

CKX LANDS, INC.  
Form 10-Q  
November 04, 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

For the quarterly period ended **September 30, 2016**

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**

**72-0144530**

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(State or other jurisdiction of  
incorporation or organization)

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

**1508 Hodges Street**  
**Lake Charles, LA**  
(Address of principal executive offices)

**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

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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: **1,942,495**

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**CKX Lands, Inc.**

**Form 10-Q**

**For the Quarter ended September 30, 2016**

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**Part I – Financial Information****Item 1. FINANCIAL STATEMENTS****CKX Lands, Inc.****Balance Sheets****September 30, 2016 and December 31, 2015****(Unaudited)**

	<b>2016</b>	<b>2015</b>
<b>Assets</b>		
Current Assets:		
Cash and cash equivalents	\$785,997	\$2,767,424
Certificates of deposit	3,814,000	3,324,000
Accounts receivable	78,269	64,752
Prepaid expense and other assets	65,207	44,826
Total current assets	4,743,473	6,201,002
Non-current Assets:		
Certificates of deposit	480,000	1,200,000
Property and equipment:		
Land	7,075,345	5,209,846
Timber	2,064,058	1,546,088
Building and equipment less accumulated depreciation of \$73,140 and \$84,156, respectively	15,584	--
Total property and equipment, net	9,154,987	6,755,934
Total assets	\$14,378,460	\$14,156,936

**Liabilities and Stockholders' Equity**

Current Liabilities:		
Trade payables and accrued expenses	\$139,427	\$54,402
Total current liabilities	139,427	54,402
Non-current Liabilities:		
Deferred income tax payable	299,024	292,767
Total liabilities	438,451	347,169

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Stockholders' Equity:

Common stock, no par value: 3,000,000 shares authorized; 1,942,495 and 1,942,495 shares issued, respectively	59,335	59,335
Retained earnings	13,880,674	13,750,432
Total stockholders' equity	13,940,009	13,809,767
Total liabilities and stockholders' equity	\$ 14,378,460	\$ 14,156,936

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

## CKX Lands, Inc.

## Statements of Income

## Quarter and Nine Months Ended September 30, 2016 and 2015

(Unaudited)

	Quarter Ended		Nine Months Ended	
	September 30, 2016	2015	September 30, 2016	2015
Revenues:				
Oil and gas	\$ 151,752	\$ 200,464	\$ 359,951	\$ 672,986
Timber	4,992	19,447	125,860	19,447
Surface	53,299	133,320	152,188	189,034
Total revenues	210,043	353,231	637,999	881,467
Costs, Expenses and (Gains):				
Oil and gas	13,190	20,122	36,059	58,570
Timber	1,123	279	10,978	670
Surface	258	2,830	2,459	4,266
General and administrative	178,400	130,975	457,282	382,613
Depreciation	236	--	236	--
Gain on sale of land	--	--	--	(172,352 )
Total cost, expenses and (gains)	193,207	154,206	507,014	273,767
Income (loss) from operations	16,836	199,025	130,985	607,700
Other Income:				
Interest income	12,398	5,427	30,749	14,756
Net other income	12,398	5,427	30,749	14,756
Income (loss) before income taxes	29,234	204,452	161,734	622,456
Federal and State Income Taxes:				
Current	1,605	65,736	31,741	130,001
Deferred	6,258	--	6,258	68,341
Total income taxes	7,863	65,736	37,999	198,342
Net Income	\$ 21,371	\$ 138,716	\$ 123,735	\$ 424,114
Per Common Stock, basic and diluted				
Net Income	\$ 0.01	\$ 0.07	\$ 0.06	\$ 0.22
Dividends	\$ 0.00	\$ 0.03	\$ 0.00	\$ 0.10
Weighted Average Common Shares Outstanding, basic and diluted	1,942,495	1,942,495	1,942,495	1,942,495

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

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**CKX Lands, Inc.****Statements of Changes in Stockholders' Equity****Nine Months Ended September 30, 2016 and 2015****(Unaudited)**

	Total	Retained Earnings	Capital Stock Issued	Treasury Stock
<u>Nine Months Ended September 30, 2016</u>				
December 31, 2015 Balance	\$ 13,809,767	\$ 13,750,432	\$ 59,335	\$--
Net income	123,735	123,735	--	--
Dividends reversion	6,507	6,507	--	--
September 30, 2016 Balance	\$ 13,940,009	\$ 13,880,674	\$ 59,335	\$--
<u>Nine Months Ended September 30, 2015</u>				
December 31, 2014 Balance	\$ 13,540,989	\$ 13,844,249	\$ 72,256	\$(375,516)
Net income	424,114	424,114	--	--
Dividends paid	(194,250 )	(194,250 )	--	--
September 30, 2015 Balance	\$ 13,770,853	\$ 14,074,113	\$ 72,256	\$(375,516)

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

**CKX Lands, Inc.****Statements of Cash Flows****Nine Months Ended September 30, 2016 and 2015****(Unaudited)**

	<b>2016</b>	<b>2015</b>
Cash Flows from Operating Activities:		
Net Income	\$123,735	\$424,114
Less non-cash expenses included in net income:		
Depreciation, depletion and amortization	1,987	--
Deferred income tax expense	6,257	68,341
Gain on sale of land	--	(172,352)
Change in operating assets and liabilities:		
Increase in current assets	(33,898 )	34,002
Increase in current liabilities	85,025	94,547
Net cash provided from operating activities	183,106	448,652
Cash Flows from Investing Activities:		
Certificates of deposit:		