares issued and outstanding at June 30, 2008 and December 31, 2007, respectively

Accumulated deficit	(69,603,242)	(68,163,089)
Total stockholders' equity	621,650	2,061,803
Total liabilities and stockholders' equity	\$ 474,255,980	\$ 528,062,630

The accompanying notes are an integral part of these financial statements.

BERKSHIRE INCOME REALTY, INC.  
CONSOLIDATED STATEMENTS OF OPERATIONS  
(unaudited)

ended

Three months  
Six months ended  
June 30,  
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