





Explanatory Note

We are filing this current report of Form 8-K (the "Current Report") to include under (i) Item 9.01(a), the audited statement of revenues and certain expenses of Vantage at Shavano Park, a 288 unit multi-family complex located at 17203 Northwest Military Highway , San Antonio, Texas ("Shavano"), for the year ended December 31, 2015 and the unaudited statement of revenues and certain expenses of Vantage at Shavano Park for the three months ended March 31, 2016 and (ii) Item 9.01(b), our unaudited pro forma financials statements reflecting the acquisition of Shavano.

Shavano was purchased on May 6, 2016 for \$35.2 million, including \$26.4 million of mortgage debt obtained in connection with the acquisition. The mortgage bears interest at a rate of 3.61%, matures in 2023, is interest only for the first 23 months and thereafter amortizes over a 30-year period. We contributed \$6.9 million to this venture for our 65% interest.

Item 9.01 Financial Statements and Exhibits.

(a) Financial Statement of Business Acquired-Vantage at Shavano Park	Page
(i) Independent Auditor's Report	2
(ii) Statement of Revenues and Certain Expenses for the year ended December 31, 2015	3
(iii) Statement of Revenues and Certain Expenses for the three months ended March 31, 2016	
(iv) Notes to Statements of Revenues and Certain Expenses	4
(b) Unaudited Pro Forma Consolidated Financial Statements	5
(i) Pro Forma Consolidated Balance Sheet at March 31, 2016	6
(ii) Pro Forma Consolidated Statements of Income:	
For the year ended September 30, 2015	7
For the six months ended March 31, 2016	8
(iii) Notes to Pro Forma Consolidated Financial Statements	9
(c) Exhibits	

Exhibit No. Title of Exhibit

23.1 Consent of Davis, Ray and Co., PC dated June 6, 2016

## Independent Auditor's Report

Shareholders and Board of Trustees  
BRT Realty Trust  
Great Neck, New York

We have audited the accompanying statement of revenues and certain expenses of Vantage at Shavano Park located at 17203 North West Military Highway, San Antonio, Texas for the year ended December 31, 2015 and the related notes to the statement of revenues and certain expense.

## Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of the statement of revenues and certain expenses in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the statement of revenues and certain expenses that is free from material misstatement, whether due to fraud or error.

## Auditor's Responsibility

Our responsibility is to express an opinion on the statement of revenues and certain expenses based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the statement of revenues and certain expenses is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the statement of revenues and certain expenses. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the statement of revenues and certain expenses, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the entity's preparation and fair presentation of the statement of revenues and certain expenses in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal controls. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the revenues and certain expenses.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

## Opinion

In our opinion, the statement of revenues and certain expenses referred to above presents fairly, in all material respects, the statement of revenues and certain expenses of Vantage at Shavano Park for the year ended December 31, 2015, in accordance with accounting principles generally accepted in the United States of America.

## Emphasis of Matter

The accompanying statements of revenues and certain expenses was prepared for the purpose of complying with rules and regulations of the U.S. Securities and Exchange Commission and for inclusion in a Current Report on Form 8-K of BRT Realty Trust as described in Note 2 to the statement of revenues and certain expenses and is not intended to be a complete presentation of Vantage at Shavano Park's revenues and expenses.

/s/ DAVIS, RAY & CO., PC  
Certified Public Accountants  
Seminole, Texas  
June 6, 2016

---

Vantage at Shavano Park

Statements of Revenues and Certain Expenses

	Three Months Ended March 31, 2016 (unaudited)	Year Ended December 31, 2015
Revenues:		
Rental income	\$ 759,000	\$2,836,000
Other income	75,000	318,000
Rental and other income	834,000	3,154,000
Certain Expenses:		
Real estate taxes	202,000	807,000
Management fees	33,000	124,000
Utilities	35,000	190,000
Payroll	54,000	248,000
Insurance	21,000	86,000
Repairs and maintenance	38,000	149,000
Total certain expenses	383,000	1,604,000
Revenues in excess of certain expenses	\$ 451,000	\$1,550,000

See Independent Auditor's Report and accompanying notes to the Statements of Revenues and Certain Expenses.

Vantage

Notes to Statements of Revenues and Certain Expenses

1. Organization

Vantage at Shavano Park, located at 17203 North West Military Highway, San Antonio, TX (the "Property") is a multi-family complex containing 288 units.

