

UMH PROPERTIES, INC.  
Form 10-Q  
May 08, 2014

**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, 2014

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 001-12690

UMH PROPERTIES, INC.

(Exact name of registrant as specified in its charter)

Maryland 22-1890929

(State or other jurisdiction of (I.R.S. Employer  
incorporation or organization) identification number)

Juniper Business Plaza, 3499 Route 9 North, Suite 3-C, Freehold, NJ 07728

(Address of Principal Executive Offices) (Zip Code)

Registrant's telephone number, including area code (732) 577-9997

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(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 the definitions of "large accelerated filer", "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act (Check one):

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 Act).

Yes  No

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

Class	Outstanding Common Shares as of May 1, 2014
Common Stock, \$.10 par value per share	21,908,506

1

**UMH PROPERTIES, INC. AND SUBSIDIARIES**

**FORM 10-Q**

**FOR THE QUARTER ENDED MARCH 31, 2014**

**CONTENTS**

	<u><b>Page No.</b></u>
<b>PART I - FINANCIAL INFORMATION</b>	
Item 1 - Financial Statements (Unaudited)	
Consolidated Balance Sheets	3
Consolidated Statements of Income (Loss)	5
Consolidated Statements of Comprehensive Income	7
Consolidated Statements of Cash Flows	8
Notes To Consolidated Financial Statements	9
Item 2 - Management's Discussion and Analysis of Financial Condition and Results of Operations	18

Item 3 – Quantitative  
and Qualitative  
Disclosures About 25  
Market Risk

Item 4 – Controls And  
Procedures 25

PART II – OTHER  
INFORMATION 27

Item 1 – Legal  
Proceedings 27

Item 1A – Risk  
Factors 27

Item 2 –  
Unregistered  
Sales of Equity 27  
Securities and  
Use of Proceeds

Item 3 – Defaults  
Upon Senior 27  
Securities

Item 4 – Mine  
Safety 27  
Disclosures

Item 5 – Other  
Information 27

Item 6 – Exhibit 27

SIGNATURES 29

**ITEM 1 – FINANCIAL STATEMENTS****UMH PROPERTIES, INC. AND SUBSIDIARIES****CONSOLIDATED BALANCE SHEETS****AS OF MARCH 31, 2014 AND DECEMBER 31, 2013**

	March 31, 2014 (Unaudited)	December 31, 2013
<b>- ASSETS -</b>		
<b>INVESTMENT PROPERTY AND EQUIPMENT</b>		
Land	\$ 35,992,214	\$ 33,973,214
Site and Land Improvements	277,507,325	256,830,234
Buildings and Improvements	16,049,613	13,273,690
Rental Homes and Accessories	67,387,063	61,747,274
Total Investment Property	396,936,215	365,824,412
Equipment and Vehicles	11,344,339	11,130,719
Total Investment Property and Equipment	408,280,554	376,955,131
Accumulated Depreciation	(88,039,015)	(84,655,017)
Net Investment Property and Equipment	320,241,539	292,300,114
<b>OTHER ASSETS</b>		
Cash and Cash Equivalents	7,760,761	7,615,143
Securities Available for Sale	60,700,743	59,254,942
Inventory of Manufactured Homes	12,106,353	13,786,041
Notes and Other Receivables, net	26,411,677	26,019,725
Unamortized Financing Costs	2,252,603	2,128,006
Prepaid Expenses and Other Assets	873,323	1,182,850
Land Development Costs	5,792,652	5,693,153
Total Other Assets	115,898,112	115,679,860
<b>TOTAL ASSETS</b>	<b>\$436,139,651</b>	<b>\$407,979,974</b>

See Accompanying Notes to Consolidated Financial Statements

3

**UMH PROPERTIES, INC. AND SUBSIDIARIES****CONSOLIDATED BALANCE SHEETS – CONTINUED****AS OF MARCH 31, 2014 AND DECEMBER 31, 2013**

	March 31, 2014 (Unaudited)	December 31, 2013
<b>- LIABILITIES AND SHAREHOLDERS' EQUITY -</b>		
<b>LIABILITIES:</b>		
MORTGAGES PAYABLE	\$ 177,641,068	\$ 160,639,944
OTHER LIABILITIES		
Accounts Payable	1,756,806	1,628,713
Loans Payable	53,623,283	49,118,996
Accrued Liabilities and Deposits	3,832,246	3,852,799
Tenant Security Deposits	2,418,070	2,153,785
Total Other Liabilities	61,630,405	56,754,293
Total Liabilities	239,271,473	217,394,237
<b>COMMITMENTS AND CONTINGENCIES</b>		
<b>SHAREHOLDERS' EQUITY:</b>		
Series A – 8.25% Cumulative Redeemable Preferred Stock, par value \$0.10 per share, 3,663,800 shares authorized, issued and outstanding as of March 31, 2014 and December 31, 2013, respectively	91,595,000	91,595,000
Common Stock – \$0.10 par value per share, 42,000,000 shares authorized, 21,675,375 and 20,769,892 shares issued and outstanding as of March 31, 2014 and December 31, 2013, respectively	2,167,538	2,076,989
Excess Stock - \$0.10 par value per share, 3,000,000 shares authorized; no shares issued or outstanding	-0-	-0-
Additional Paid-In Capital	104,544,659	96,504,643
Accumulated Other Comprehensive Income	4,403,327	1,076,898
Accumulated Deficit	(5,842,346)	(667,793)
Total Shareholders' Equity	196,868,178	190,585,737
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>\$436,139,651</b>	<b>\$407,979,974</b>

