

INCOME OPPORTUNITY REALTY INVESTORS INC /TX/
Form 10-Q
November 12, 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 September 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 001-14784

INCOME OPPORTUNITY REALTY INVESTORS, INC.
(Exact Name of Registrant as Specified in Its Charter)

Nevada
(State or Other Jurisdiction of
Incorporation or Organization)

75-2615944
(I.R.S. Employer
Identification No.)

1603 Lyndon B. Johnson Freeway, Suite 800, Dallas, Texas 75234
(Address of principal executive offices)
(Zip Code)

(469) 522-4200

(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 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 (Do not check if 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.

Common Stock, \$.01 par value
(Class)

4,168,214
(Outstanding at November 5, 2014)

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PART I. FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

INCOME OPPORTUNITY REALTY INVESTORS, INC.
CONSOLIDATED BALANCE SHEETS
(unaudited)

	September 30, 2014	December 31, 2013
	(dollars in thousands, except par value amount)	
Assets		
Real estate land holdings, at cost	\$24,515	\$24,511
Total real estate	24,515	24,511
Notes and interest receivable from related parties	26,691	30,693
Less allowance for doubtful accounts	(1,826)	(1,826)
Total notes and interest receivable	24,865	28,867
Cash and cash equivalents	3	3
Receivable and accrued interest from related parties	42,753	39,207
Other assets	1,260	1,225
Total assets	\$93,396	\$93,813
Liabilities and Shareholders' Equity		
Liabilities:		
Notes and interest payable - related parties	\$10,240	\$12,357
Accounts payable and other liabilities	39	216
Total liabilities	10,279	12,573
Shareholders' equity:		
Common stock, \$0.01 par value, authorized 10,000,000. issued 4,173,675 and outstanding 4,168,214 shares in 2014 and 2013	42	42
Treasury stock at cost, 5,461 shares in 2014 and 2013	(39)	(39)
Paid-in capital	61,955	61,955
Retained earnings	21,159	19,282
Total shareholders' equity	83,117	81,240
Total liabilities and shareholders' equity	\$93,396	\$93,813

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

INCOME OPPORTUNITY REALTY INVESTORS, INC.
CONSOLIDATED STATEMENTS OF OPERATIONS
(unaudited)

	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	2014	2013	2014	2013
	(dollars in thousands, except per share amounts)			
Revenues:				
Rental and other property revenues	\$-	\$-	\$-	\$-
Expenses:				
Property operating expenses (including \$13 and \$13 for the three months and \$37 and \$36 for the nine months ended 2014 and 2013, respectively, from related parties)	13	49	42	72
General and administrative (including \$61 and \$60 for the three months and \$181 and \$178 for the nine months ended 2014 and 2013, respectively, from related parties)	143	192	422	536
Net income fee to related party	51	55	152	159
Advisory fee to related party	173	209	516	621
Total operating expenses	380	505	1,132	1,388
Net operating loss	(380)	(505)	(1,132)	(1,388)
Other income (expenses):				
Interest income from related parties	1,179	1,427	3,547	4,251
Mortgage and loan interest	(176)	(297)		