

ONE LIBERTY PROPERTIES INC  
Form 10-K/A  
December 28, 2010

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C.20549

FORM 10-K/A

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

For the fiscal year ended December 31, 2009

Or

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

Commission File Number 001-09279

ONE LIBERTY PROPERTIES, INC.  
(Exact name of registrant as specified in its charter)

MARYLAND

13-3147497

(State or other jurisdiction of  
incorporation or organization)

(I.R.S. employer  
identification number)

60 Cutter Mill Road, Great Neck, New York 11021  
(Address of principal executive offices) (Zip Code)

Registrant's telephone number, including area code: (516) 466-3100

Securities registered pursuant to Section 12(b) of the Act:

| Title of each class on which registered  | Name of exchange        |
|--|-------------------------|
| Common Stock, par value \$1.00 per share | New York Stock Exchange |

Securities registered pursuant to Section 12(g) of the Act:

NONE

Indicate by check mark if the registrant is a well-known seasoned issuer as defined in Rule 405 of the Securities Act. Yes  No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Act. Yes  No

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 has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes  No

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (§229.405 of this chapter) is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K.

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

Large accelerated filer  Accelerated filer

Non-accelerated filer  Small reporting company   
(Do not check if a small reporting company)

Indicate by check mark whether registrant is a shell company (defined in Rule 12b-2 of the Exchange Act).  
Yes  No

As of June 30, 2009 (the last business day of the registrant's most recently completed second quarter), the aggregate market value of all common equity held by non-affiliates of the registrant, computed by reference to the price at which common equity was last sold on said date, was approximately \$46.2 million.

As of March 9, 2010, the registrant had 11,380,887 shares of common stock outstanding.

#### DOCUMENTS INCORPORATED BY REFERENCE

Portions of the proxy statement for the 2010 annual meeting of stockholders of One Liberty Properties, Inc., to be filed pursuant to Regulation 14A not later than April 30, 2010, are incorporated by reference into Part III of this Annual Report on Form 10-K.

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Explanatory Note

We are filing this Amendment No. 1 to our Annual Report on Form 10-K for the year ended December 31, 2009 filed with the Securities and Exchange Commission on March 12, 2010 (the “Original Filing”) to amend information included in “Item 6. Selected Financial Data” of such report. Specifically, we have:

• reduced the rental revenues for 2006 and 2005 to correct an error made in recalculating rental revenues reported in those years to give effect to eight properties sold/disposed of in 2009;

• increased income from continuing operations and net income from continuing operations per share on a basic and diluted basis for 2006 to reflect that the gain on sale from a portion of property we sold in such year should be included in continuing operations (and not discontinued operations);

• with respect to the gain on sale referred to above, made corresponding offsetting adjustments to income from discontinued operations and net income from discontinued operations per share on a basic and diluted basis; and

• with respect to the balance sheet data, (i) decreased real estate investments, net for each of 2007, 2006 and 2005 to reflect that eight properties sold/disposed of in 2009 should have been classified as properties held for sale in 2007, 2006 and 2005 (and not as real estate investments, net) and (ii) added a line item, properties held for sale, to reflect eight properties sold/disposed of in 2009 and one property sold in 2006.

This Report on Form 10-K/A does not modify or update any other disclosures set forth in the Original Filing, except as required to reflect the aforementioned amended information. The net income and net income per share, as reported in Item 6, were unchanged. In addition, except for the amended information included herein, this Form 10-K/A speaks as of the filing date of the Original Filing and does not update or discuss any other developments affecting us subsequent to the date of the Original Filing.

Item 6. Selected Financial Data.

The following table sets forth the selected consolidated statement of operations data for each of the periods indicated, all of which are derived from our audited consolidated financial statements and related notes. The selected financial data for each of the three years in the period ended December 31, 2009 should be read together with our consolidated financial statements and related notes appearing elsewhere in this Annual Report on Form 10-K and in “Management’s Discussion and Analysis of Financial Condition and Results of Operations,” where this data is discussed in more detail.

