
**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549**

FORM 8-K/A

(Amendment No. 1)

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 1, 2017

Easterly Government Properties, Inc.

(Exact name of Registrant as Specified in Its Charter)

Maryland
(State or Other Jurisdiction
of Incorporation)

001-36834
(Commission File Number)

47-2047728
(IRS Employer
Identification No.)

2101 L Street NW, Suite 650, Washington, D.C.
(Address of Principal Executive Offices)

20037
(Zip Code)

Registrant's Telephone Number, Including Area Code: (202) 595-9500

Not Applicable

(Former Name or Former Address, if Changed Since Last Report)

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 Instructions 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))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (17 CFR §230.405) or Rule 12b-2 of the Securities Exchange Act of 1934 (17 CFR §240.12b-2).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Explanatory Note

On June 1, 2017, Easterly Government Properties, Inc. (the "Company"), through a wholly-owned subsidiary of its operating partnership, Easterly Government Properties LP, completed the previously announced acquisition of the Department of Veterans Affairs (VA) Ambulatory Care Center located in Loma Linda, California ("VA – Loma Linda") for a contractual purchase price of \$212.5 million from unaffiliated third parties, pursuant to the purchase and sale agreement entered into on March 10, 2017.

The acquisition of VA – Loma Linda was originally reported on a Current Report on Form 8-K, filed by the Company with the Securities and Exchange Commission on June 5, 2017 (the "Original Report"). This amendment to the Original Report is being filed to provide the historical financial statements required by Item 9.01(a) of Form 8-K and the pro forma financial information required by Item 9.01(b) of Form 8-K, which financial statements and information were not included in the Original Report as permitted by Item 9.01(a)(4) and Item 9.01(b)(2) of Form 8-K. This Current Report on Form 8-K/A should be read in conjunction with the Original Report.

Item 9.01 Financial Statements and Exhibits.

(a) Financial Statements of Businesses Acquired.

The following financial statements for VA – Loma Linda are attached hereto as Exhibit 99.1 and incorporated by reference herein:

Independent Auditor's Report

VA – Loma Linda - Statement of Revenues and Certain Expenses for the Three Months Ended March 31, 2017 (unaudited) and the Year Ended December 31, 2016

Notes to the Statement of Revenues and Certain Expenses

(b) Pro Forma Financial Information.

The following pro forma financial information for the Company are attached hereto as Exhibit 99.2 and incorporated by reference herein:

Introduction to the Unaudited Pro Forma Consolidated Financial Statements

Unaudited Pro Forma Consolidated Balance Sheet as of March 31, 2017

Unaudited Pro Forma Consolidated Statement of Operations for the Three Months Ended March 31, 2017

Unaudited Pro Forma Consolidated Statement of Operations for the Year Ended December 31, 2016

Notes to the Unaudited Pro Forma Consolidated Financial Statements

(d) Exhibits.

<u>Exhibit</u>	<u>Description</u>
23.1	Consent of PricewaterhouseCoopers
99.1	Financial Statements of VA – Loma Linda
99.2	Unaudited Pro Forma Consolidated Financial Statements of the Company

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 hereunto duly authorized.

**EASTERLY GOVERNMENT
PROPERTIES, INC.**

By: /s/ William C. Trimble, III
Name: William C. Trimble, III
Title: Chief Executive Officer and President

Date: July 28, 2017

EXHIBIT INDEX

<u>Exhibit</u>	<u>Description</u>
23.1	Consent of PricewaterhouseCoopers
99.1	Financial Statements of VA – Loma Linda
99.2	Unaudited Pro Forma Consolidated Financial Statements of the Company

CONSENT OF INDEPENDENT ACCOUNTANTS

We hereby consent to the incorporation by reference in the Registration Statements on Form S-3 (Nos. 333-210049 and 333-210052) and Form S-8 (No. 333-202008) of Easterly Government Properties, Inc. of our report dated July 28, 2017 relating to the statement of revenues and certain expenses of the Department of Veterans Affairs (VA) Ambulatory Care Center (VA – Loma Linda) for the period May 27, 2016 through December 31, 2016, which appears in this Current Report on Form 8-K/A of Easterly Government Properties, Inc.

