

Power REIT  
Form 10-Q  
November 14, 2016

**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

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended September 30, 2016

000-54560

(Commission File Number)

**POWER REIT**

(Exact name of registrant as specified in its charter)

**Maryland**  
(State of Organization)

**45-3116572**  
(I.R.S. Employer Identification No.)

**301 Winding Road, Old Bethpage, NY 11804**  
(Address of principal executive offices) (Zip Code)

**(212) 750-0371**

(Registrant's telephone number, including area code)

N/A

(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.

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

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

1,784,938 common shares, \$0.001 par value, outstanding at November 14, 2016.

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**PART I. FINANCIAL INFORMATION****Item 1. Financial Statements.****POWER REIT AND SUBSIDIARIES****CONSOLIDATED BALANCE SHEETS**

	<b>September 30, 2016</b>	<b>December 31, 2015</b>
	(Unaudited)	(See Note 1)
<b>ASSETS</b>		
Land	\$6,788,067	\$6,788,067
Net investment in capital lease - railroad	9,150,000	9,150,000
Total real estate assets	15,938,067	15,938,067
Cash and cash equivalents	699,156	435,870
Other receivables	-	6,142
Prepaid expenses	48,698	55,356
Intangible assets, net of accumulated amortization	4,360,164	4,538,020
Other assets	286,314	339,470
<b>TOTAL ASSETS</b>	<b>\$21,332,399</b>	<b>\$21,312,925</b>
<b>LIABILITIES AND EQUITY</b>		
Deferred revenue	\$193,457	\$18,513
Accounts payable	115,027	96,022
Accounts payable, related party	-	1,773
Accrued interest	93,143	74,243
Current portion of long-term debt, net of debt issuance cost	362,276	307,104
Long-term debt, net of debt issuance cost	9,850,502	10,203,297
<b>TOTAL LIABILITIES</b>	<b>10,614,405</b>	<b>10,700,952</b>
Series A 7.75% Cumulative Redeemable Perpetual Preferred Stock Par Value \$25.00 (175,000 shares authorized; 144,636 issued and outstanding as of September 30, 2016 and December 31, 2015)	3,492,149	3,492,149
	-	-
Commitments and Contingencies		
Equity:		
Common Shares, \$0.001 par value (100,000,000 shares authorized; 1,784,938 and 1,742,688 shares issued and outstanding as of September 30, 2016 and December 31,	1,784	1,743

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2015)		
Additional paid-in capital	11,143,830	11,001,843
Accumulated deficit	(3,919,769 )	(3,883,762 )
<b>Total Equity</b>	<b>7,225,845</b>	<b>7,119,824</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>\$21,332,399</b>	<b>\$21,312,925</b>

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

**POWER REIT AND SUBSIDIARIES****CONSOLIDATED STATEMENTS OF OPERATIONS****(Unaudited)**

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2016	2015	2016	2015
<b>REVENUE</b>				
Lease income from capital lease – railroad, net	\$228,750	\$228,750	\$686,250	\$686,250
Rental income	262,851	262,851	788,553	787,279
Misc. income	118	9	10,586	4,976
<b>TOTAL REVENUE</b>	<b>491,719</b>	<b>491,610</b>	<b>1,485,389</b>	<b>1,478,505</b>
<b>EXPENSES</b>				
Amortization of intangible assets	59,285	59,285	177,856	177,856
General and administrative	44,522	38,992	116,956	156,326
Stock-based compensation	53,800	46,544	142,029	150,448
Property tax	2,781	5,472	10,945	16,397
Property acquisition expenses	-	-	-	(1,105 )
Litigation expenses (see note 5)	138,759	117,586	485,618	241,538
Interest expense	147,259	159,301	378,088	873,332
Unrealized loss on interest rate swap	-	250,066	-	189,111
<b>TOTAL EXPENSES</b>	<b>446,406</b>	<b>677,246</b>	<b>1,311,492</b>	<b>1,803,903</b>
<b>NET INCOME (LOSS)</b>	<b>45,313</b>	<b>(185,636)</b>	<b>173,897</b>	<b>(325,398 )</b>
Preferred Stock Dividends	69,968	69,968	209,904	209,903
<b>NET LOSS ATTRIBUTABLE TO COMMON SHARES</b>	<b>\$(24,655 )</b>	<b>\$(255,604)</b>	<b>\$(36,007 )</b>	<b>\$(535,301 )</b>

Income (Loss) Per Common Share: