

STRATUS PROPERTIES INC  
Form 10-Q  
August 09, 2016

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, 2016  
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:  
001-37716

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)

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(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 29, 2016, there were issued and outstanding 8,092,140 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, 2016	December 31, 2015
<b>ASSETS</b>		
Cash and cash equivalents	\$ 10,566	\$ 17,036
Restricted cash	10,081	8,731
Real estate held for sale	24,323	25,944
Real estate under development	122,386	139,171
Land available for development	13,711	23,397
Real estate held for investment, net	238,984	186,626
Deferred tax assets	15,367	15,329
Other assets	18,840	13,871
Total assets	\$ 454,258	\$ 430,105
<b>LIABILITIES AND EQUITY</b>		
Liabilities:		
Accounts payable	\$ 12,000	\$ 14,182
Accrued liabilities	12,018	10,356
Debt	288,143	260,592
Other liabilities	9,414	8,301
Total liabilities	321,575	293,431
Commitments and contingencies		
Equity:		
Stockholders' equity:		
Common stock	92	91
Capital in excess of par value of common stock	192,586	192,122
Accumulated deficit	(39,310 )	(35,144 )
Common stock held in treasury	(20,760 )	(20,470 )
Total stockholders' equity	132,608	136,599
Noncontrolling interests in subsidiaries	75	75
Total equity	132,683	136,674
Total liabilities and equity	\$ 454,258	\$ 430,105

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 OPERATIONS (Unaudited)  
 (In Thousands, Except Per Share Amounts)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2016	2015	2016	2015
Revenues:				
Hotel	\$10,658	\$11,054	\$21,233	\$22,673
Entertainment	4,903	4,995	9,046	9,304
Commercial leasing	2,141	1,703	4,194	3,524
Real estate operations	1,448	2,234	3,703	4,710
Total revenues	19,150	19,986	38,176	40,211
Cost of sales:				
Hotel	7,676	8,295	15,357	16,377
Entertainment	3,775	3,688	6,819	7,091
Commercial leasing	1,043	959	1,905	1,700
Real estate operations	1,889	2,011	4,098	4,121
Depreciation	1,983	2,346	3,665	4,650
Total cost of sales	16,366	17,299	31,844	33,939
General and administrative expenses	4,146	2,145	7,221	4,121
Total costs and expenses	20,512	19,444	39,065	38,060
Operating (loss) income	(1,362 )	542	(889 )	2,151
Interest expense, net	(2,346 )	(1,031		