

MID AMERICA APARTMENT COMMUNITIES INC  
Form 10-Q  
May 04, 2012

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

FORM 10-Q

✓ QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended March 31, 2012  
or

☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from \_\_\_\_\_ to \_\_\_\_\_

Commission File Number: 1-12762

MID-AMERICA APARTMENT COMMUNITIES, INC.

(Exact name of registrant as specified in its charter)

TENNESSEE

62-1543819

(State or other jurisdiction of  
incorporation or organization)

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

6584 POPLAR AVENUE

MEMPHIS, TENNESSEE

38138

(Address of principal executive offices)

(Zip Code)

(901) 682-6600

(Registrant's telephone number, including area code)

N/A

(Former name, former address and former fiscal year, if changed since last report)

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 whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See definitions of "large accelerated filer," "accelerated filer" and "smaller reporting

Edgar Filing: MID AMERICA APARTMENT COMMUNITIES INC - Form 10-Q

company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer ☒

Accelerated filer ☐

Non-accelerated filer ☐ (Do not check if a smaller reporting company)

Smaller reporting company ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

☐ Yes ☒ No

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date:

Class	Number of Shares Outstanding at April 27, 2012
Common Stock, \$0.01 par value	40,937,133

---

MID-AMERICA APARTMENT COMMUNITIES, INC.

TABLE OF CONTENTS

	Page
<b>PART I – FINANCIAL INFORMATION</b>	
Item 1. Financial Statements.	
Condensed Consolidated Balance Sheets as of March 31, 2012 (Unaudited) and December 31, 2011 (Unaudited)	2
Condensed Consolidated Statements of Operations for the three months ended March 31, 2012 (Unaudited) and 2011 (Unaudited).	3
Condensed Consolidated Statements of Comprehensive Income for the three months ended March 31, 2012 (unaudited) and 2011 (unaudited).	4
Condensed Consolidated Statements of Cash Flows for the three months ended March 31, 2012 (Unaudited) and 2011 (Unaudited).	5
Notes to Condensed Consolidated Financial Statements (Unaudited).	6
Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations.	19
Item 3. Quantitative and Qualitative Disclosures About Market Risk.	30
Item 4. Controls and Procedures.	30
<b>PART II – OTHER INFORMATION</b>	
Item 1. Legal Proceedings.	31
Item 1A. Risk Factors.	31
Item 2. Unregistered Sales of Equity Securities and Use of Proceeds.	40
Item 3. Defaults Upon Senior Securities.	40
Item 4. Mine Safety Disclosures.	40
Item 5. Other Information.	40
Item 6. Exhibits.	41
Signatures	42

## MAA

## Condensed Consolidated Balance Sheets

March 31, 2012 and December 31, 2011

(Unaudited)

(Dollars in thousands, except share data)

	March 31, 2012	December 31, 2011
Assets:		
Real estate assets:		
Land	\$337,220	\$333,846
Buildings and improvements	2,865,981	2,879,289
Furniture, fixtures and equipment	93,919	92,170
Capital improvements in progress	74,294	53,790
	3,371,414	3,359,095
Less accumulated depreciation	(980,036)	(961,724)
	2,391,378	2,397,371
Land held for future development	1,306	1,306
Commercial properties, net	8,014	8,125
Investments in real estate joint ventures	16,567	17,006
Real estate assets, net	2,417,265	2,423,808
Cash and cash equivalents	41,826	57,317
Restricted cash	22,740	1,362
Deferred financing costs, net	15,306	14,680
Other assets	26,167	29,195
Goodwill	4,106	4,106
Total assets	\$2,527,410	\$2,530,468
Liabilities and Shareholders' Equity:		
Liabilities:		
Secured notes payable	\$1,353,056	\$1,514,755
Unsecured notes payable	187,000	135,000
Accounts payable	4,001	2,091
Fair market value of interest rate swaps	29,360	33,095
Accrued expenses and other liabilities	79,437	91,718
Security deposits	6,392	6,310
Total liabilities	1,659,246	1,782,969
Redeemable stock	4,446	4,037
Shareholders' equity:		
Common stock, \$0.01 par value per share, 50,000,000 shares authorized; 40,940,360 and 38,959,338 shares issued and outstanding at March 31, 2012 and December 31, 2011, respectively <sup>(1)</sup>	409	389
Additional paid-in capital	1,491,183	1,375,623
Accumulated distributions in excess of net income	(625,266)	(621,833)
Accumulated other comprehensive losses	(31,800)	(35,848)
Total MAA shareholders' equity	834,526	718,331

Edgar Filing: MID AMERICA APARTMENT COMMUNITIES INC - Form 10-Q

Noncontrolling interest	29,192	25,131
Total equity	863,718	743,462
Total liabilities and equity	\$2,527,410	\$2,530,468

Number of shares issued and outstanding represent total shares of common stock regardless of classification on the  
(1) consolidated balance sheet. The number of shares classified as redeemable stock on the consolidated balance sheet  
for March 31, 2012 and December 31, 2011 are 66,326 and 65,771, respectively.

See accompanying notes to consolidated financial statements.

MAA

Condensed Consolidated Statements of Operations

Three months ended March 31, 2012 and 2011

(Unaudited)

(Dollars in thousands, except per share data)

	Three months ended March 31,	
	2012	2011
Operating revenues:		
Rental revenues	\$109,617	\$95,742
Other property revenues	9,745	8,980
Total property revenues	119,362	104,722
Management fee income	269	223
Total operating revenues	119,631	104,945
Property operating expenses:		
Personnel	14,500	12,821
Building repairs and maintenance	3,928	3,255
Real estate taxes and insurance	13,886	12,191
Utilities	6,344	6,007
Landscaping	2,905	2,635
Other operating	8,279	7,420
Depreciation and amortization	30,643	27,216
Total property operating expenses	80,485	71,545
Acquisition (credit) expenses	(634)	) 219
Property management expenses	5,454	5,144
General and administrative expenses	3,447	4,610
Income from continuing operations before non-operating items	30,879	23,427
Interest and other non-property income	108	235
Interest expense	(14,350)	) (13,914)
Gain on debt extinguishment	20	