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

FORM 1-SA/A
(Amendment No. 1)

SEMI-ANNUAL REPORT PURSUANT TO REGULATION A

For the fiscal semi-annual period ended **June 30, 2022**

HC GOVERNMENT REALTY TRUST, INC.

(Exact name of issuer as specified in its charter)

Maryland

(State or other jurisdiction of incorporation or organization)

81-1867397

(I.R.S. Employer Identification No.)

390 S. Liberty Street, Suite 100 Winston-Salem, NC

(Address of principal executive offices)

27101

(Zip Code)

(336) 477-2535

(Issuer's telephone number, including area code)

EXPLANATORY NOTE

Amendment to Form 1-SA

HC Government Realty Trust, Inc., a Maryland corporation (the “Company” or “our”), is filing this Semiannual Report on Form 1-SA/A (Amendment No. 1) (this “Amendment”) to amend our Semiannual Report on Form 1-SA for the semiannual period ended June 30, 2022, originally filed with the Securities and Exchange Commission on September 29, 2022 (the “Original Filing”), for the purpose of correcting scrivener’s errors in the Company’s Consolidated Statements of Cash Flows for the six months ended June 30, 2022 and 2021 that were included in the Original Filing.

Items Amended in this Amendment

This Amendment presents modifications to the following item in the Original Filing:

- Item 3, Financial Statements – HC Government Realty Trust, Inc. Consolidated Statements of Cash Flows for the six months ended June 30, 2022 and 2021.

Except as described above, this Amendment does not amend, update or change any other items or disclosures in the Original Filing.

HC Government Realty Trust, Inc.
Consolidated Statements of Cash Flows
For the Six Months Ended June 30, 2022 and 2021 (unaudited)

| | For the six months ended June 30, | |
|---|--|---------------------|
| | 2022 | 2021 |
| Cash flows from operating activities: | | |
| Net loss | \$ (3,726,366) | \$ (3,386,965) |
| Adjustments to reconcile net loss to net cash (used in) provided by operating activities: | | |
| Depreciation | 2,276,824 | 2,019,820 |
| Amortization of acquired lease-up costs | 309,814 | 287,267 |
| Amortization of in-place leases | 510,553 | 412,230 |
| Amortization of above/below-market leases, net | 96,321 | 119,540 |
| Amortization of debt issuance costs | 243,897 | 464,263 |
| Amortization of deferred offering costs | 211,011 | 195,478 |
| Equity-based compensation | 437,390 | 306,051 |
| Loss on involuntary conversion | 29,443 | - |
| Net change in: | | |
| Rent and other tenant receivables, net | 66,549 | (1,515,427) |
| Prepaid expenses and other assets | (115,532) | 87,902 |
| Deposits on properties under contract | (1,292,071) | - |
| Accrued interest payable | 21,774 | 6,625 |
| Accounts payable | (240,636) | (582,873) |
| Accrued expenses and other liabilities | 246,280 | 403,010 |
| Deferred revenue | 9,660 | 1,625,730 |
| Net cash (used in) provided by operating activities | <u>(915,089)</u> | <u>442,651</u> |
| Cash flows from investing activities: | | |
| Real estate acquisitions | - | (3,492,951) |
| Development property additions | (142,180) | (3,153,381) |
| Capital and tenant improvements on operating properties | (382,746) | (590,246) |
| Insurance proceeds from loss on involuntary conversion | 17,312 | - |
| Net cash used in investing activities | <u>(507,614)</u> | <u>(7,236,578)</u> |
| Cash flows from financing activities: | | |
| Dividends paid | (1,976,882) | (1,828,267) |
| Borrowings under revolving credit facility | 4,000,000 | 7,350,000 |
| Mortgage principal payments | (119,353) | (112,045) |
| Net cash provided from financing activities | <u>1,903,765</u> | <u>5,409,688</u> |
| Net increase (decrease) in Cash and cash equivalents and Restricted cash | 481,062 | (1,384,239) |
| Cash and cash equivalents and Restricted cash, beginning of period | 3,112,016 | 5,098,747 |
| Cash and cash equivalents and Restricted cash, end of period | <u>\$ 3,593,078</u> | <u>\$ 3,714,508</u> |
| Supplemental cash flow information: | | |
| Cash paid for interest | \$ 651,183 | \$ 525,252 |
| Cash paid for income taxes | - | - |
| Non cash investing and financing activities: | | |
| Reimbursement of offering costs | \$ 49,378 | \$ 49,378 |
| Recognition of operating lease right-of-use assets and related lease liabilities in connection with the adoption of ASC 842 | 1,259,809 | - |
| Recognition of operating lease right-of-use asset and related lease liability entered into during the period | 92,829 | - |

SIGNATURES

Pursuant to the requirements of Regulation A, the issuer has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

HC GOVERNMENT REALTY TRUST, INC.

By: /s/ Steven A. Hale II
Steven A. Hale II
Chairman and Chief Executive Officer

Date: October 5, 2022

Pursuant to the requirements of Regulation A, this report has been signed by the following persons in the capacities and on the dates indicated.

| <u>Name</u> | <u>Title</u> | <u>Date</u> |
|---|---|------------------------|
| <u>/s/ Steven A. Hale II</u> Steven A. Hale II | Chairman and Chief Executive Officer (principal executive officer) | <u>October 5, 2022</u> |
| <u>/s/ Jacqlyn Piscetelli</u> Jacqlyn Piscetelli | Chief Financial Officer (principal financial officer and principal accounting officer) | <u>October 5, 2022</u> |