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|  | As of and for the Year Ended<br>December 31,  |            |            |            |            |
|--|---|------------|------------|------------|------------|
|  | 2009  | 2008       | 2007       | 2006       | 2005       |
| OPERATING DATA (Note a)  |   |            |            |            |            |
|  | (Amounts in Thousands, Except Per Share Data) |            |            |            |            |
| Rental revenues  | \$ 39,016                                     | \$ 36,031  | \$ 33,439  | \$ 28,631  | \$ 22,522  |
| Equity in earnings (loss) of unconsolidated joint ventures (Note b)  | 559   | 622        | 648        | (3,276)    | 2,102      |
| Gain on dispositions of real estate of unconsolidated joint ventures | -   | 297        | 583        | 26,908     | -          |
| Net gain on sale of unimproved land, air rights and other gains      | -   | 1,830      | -          | 413        | 10,248     |
| Income from continuing operations                                    | 12,320  | 9,943      | 7,685      | 29,439     | 16,832     |
| Income (loss) from discontinued operations                           | 7,321   | (5,051)    | 2,905      | 6,986      | 4,448      |
| Net income   | 19,641  | 4,892      | 10,590     | 36,425     | 21,280     |
| Weighted average number of common shares outstanding:                |   |            |            |            |            |
| Basic  | 10,651  | 10,183     | 10,069     | 9,931      | 9,838      |
| Diluted  | 10,812  | 10,183     | 10,069     | 9,934      | 9,843      |
| Net income per common share-basic                                    |   |            |            |            |            |
| Income from continuing operations                                    | \$ 1.15                                       | \$ .98     | \$ .76     | \$ 2.97    | \$ 1.71    |
| Income (loss) from discontinued operations                           | .69   | (.50)      | .29        | .70        | .45        |
| Net income   | \$ 1.84                                       | \$ .48     | \$ 1.05    | \$ 3.67    | \$ 2.16    |
| Net income per common share – diluted                                |   |            |            |            |            |
| Income from continuing operations                                    | \$ 1.14                                       | \$ .98     | \$ .76     | \$ 2.97    | \$ 1.71    |
| Income (loss) from discontinued operations                           | .68   | (.50)      | .29        | .70        | .45        |
| Net income   | \$ 1.82                                       | \$ .48     | \$ 1.05    | \$ 3.67    | \$ 2.16    |
| Cash distributions per share of common stock (Note c)                |   |            |            |            |            |
|  | \$ .08  | \$ 1.30    | \$ 2.11    | \$ 1.35    | \$ 1.32    |
| Stock distributions per share of common stock                        |   |            |            |            |            |
|  | \$ .80  | -          | -          | -          | -          |
| BALANCE SHEET DATA   |   |            |            |            |            |
| Real estate investments, net   | \$ 345,693                                    | \$ 353,113 | \$ 302,702 | \$ 309,675 | \$ 203,050 |
| Properties held for sale   | -   | -          | 41,340     | 42,166     | 55,072     |
| Investment in unconsolidated joint ventures                          | 5,839   | 5,857      | 6,570      | 7,014      | 27,335     |
| Cash and cash equivalents  | 28,036  | 10,947     | 25,737     | 34,013     | 26,749     |
| Available-for-sale securities  | 6,762   | 297        | 1,024      | 1,372      | 163        |
| Total assets   | 408,686                                       | 429,105    | 406,634    | 422,037    | 330,583    |
| Mortgages and loan payable   | 190,518                                       | 225,514    | 222,035    | 227,923    | 167,472    |
| Line of credit   | 27,000  | 27,000     | -          | -          | -          |
| Total liabilities  | 228,558                                       | 265,130    | 235,395    | 241,912    | 175,064    |
| Total stockholders' equity   | 180,128                                       | 163,975    | 171,239    | 180,125    | 155,519    |

|  | As of and for the Year Ended                  |           |           |           |           |
|--|---|-----------|-----------|-----------|-----------|
|  | December 31,                                  |           |           |           |           |
|  | 2009  | 2008      | 2007      | 2006      | 2005      |
| OTHER DATA (Note d)                              | (Amounts in Thousands, Except Per Share Data) |           |           |           |           |
| Funds from operations                            | \$ 23,272                                     | \$ 13,952 | \$ 18,645 | \$ 13,707 | \$ 26,658 |
| Funds from operations per common share:          |   |           |           |           |           |
| Basic  | \$ 2.19                                       | \$ 1.37   | \$ 1.85   | \$ 1.38   | \$ 2.71   |
| Diluted  | \$ 2.15                                       | \$ 1.37   | \$ 1.85   | \$ 1.38   | \$ 2.71   |
| Adjusted funds from operations                   | \$ 22,064                                     | \$ 12,458 | \$ 16,621 | \$ 11,594 | \$ 25,093 |
| Adjusted funds from operations per common share: |   |           |           |           |           |
| Basic  | \$ 2.07                                       | \$ 1.22   | \$ 1.65   | \$ 1.17   | \$ 2.55   |
| Diluted  | \$ 2.04                                       | \$ 1.22   | \$ 1.65   | \$ 1.17   | \$ 2.55   |