BRT Realty Trust ("BRT" or the "Trust") is a business trust organized in Massachusetts. BRT owns, operates and develops multi family properties and owns and operates commercial and mixed use real estate assets.

On May 6, 2016, a consolidated joint venture comprised of an indirect wholly-owned subsidiary of the Trust and an unaffiliated joint venture partner acquired Vantage at Shavano Park for \$35.2 million, including \$26.4 million of mortgage debt obtained in connection with the acquisition.

2. Basis of Presentation and Significant Accounting Policies

Basis of Presentation

The accompanying statement of revenues and certain expenses of the Property has been prepared in accordance with Rule 3-14 of Regulation S-X of the U.S. Securities and Exchange Commission for inclusion in the Trust's Current Report on Form 8-K. Accordingly, the statements of revenues and certain expenses excludes certain expenses that may not be comparable to those expected to be incurred in the future operations of the aforementioned property. Items excluded consist of interest expense, depreciation, amortization, corporate expenses, and other costs not directly related to future operations.

Significant Accounting Policies

Use of Estimates

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

Revenue Recognition

Rental revenue is recognized on an accrual basis when earned and due from tenants. Leases are generally for a one-year term and have no renewal options.

Income Taxes

The entity that owns Vantage at Shavano Park was organized as a limited liability company and is not directly subject to federal or state income taxes.

3. Subsequent Events

Edgar Filing: BRT REALTY TRUST - Form 8-K

Subsequent events were evaluated from December 31, 2015 through June 6, 2016, the date on which the statements of revenues and certain expenses were available to be issued.

---



## BRT REALTY TRUST AND SUBSIDIARIES

### Pro Forma Consolidated Financial Statements

(Unaudited)

#### Acquisitions

On May 6, 2016, TRB Shavano LLC, an indirect wholly owned subsidiary of BRT Realty Trust ("BRT" or the "Trust") and an unaffiliated joint venture partner, acquired a 288 unit multi-family property located at 17203 North West Military Highway, San Antonio, TX ("Shavano") for \$35.2 million, including \$26.4 million of mortgage debt obtained in connection with the acquisition.

On February 29, 2016, TRB Civic Center LLC, an indirect wholly owned subsidiary of BRT Realty Trust and an unaffiliated joint venture partner, acquired a 392 unit multi-family property located at 4740 Highway 51 N, Southaven, MS ("Civic Center I") for \$35 million, including \$28 million of mortgage debt obtained in connection with the acquisition.

On February 1, 2016, TRB River Place LLC, an indirect wholly owned subsidiary of BRT and an unaffiliated joint venture partner, acquired a 240 unit multi-family property located at 4501 Sheraton Drive, Macon, GA ("River Place") for \$14.5 million, including \$11.2 million of mortgage debt obtained in connection with the acquisition.

On January 22, 2016, TRB Cinco Ranch LLC, an indirect wholly owned subsidiary of BRT and an unaffiliated joint venture partner, acquired a 268 unit multi-family property located at 3306 S. Fry Road, Katy, TX ("Retreat at Cinco Ranch") for \$40.3 million, including \$30.8 million of mortgage debt obtained in connection with the acquisition.

The acquisitions of Civic Center I, River Place and Retreat at Cinco Ranch are referred to collectively as the "previously reported acquisitions".

#### Dispositions

On February 23, 2016, TRB Newark Assemblage, LLC and TRB Newark TRS, LLC, wholly owned subsidiaries of the Trust, sold (the "Disposition") their equity interest in the Newark Joint Venture for \$16.9 million.

#### Presentation

The unaudited pro forma consolidated balance sheet is presented as if the Shavano acquisition and the previously reported acquisitions and disposition had been completed on March 31, 2016. The unaudited pro forma consolidated statement of income for the year ended September 30, 2015 is presented as if the Shavano acquisition and the previously reported acquisitions and disposition had been completed on October 1, 2014. The unaudited pro forma consolidated statement of income for the six months ended ended March 31, 2016, is presented as if the acquisitions had been completed on October 1, 2015.

These unaudited pro forma consolidated financial statements are presented for informational purposes only and should be read in conjunction with the Trust's Annual Report on Form 10-K for the year ended September 30, 2015.

