

INNSUITES HOSPITALITY TRUST
Form 10-Q
December 01, 2006

**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 OCTOBER 31, 2006**

Commission File Number 1-7062

INNSUITES HOSPITALITY TRUST
(Exact name of registrant as specified in its charter)

Ohio
(State or other jurisdiction of
incorporation or organization)

34-6647590
(I.R.S. Employer Identification Number)

**InnSuites Hotels Centre
1615 E. Northern Ave., Suite 102
Phoenix, AZ 85020**
(Address of principal executive offices)

Registrant's telephone number, including area code: **(602) 944-1500**

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

Edgar Filing: INNSUITES HOSPITALITY TRUST - Form 10-Q

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, or a non-accelerated filer. See definition of "accelerated filer and large accelerated filer" in Rule 12b-2 of the Exchange Act.

Large Accelerated Filer Accelerated Filer Non-Accelerated Filer

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes No

Number of outstanding Shares of Beneficial Interest, without par value, as of November 24, 2006: 9,207,784.

PART I

FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

INNSUITES HOSPITALITY TRUST AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS

	OCTOBER 31, 2006 (UNAUDITED)	JANUARY 31, 2006 (AUDITED)
ASSETS		
Current Assets:		
Cash and Cash Equivalents	\$ 183,470	34,251
Restricted Cash	41,488	226,294
Accounts Receivable, including \$0 and \$14,828 from related parties, net of Allowance for Doubtful Accounts of \$68,000 and \$112,000, as of October 31, and January 31, 2006, respectively	626,801	531,961
Prepaid Expenses and Other Current Assets	466,714	494,829
Total Current Assets	1,318,473	1,287,335
Hotel Properties, net	29,940,435	30,215,391
Long-Term Portion of Deferred Finance Costs	148,942	175,645
Long-Term Deposits	14,987	14,987
Deferred Income Tax Benefit	259,000	259,000
TOTAL ASSETS	\$ 31,681,837	31,952,358
LIABILITIES AND SHAREHOLDERS' EQUITY		
LIABILITIES		
Current Liabilities:		
Accounts Payable and Accrued Expenses, including \$127,246 and \$95,418 accrued interest and payables to related parties as of October 31, and January 31, 2006, respectively	\$ 2,692,299	2,594,733
Notes Payable to Banks	655,734	500,000
Current Portion of Mortgage Notes Payable	906,515	879,265
Current Portion of Other Notes Payable	107,809	121,558
Current Portion of Notes Payable to Related Parties	30,548	428,989
Total Current Liabilities	4,392,905	4,524,545
Mortgage Notes Payable	18,176,096	19,029,612
Notes Payable to Related Parties	762,606	85,717
Other Notes Payable	154,373	206,424
TOTAL LIABILITIES	23,485,980	23,846,298
MINORITY INTEREST IN PARTNERSHIP	1,103,254	1,388,132
SHAREHOLDERS' EQUITY		

Edgar Filing: INNSUITES HOSPITALITY TRUST - Form 10-Q

Shares of Beneficial Interest, without par value; unlimited authorization; 9,228,936 and 9,145,365 shares issued and outstanding at October 31, and January 31, 2006, respectively	17,477,690	17,155,106
Treasury Stock, 7,456,670 and 7,494,578 shares held at October 31, and January 31, 2006, respectively) (10,385,087) (10,437,178
TOTAL SHAREHOLDERS' EQUITY	7,092,603	6,717,928
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	\$ 31,681,837	31,952,358

See accompanying notes to unaudited consolidated financial statements

INNSUITES HOSPITALITY TRUST AND SUBSIDIARIES
UNAUDITED CONSOLIDATED STATEMENTS OF OPERATIONS

FOR THE NINE MONTHS ENDED
OCTOBER 31,

	2006	2005
REVENUE		
Room	\$ 12,075,291	12,264,755
Food and Beverage	920,994	807,897
Telecommunications	25,567	49,050
Other	314,704	421,184
Management and Trademark Fees, including \$265,409 and \$124,720 from related parties, respectively	376,755	271,656
Payroll Reimbursements, including \$2,238,005 and \$1,740,913 from related parties, respectively	2,743,718	2,309,829
TOTAL REVENUE	16,457,029	16,124,371
OPERATING EXPENSES		
Room	3,060,190	3,245,728
Food and Beverage	828,680	869,140
Telecommunications	84,745	124,525
General and Administrative	2,387,027	3,031,065
Sales and Marketing	941,298	1,020,336
Repairs and Maintenance	1,056,666	1,096,186
Hospitality	565,685	522,352
Utilities	905,560	902,851
Hotel Property Depreciation	1,538,747	1,570,473
Real Estate and Personal Property Taxes, Insurance and Ground Rent	847,414	954,293
Other	115,684	142,153
Payroll Expenses	2,743,718	2,309,829
TOTAL OPERATING EXPENSES	15,075,414	15,788,931
OPERATING INCOME	1,381,615	335,440
Gain on Disposition of Hotels	138,751	1,847,425
Interest Income	2,140	1,447
TOTAL OTHER INCOME	140,891	1,848,872
Interest on Mortgage Notes Payable	1,281,744	1,413,621
Interest on Notes Payable to Banks	26,160	19,649
Interest on Notes Payable and Advances to Related Parties	32,656	7,863
Interest on Other Notes Payable	16,314	12,800
TOTAL INTEREST EXPENSE	1,356,874	1,453,933
INCOME BEFORE MINORITY INTEREST AND INCOME TAXES	165,632	730,379
LESS MINORITY INTEREST	(267,512)	(55,333)
INCOME ATTRIBUTABLE TO SHARES OF BENEFICIAL INTEREST BEFORE INCOME TAXES	433,144	785,712
INCOME TAX PROVISION (Note 6)	(94,350)	(89,175)

INCOME ATTRIBUTABLE TO SHARES OF BENEFICIAL INTEREST	\$	338,794	696,537
NET INCOME PER SHARE - BASIC			