/s/ PricewaterhouseCoopers LLP
Boston, Massachusetts
July 28, 2017

Report of Independent Auditors

To the Board of Directors and Management of Easterly Government Properties, Inc.

We have audited the accompanying statement of revenues and certain expenses of the Department of Veterans Affairs (VA) Ambulatory Care Center (“VA – Loma Linda,” the “Property”) for the period May 27, 2016 through December 31, 2016.

Management’s Responsibility for the Statement of Revenues and Certain Expenses

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 our 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, we consider internal control relevant to the Property’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 Property’s internal control. 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 statement of 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 revenues and certain expenses of the Property for the period May 27, 2016 through December 31, 2016 in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

The accompanying special purpose financial statements were prepared in connection with Easterly Government Properties, Inc’s acquisition of VA – Loma Linda, as described in Note 2, for the purposes of complying with Rule 3-14 of the Securities and Exchange Commission’s Regulation S-X. These special purpose financial statements are not intended to be a complete presentation of the financial position, results of operations or cash flows of VA – Loma Linda. Our opinion is not modified with respect to this matter.

/s/ PricewaterhouseCoopers LLP
Boston, Massachusetts
July 28, 2017

VA – LOMA LINDA
STATEMENT OF REVENUES AND CERTAIN EXPENSES
(dollars in thousands)

	Three Months Ended March 31, 2017 (unaudited)	Period Ended December 31, 2016*
Revenues		
Rental income	\$ 3,653	\$ 8,720
Tenant reimbursements	95	368
Other income	3	28
Total revenues	\$ 3,751	\$ 9,116
Certain expenses		
Property operating	339	837
Real estate taxes	413	1,005
Total certain expenses	752	1,842
Revenues in excess of certain expenses	\$ 2,999	\$ 7,274

* The VA - Loma Linda lease commenced on May 27, 2016, upon completion of construction. As such the statement of revenues and certain expenses for the period ended December 31, 2016 reflects operations for the period from May 27, 2016, the date of commencement of the lease, through December 31, 2016.

The accompanying notes are an integral part of the statement of revenues and certain expenses.

VA – Loma Linda
Notes to the Statement of Revenues and Certain Expenses
(dollars in thousands)

Note 1 – Organization and Nature of Business

On June 1, 2017, Easterly Government Properties, Inc. (together with its consolidated subsidiaries, the “Company”) completed the acquisition of the Department of Veterans Affairs (VA) Ambulatory Care Center located in Loma Linda, California (“VA - Loma Linda”) by acquiring 100% of the membership interest of WI Loma Linda, LLC from unaffiliated third parties. VA – Loma Linda is a 327,614 rentable square foot state-of-the-art ambulatory care facility, constructed in 2016 and 100% leased to the U.S. Government through the VA. The accompanying statement of revenues and certain expenses (the “Statement”) relate to the operations of VA – Loma Linda.

Note 2 – Summary of Significant Accounting Policies

Basis of Presentation

The statement relates to VA – Loma Linda and has been prepared for the purpose of complying with Rule 3-14 of Regulation S-X promulgated under the Securities Act of 1933, as amended, and accordingly, is not representative of the actual results of operations of VA – Loma Linda for the three months ended March 31, 2017 (unaudited) or for the period ended December 31, 2016, due to the exclusion of the following revenues and expenses which may not be comparable to the proposed future operations of VA – Loma Linda:

- depreciation and amortization,
- interest income and expense,
- amortization of above and below market leases, and
- other miscellaneous revenues and expenses not directly related to the proposed future operations of VA – Loma Linda.

Since VA – Loma Linda was acquired from an unrelated third party, the Statement has been prepared for the most recent fiscal year and most recent interim period.

Revenue Recognition

Rental income is recognized on the straight-line basis over the term of the related lease when collectability is reasonably assured. The straight-line rent adjustment increased revenue for VA – Loma Linda by approximately \$0.7 million and \$1.6 million in the three months ended March 31, 2017 (unaudited) and the period ended December 31, 2016, respectively.

Tenant reimbursements include amounts due from tenants for real estate taxes and other reimbursements. Real estate taxes over the base year are reimbursed by the tenant and are recognized as revenues in the period during which the revenues are earned.

