

STRATUS PROPERTIES INC
Form 10-Q
August 14, 2014

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

FORM 10-Q

(Mark One)

- QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934
For the quarterly period ended June 30, 2014
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: 000-19989

Stratus Properties Inc.

(Exact name of registrant as specified in its charter)

Delaware

72-1211572

(State or other jurisdiction of
incorporation or organization)

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

212 Lavaca St., Suite 300

Austin, Texas

78701

(Address of principal executive offices)

(Zip Code)

(512) 478-5788

(Registrant's telephone number, including area code)

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.

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

On July 31, 2014, there were issued and outstanding 8,029,353 shares of the registrant's common stock, par value \$0.01 per share.

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PART I. FINANCIAL INFORMATION

Item 1. Financial Statements.

STRATUS PROPERTIES INC.
CONSOLIDATED BALANCE SHEETS (Unaudited)
(In Thousands)

	June 30, 2014	December 31, 2013	
ASSETS			
Cash and cash equivalents	\$24,260	\$21,307	
Restricted cash	4,550	5,077	
Real estate held for sale	20,233	18,133	
Real estate under development	93,973	76,891	
Land available for development	21,351	21,404	
Real estate held for investment, net	178,577	182,530	
Investment in unconsolidated affiliates	3,520	4,427	
Other assets	17,068	17,174	
Total assets	\$363,532	\$346,943	
LIABILITIES AND EQUITY			
Accounts payable	\$6,133	\$5,143	
Accrued liabilities	6,617	9,360	
Debt	168,937	151,332	
Other liabilities and deferred gain	12,996	11,792	
Total liabilities	194,683	177,627	
Commitments and contingencies			
Equity:			
Stratus stockholders' equity:			
Common stock	91	91	
Capital in excess of par value of common stock	203,944	203,724	
Accumulated deficit	(59,408)	(60,724))
Accumulated other comprehensive loss	(326)	(22))
Common stock held in treasury	(20,275)	(19,448))
Total Stratus stockholders' equity	124,026	123,621	
Noncontrolling interests in subsidiaries	44,823	45,695	
Total equity	168,849	169,316	
Total liabilities and equity	\$363,532	\$346,943	

The accompanying Notes to Consolidated Financial Statements (Unaudited) are an integral part of these consolidated financial statements.

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STRATUS PROPERTIES INC.
CONSOLIDATED STATEMENTS OF INCOME (Unaudited)
(In Thousands, Except Per Share Amounts)

	Three Months Ended		Six Months Ended	
	June 30,		June 30,	
	2014	2013	2014	2013
Revenues:				
Real estate operations	\$6,824	\$28,043	\$12,255	\$46,905
Hotel	10,560	9,816	21,372	19,895
Entertainment	3,513	3,424	9,000	6,632
Commercial leasing	1,624	1,242	3,193	2,552
Total revenues	22,521	42,525	45,820	75,984
Cost of sales:				
Real estate operations	4,682	23,833	8,500	39,785
Hotel	7,641	7,538	15,273	14,812
Entertainment	2,515	2,979	6,536	5,435
Commercial leasing	703	685	1,404	1,347
Depreciation	2,225	2,308	4,472	4,538
Total cost of sales	17,766	37,343	36,185	65,917
Insurance settlement	(46) (1,785) (576) (1,785
General and administrative expenses	1,959	2,014	4,021	3,778
Total costs and expenses	19,679	37,572	39,630	67,910
Operating income	2,842	4,953	6,190	