

PREFERRED APARTMENT COMMUNITIES INC
Form 10-Q
November 10, 2011

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 September 30, 2011

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 No. 333-168407

Preferred Apartment Communities, Inc.
(Exact name of registrant as specified in its charter)

Maryland
(State or other jurisdiction of
incorporation or organization)

27-1712193
(I.R.S. Employer
Identification No.)

3625 Cumberland Boulevard, Suite 400, Atlanta, GA 30339
(Address of principal executive offices) (Zip Code)

Registrant's telephone number, including area code: (770) 818-4100

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

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Indicate by check mark whether the registrant has submitted electronically and posted on its corporate website, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (Sec. 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 (as defined in Rule 12b-2 of the Exchange Act).

Large accelerated filer Accelerated filer Non-accelerated filer 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

The number of shares outstanding of the registrant's Common Stock, as of November 4, 2011, was 5,147,399.

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PART I - FINANCIAL INFORMATION

Item 1.

Financial Statements.
Preferred Apartment Communities, Inc.
Consolidated Balance Sheets
(unaudited)

	September 30, 2011	December 31, 2010
Assets		
Real estate		
Land	\$ 13,052,000	\$ -
Building and improvements	60,243,867	-
Furniture, fixtures, and equipment	8,351,395	-
Gross real estate	81,647,262	-
Less: accumulated depreciation	(1,725,746)	-
Net real estate	79,921,516	-
Real estate loan	6,000,000	-
Total real estate and real estate loan, net	85,921,516	-
Cash and cash equivalents	5,046,153	22,275
Restricted cash	609,488	-
Tenant receivables	35,680	-
Acquired intangible assets, net of amortization of \$4,698,174	838,893	-
Deferred loan costs, net of amortization of \$42,986	573,153	-
Deferred offering costs	682,668	620,237
Other assets	463,998	187,300
Total assets	\$ 94,171,549	\$ 829,812
Liabilities and equity		
Liabilities		
Mortgage notes payable	\$ 55,637,000	\$ -
Accounts payable and accrued expenses	1,106,299	-
Note payable, related party	-	465,050
Revolving line of credit, related party	-	200,000
Non-revolving line of credit, related party	-	805,898
Accrued interest payable	168,956	15,064
Dividends payable	646,675	-
Security deposits and prepaid rents	156,960	-
Deferred real estate loan income	69,844	-
Total liabilities	57,785,734	1,486,012
Commitments and contingencies (Note 12)		
Equity (deficit)		

Stockholder's equity (deficit)

Common Stock, \$0.01 par value per share; 400,066,666 shares authorized; 5,147,399 shares issued and outstanding at September 30, 2011; 36,666 shares issued and outstanding at December 31, 2010	51,474	366
Additional paid in capital	50,458,803	109,632
Syndication and offering costs	(6,043,712)	-
Accumulated deficit	(8,080,751)	(766,199)
Total stockholders' equity (deficit)	36,385,814	(656,201)
Non-controlling interest	1	1
Total equity (deficit)	36,385,815	(656,200)
Total liabilities and equity	\$ 94,171,549	\$ 829,812

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

Preferred Apartment Communities, Inc.
 Consolidated Statements of Operations
 (unaudited)

	Three months ended		Nine months ended	
	September 30, 2009	September 30, 2010	September 30, 2009	September 30, 2010
Revenues:				
Rental revenues	\$2,250,514	\$ -	\$3,942,177	\$ -
Other property revenues	258,619	-		