

# SECURITIES AND EXCHANGE COMMISSION

Washington, DC 20549

FORM 10-Q

Quarterly Report Under Section 13 or 15(d)  
of the Securities Exchange Act of 1934

For Quarter Ended March 31, 2005      Commission file number 0-11578

AMERICAN REPUBLIC REALTY FUND I

(Exact name of registrant as specified in its charter)

WISCONSIN  
(State or other jurisdiction of  
incorporation or organization)

39-1421936  
(IRS Employer  
Identification Number)

2800 N. Dallas Pkwy Suite 100  
Plano, Texas 75093-5994

(Address of principal executive offices)

Registrant's telephone number, including area code: (972) 836-8000.

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: Y      No:           

REGISTRANT IS A LIMITED PARTNERSHIP

## TABLE OF CONTENTS

### Item 1. Financial Statements

The following Unaudited financial statements are filed herewith:

|   |      |   |
|---|------|---|
| Consolidated Balance Sheet as of March 31, 2005 and December 31, 2004 | Page | 3 |
|---|------|---|

|  |      |   |
|--|------|---|
| Consolidated Statements of Operations for the Three Months Ended March 31, 2005 and 2004 | Page | 4 |
|--|------|---|

|  |      |   |
|--|------|---|
| Consolidated Statements of Cash Flows for the Three Months Ended March 31, 2005 and 2004 | Page | 5 |
|--|------|---|

|   |      |   |
|---|------|---|
| Item 2. Results of Operations and Management Discussion and Analysis of Financial Condition | Page | 6 |
|---|------|---|

|                                 |      |   |
|---------------------------------|------|---|
| Liquidity and Capital Resources | Page | 8 |
|---------------------------------|------|---|

|                   |      |   |
|-------------------|------|---|
| Other Information | Page | 9 |
|-------------------|------|---|

|            |      |    |
|------------|------|----|
| Signatures | Page | 10 |
|------------|------|----|

The statements, insofar as they relate to the period subsequent to December 31, 2004, are Unaudited.

PART 1. FINANCIAL INFORMATION

**Item 1. Financial Statements**

**AMERICAN REPUBLIC REALTY FUND I**

**Condensed Consolidated Balance Sheets**

|  | <b>March 31<br/>2005<br/>(Unaudited)</b> | <b>December 31,<br/>2004</b> |
|--|--|------------------------------|
| <b>ASSETS</b>                                |  |                              |
| Real Estate assets, at cost                  |  |                              |
| Land   | <b>\$1,822,718</b>                       | \$1,822,718                  |
| Buildings and improvements                   | <b>16,164,861</b>                        | 16,164,861                   |
|  | <b>17,987,579</b>                        | 17,987,579                   |
| Less: Accumulated depreciation               | <b>(13,904,447)</b>                      | <b>(13,739,447)</b>          |
| Real Estate, net                             | <b>4,083,132</b>                         | 4,248,132                    |
| Cash including cash investments              | <b>338,680</b>                           | 353,871                      |
| Escrow deposits                              | <b>393,115</b>                           | 452,842                      |
| Prepaid Expenses                             | <b>20,683</b>                            | 48,020                       |
| Deferred Financing Fees                      | <b>51,621</b>                            | 57,357                       |
| <b>TOTAL ASSETS</b>                          | <b><u>\$4,887,231</u></b>                | <b><u>\$5,160,222</u></b>    |
| <b>LIABILITIES AND PARTNERS' EQUITY:</b>     |  |                              |
| <b>LIABILITIES</b>                           |  |                              |
| Mortgage and notes payable                   | <b>\$9,878,750</b>                       | \$9,918,658                  |
| Amounts due affiliates                       | <b>3,294</b>                             | 1,256                        |
| Real estate taxes payable                    | <b>67,149</b>                            | 0                            |
| Security deposits                            | <b>65,918</b>                            | 66,196                       |
| Accounts payable & accrued expenses          | <b>117,343</b>                           | 312,974                      |
| Total liabilities                            | <b><u>10,132,454</u></b>                 | 10,299,084                   |
| <b>PARTNERS CAPITAL (DEFICIT)</b>            |  |                              |
| Limited Partners                             | <b>(5,277,059)</b>                       | <b>(5,171,762)</b>           |
| General Partner                              | <b>31,836</b>                            | 32,900                       |
| <b>Total Partners Capital (Deficit)</b>      | <b><u>(5,245,223)</u></b>                | <b><u>(5,138,862)</u></b>    |
| <b>TOTAL LIABILITIES AND PARTNER DEFICIT</b> | <b><u>\$4,887,231</u></b>                | <b><u>\$5,160,222</u></b>    |