Note a: Certain amounts reported in prior periods have been reclassified to conform to the current year's presentation, primarily the restatement of prior periods for discontinued operations.

Note b: For the year ended December 31, 2006, "Equity in earnings (loss) of unconsolidated joint ventures" is after giving effect to \$5.3 million, our share of the mortgage prepayment premium expense incurred in connection with dispositions of real estate of unconsolidated joint ventures. This expense is reflected as interest expense on the books of the joint ventures and is not netted against the \$26.9 million gain on dispositions.

Note c: 2007 includes a special cash distribution of \$.67 per share.

Note d: We consider funds from operations (FFO) and adjusted funds from operations (AFFO) to be relevant and meaningful supplemental measures of the operating performance of an equity REIT, and they should not be deemed to be a measure of liquidity. FFO and AFFO do not represent cash generated from operations as defined by generally accepted accounting principles (GAAP) and is not indicative of cash available to fund all cash needs, including distributions. They should not be considered as an alternative to net income for the purpose of evaluating our performance or to cash flows as a measure of liquidity.

We compute FFO in accordance with the "White Paper on Funds From Operations" issued in April 2002 by the National Association of Real Estate Investment Trusts (NAREIT). FFO is defined in the White Paper as "net income (computed in accordance with generally accepting accounting principles), excluding gains (or losses) from sales of property, plus depreciation and amortization, and after adjustments for unconsolidated partnerships and joint ventures. Adjustments for unconsolidated partnerships and joint ventures will be calculated to reflect funds from operations on the same basis." In computing FFO, we do not add back to net income the amortization of costs in connection with our financing activities or depreciation of non-real estate assets. Since the NAREIT White Paper only provides guidelines for computing FFO, the computation of FFO may vary from one REIT to another. We compute AFFO by deducting from FFO our straightline rent accruals and amortization of lease intangibles (including our share of our unconsolidated joint ventures).

We believe that FFO and AFFO are useful and standard supplemental measures of the operating performance for equity REITs and are used frequently by securities analysts, investors and other interested parties in evaluating equity REITs, many of which present FFO and AFFO when reporting their operating results. FFO and AFFO are intended to exclude GAAP historical cost depreciation and amortization of real estate assets, which assures that the value of real estate assets diminish predictability over time. In fact, real estate values have historically risen and fallen with market conditions. As a result, we believe that FFO and AFFO provide a performance measure that when compared year over year, should reflect the impact to operations from trends in occupancy rates, rental rates, operating costs, interest costs and other matters without the inclusion of depreciation and amortization, providing a perspective that may not be necessarily apparent from net income. We also consider FFO and AFFO to be useful to us in evaluating potential property acquisitions.

FFO and AFFO do not represent net income or cash flows from operations as defined by GAAP. FFO and AFFO should not be considered to be an alternative to net income as a reliable measure of our operating performance; nor should FFO and AFFO be considered an alternative to cash flows from operating, investing or financing activities (as defined by GAAP) as measures of liquidity.

FFO and AFFO do not measure whether cash flow is sufficient to fund all of our cash needs, including principal amortization, capital improvements and distributions to stockholders. FFO and AFFO do not represent cash flows from operating, investing or financing activities as defined by GAAP.

Management recognizes that there are limitations in the use of FFO and AFFO. In evaluating the performance of our company, management is careful to examine GAAP measures such as net income and cash flows from operating, investing and financing activities. Management also reviews the reconciliation of net income to FFO and AFFO.

