DIVIDEND CAPITAL TRUST INC
Form 8-K/A
August 23, 2004
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SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 8-K/A

AMENDMENT TO CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): June 3, 2004

DIVIDEND CAPITAL TRUST INC.

(Exact name of small business issuer as specified in its charter)

Maryland	333-113170	82-0538520
(State or other jurisdiction of incorporation or organization)	(Commission File No.)	(I.R.S. Employer Identification No.)

518 17th Street, Suite 1700

Denver, CO 80202

(Address of principal executive offices)

(303) 228-2200

(Registrant s telephone number)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

¨ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

¨ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

¨ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

¨ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

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Item 2.01. Completion of Acquisition or Disposition of Assets

Purchase of Eagles Landing, South Creek I and II (previously referred to as Amberjack) and Parkwest and Mid-South Logistics (previously referred to as AREP). We previously filed a Form 8-K and Form 8-K/A on June 18 and July 15, respectively, each dated June 3, 2004, with regard to the following acquisitions: 1) three buildings located in Fairburn, Georgia (collectively Eagles Landing / South Creek), and; 2) three buildings located in Cincinnati, Ohio, and one building located in La Vergne, Tennessee (collectively Parkwest / Mid-South), without the requisite financial information. Accordingly, we are filing this Form 8-K/A to include that financial information. Due to the non-related party nature of this transaction, only audited statements for the year ended December 31, 2003, are required. The Company is not aware of any material factors relating to the acquisitions that would cause the reported financial information not to be necessarily indicative of future operating results.

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Item 9.01 Financial Statements and Exhibits.

(a) Financial Statements of Real Estate Properties Acquired:

Eagles Landing and South Creek I & II:

(c) Exhibits:

None.

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SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

August 23, 2004

DIVIDEND CAPITAL TRUST INC.

By: /s/ *Evan H. Zucker*

Evan H. Zucker
Chief Executive Officer

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

Board of Directors and Stockholders

Dividend Capital Trust Inc.

Denver, Colorado

We have audited the accompanying statement of revenue and certain expenses of the Eagles Landing and South Creek I & II facilities (Eagles Landing / South Creek) for the year ended December 31, 2003. This financial statement is the responsibility of Eagles Landing / South Creek s management. Our responsibility is to express an opinion on this financial statement based upon our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statement. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

The accompanying statement of revenue and certain expenses was prepared for the purpose of complying with the rules and regulations of the Securities and Exchange Commission and for inclusion in the Current Report on Form 8-K of Dividend Capital Trust Inc., as described in Note 1. The presentation is not intended to be a complete presentation of Eagles Landing / South Creek s revenues and expenses.

In our opinion, the financial statement referred to above presents fairly, in all material respects, the revenue and certain expenses of the Eagles Landing and South Creek I & II facilities for the year ended December 31, 2003, on the basis of accounting described in Note 1.

/s/ Ehrhardt Keefe Steiner & Hottman PC

August 18, 2004

Denver, Colorado

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DIVIDEND CAPITAL TRUST INC.

Eagles Landing and South Creek I & II

Statements of Revenue and Certain Expenses

	For the Three Months Ended March 31, 2004	For the Year Ended December 31, 2003
	(Unaudited)	
Revenues		
Rental income	$ 731,917	$ 2,493,847
Other revenues	156,505	363,472
Total revenues	888,422	2,857,319
Certain expenses		
Real estate taxes	95,572	305,253
Operating expenses	39,227	190,313
Insurance	21,452	84,278
Management fees	11,407	45,913
Total certain expenses	167,658	625,757
Excess of revenue over certain expenses	$ 720,764	$ 2,231,562

See notes to financial statements.

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DIVIDEND CAPITAL TRUST INC.

Notes to Financial Statements

(Information for March 31, 2004 is Unaudited)

Note 1 Description of Business and Summary of Significant Accounting Policies

The accompanying statements of revenue and certain expenses reflect the operations of the Eagles Landing and South Creek I & II facilities (Eagles Landing / South Creek) for the three months ended March 31, 2004 (unaudited) and for the year ended December 31, 2003. Eagles Landing / South Creek consists of two buildings in Fairburn, Georgia and one building in Stockbridge, Georgia, both are sub-markets of Atlanta. Eagles Landing / South Creek contains 1,257,874 aggregate rentable square feet collectively. As of December 31, 2003, Eagles Landing / South Creek had an occupancy rate of 100%.