Use of Estimates

Management has made a number of estimates and assumptions relating to the reporting and disclosure of revenues and certain expenses during the reporting period to prepare the accompanying Statement in conformity with accounting principles generally accepted in the United States of America. Actual results could differ from those estimates.

Unaudited Interim Statement

The statement of revenues and certain expenses for the three months ended March 31, 2017 is unaudited. In the opinion of management, this statement reflects all adjustments necessary for a fair presentation of the results of the interim period. All such adjustments are of a normal recurring nature.

VA – Loma Linda
Notes to the Statement of Revenues and Certain Expenses
(dollars in thousands)

Note 3 – Operating Lease

VA – Loma Linda is 100% leased to the U.S. Government through the VA under a non-cancelable operating lease that expires in 2036, which is subject to various escalation clauses. Minimum future rentals for non-cancelable lease terms at December 31, 2016 are as follows (unaudited):

Year	Minimum Rent
2017	\$ 11,939
2018	11,939
2019	14,244
2020	15,801
2021	15,801
Thereafter	215,390
Total	\$ 285,114

Total minimum future rentals presented above do not include amounts to be received as tenant reimbursements, straight-line rent adjustments, or other income.

Note 4 – Subsequent Events

Management has evaluated subsequent events through July 28, 2017, which is the date the financial statements were available to be issued, and concluded that there are no items requiring adjustment of the financial statements or additional disclosure.

Easterly Government Properties, Inc.
Introduction to the Unaudited Pro Forma Consolidated Financial Statements

The unaudited pro forma consolidated financial statements (including notes thereto) of Easterly Government Properties, Inc. (the “Company”) are qualified in their entirety and should be read in conjunction with the consolidated financial statements for the fiscal year ended December 31, 2016, and related notes thereto, included in the Company’s Annual Report on Form 10-K for the year ended December 31, 2016 filed with the U.S. Securities and Exchange Commission (the “SEC”) on March 2, 2017 and the consolidated financial statements for the three months ended March 31, 2017, and related notes thereto, included in the Company’s Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2017 filed with the SEC on May 9, 2017.

On June 1, 2017, the Company, through a wholly-owned subsidiary of its operating partnership, Easterly Government Properties LP (the “Operating Partnership”), acquired the Department of Veterans Affairs (VA) Ambulatory Care Center located in Loma Linda, California (“VA – Loma Linda”) by acquiring 100% of the membership interest of WI Loma Linda, LLC from an unrelated third party. VA – Loma Linda is a 327,614 rentable square foot state-of-the-art ambulatory care facility, constructed in 2016 and 100% leased to the Department of Veterans Affairs (“VA”). VA – Loma Linda had an aggregate purchase price of \$212.6 million which was funded by a \$175.0 million private placement, \$26.3 million credit facility draws and cash on hand. Subsequent to closing the Company, through a wholly-owned subsidiary of the Operating Partnership, entered into a \$127.5 million mortgage loan secured by VA – Loma Linda and used the proceeds to pay down the Company’s senior unsecured revolving credit facility.

The unaudited pro forma consolidated balance sheet as of March 31, 2017, reflects the financial position of the Company as if the acquisition of VA – Loma Linda had been completed on March 31, 2017. The unaudited pro forma consolidated statements of operations for the year ended December 31, 2016 and the three months ended March 31, 2017 are presented as if the acquisition of VA – Loma Linda by the Company had occurred on May 27, 2016, the date of lease commencement.

In management’s opinion, all adjustments necessary to reflect the acquisition of VA – Loma Linda have been made.

The unaudited pro forma consolidated financial statements as of March 31, 2017 and for the year ended December 31, 2016 and the three months ended March 31, 2017 are not necessarily indicative of what the Company’s actual financial condition would have been at March 31, 2017 or what the Company’s actual results of operations would have been assuming the transactions had occurred as of May 27, 2016, nor do they purport to represent our financial condition or results of operation for future periods.