**AMERICAN REPUBLIC REALTY FUND I**  
**Condensed Consolidated Statement of Operations**  
**(Unaudited)**

|                                | Three Months Ended<br>March 31,  |                                  |
|--------------------------------|----------------------------------|----------------------------------|
| <b>REVENUES</b>                | <u><b>2005</b></u>               | <u><b>2004</b></u>               |
| Rental income                  | 605,598                          | 622,572                          |
| Other property                 | 16,108                           | 15,297                           |
| <b>Total revenues</b>          | <u>621,706</u>                   | <u>637,869</u>                   |
| <br><b>EXPENSES</b>            |                                  |                                  |
| Salaries & wages               | 85,921                           | 86,234                           |
| Maintenance & repairs          | 34,413                           | 56,234                           |
| Utilities                      | 61,186                           | 54,204                           |
| Real estate taxes              | 67,149                           | 75,249                           |
| General administrative         | 19,315                           | 17,925                           |
| Contract services              | 27,897                           | 28,703                           |
| Insurance                      | 35,338                           | 31,921                           |
| Interest                       | 195,027                          | 197,798                          |
| Depreciation and amortization  | 170,736                          | 170,736                          |
| Property management fees (a)   | 31,085                           | 31,893                           |
| <b>Total expenses</b>          | <u>728,067</u>                   | <u>750,897</u>                   |
| <br><b>Net Income</b>          | <u><u><b>(\$106,361)</b></u></u> | <u><u><b>(\$113,028)</b></u></u> |
| <br><b>NET INCOME PER UNIT</b> | <u><u><b>\$ (9.57)</b></u></u>   | <u><u><b>\$ (10.17)</b></u></u>  |

|                               |        |        |
|-------------------------------|--------|--------|
| Partnership units outstanding | 11,000 | 11,000 |
|-------------------------------|--------|--------|

See Notes to Condensed Consolidated Financial Statements

# AMERICAN REPUBLIC REALTY FUND I

## Condensed Consolidated Statement of Cash Flows

See Notes to Condensed Consolidated Financial Statements

Unaudited

|  | Three Months Ended |                    |
|--|--------------------|--------------------|
|  | March 31,          |                    |
|  | <u>2005</u>        | <u>2004</u>        |
| <b>CASH FLOWS FROM OPERATING ACTIVITY</b>  |                    |                    |
| Net income (loss)  | <b>(\$106,361)</b> | <b>(\$113,028)</b> |
| Adjustments to reconcile net income (loss) to net cash provided by operating activities: |                    |                    |
| Depreciation and amortization  | <b>170,736</b>     | 170,736            |
| Net Effect of changes in operating accounts  |                    |                    |
| Escrow deposits  | <b>59,727</b>      | 14,697             |
| Prepaid expenses   | <b>27,337</b>      | 23,921             |
| Accrued real estate taxes  | <b>67,149</b>      | 75,249             |
| Security deposits  | <b>(278)</b>       | <b>(2,556)</b>     |
| Accounts payable   | <b>(195,631)</b>   | <b>(143,764)</b>   |
| Net cash provided by (used for) operating activities                                     | <b>22,679</b>      | 25,255             |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>  |                    |                    |
| Repayment of mortgage notes payable  | <b>(39,908)</b>    | <b>(49,356)</b>    |
| Distributions to limited partners  | <b>0</b>           | 0                  |
| Proceeds from amounts due affiliates   | <b>2,038</b>       | 2,016              |
| Net cash used for ifinancing activities  | <b>(37,870)</b>    | <b>(47,340)</b>    |
| <b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>                              | <b>(15,191)</b>    | <b>(22,085)</b>    |
| <b>CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD</b>                                    | <b>353,871</b>     | 435,304            |
| <b>CASH AND CASH EQUIVALENTS, END OF PERIOD</b>  | <b>\$338,680</b>   | \$413,219          |

### Basis of Presentation:

The accompanying unaudited condensed consolidated financial statements have been prepared by American Republic Realty Fund I (the "Company") pursuant to the rules and regulations of the Securities and Exchange Commission. The financial statements reflect all adjustments that are, in the opinion of management, necessary to fairly present such information. All such adjustments are of a normal recurring nature. Although the Company believes that the disclosures are adequate to make the information presented not misleading, certain information and footnote disclosures, including a description of significant accounting policies normally included in financial statements prepared in accordance with accounting principles generally accepted in the United States of America, have been condensed or omitted pursuant to such rules and regulations.