See Accompanying Notes to Consolidated Financial Statements

4



**UMH PROPERTIES, INC. AND SUBSIDIARIES****CONSOLIDATED STATEMENTS OF INCOME (LOSS) (UNAUDITED)****FOR THE THREE MONTHS ENDED****MARCH 31, 2014 AND 2013**

	THREE MONTHS ENDED	
	2014	2013
<b>INCOME:</b>		
Rental and Related Income	\$14,846,776	\$11,642,186
Sales of Manufactured Homes	1,002,405	1,784,109
	15,849,181	13,426,295
<b>Total Income</b>		
<b>EXPENSES:</b>		
Community Operating Expenses	8,287,609	5,947,365
Cost of Sales of Manufactured Homes	766,379	1,522,532
Selling Expenses	720,679	508,902
General and Administrative Expenses	1,519,923	1,215,236
Franchise Taxes	84,000	66,000
Acquisition Costs	285,179	591,068
Depreciation Expense	3,437,672	2,389,854
<b>Total Expenses</b>	15,101,441	12,240,957
<b>OTHER INCOME (EXPENSE):</b>		
Interest Income	547,243	538,132
Dividend Income	1,059,465	850,793
Gain on Sales of Securities Transactions, net	508,403	3,310,028
Other Income	52,687	29,080
Interest Expense	(2,208,125)	(1,679,809)
Amortization of Financing Costs	(116,580)	(71,190)
	(156,907)	2,977,034
<b>Total Other Income (Expense)</b>		
Income before Loss on Sales of		
Investment Property and Equipment	590,833	4,162,372
Loss on Sales of Investment	(22,644)	(12,861)

Property and Equipment		
<b>Net Income</b>	568,189	4,149,511
Less: Preferred Dividend	1,889,147	1,889,147
<b>Net Income (Loss) Attributable to</b>		
	\$(1,320,958)	\$2,260,364
<b>Common Shareholders</b>		

See Accompanying Notes to Consolidated Financial Statements

**UMH PROPERTIES, INC. AND SUBSIDIARIES****CONSOLIDATED STATEMENTS OF INCOME (LOSS) – CONTINUED (UNAUDITED)****FOR THE THREE MONTHS ENDED****MARCH 31, 2014 AND 2013**

	THREE MONTHS ENDED	
	2014	2013
<b>Basic Income Per Share:</b>		
Net Income	\$0.03	\$0.24
Less: Preferred Dividend	0.09	0.11
Net Income (Loss) Attributable to Common		\$0.13
Shareholders	\$(0.06)	
<b>Diluted Income Per Share:</b>		
Net Income	\$0.03	\$0.24
Less: Preferred Dividend	0.09	0.11
Net Income (Loss) Attributable to Common		\$0.13
Shareholders	\$(0.06)	
<b>Weighted Average Common Shares Outstanding:</b>		
Basic	21,261,375	17,441,001
Diluted	21,307,103	17,501,510

See Accompanying Notes to Consolidated Financial Statements

6

**UMH PROPERTIES, INC. AND SUBSIDIARIES****CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (UNAUDITED)****FOR THE THREE MONTHS ENDED****MARCH 31, 2014 AND 2013**

	THREE MONTHS ENDED	
	2014	2013
<b>Net Income</b>	\$568,189	\$4,149,511
<b>Other Comprehensive Income:</b>		
Unrealized Holding Gain Arising During the Period	3,830,344	4,933,341
Reclassification Adjustment for Net Gains		(3,310,028)
Realized in Income	(508,403)	
Change in Fair Value of Interest Rate Swap Agreements	4,488	52,099
<b>Comprehensive Income</b>	3,894,618	5,824,923
Less: Preferred Dividend	(1,889,147)	(1,889,147)
<b>Comprehensive Income Attributable to</b>		
<b>Common Shareholders</b>	\$2,005,471	\$3,935,776

See Accompanying Notes to Consolidated Financial Statements

7

**UMH PROPERTIES, INC. AND SUBSIDIARIES**

**CONSOLIDATED STATEMENTS OF CASH FLOWS (UNAUDITED)**

**FOR THE THREE MONTHS ENDED**

**MARCH 31, 2014 AND 2013**

	2014	2013
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Net Income	\$568,189	\$4,149,511
Non-Cash Adjustments:		
Depreciation	3,437,672	2,389,854