Eagles Landing / South Creek was acquired by Dividend Capital Trust Inc. from an unrelated party on June 8, 2004 for a total cost, including acquisition costs, of approximately $36.5 million, which was paid with proceeds from a public offering. Such costs included an acquisition fee of $359,000 paid to an affiliate.

The accounting records of Eagles Landing / South Creek are maintained on the accrual basis. The accompanying statements of revenue and certain expenses were prepared pursuant to the rules and regulations of the Securities and Exchange Commission, and exclude certain expenses such as mortgage interest, depreciation and amortization, professional fees and other costs not directly related to future operations of Eagles Landing / South Creek.

Eagles Landing / South Creek recognizes revenue from tenant leases on a straight-line basis over the life of the related lease. The results of operations can be significantly impacted by the rental market of the Fairburn, Georgia and Stockbridge, Georgia regions.

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Interim Information (unaudited) In the opinion of management, the unaudited information as of March 31, 2004 included herein contains all the adjustments necessary, which are of a normal recurring nature, to present fairly the revenue and certain expenses for the three months ended March 31, 2004. Results of interim periods are not necessarily indicative of results to be expected for the year. Management is not aware of any material factors that would cause the information included herein to not be indicative of future operating results.

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DIVIDEND CAPITAL TRUST INC.

Notes to Financial Statements

(Information for March 31, 2004 is Unaudited)

Note 2 Operating Leases

Eagles Landing / South Creek s revenue is obtained from tenant rental payments as provided for under non-cancelable operating leases. Eagles Landing / South Creek records rental revenue for the full term of the lease on a straight-line basis. In the case where the minimum rental payments increase over the life of the lease, Eagles Landing / South Creek records a receivable due from tenants for the difference between the amount or revenue recorded and the amount of cash received. This accounting treatment resulted in an increase in rental revenue of $87,000 and $361,000 for the three months ended March 31, 2004 and the year ended December 31, 2003, respectively.

Future minimum lease payments due under these leases, excluding tenant reimbursements of operating expenses, as of December 31, 2003, are as follows:

Year Ending December 31,	
2004	$ 1,904,118
2005	1,880,845
2006	1,948,954
2007	2,017,062
2008	2,085,171
Thereafter	5,974,879
	$ 15,811,029

Tenant reimbursements of operating expenses are included in Other revenue in the accompanying statements of revenue and certain expenses.

The following table exhibits those tenants who accounted for greater than 10% of the rental revenues for the year ended December 31, 2003, and the corresponding percentage of the future minimum revenues above:

Tenant	Industry	Lease Expiration	% of 2003 Revenues	% of Future Minimum Revenues
A	Apparel Manufacturer	April 2010	26%	37%

B	Consumer Chemical Product Manufacturer	June 2004	40%	4%
C	Truck Manufacturer	February 2013	34%	59%

Certain leases above contain tenant lease renewal options for various periods under various terms that may or may not be similar to the existing leases.

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

Board of Directors and Stockholders

Dividend Capital Trust Inc.

Denver, Colorado

We have audited the accompanying statement of revenue and certain expenses of the Parkwest and Mid-South Logistics distribution facilities (Parkwest / Mid-South) for the year ended December 31, 2003. This financial statement is the responsibility of Parkwest / Mid-South s management. Our responsibility is to express an opinion on this financial statement based upon our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statement. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

The accompanying statement of revenue and certain expenses was prepared for the purpose of complying with the rules and regulations of the Securities and Exchange Commission and for inclusion in the Current Report on Form 8-K of Dividend Capital Trust Inc., as described in Note 1. The presentation is not intended to be a complete presentation of Parkwest / Mid-South s revenues and expenses.

In our opinion, the financial statement referred to above presents fairly, in all material respects, the revenue and certain expenses of the Parkwest and Mid-South Logistics distribution facilities for the year ended December 31, 2003, on the basis of accounting described in Note 1.

/s/ Ehrhardt Keefe Steiner & Hottman PC

August 10, 2004

Denver, Colorado

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DIVIDEND CAPITAL TRUST INC.

Parkwest and Mid-South Logistics

Statements of Revenue and Certain Expenses

	For the Three Months Ended March 31, 2004	For the Year Ended December 31, 2003
	(Unaudited)	
Revenues		
Rental income	$ 1,293,788	$ 5,222,893
Other revenues	143,471	652,988
Total revenues	1,437,259	5,875,881
Certain expenses		
Real estate taxes	84,633	362,207
Operating expenses	79,168	209,491
Management fees	23,993	100,972
Insurance	15,481	72,780
Total certain expenses	203,275	745,450
Excess of revenue over certain expenses	$ 1,233,984	$ 5,130,431

See notes to financial statements.

