

Edgar Filing: KOGER EQUITY INC - Form 8-K

KOGER EQUITY INC
Form 8-K
September 02, 2003

SECURITIES and EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

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

Date of Report (Date of earliest event reported): September 2, 2003

KOGER EQUITY, INC.

(Exact name of registrant as specified in its charter)

FLORIDA

(State or other jurisdiction of incorporation)

1-9997

59-2898045

(Commission File Number)

(IRS Employer Identification No.)

225 NE Mizner Boulevard, Suite 200
Boca Raton, Florida

33432

(Address of principal executive offices)

(Zip Code)

(561) 395-9666

(Registrant's telephone number, including area code)

N/A

(Former name or former address, if changed since last report)

Item 5. Other Events.

(a) The historical ratio of earnings to fixed charges for the periods indicated
is as follows:

Six Months Ended June 30,		Years Ended De	
2003	2002	2002	2001
-----	-----	-----	-----

Earnings:

Edgar Filing: KOGER EQUITY INC - Form 8-K

Net income	7,721	9,488	16,423	73,223
Adjustments:				
Income taxes	(21)	94	(413)	684
Minority interest	-	20	20	1,044
Equity in earnings of unconsolidated subsidiary	-	-	-	(81)
Interest expense	14,045	11,236	23,252	25,204
Amortization of loan costs	725	588	1,893	908
Distributed income of equity investees	-	-	2,750	-
Interest capitalized	-	-	-	(207)
Gain on sale of assets	(589)	(1)	(21)	(39,189)
	-----	-----	-----	-----
Earnings	21,881	21,425	43,904	61,586
	=====	=====	=====	=====
Fixed Charges:				
Interest expense	14,045	11,236	23,252	25,204
Interest capitalized	-	-	-	207
Amortization of deferred loan costs	725	588	1,893	908
Preferred stock dividends	-	-	-	-
	-----	-----	-----	-----
Total Fixed Charges	14,770	11,824	25,145	26,319
	=====	=====	=====	=====
Ratio of Earnings to Fixed Charges	1.48	1.81	1.75	2.34
	=====	=====	=====	=====

For purposes of calculating the above ratios, earnings represent net income from our consolidated statements of operations, as adjusted for fixed charges and dividends on preferred stock. Fixed charges represent interest expense from our consolidated statements of operations. The ratios are based solely on historical financial information and no pro forma adjustments have been made thereto.

(b) Information about securities underlying Koger Equity, Inc.'s outstanding stock options at December 31, 2002 is as follows:

Plan Category	Number of Securities to be Issued upon Exercise of Outstanding Options	Weighted Average Exercise Price Outstanding
-----	-----	-----
Equity Compensation Plans		
Approved by Stockholders	449,113	19.50
Equity Compensation Plans		

Edgar Filing: KOGER EQUITY INC - Form 8-K

Not Approved by Stockholders	1,704,894 (1)	17.14
Total	2,154,007	17.60

(1) Includes the following options, all of which were granted at an exercise price equal to the closing market price on the date of grant with a term of ten years:

1. Options to purchase 1,525,000 shares granted to certain officers in connection with their initial employment with the Company. These grants are summarized as follows:

Officer	Title	Number of Options	Exercise Price	Date of Grant
Thomas J. Crocker	Chief Executive Officer	700,000	\$16.0625	Fe
Robert E. Onisko	Chief Financial Officer	300,000	16.0625	Fe
Thomas C. Brockwell	Senior Vice President	200,000	17.5625	Ju
Christopher L. Becker	Senior Vice President	200,000	17.5625	Ju
David B. Hiley	Former Chief Financial Officer	125,000	22.8125	Fe

2. Options to purchase 30,294 shares granted to lower echelon employees.
3. Options to purchase 44,000 shares granted in 1997 to the then outside directors. These grants are summarized as follows:

Title	Number of Options	Exercise Price	Date of Grant
D. Pike Aloian	4,000	\$19.8125	August 19,
Benjamin C. Bishop, Jr.	4,000	19.8125	August 19,
Irvin H. Davis	4,000	19.8125	August 19,
David B. Hiley	4,000	19.8125	August 19,
John R.S. Jacobsson	4,000	19.8125	August 19,
G. Christian Lantzsch	4,000	19.8125	August 19,
William L. Mack	4,000	19.8125	August 19,
Lee S. Neibart	4,000	19.8125	August 19,
Edward Scheetz	4,000	19.8125	August 19,
George F. Staudter	4,000	19.8125	August 19,
S.D. Stoneburner	4,000	19.8125	August 19,

4. Options to purchase 80,600 shares granted pursuant to a non-statutory stock option plan available to all employees of the Company.

Edgar Filing: KOGER EQUITY INC - Form 8-K

5. Options to purchase 25,000 shares granted to the Company's outside legal counsel and assistant secretary. Harold F. McCart, Jr. was granted this option on May 19, 1998 at an exercise price of \$21.25. This option is fully vested.
- (2) Includes the following options available for grant at a exercise price equal to at least the closing market price on the date of grant for a term not to exceed ten years:
 1. Options to purchase up to 119,706 shares available for grant pursuant to an option plan available to lower echelon employees.
 2. Options to purchase up to 155,700 shares available for grant pursuant to a non-statutory stock option plan available for all employees of the Company. This plan expires on November 18, 2006. The Company's Compensation Committee has plenary authority to grant options under this plan subject to any conditions it may determine except for option price and term.

Item 7. Financial Statements and Exhibits.

(c) Exhibits.

- (12) Statements regarding Computation of Ratios.

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.

KOGER EQUITY, INC.

Dated: September 2, 2003

By: /s/ Steven A. Abney

Steven A. Abney
Vice President, Finance and Chief
Accounting Officer
(Principal Financial Officer)
Koger Equity, Inc.

EXHIBIT INDEX

Edgar Filing: KOGER EQUITY INC - Form 8-K

Exhibit No.	Description
-----	-----
12	Statements regarding Computation of Ratios.

EXHIBIT 12

KOGER EQUITY, INC.
Ratio of Earnings to Fixed Charges
(In Thousands except Ratios)

	Six Months Ended June 30,		Years Ended De	
	2003	2002	2002	2001
Earnings:				
Net income	7,721	9,488	16,423	73,223
Adjustments:				
Income taxes	(21)	94	(413)	684
Minority interest	-	20	20	1,044
Equity in earnings of unconsolidated subsidiary	-	-	-	(81)
Interest expense	14,045	11,236	23,252	25,204
Amortization of loan costs	725	588	1,893	908
Distributed income of equity investees	-	-	2,750	-
Interest capitalized	-	-	-	(207)
Gain on sale of assets	(589)	(1)	(21)	(39,189)
Earnings	21,881	21,425	43,904	61,586
Fixed Charges:				
Interest expense	14,045	11,236	23,252	25,204
Interest capitalized	-	-	-	207
Amortization of deferred loan costs	725	588	1,893	908
Preferred stock dividends	-	-	-	-
Total Fixed Charges	14,770	11,824	25,145	26,319
Ratio of Earnings to Fixed Charges	1.48	1.81	1.75	2.34

