

CKX Lands Inc
Form 10-Q
August 13, 2009
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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

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

For the quarterly period ended June 30, 2009

.. **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)

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Louisiana
(State or other jurisdiction of
incorporation or organization)
700 Pujo Street, Suite 200
Lake Charles, LA
(Address of principal executive offices)

72-0144530
(I.R.S. Employer
Identification No.)
70601
(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**

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For the Quarter ended June 30, 2009

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Exhibits	
<u>Certification of Joseph K. Cooper, President and Chief Executive Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 filed herewith.</u>	
<u>Certification of Brian R. Jones, Treasurer and Chief Financial Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 filed herewith.</u>	
<u>Certifications of Chief Executive Officer and Chief Financial Officer Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 filed herewith.</u>	

Table of Contents**CKX Lands, Inc.****Part I Financial Information****Item 1. FINANCIAL STATEMENTS****CKX Lands, Inc.****Balance Sheets****June 30, 2009 and December 31, 2008**

	2009	2008
Assets		
Current Assets:		
Cash and cash equivalents	\$ 5,898,895	\$ 5,779,491
Accounts receivable	150,738	226,268
Prepaid expense and other assets	210,011	97,636
Total Current Assets	6,259,644	6,103,395
Securities Available-for-Sale	468,214	522,102
Property and Equipment:		
Building and equipment less accumulated depreciation of \$69,509 and \$65,084, respectively	15,202	11,216
Timber less accumulated depletion of \$499,203 and \$496,323, respectively	362,360	362,991
Land	2,818,213	2,821,300
Total Property and Equipment, net	3,195,775	3,195,507
Total Assets	\$ 9,923,633	\$ 9,821,004
Liabilities and Stockholders Equity		
Current Liabilities:		
Trade payables and accrued expenses	41,358	43,961
Income tax payable - Deferred		32,344
Total Current Liabilities	41,358	76,305
Noncurrent Liabilities:		
Deferred income tax payable	181,818	181,818
Stockholders Equity:		
Common stock, no par value: 3,000,000 shares authorized; 2,100,000 shares issued	72,256	72,256
Retained earnings	10,013,434	9,857,876
Accumulated other comprehensive income	(9,717)	8,265
Less cost of treasury stock (157,505 shares)	(375,516)	(375,516)
Total stockholders equity	9,700,457	9,562,881

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Total Liabilities and Stockholders Equity	\$ 9,923,633	\$ 9,821,004
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See accompanying Notes to Financial Statements.

Table of Contents**CKX Lands, Inc.****CKX Lands, Inc.****Statements of Income****Quarter and Six Months Ended June 30, 2009 and 2008**

	Quarter Ended June 30,		Six Months Ended June 30,	
	2009	2008	2009	2008
Revenues:				
Oil and gas	\$ 279,328	\$ 930,659	\$ 737,549	\$ 1,724,699
Agriculture	14,275	20,520	48,972	53,108
Timber	8,046	10,515	18,503	11,152
Total revenues	301,649	961,694	805,024	1,788,959
Costs and Expenses:				
Oil and gas production	26,611	79,470	67,493	146,135
Agriculture	1,996	1,628	2,577	2,323
Timber	3,601	5,277	19,478	15,437
General and administrative	100,617	82,801	185,340	225,840
Depreciation and depletion	1,884	6,789	3,878	8,205
Total cost and expenses	134,709	175,965	278,766	397,940
Income from operations	166,940	785,729	526,258	1,391,019
Other Income / (Expense):				
Interest income	3,854	20,610	8,741	81,785
Dividend income	5,079	13,318	11,702	22,202
Change in unrealized losses on securities available-for-sale	(23,920)	14,348	(23,920)	(66,640)
Gain/(Loss) on securities available-for-sale		(81,644)		(81,644)
Gain on sale of land and other assets	30,719	19,754	40,719	20,908
Net other income / (expense)	15,732	(13,615)	37,242	(23,390)
Income before income taxes	182,672	772,114	563,500	1,367,629
Federal and state income taxes:				
Current	59,496	201,447	173,822	369,322
Deferred	(5,919)	68,142	(37,829)	3,763
Total income taxes	53,577	269,589	135,993	373,085
Net Income	\$ 129,095	\$ 502,525	\$ 427,507	\$ 994,544
Per Common Stock (1,942,495 shares):				
Net Income	\$ 0.07	\$ 0.26	\$ 0.22	\$ 0.51

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Dividends	\$	0.07	\$	0.07	\$	0.14	\$	0.14
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See accompanying Notes to Financial Statements.

Table of Contents**CKX Lands, Inc.****CKX Lands, Inc.****Statements of Changes in Stockholders Equity****Six Months Ended June 30, 2009 and 2008**Six Months Ended June 30, 2009:

	Comprehensive Income	Retained Earnings	Accumulated Other Comprehensive Income	Capital Stock Issued	Treasury Stock
December 31, 2008 Balance		\$ 9,857,876	\$ 8,265	\$ 72,256	\$ 375,516
Comprehensive income:					
Net income	\$ 427,507	427,507			
Other comprehensive income:					
Change in unrealized net holdings gains occurring during period, net of taxes of \$11,987	(17,982)		(17,982)		
Total comprehensive income	\$ 409,525				
Dividends		(271,949)			
June 30, 2009 Balance		\$ 10,013,434	\$ (9,717)	\$ 72,256	\$ 375,516

Six Months Ended June 30, 2008:

	Comprehensive Income	Retained Earnings	Accumulated Other Comprehensive Income	Capital Stock Issued	Treasury Stock
December 31, 2007 Balance		\$ 9,404,044	\$ 91,834	\$ 72,256	\$ 375,516
Comprehensive income:					
Net income	\$ 994,544	994,544			
Other comprehensive income:					
Change in unrealized net holdings gains occurring during period, net of taxes of \$46,542	(69,814)				
Change in recognized unrealized loss on securities available for sale, net of taxes of \$26,656	39,984				
Other Comprehensive income, net of taxes	(29,830)		(29,830)		

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Total comprehensive income	\$ 964,715
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