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DIVIDEND CAPITAL TRUST INC.

Notes to Financial Statements

(Information for March 31, 2004 is Unaudited)

Note 1 Description of Business and Summary of Significant Accounting Policies

The accompanying statements of revenue and certain expenses reflect the operations of the Parkwest and Mid-South Logistics distribution facilities (collectively Parkwest / Mid-South and individually Parkwest and Mid-South) for the three months ended March 31, 2004 (unaudited) and for the year ended December 31, 2003. Parkwest / Mid-South consists of three buildings located in Hebron, Kentucky, a sub-market of Cincinnati and one building in Lavergne, Tennessee, a sub-market of Nashville. Parkwest / Mid-South contains 1,719,600 aggregate rentable square feet collectively. As of December 31, 2003, Parkwest / Mid-South had an occupancy rate of 94%.

Parkwest / Mid-South was acquired by Dividend Capital Trust Inc. from an unrelated party on June 8, 2004 (Parkwest) and June 29, 2004 (Mid-South) for a total cost, including acquisition costs, of approximately $67.9 million, which was paid with proceeds from a public offering and the assumption of approximately $41.8 million in mortgage debt. Such costs included an acquisition fee of $643,500 paid to an affiliate.

The accounting records of Parkwest / Mid-South are maintained on the accrual basis. The accompanying statements of revenue and certain expenses were prepared pursuant to the rules and regulations of the Securities and Exchange Commission, and exclude certain expenses such as mortgage interest, depreciation and amortization, professional fees and other costs not directly related to future operations of Parkwest / Mid-South.

Parkwest / Mid-South recognizes revenue from tenant leases on a straight-line basis over the life of the related lease. The results of operations can be significantly impacted by the rental market of the Hebron, Kentucky and Lavergne, Tennessee regions.

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Interim Information (unaudited) In the opinion of management, the unaudited information as of March 31, 2004 included herein contains all the adjustments necessary, which are of a normal recurring nature, to present fairly the revenue and certain expenses for the three months ended March 31, 2004. Results of interim periods are not necessarily indicative of results to be expected for the year. Management is not aware of any material factors that would cause the information included herein to not be indicative of future operating results.

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DIVIDEND CAPITAL TRUST INC.

Notes to Financial Statements

(Information for March 31, 2004 is Unaudited)

Note 2 Operating Leases

Parkwest / Mid-South s revenue is obtained from tenant rental payments as provided for under non-cancelable operating leases. Parkwest / Mid-South records rental revenue for the full term of the lease on a straight-line basis. In this case, where the minimum rental payments increase over the life of the lease, Parkwest / Mid-South records a receivable due from tenants for the difference between the amount of revenue recorded and the amount of cash received. This accounting treatment resulted in a (decrease)/increase in rental revenue of $(20,000) and $22,000 for the periods ended March 31, 2004 and December 31, 2003, respectively.

Future minimum lease payments due under these leases, excluding tenant reimbursements of operating expenses, as of December 31, 2003 are as follows:

Year Ending December 31,	
2004	$ 5,240,365
2005	5,246,845
2006	5,340,891
2007	5,110,195
2008	3,907,085
Thereafter	9,589,703
	$ 34,435,084

Tenant reimbursements of operating expenses are included in other revenue in the accompanying statements of revenue and certain expenses.

The following table exhibits those tenants who accounted for greater than 10% of the rental revenues for the year ended December 31, 2003, and the corresponding percentage of the future minimum revenues above:

Tenant	Industry	Lease Expiration	% of 2003 Revenues	% of Future Minimum Revenues

A	Delivery Service	June 2008	38%	28%
B	Engine Manufacturer	December 2012	18%	27%
C	Equipment Manufacturer	October 2011	24%	30%

Certain leases above contain tenant lease renewal options for various periods under various terms that may or may not be similar to the existing leases.

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DIVIDEND CAPITAL TRUST INC.

Pro Forma Financial Information

(Unaudited)

The following pro forma financial statements have been prepared to provide pro forma information with regards to Eagles Landing, South Creek I and II (Eagles Landing / South Creek) and Parkwest and Mid-South Logistics (Parkwest / Mid-South) which the Company acquired from unrelated third parties on June 8, 2004 and June 29, 2004, and for which this Form 8-K/A is being filed.