The table below provides a reconciliation of net income in accordance with GAAP to FFO and AFFO, as calculated under the current NAREIT definition of FFO, for each of the years in the five year period ended December 31, 2009 (amounts in thousands):

|   | 2009      | 2008      | 2007      | 2006      | 2005      |
|---|-----------|-----------|-----------|-----------|-----------|
| Net income (Note 1)   | \$ 19,641 | \$ 4,892  | \$ 10,590 | \$ 36,425 | \$ 21,280 |
| Add: depreciation of properties   | 9,001     | 8,971     | 8,248     | 7,091     | 5,905     |
| Add: our share of depreciation in unconsolidated joint ventures   | 323       | 322       | 329       | 716       | 1,277     |
| Add: amortization of deferred leasing costs   | 64        | 64        | 61        | 43        | 101       |
| Deduct: gain on sales of real estate  | (5,757)   | -         | -         | (3,660)   | (1,905)   |
| Deduct: gain on dispositions of real estate of unconsolidated joint ventures  | -         | (297)     | (583)     | (26,908)  | -         |
| Funds from operations (Note 1)  | 23,272    | 13,952    | 18,645    | 13,707    | 26,658    |
| Deduct: straight line rent accruals and amortization of lease intangibles   | (1,151)   | (1,394)   | (1,924)   | (1,950)   | (1,282)   |
| Deduct: our share of straight line rent accruals and amortization of lease intangibles of unconsolidated joint ventures | (57)      | (100)     | (100)     | (163)     | (283)     |
| Adjusted funds from operations (Note 1)   | \$ 22,064 | \$ 12,458 | \$ 16,621 | \$ 11,594 | \$ 25,093 |

Note 1: For the year ended December 31, 2008, net income, FFO and AFFO are after \$6 million of impairment charges. For the year ended December 31, 2006, net income, FFO and AFFO are after giving effect to \$5.3 million, our share of the mortgage prepayment premium expense incurred in connection with the dispositions of real estate of unconsolidated joint ventures. This expense is reflected as interest expense on the books of the joint ventures and not netted against gain on dispositions. For the year ended December 31, 2005, net income, FFO and AFFO include \$10.2 million from the gain on sale of air rights.

The table below provides a reconciliation of net income per common share (on a diluted basis) in accordance with GAAP to FFO and AFFO.

|   | 2009    | 2008    | 2007    | 2006    | 2005    |
|---|---------|---------|---------|---------|---------|
| Net income (Note 2)   | \$ 1.82 | \$ .48  | \$ 1.05 | \$ 3.67 | \$ 2.16 |
| Add: depreciation of properties   | .83     | .88     | .82     | .71     | .60     |
| Add: our share of depreciation in unconsolidated joint ventures   | .03     | .03     | .03     | .07     | .13     |
| Add: amortization of deferred leasing costs   | -       | .01     | .01     | .01     | .01     |
| Deduct: gain on sales of real estate  | (.53)   | -       | -       | (.37)   | (.19)   |
| Deduct: gain on dispositions of real estate of unconsolidated joint ventures  | -       | (.03)   | (.06)   | (2.71)  | -       |
| Funds from operations (Note 2)  | 2.15    | 1.37    | 1.85    | 1.38    | 2.71    |
| Deduct: straight line rent accruals and amortization of lease intangibles   | (.11)   | (.14)   | (.19)   | (.20)   | (.13)   |
| Deduct: our share of straight line rent accruals and amortization of lease intangibles of unconsolidated joint ventures | -       | (.01)   | (.01)   | (.01)   | (.03)   |
| Adjusted funds from operations (Note 2)   | \$ 2.04 | \$ 1.22 | \$ 1.65 | \$ 1.17 | \$ 2.55 |

Note 2: For the year ended December 31, 2008, net income, FFO and AFFO is after \$.59 of impairment charges. For the year ended December 31, 2006, net income, FFO and AFFO is after \$.53, our share of the mortgage prepayment premium expense. For the year ended December 31, 2005, net income, FFO and AFFO include \$1.04 from the gain on sale of air rights. See Note 1 above.

PART IV

Item 15. Exhibits and Financial Statement Schedules

(a) (3) Exhibits:

| Exhibit<br>No. | Title of Exhibit   |
|----------------|--|
| 31.1           | Certification of President and Chief Executive Officer             |
| 31.2           | Certification of Senior Vice President and Chief Financial Officer |
| 32.1           | Certification of President and Chief Executive Officer             |
| 32.2           | Certification of Senior Vice President and Chief Financial Officer |

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