

CKX LANDS, INC.
Form 10-Q
August 06, 2015
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 **June 30, 2015**

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

Commission File Number **1-31905**

CKX Lands, Inc.

(Exact name of registrant as specified in its charter)

Louisiana

(State or other jurisdiction of incorporation or organization)

72-0144530

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

**1508 Hodges Street
Lake Charles, LA**

70601

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(Address of principal executive offices)

(Zip Code)

(337) 493-2399

(Registrant's telephone number)

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**

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date: **1,942,495**

CKX Lands, Inc.

Form 10-Q

For the Quarter ended June 30, 2015

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Part I – Financial Information**Item 1. FINANCIAL STATEMENTS****CKX Lands, Inc.****Balance Sheets****June 30, 2015 and December 31, 2014****(Unaudited)**

	2015	2014
Assets		
Current Assets:		
Cash and cash equivalents	\$5,241,929	\$5,225,594
1031 trust account – restricted	187,500	--
Certificates of deposit	1,440,000	1,680,000
Accounts receivable	133,911	146,413
Prepaid expense and other assets	76,918	50,085
Total current assets	7,080,258	7,102,092
Non-current Assets:		
Certificates of deposit	444,000	240,000
Property and equipment:		
Land	4,943,864	4,957,135
Timber less accumulated depletion of \$803,189 and \$803,189, respectively	1,548,960	1,527,425
Building and equipment less accumulated depreciation of \$90,432 and \$90,432, respectively	--	--
Total property and equipment, net	6,492,824	6,484,560
Total assets	\$ 14,017,082	\$ 13,826,652

Liabilities and Stockholders' Equity

Current Liabilities:		
Trade payables and accrued expenses	\$73,628	\$61,237
Income tax payable	18,550	--
Total current liabilities	92,178	61,237
Non-current Liabilities:		
Deferred income tax payable	292,767	224,426
Total liabilities	384,945	285,663
Stockholders' Equity:		
Common stock, no par value: 3,000,000 shares authorized; 2,100,000 shares issued	72,256	72,256
Retained earnings	13,935,397	13,844,249
Less cost of treasury stock (157,505 shares)	(375,516)	(375,516)
Total stockholders' equity	13,632,137	13,540,989
Total liabilities and stockholders' equity	\$14,017,082	\$13,826,652

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

CKX Lands, Inc.**Statements of Income****Quarter and Six Months Ended June 30, 2015 and 2014****(Unaudited)**

	Quarter Ended June 30,		Six Months Ended June 30,	
	2015	2014	2015	2014
Revenues:				
Oil and gas	\$242,300	\$437,865	\$472,522	\$857,437
Timber	--	15,089	--	15,089
Surface	32,995	16,779	55,714	215,519
Total revenues	275,295	469,733	528,236	1,088,045
Costs and Expenses:				
Oil and gas production	22,312	25,197	38,448	50,101
Timber	55	870	391	870
Surface	861	781	1,436	794
General and administrative	130,846	148,341	251,638	267,948
Depreciation and depletion	--	13,813	--	15,484
Total cost and expenses	154,074	189,002	291,913	335,197
Income from operations	121,221	280,731	236,323	752,848
Other Income (Expense):				
Interest income	5,032	3,762	9,329	7,833
Gain on sale of land	170,854	--	172,352	--
Net other income (expense)	175,886	3,762	181,681	7,833
Income before income taxes	297,107	284,493	418,004	760,681
Federal and State Income Taxes:				
Current	32,382	83,784	64,265	238,813
Deferred	68,341	--	68,341	--
Total income taxes	100,723	83,784	132,606	238,813
Net Income	\$196,384	\$200,709	\$285,398	\$521,868
Per Common Stock (1,942,495 shares):				
Net Income	\$0.10	\$0.10	\$0.15	\$0.27
Dividends	\$0.03	\$0.07	\$0.10	\$0.14

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

CKX Lands, Inc.**Statements of Changes in Stockholders' Equity****Six Months Ended June 30, 2015 and 2014****(Unaudited)**Six Months Ended June 30, 2015:

	Total	Retained Earnings	Capital Stock Issued	Treasury Stock
December 31, 2014 Balance	\$ 13,540,989	\$ 13,844,249	\$ 72,256	\$ 375,516
Net income	285,398	285,398	--	--
Dividends	(194,250)	(194,250)	--	--
June 30, 2015 Balance	\$ 13,632,137	\$ 13,935,397	\$ 72,256	\$ 375,516

Six Months Ended June 30, 2014:

	Total	Retained Earnings	Capital Stock Issued	Treasury Stock
December 31, 2013 Balance	\$ 12,788,600	\$ 13,091,860	\$ 72,256	\$ 375,516
Net income	521,868	521,868	--	--
Dividends	(271,949)	(271,949)	--	--
June 30, 2014 Balance	\$ 13,038,519	\$ 13,341,779	\$ 72,256	\$ 375,516

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

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	2015	2014
Net oil produced (Bbl) ⁽²⁾	6,220	6,048
Average oil sales price (per Bbl) ^(1,2)	\$52.17	\$100.48
Net gas produced (MCF)	31,731	19,387
Average gas sales price (per MCF) ⁽¹⁾	\$3.59	\$5.21

Notes to above schedule:

⁽¹⁾ Before deduction of production and severance taxes.

⁽²⁾ Excludes plant products.

Oil and Gas revenues declined by \$384,915 from 2014 revenues. As indicated in the schedule above the decline was due to increased production not offsetting the declines in average sales prices for both oil and gas.

There were no significant changes with respect to the Company's internal control over financial reporting or in other factors that materially affected, or are reasonably likely to materially affect, our internal control over financial reporting during the quarter covered by this report.

Part II. Other Information

Item 1 – 5 Not Applicable

Item 6. EXHIBITS

3.1 Restated/Articles of Incorporation of the Registrant are incorporated by reference to Exhibit (3)-1 to Form 10 filed April 29, 1981.

3.2 Amendment to Articles of Incorporation of the Registrant is incorporated by reference to Exhibit (3.2) to Form 10-K for year ended December 31, 2003.

3.3 By-Laws of the Registrant are incorporated by reference to Exhibit (3.3) to Form 10-Q for the quarter ended March 31, 2013.

10 Contract to Purchase and Sell approximately 3,495 acres in Cameron Parish, Louisiana effective July 3, 2007 is incorporated by reference to Exhibit (10) to Form 10-QSB filed August 13, 2007.

31 Certification of Brian R. Jones, President and Treasurer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 filed herewith.

32 Certification of President and Treasurer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 filed herewith.

101.INS** XBRL Instance

101.SCH** XBRL Taxonomy Extension Schema

101.CAL** XBRL Taxonomy Extension Calculation

101.DEF** XBRL Taxonomy Extension Definition

101.LAB** XBRL Taxonomy Extension Labels

101.PRE** XBRL Taxonomy Extension Presentation

**XBRL information is furnished and not filed or a part of a registration statement or prospectus for purposes of sections 11 or 12 of the Securities Act of 1933, as amended, is deemed not filed for purposes of section 18 of the Securities Exchange Act of 1934, as amended, and otherwise is not subject to liability under these sections.

Signature

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

CKX Lands, Inc.

/s/ Brian R. Jones
Brian R. Jones
President and Treasurer

Date: August 6, 2015