The accompanying unaudited pro forma consolidated balance sheet presents the historical financial information of Dividend Capital Trust Inc. (the Company) as of March 31, 2004 as adjusted for (i) the acquisition of the properties made subsequent to March 31, 2004, and (ii) the issuance of the Company s common stock as if these transactions had occurred on March 31, 2004.

The accompanying unaudited pro forma consolidated statement of operations for the year ended December 31, 2003 combines the historical operations of the Company with (i) the incremental effect of properties acquired in 2003, (ii) the historical operations of properties acquired subsequent to December 31, 2003, (iii) the issuance of debt and (iv) the issuance of the Company s common stock, as if these transactions had occurred on January 1, 2003.

The accompanying unaudited pro forma consolidated statement of operations for the three months ended March 31, 2004 combines the historical operations of the Company with (i) the incremental effect of properties acquired in 2004, (ii) the issuance of debt and (iii) the issuance of the Company s common stock subsequent to December 31, 2003, as if these transactions had occurred on January 1, 2004.

The unaudited pro forma consolidated financial statements have been prepared by the Company s management based upon the historical financial statements of the Company and of the individually acquired properties. These pro forma statements may not be indicative of the results that actually would have occurred if the combination had been in effect on the dates indicated or which may be obtained in the future. The pro forma financial statements should be read in conjunction with the historical financial statements included in the Company s previous filings with the Securities and Exchange Commission.

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DIVIDEND CAPITAL TRUST INC.

Pro Forma Consolidated Balance Sheet

March 31, 2004

	DCT Historical (1)	Acquisitions	Other Pro Forma Adjustments	Pro Forma Consolidated
Assets				
Net investment in real estate	$ 179,068,586	$ 170,040,899 (2)	$	$ 349,109,485
Cash and cash equivalents	67,778,021	(125,630,170)(2)	125,718,633(3)	67,866,484
Other assets, net	6,246,118			6,246,118
Total Assets	$ 253,092,725	$ 44,410,729	$ 125,718,633	$ 423,222,087
Liabilities and Stockholders Equity				
Mortgage note	$ 40,402,471	$ 44,410,729	$	$ 84,813,200
Line of credit	1,900,000			1,900,000
Financing obligation	4,615,102			4,615,102
Accounts payable and other liabilities	7,353,617			7,353,617
Total Liabilities	54,271,190	44,410,729		98,681,919
Minority Interest	1,000			1,000
Shareholders Equity:				
Common stock	198,820,535		125,718,633(3)	324,539,168
Total Shareholders Equity	198,820,535		125,718,633	324,539,168
Total Liabilities and Shareholders Equity	$ 253,092,725	$ 44,410,729	$ 125,718,633	$ 423,222,087

The accompanying notes are an integral part of this pro forma consolidated financial statement.

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DIVIDEND CAPITAL TRUST INC.

Notes to Pro Forma Consolidated Balance Sheet

(Unaudited)

(1) Reflects the historical consolidated balance sheet of the Company as of March 31, 2004. Please refer to Dividend Capital Trust Inc. s historical consolidated financial statements and notes thereto included in the Company s Quarterly Report on Form 10-Q for the three months ended March 31, 2004.

(2) Reflects the acquisition of properties that were acquired subsequent to March 31, 2004. These properties were acquired using the net proceeds from the Company s public offerings and debt. The total cost of these facilities, including acquisitions costs and acquisition fees paid to an affiliate, was approximately $170.0 million.

(3) A certain amount of capital was raised through the Company s public offering subsequent to March 31, 2004 which was used to fund the acquisition of the properties subsequent to March 31, 2004. As such, the net proceeds from the shares that were sold subsequent to March 31, 2004 through June 29, 2004, the date of the latest acquisition, are included in the accompanying pro forma balance sheet. The following table reflects the calculation used to determine the net proceeds received from the Company s public offering:

Shares Sold from March 31, 2004 through June 29, 2004	13,968,737
Gross Proceeds	$ 139,687,370
Less Selling Costs	(13,968,737)
Net Proceeds	$ 125,718,633

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DIVIDEND CAPITAL TRUST INC.

Pro Forma Consolidated Statement of Operations

For the Year Ended December 31, 2003

	DCT Historical (1)	2003 Acquisitions	2004 Acquisitions	Other Pro Forma Adjustments	Pro Forma Consolidated
REVENUE:					
Rental revenue	$ 2,645,093	$ 8,194,285(2)	$ 18,704,817(5)	$ (787,376)(7)	$ 28,756,819
Other income	61,364				61,364