Easterly Government Properties, Inc.
Unaudited Pro Forma Consolidated Balance Sheet
As of March 31, 2017
(Amounts in thousands, except share amounts)

	Easterly Government Properties, Inc.	VA - Loma Linda	Company Pro Forma
	(A)	(B)	
Assets			
Real estate properties, net	\$ 928,855	\$ 189,833	\$ 1,118,688
Cash and cash equivalents	5,241	(5,241)	—
Restricted cash	2,005	1,495	3,500
Deposits on acquisitions	8,750	(7,500)	1,250
Rents receivable	7,913	—	7,913
Accounts receivable	5,740	330	6,070
Deferred financing, net	1,652	—	1,652
Intangible assets, net	111,195	22,790	133,985
Interest rate swaps	3,893	—	3,893
Prepaid expenses and other assets	3,327	93	3,420
Total assets	\$ 1,078,571	\$ 201,800	\$ 1,280,371
Liabilities			
Revolving credit facility	158,167	(106,167)	52,000
Term loan facility, net	99,097	—	99,097
Notes payable, net	—	173,633	173,633
Mortgage notes payable, net	80,054	125,487	205,541
Intangible liabilities, net	40,629	—	40,629
Accounts payable and accrued liabilities	12,622	8,847	21,469
Total liabilities	390,569	201,800	592,369
Equity			
Common stock, par value \$0.01, 200,000,000 shares authorized, 36,991,430 shares issued and outstanding at March 31, 2017.	370	—	370
Additional paid-in capital	599,233	—	599,233
Retained earnings	2,805	—	2,805
Cumulative dividends	(51,671)	—	(51,671)
Accumulated other comprehensive income	3,134	—	3,134
Total stockholders' equity	553,871	—	553,871
Non-controlling interest in Operating Partnership	134,131	—	134,131
Total equity	688,002	—	688,002
Total liabilities and equity	\$ 1,078,571	\$ 201,800	\$ 1,280,371

The accompanying notes are an integral part of these consolidated financial statements.

Easterly Government Properties, Inc.
Unaudited Pro Forma Consolidated Statement of Operations
For the Three Months Ended March 31, 2017
(Amounts in thousands, except share and per share amounts)

	Easterly Government Properties, Inc. (AA)	VA - Loma Linda (BB)	Other Adjustments	Company Pro Forma
Revenues				
Rental income	\$ 26,020	\$ 3,653	\$ —	\$ 29,673
Tenant reimbursements	3,628	95	—	3,723
Other income	239	3	—	242
Total revenues	29,887	3,751	—	33,638
Operating expenses				
Property operating	6,349	339	—	6,688
Real estate taxes	2,735	413	—	3,148
Depreciation and amortization	13,060	—	1,405 (CC)	14,465
Acquisition costs	532	—	—	532
Corporate general and administrative	3,444	—	—	3,444
Total expenses	26,120	752	1,405	28,277
Operating income	3,767	2,999	(1,405)	5,361
Other (expenses) / income				
Interest expense, net	(2,417)	—	(2,334) (DD)	(4,751)
Net income (loss)	1,350	2,999	(3,739)	610
Non-controlling interest in Operating Partnership	(266)	—	146 (EE)	(120)
Net income (loss) available to Easterly Government Properties, Inc.	\$ 1,084	\$ 2,999	\$ (3,593)	\$ 490
Net income (loss) available to Easterly Government Properties, Inc. per share:				
Basic	\$ 0.03			\$ 0.01
Diluted	\$ 0.03			\$ 0.01
Weighted-average common shares outstanding				
Basic	36,891,595			36,891,595
Diluted	39,143,887			39,143,887

The accompanying notes are an integral part of these consolidated financial statements.

Easterly Government Properties, Inc.
Unaudited Pro Forma Consolidated Statement of Operations
For the Year Ended December 31, 2016
(Amounts in thousands, except share and per share amounts)