These financial statements should be read in conjunction with the financial statements and notes thereto included in the Company's 2004 Annual Report on Form 10-K filed with the Securities and Exchange

Commission. The results of operations for interim periods are not necessarily indicative of the results for any subsequent quarter or the entire fiscal year ending December 31, 2005.

## **Item 2. RESULTS OF OPERATIONS AND MANAGERMENTS DISCUSSION AND ANALYSIS** **OF FINANCIAL CONDITION**

### **FIRST QUARTER 2005 COMPARED TO FIRST QUARTER 2004**

At March 31, 2005 the Partnership owned two properties with approximately 416,623 net rentable square feet. Both properties are apartment communities. The portfolio had an average occupancy of 86.9% for the first quarter of 2005, as compared to 85.2% for the first quarter of 2004.

**Revenue from property operations** decreased \$16,163, or 2.53%, for the first quarter of 2005, as compared to the 2004-first quarter. The decrease in rental income of \$16,974 or 2.73% is primarily due to a decrease in rental rates. The increase in other income of \$811 or 5.3% is primarily due to an increase in Late and other fee collections from the properties. The following table illustrates the components:

|                                | <b><u>Increase<br/>(Decrease)</u></b> | <b><u>Percent<br/>Change</u></b> |
|--------------------------------|---------------------------------------|----------------------------------|
| Rental income                  | (16,974)                              | 2.73%                            |
| Other property                 | 811                                   | 5.30%                            |
| <b>Net Increase (Decrease)</b> | <b><u>(16,163)</u></b>                | <b><u>2.53%</u></b>              |

**Property operating expenses** decreased \$22,830 or 3.04%, for the first quarter of 2005, as compared to the same period in 2004. Maintenance & repairs decreased \$21,821 or 38.8% due to prior year exterior painting being performed. Utilities increased \$6,982 or 12.88% due to higher gas prices. Real estate taxes decreased \$8,100 or 10.76% due to successful property assessment appeals. General and administrative increased \$1,390 or 7.75% due to increased advertising. Insurance increased \$3,417 or 10.70% in connection with the annual policy renewal. The following table illustrates the components by category:

|                                | <b><u>Increase<br/>(Decrease)</u></b> |                     |
|--------------------------------|---------------------------------------|---------------------|
| Salaries & wages               | (313)                                 | 0.36%               |
| Maintenance & repairs          | (21,821)                              | 38.80%              |
| Utilities                      | 6,982                                 | 12.88%              |
| Real estate taxes              | (8,100)                               | 10.76%              |
| General administrative         | 1,390                                 | 7.75%               |
| Contract services              | (806)                                 | 2.81%               |
| Insurance                      | 3,417                                 | 10.70%              |
| Interest                       | (2,771)                               | 1.40%               |
| Depreciation and amortization  | 0                                     | 0.00%               |
| Property management fees (a)   | (808)                                 | 2.53%               |
| <b>Net Increase (Decrease)</b> | <b><u>(22,830)</u></b>                | <b><u>3.04%</u></b> |

## **LIQUIDITY AND CAPITAL RESOURCES**

While it is the General Partners primary intention to operate and manage the existing real estate investments, the General Partner also continually evaluates this investment in light of current economic conditions and trends to determine if this asset should be considered for disposal. At this time, there is no plan to dispose of either property.

As of March 31, 2005, the Partnership had \$338,680 in cash and cash equivalents as compared to \$353,871 as of December 31, 2004. The net decrease in cash of \$15,191 is principally due to cash used for financing activities.

Each asset of the fund refinanced its debt during July 1997. The fund retired debt with a face value of \$6,500,000 and replaced with debt of \$10,800,000. The new mortgages in the amounts of \$4,000,000, \$6,800,000 carry interest rates of 7.8% and 7.92% respectively. The notes come due August 2007. The Partnerships required principal payments due under the stated terms of the Partnerships mortgage notes payable are \$164,442, \$177,870, and \$9,576,345 for each of the next three years.

For the foreseeable future, the Partnership anticipates that mortgage principal payments (excluding any balloon mortgage payments), improvements and capital expenditures will be funded by net cash from operations. The primary source of capital to fund future Partnership acquisitions and balloon mortgage payments will be proceeds from the sale, financing or refinancing of the Properties.

### **Item 3 – Quantitative and Qualitative Disclosure about Market Risk**

The Partnership is exposed to interest rate changes primarily as a result of its real estate mortgages. The Partnerships interest rate risk management objective is to limit the impact of interest rate changes on earnings and cash flows and to lower it's overall borrowing costs. To achieve its objectives, the Partnership borrows primarily at fixed rates. The Partnership does not enter into derivative or interest rate transactions for any purpose.

