

CALCASIEU REAL ESTATE & OIL CO INC

Form 10-Q

November 06, 2003

Table of Contents

---

## SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

---

### FORM 10-Q

Quarterly report Under Section 13 or 15(d)

Of the Securities Exchange Act of 1934

For Quarter September 30, 2003

Commission file number 0-9669

---

## CALCASIEU REAL ESTATE & OIL CO., 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.)

One Lakeside Plaza  
Lake Charles, LA  
(Address of principal executive offices)

70601  
(Zip Code)

Registrant's telephone number, including area code: (337) 494-4256

Edgar Filing: CALCASIEU REAL ESTATE & OIL CO INC - Form 10-Q

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 x No "

---

**Securities registered pursuant to Section 12(b) for the Act:**

<u>Title of each class</u>	<u>Name of each exchange on which registered</u>
None	Not applicable

**Securities registered pursuant to Section 12(g) of the Act:**

**Common Stock, No Par Value**

**(Title of Class)**

---

As of September 30, 2003, 1,944,745 shares of the registrant's Common Stock, without par value, were issued and outstanding.

As of June 30, 2003, the total market value of all outstanding stock was \$10,737,617.

---

**Table of Contents**

*CALCASIEU REAL ESTATE & OIL CO., INC.*

*Form 10-Q for the Quarter ended September 30, 2003*

**TABLE OF CONTENTS**

	<b><u>Page No.</u></b>
<b><u>Part I</u></b>	
<b><u>FINANCIAL INFORMATION</u></b>	
<u>Management's Discussion and Analysis of Financial Condition and Results of Operations</u>	3
<u>Balance Sheets September 30, 2003 and December 31, 2002</u>	4-5
<u>Statements of Income and Retained Earnings Nine Months Ended September 30, 2003 and September 30, 2002</u>	6
<u>Statements of Cash Flows Nine Months Ended September 30, 2003 and September 30, 2002</u>	7
<b><u>Part II</u></b>	
<b><u>OTHER INFORMATION</u></b>	
<u>Item 6. Exhibits and Reports on Form 8-K</u>	8-11
<u>Signatures</u>	8-11

Reference is made to the Notes to Financial Statements contained in the Company's Annual Report on Form 10-K

The information furnished is not in connection with any sale or offer for sale of, or solicitation of an offer to buy, any securities.

**Table of Contents**

*CALCASIEU REAL ESTATE & OIL CO., INC.*

*PART I*

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

The enclosed financial statements are unaudited with the exception of the Balance Sheet for December 31, 2002. The unaudited interim financial statements reflect all adjustments which are, in the opinion of management, necessary to a fair statement of the results for the interim periods presented. All such adjustments are of a normal recurring nature.

Management believes that the Company's revenues will be sufficient to meet its existing needs and the needs for its anticipated future operations. Long-term trends will depend upon the ability of management to continue to find new production to replace the depletion of the Company's present minerals as well as increasing the Company's income from timber and agriculture. Management does not presently anticipate that the Company will incur material additional liabilities in its future operations. The Company participates in no off-balance sheet entities.

The Company earned \$333,348 net income in the third quarter ended September 30, 2003, up 67.8% from the second quarter of 2003 and up 58.4% from the third quarter of 2002. This was due to increased oil and gas income from royalties and also leases. Oil and gas revenues for the first nine months of 2003 were up 50.5% over the same period in 2002 due to greater production and to higher prices. Timber income was down from 2002, however, a timber contract has been let for cuttings on one company tract and timber income should be higher in the fourth quarter.

The Company has applied for listing on the American Stock Exchange. All of the increase in general and administrative expenses is due to the application fee for listing. The Board of Directors adopted a policy of paying 7¢ per quarter per share in dividends as long as financially prudent.

**Table of Contents****CALCASIEU REAL ESTATE & OIL CO., INC.****BALANCE SHEET****ASSETS**

	<b>September 30, 2003</b>	<b>December 31, 2002</b>
	<u>          </u>	<u>          </u>
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	\$ 1,136,867	\$ 583,327
Accounts receivables	219,320	152,373
Prepaid income tax & expenses	15,093	64,793
Inventory, crops	0	10,125
	<u>          </u>	<u>          </u>
Total Current Assets	1,371,280	810,618
	<u>          </u>	<u>          </u>
SECURITIES AVAILABLE FOR SALE	882,864	1,361,123
	<u>          </u>	<u>          </u>
<b>PROPERTY AND EQUIPMENT,</b>		
Less accumulated depreciation, Depletion and amortization	88,521	91,949
Timber, less accumulated depletion	517,065	484,161
Land	3,904,419	3,904,851
	<u>          </u>	<u>          </u>
Total Property	4,510,005	4,480,961
	<u>          </u>	<u>          </u>
<b>TOTAL</b>	<b>\$ 6,764,149</b>	<b>\$ 6,652,702</b>
	<u>          </u>	<u>          </u>