The unaudited pro forma consolidated financial statements are based on assumptions and estimates considered appropriate by the Trust's management; however, such statements do not purport to represent what the Trust's financial position and results of operations would have been assuming the completion of the acquisition on October 1, 2014 and October 1, 2015, nor do they purport to project the Trust's financial position and results of operations at any future date or for any future period.

In the opinion of the Trust's management, all adjustments necessary to reflect the effects of the transactions described above have been included in the pro forma consolidated financial statements.

---

BRT REALTY TRUST AND SUBSIDIARIES  
PRO FORMA - UNAUDITED CONSOLIDATED BALANCE SHEET  
At March 31, 2016  
(Amounts in thousands, except per share data)

	The Trust Historical	Purchase of Shavano	The Trust Pro Forma as Adjusted
<b>ASSETS</b>			
Real estate properties, net of accumulated depreciation of \$37,767	\$637,244	\$35,150	\$672,394
Real estate loan	19,500	—	19,500
Cash and cash equivalents	34,792	(6,303 )	28,489
Restricted cash - multi-family	6,988	—	6,988
Deferred costs, net	6,040	181	6,221
Deposits and escrows	9,840	1,235	11,075
Other assets	6,352	21	6,373
Real estate asset held-for-sale	32,219	—	32,219
Total Assets	\$752,975	\$30,284	\$783,259
<b>LIABILITIES AND EQUITY</b>			
Liabilities:			
Mortgages payable	\$495,136	\$26,400	\$521,536
Junior subordinated notes	37,400	—	37,400
Accounts payable and accrued liabilities	14,310	333	14,643
Mortgage payable held-for-sale	26,400	—	26,400
Total Liabilities	573,246	26,733	599,979
Commitments and contingencies	—	—	—
Equity:			
BRT Realty Trust shareholders' equity:			
Preferred shares, \$1 par value:			
authorized 10,000 shares, none issued	—	—	—
Shares of beneficial interest, \$3 par value:			
authorized number of shares, unlimited, 13,306 issued	39,919	—	39,919
Additional paid-in capital	161,041	—	161,041
Accumulated other comprehensive loss	(72 )	—	(72 )
Accumulated deficit	(56,512 )	—	(56,512 )
Total BRT Realty Trust shareholders' equity	144,376	—	144,376
Non-controlling interests	35,353	3,551	38,904
Total Equity	179,729	3,551	183,280
Total Liabilities and Equity	\$752,975	\$30,284	\$783,259

See accompanying notes to the unaudited pro forma consolidated financial statements



BRT REALTY TRUST AND SUBSIDIARIES  
PRO FORMA - UNAUDITED CONSOLIDATED STATEMENT OF INCOME  
For The Year Ended September 30, 2015  
(Dollars in thousands, except share data)

	The Trust Historical	Previously Reported Acquisitions	Previously Reported Disposition	Purchase of Shavano	The Trust Pro Forma as Adjusted
Revenues:					
Rental and other revenues from real estate properties	\$ 77,023	\$ 9,711	\$ —	\$ 3,653	\$ 90,387
Other income	72	—	1,702	—	1,774
Total revenues	77,095	9,711	1,702	3,653	92,161
Expenses:					
Real estate operating expenses - including \$1,233 to related parties	38,609	4,327	—	1,949	44,885
Interest expense	19,297	3,197	(a)—	968	(a) 23,462
Advisor's fees, related party	2,448	—	(296 )	—	2,152
Property acquisition costs - including \$1,293 to related parties	1,885	—	—	—	1,885
General and administrative-including \$171 to related party	6,683	—	—	—	6,683
Depreciation	18,454	2,694	(b)—	996	(b) 22,144
Total expenses	87,376	10,218	(296 )	3,913	101,211
Total revenues less total expenses	(10,281 )	(507 )	1,998	(260 )	(9,050 )
Gain on sale of real estate assets	15,005	—	—	—	15,005
Income from continuing operations	4,724	(507 )	1,998	(260 )	5,955
Plus: net loss (income) attributable to non-controlling interests	(4,969 )	98	—	91	(4,780 )
Net (loss) income attributable to common shareholders	\$ (245 )	\$ (409 )	\$ 1,998	\$ (169 )	\$ 1,175
Basic and diluted per share amounts attributable to common shareholders:					
Basic and diluted (loss) earnings per share	\$ (0.02 )	\$ (0.03 )	\$ 0.14	\$ (0.01 )	\$ 0.08
Weighted average number of common shares outstanding:					
Basic and diluted	14,133,352	14,133,352	14,133,352	14,133,352	14,133,352

See accompanying notes to the pro forma unaudited consolidated financial statements.