	Easterly Government Properties, Inc.	VA - Loma Linda*	Other Adjustments	Company Pro Forma
	(AA)	(BB)		
Revenues				
Rental income	\$ 93,364	\$ 8,720	\$ —	\$ 102,084
Tenant reimbursements	10,647	368	—	11,015
Other income	607	28	—	635
Total revenues	104,618	9,116	—	113,734
Operating expenses				
Property operating	21,078	837	—	21,915
Real estate taxes	9,896	1,005	—	10,901
Depreciation and amortization	46,643	—	3,356 (CC)	49,999
Acquisition costs	1,798	—	—	1,798
Corporate general and administrative	12,289	—	—	12,289
Total expenses	91,704	1,842	3,356	96,902
Operating income	12,914	7,274	(3,356)	16,832
Other (expenses) / income				
Interest expense, net	(8,177)	—	(5,571) (DD)	(13,748)
Net income (loss)	4,737	7,274	(8,927)	3,084
Non-controlling interest in Operating Partnership	(1,322)	—	461 (EE)	(861)
Net income (loss) available to Easterly Government Properties, Inc.	\$ 3,415	\$ 7,274	\$ (8,466)	\$ 2,223
Net income (loss) available to Easterly Government Properties, Inc. per share:				
Basic	\$ 0.11			\$ 0.07
Diluted	\$ 0.10			\$ 0.07
Weighted-average common shares outstanding				
Basic	30,645,279			30,645,279
Diluted	32,372,538			32,372,538

* The VA - Loma Linda lease commenced on May 27, 2016, upon completion of construction. As such the statement of revenues and certain expenses for the period ended December 31, 2016 reflects operations for the period from May 27, 2016, the date of commencement of the lease, through December 31, 2016.

The accompanying notes are an integral part of these consolidated financial statements.

1. Adjustments to the Unaudited Pro Forma Consolidated Balance Sheet

The adjustments to the unaudited pro forma consolidated balance sheet as of March 31, 2017 are as follows:

- (A) Reflects the unaudited consolidated balance sheet of Easterly Government Properties, Inc. as of March 31, 2017.
- (B) Reflects the acquisition of VA – Loma Linda which closed on June 1, 2017. This acquisition was funded by a \$127.5 million mortgage loan net of \$2.0 million in deferred financing fees, \$175.0 million private placement net of \$1.4 million in deferred financing fees and cash on hand with \$106.2 million of such aggregate proceeds used to pay down the Company’s senior unsecured revolving credit facility. The following pro forma adjustments are necessary to reflect the initial allocation of the estimated purchase price of this acquisition. The allocation of purchase price shown in the table below is based on the Company’s best estimate and is subject to change based on the final determination of the fair value of assets and liabilities acquired.

<u>Real estate properties, net</u>	
Land	\$ 12,476
Building	177,357
Total Real estate properties, net	\$ 189,833
<u>Intangible assets, net</u>	
In-place leases	\$ 14,027
Acquired leasing commissions	8,763
Total Intangible assets, net	\$ 22,790

2. Adjustments to the Unaudited Pro Forma Consolidated Statements of Operations

The adjustments to the unaudited pro forma consolidated statements of operations for the three months ended March 31, 2017 and for the year ended December 31, 2016 are as follows:

- (AA) Reflects the historical results of Easterly Government Properties, Inc. for the three months ended March 31, 2017 (unaudited) and year ended December 31, 2016, respectively.
- (BB) Reflects the statement of revenues and certain expenses of VA – Loma Linda for the three months ended March 31, 2017 (unaudited) and period ended December 31, 2016, respectively.
- (CC) The pro forma adjustment for depreciation expense is based on the Company’s basis in the assets that would have been recorded assuming VA – Loma Linda was acquired on May 27, 2016, the date of lease commencement. Depreciation and amortization amounts were determined in accordance with the Company’s policies and are based on management’s evaluation of the estimated useful lives of the properties and intangibles. The amounts allocated to buildings are depreciated over 40 years. The amounts allocated to lease intangibles are amortized over the remaining life of the related leases.
- (DD) Reflects the additional estimated interest expense assuming VA – Loma Linda was acquired on May 27, 2016, the date of lease commencement. The table below provides a summary of interest bearing debt used to finance VA – Loma Linda:

	<u>Fixed/ Floating</u>	<u>Interest Rate</u>	<u>Principal Balance</u>
Notes payable, net			
Series A	Fixed	4.05%	\$ 95,000
Series B	Fixed	4.15%	\$ 50,000
Series C	Fixed	4.30%	\$ 30,000
Mortgage notes payable, net	Fixed	3.59%	\$ 127,500
Revolving credit facility	Floating	2.31%	\$ (106,167)

- (EE) Non-controlling interest in Operating Partnership is adjusted based on the additional pro forma earnings due to the acquisition of VA – Loma Linda.