

CKX Lands Inc  
Form 10-Q  
August 11, 2008  
Index to Financial Statements

**UNITED STATES**  
**SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

**FORM 10-Q**

(Mark One)

**QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**  
For the quarterly period ended June 30, 2008

**TRANSITION REPORT UNDER SECTION 13 OR 15(d) OF THE 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**  
(IRS Employer Identification No.)

**751 Bayou Pines East, Suite C, Lake Charles, Louisiana**  
(Address of principal executive offices)

**70601**  
(Zip Code)

**(337) 310-0547**

(Registrant's telephone number)

Indicate by check mark whether the registrant (1) filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the past 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 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.

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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

**APPLICABLE ONLY TO ISSUERS INVOLVED IN BANKRUPTCY**

**PROCEEDINGS DURING THE PRECEDING FIVE YEARS**

Check whether the registrant filed all documents and reports required to be filed by Section 12, 13, or 15(d) of the Exchange Act after the distribution of securities under a plan confirmed by a court. Yes  No

**APPLICABLE ONLY TO CORPORATE ISSUERS**

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

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**CKX Lands, Inc.**

**Form 10-Q**

**For the Quarter Ended June 30, 2008**

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

**Index to Financial Statements****Part I. Financial Information****Item 1. Financial Statements****CKX Lands, Inc.****Balance Sheets****June 30, 2008 and December 31, 2007**

	<b>2008</b>	<b>2007</b>
<b>ASSETS</b>		
Current Assets:		
Cash and cash equivalents	\$ 4,906,873	\$ 1,624,970
1031 trust account Restricted		3,198,153
Certificate of deposit	1,052,270	1,052,270
Accounts receivable	483,712	333,921
Prepaid expense and other assets	114,214	14,469
Total Current Assets	6,557,069	6,223,783
Securities Available for Sale	633,596	2,030,309
Property and Equipment:		
Building and equipment		
less accumulated depreciation of \$66,137 and \$67,349, respectively	12,406	9,362
Timber		
less accumulated depletion of \$451,753 and \$426,254, respectively	366,765	400,102
Land	2,655,187	2,361,998
Total Property and Equipment, net	3,034,358	2,771,462
Total Assets	\$ 10,225,023	\$ 11,025,554
<b>LIABILITIES &amp; STOCKHOLDERS EQUITY</b>		
Current Liabilities:		
Trade payables and accrued expenses	77,654	51,469
Dividends payable		912,973
Income tax payable:		
Current		590,384
Deferred	80,168	96,292
Total Current Liabilities	157,822	1,651,118
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	10,126,639	9,404,044
Accumulated other comprehensive income	62,004	91,834
Less cost of treasury stock (157,505 shares)	(375,516)	(375,516)

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Total Stockholders Equity	9,885,383	9,192,618
Total Liabilities and Stockholders Equity	\$ 10,225,023	\$ 11,025,554

**Index to Financial Statements****CKX Lands, Inc.****Statements of Income****Quarter and Six Months ending June 30, 2008 and 2007**

	<b>Quarter Ending June 30, 2008</b>	<b>Quarter Ending June 30, 2007</b>	<b>Six Months Ending June 30, 2008</b>	<b>Six Months Ending June 30, 2007</b>
<b>Revenues:</b>				
Oil and gas	\$ 930,659	\$ 767,842	\$ 1,724,699	\$ 1,371,156
Agriculture	20,520	34,564	53,108	101,730
Timber	10,515		11,152	33,634
<b>Total revenues</b>	<b>961,694</b>	<b>802,406</b>	<b>1,788,959</b>	<b>1,506,520</b>
<b>Costs and Expenses:</b>				
Oil and gas production	79,470	61,944	146,135	115,849
Agriculture	1,628	25,027	2,323	30,667
Timber	5,277	8,571	15,437	9,220
General and administrative	82,801	95,504	225,840	220,728
Depreciation and depletion	6,789	1,678	8,205	9,284
<b>Total cost and expenses</b>	<b>175,965</b>	<b>192,724</b>	<b>397,940</b>	<b>385,748</b>
<b>Income from operations</b>	<b>785,729</b>	<b>609,682</b>	<b>1,391,019</b>	<b>1,120,772</b>
<b>Other Income / (Expense):</b>				
Interest income	20,610	24,774	81,785	49,574
Dividend income	13,318	8,514	22,202	16,983
Unrealized loss on securities available for sale	14,348		(66,640)	
Gain / (loss) on sale of securities available for sale	(81,644)	(1,378)	(81,644)	(3,446)
Gain on sale of assets	19,754	302,008	20,908	302,008
<b>Net other income / (expense)</b>	<b>(13,615)</b>	<b>333,918</b>	<b>(23,390)</b>	<b>365,119</b>
<b>Income before income taxes</b>	<b>772,114</b>	<b>943,600</b>	<b>1,367,629</b>	<b>1,485,891</b>
<b>Federal and state income taxes:</b>				
Current	201,447	198,154	369,322	367,597
Deferred	68,142	120,491	3,763	120,491
<b>Total income taxes</b>	<b>269,589</b>	<b>318,645</b>	<b>373,085</b>	<b>488,088</b>
<b>Net Income</b>	<b>\$ 502,525</b>	<b>\$ 624,955</b>	<b>\$ 994,544</b>	<b>\$ 997,803</b>
<b>Per Common Stock (1,942,495 outstanding shares):</b>				
Net Income	\$ 0.26	\$ 0.32	\$ 0.51	\$ 0.51
Dividends	\$ 0.07	\$ 0.07	\$ 0.14	\$ 0.14

See accompanying notes



**Index to Financial Statements****CKX Lands, Inc.****Statements of Changes in Stockholders' Equity****Six Months ending June 30, 2008 and 2007****Six Months Ended June 30, 2008:**

	<b>Comprehensive Income</b>	<b>Retained Earnings</b>	<b>Accumulated Other Comprehensive Income</b>	<b>Capital Stock Issued</b>	<b>Treasury Stock</b>
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)		
Total comprehensive income	\$ 964,715				
Dividends		(271,949)			
June 30, 2008 Balance		\$ 10,126,639	\$ 62,004	\$ 72,256	\$ 375,516

**Six Months Ended June 30, 2007:**

	<b>Comprehensive Income</b>	<b>Retained Earnings</b>	<b>Accumulated Other Comprehensive Income</b>	<b>Capital Stock Issued</b>	<b>Treasury Stock</b>
December 31, 2006 Balance		\$ 7,895,007	\$ 132,193	\$ 72,256	\$ 375,516
Comprehensive income:					
Net income	\$ 997,803	997,803			
Other comprehensive income:					
Unrealized net holdings gains occurring during period net of taxes of \$6,075	10,408				
Less: reclassification adjustment for net losses included in net income, net of taxes of \$1,159	(1,738)				
Other Comprehensive income, net of taxes	12,146		12,146		
Total comprehensive income	\$ 1,009,949				