The Partnerships' activities do not contain material risk due to changes in general market conditions. The partnership invests only in fully insured bank certificates of deposits, and mutual funds investing in United States treasury obligations.

### **Item 4 - Controls and Procedures**

Based on their most recent evaluation, which was completed within 90 days of the filing of this Form 10-Q, our Acting Principal Executive Officer and Chief Financial Officer, believe our disclosure controls and procedures (as defined in Exchange Act Rules 13a-14 and 15d-14) are effective. There were not any significant changes in internal controls or in other factors that could significantly affect these controls subsequent to the date of their evaluation, and there has not been any corrective action with regard to significant deficiencies and material weaknesses.



## Other Information

- |         |  |
|---------|--|
| Item 1. | Legal Proceedings  |
| Item 2. | Changes in Securities<br>None  |
| Item 3. | Defaults Upon Senior Securities<br>None  |
| Item 4. | Submission of Matters to a Vote of Security Holders<br>None  |
| Item 5. | Other Information<br>None  |
| Item 6. | Exhibit and Reports on Form 8-K<br>(A)The following documents are filed herewith or incorporated herein by reference as indicated as Exhibits: |

### Exhibit Designation

### Document Description

2

Certificate of Limited partnership, as amended, incorporated by reference to Registration Statement No.2-81074 effective May 2, 1983.

Limited Partnership Agreement, incorporated by reference to Registration Statement No.2-81074effective May 2,1983.

11  
15  
18  
19  
20  
23  
24

Not Applicable  
Not Applicable  
Not Applicable  
Not Applicable  
Not Applicable  
Not Applicable  
Not Applicable

25

Power of Attorney, incorporated by reference to Registration Statement No. 2-81074 effective May 2, 1983.

28  
31.1

None  
Certification Pursuant to Rules 13a-14 and 15d-14 Under the Securities Exchange Act of 1934, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002, filed herewith.

32.1

Certification Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, filed herewith.

(B) Reports on Form 8-K for the quarter ended March 31, 2005.

1

None

## **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.

AMERICAN REPUBLIC REALTY FUND I  
a Wisconsin limited partnership

By: /s/ Robert J. Werra  
Robert J. Werra,  
General Partner

Date: May 5, 2005

## **Exhibit 31.1**

### **CERTIFICATION PURSUANT TO RULES 13a-14 AND 15d-14 UNDER THE SECURITIES EXCHANGE ACT OF 1934, AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I Robert J. Werra, Acting Principal Executive Officer and Chief Financial Officer of American Republic Realty Fund I (“the Company”), certify that:

1. I have reviewed this quarterly report on Form 10-Q of the Company;
2. Based on my knowledge, this quarterly report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this quarterly report;
3. Based on my knowledge, the financial statements, and other financial information included in this quarterly report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this quarterly report;
4. I am responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the Company and have:
  - a. designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under my supervision, to ensure that material information relating to the company and its consolidated subsidiaries is made known to me by others within those entities, particularly for the periods presented in this quarterly report;
  - b. designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under my supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles.
  - c. evaluated the effectiveness of the Companys disclosure controls and procedures and presented in this report my conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

**CERTIFICATION PURSUANT TO RULES 13a-14 AND 15d-14 UNDER  
THE SECURITIES EXCHANGE ACT OF 1934, AS ADOPTED PURSUANT TO  
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002 - continued**

- d. disclosed in this report any change in the Companys internal control over financial reporting that occurred during the Companys most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the Companys internal control over financial reporting; and
- 5. I have disclosed based on my most recent evaluation of internal control over financial reporting, to the Companys auditors and Audit Committee of the Board of Directors (or persons fulfilling the equivalent function):
  - a. all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Companys ability to record, process, summarize, and report financial data; and
  - b. any fraud, whether or not material, that involves management or other employees who have a significant role in the Companys internal control over financial reporting.

/s/ Robert J. Werra

Robert J. Werra  
Acting Principal Executive Officer and Chief Financial Officer  
May 5, 2005

## **Exhibit 32.1**

**CERTIFICATION PURSUANT TO  
18 U.S.C. SECTION 1350,  
AS ADOPTED PURSUANT TO  
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report of American Republic Realty Fund I (“the Company”) on Form 10-Q for the period ending March 31, 2005 as filed with the Securities and Exchange Commission on the date hereof (“the Report”), I, Robert J. Werra, Acting Principal Executive Officer and Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. 1350, as adopted pursuant to 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) The report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Robert J. Werra

Robert J. Werra  
Acting Principal Executive Officer and Chief Financial Officer  
May 5, 2005