BRT REALTY TRUST AND SUBSIDIARIES  
PRO FORMA - UNAUDITED CONSOLIDATED STATEMENT OF INCOME  
For The Six Months Ended March 31, 2016  
(Dollars in thousands, except share data)

	The Trust Historical	Previously Reported Acquisitions	Previously Reported Disposition	Purchase of Shavano	The Trust Pro Forma as Adjusted
<b>Revenues:</b>					
Rental and other revenue from real estate properties	\$ 44,229	\$ 3,500	\$ —	\$ 1,827	\$ 49,556
Other income	2,033	—	52		2,085
Total revenues	46,262	3,500	52	1,827	51,641
<b>Expenses:</b>					
Real estate operating expenses - including \$804 to related parties	21,108	1,654	—	975	23,737
Interest expense - including \$86 to related party	11,580	1,135	(a) —	484	(a) 13,199
Advisor's fees, related party	693	—	(85 )	—	608
Property acquisition costs - including \$439 to related party	1,010	—	—	—	1,010
General and administrative-including \$87 to related party	4,029	—	—	—	4,029
Depreciation	10,616	927	(b) —	498	(b) 12,041
Total expenses	49,036	3,716	(85 )	1,957	54,624
Total revenues less total expenses	(2,774 )	(216 )	137	(130 )	(2,983 )
Gain on sale of real estate	24,835	—	—	—	24,835
Loss on extinguishment of debt	(2,668 )	—	—	—	(2,668 )
Income from continuing operations	19,393	(216 )	137	(130 )	19,184
Plus: net loss (income) attributable to non-controlling interests	(10,828 )	58	—	46	(10,724 )
Net loss (income) attributable to common shareholders	\$ 8,565	\$ (158 )	\$ 137	\$ (84 )	\$ 8,460
<b>Basic and diluted per share amounts attributable to common shareholders:</b>					
Basic and diluted (loss) income per share	\$ 0.61	\$ (0.01 )	\$ 0.01	\$ (0.01 )	\$ 0.60
<b>Weighted average number of common shares outstanding:</b>					
Basic and diluted	14,101,056	14,101,056	14,101,056	14,101,056	14,101,056

**BRT REALTY TRUST AND SUBSIDIARIES**

Notes to Pro Forma Unaudited Consolidated Financial Statements  
(Unaudited)

**Basis of Pro Forma Presentation**

The historical consolidated financial statements of the Trust include the accounts of the Trust and consolidated subsidiaries in which the Trust is presumed to have control in accordance with the consolidation guidance of the Financial Accounting Standards Board Accounting Standards Codification (“ASC”). Investments in entities for which the Trust has the ability to exercise significant influence but does not have financial or operating control, are

1. accounted for under the equity method of accounting. Accordingly, the Trust’s share of the net earnings (or losses) of entities accounted for under the equity method are included in consolidated net income (loss) under the caption “Other Income”. Investments in entities for which the Trust does not have the ability to exercise any influence are accounted for under the cost method of accounting.

2. The historical consolidated statement of income for the year ended September 30, 2015 and the previously reported disposition have been adjusted to reflect the reclassification of amounts from continuing operations to discontinued operations.

3. Notes to the pro forma unaudited consolidated balance sheet and statements of income for Shavano and other previously reported acquisitions and a previously reported disposition for the year ended September 30, 2015.

To reflect the interest expense resulting from the mortgages securing Shavano, and the previously reported

- a) acquisitions (Civic Center I, Cinco Ranch and River Place ) which expense is calculated an interest rate of 3.61%, 4.24%, 4.44% and 4.39%, respectively, and includes amortization of loan related fees.

- b) To reflect depreciation expense on the estimated useful life of the properties of 30 years.

---

SIGNATURE

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 hereunto duly authorized.

BRT REALTY TRUST

By: /s/ George Zweier  
George Zweier

June 6, 2016      Vice President and  
Great Neck, NY   Chief Financial Officer