**Table of Contents*****CALCASIEU REAL ESTATE & OIL CO., INC.******BALANCE SHEET******LIABILITIES & STOCKHOLDERS EQUITY***

	<b>September 30,</b>	<b>December 31,</b>
	<b>2003</b>	<b>2002</b>
	<u>          </u>	<u>          </u>
<b>CURRENT LIABILITIES</b>		
Trade payables and accrued expenses	\$ 5,881	\$ 8,863
Dividends payable	0	195,742
Current deferred tax liability, net	33,260	23,370
	<u>          </u>	<u>          </u>
Total Current Liabilities	39,141	227,975
	<u>          </u>	<u>          </u>
<b>STOCKHOLDER S EQUITY</b>		
Common Stock, no par value 3,000,000 shares authorized; 2,100,000 shares issued	\$ 72,256	\$ 72,256
Retained earnings	6,996,872	6,642,737
Accumulated other comprehensive income	31,396	16,563
	<u>          </u>	<u>          </u>
	7,100,524	6,731,556
Less cost treasury stock (2003 155,255 shares; 2002 144,956 shares)	375,516	306,829
	<u>          </u>	<u>          </u>
Total Equity	6,725,008	6,424,727
	<u>          </u>	<u>          </u>
<b>TOTAL</b>	<b>\$ 6,764,149</b>	<b>\$ 6,652,702</b>
	<u>          </u>	<u>          </u>

**Table of Contents****CALCASIEU REAL ESTATE & OIL CO., INC.****STATEMENTS OF INCOME AND RETAINED EARNINGS**

	Three Months Ended		Nine Months Ended	
	September 30,	September 30,	September 30,	September 30,
	2003	2002	2003	2002
<b>REVENUES</b>				
Income-primarily from oil and gas properties	\$ 525,152	\$ 274,455	\$ 1,203,895	\$ 800,108
Agriculture Income	41,803	61,355	143,839	138,690
Timber Income	19,714	35,427	52,228	112,517
<b>TOTAL</b>	<b>\$ 586,669</b>	<b>\$ 371,237</b>	<b>\$ 1,399,962</b>	<b>\$ 1,051,315</b>
<b>COSTS AND EXPENSES</b>				
Oil and gas production costs	\$ 26,256	\$ 17,691	\$ 61,877	\$ 53,559
Agriculture expense	6,552	2,444	10,389	8,299
Forestry expenses	13,441	27,137	25,797	37,774
General and Administrative	70,263	36,307	201,073	166,526
Depreciation and depletion	2,360	1,822	6,736	5,776
<b>TOTAL</b>	<b>\$ 118,872</b>	<b>\$ 85,401</b>	<b>\$ 305,872</b>	<b>\$ 271,934</b>
<b>OTHER INCOME (EXPENSE)</b>				
Interest Income	\$ 3,830	\$ 7,902	\$ 12,316	\$ 17,653
Dividends	9,286	11,498	25,119	22,764
<b>TOTAL</b>	<b>\$ 13,116</b>	<b>\$ 19,400</b>	<b>\$ 37,435</b>	<b>\$ 40,417</b>
<b>INCOME OR LOSS BEFORE INCOME TAXES AND EXTRAORDINARY CREDITS</b>				
	\$ 480,913	\$ 305,236	\$ 1,131,525	\$ 819,798
<b>PROVISION FOR INCOME TAXES:</b>				
Current	147,565	94,785	347,717	254,972
<b>NET INCOME OR (LOSS)</b>	<b>\$ 333,348</b>	<b>\$ 210,451</b>	<b>\$ 783,808</b>	<b>\$ 564,826</b>
RETAINED EARNINGS, BEGINNING OF PERIOD	6,799,920	6,554,276	6,642,737	6,387,579
DIVIDENDS	(136,396)	(97,991)	(429,673)	(285,669)
RETAINED EARNINGS, END OF PERIOD	\$ 6,996,872	\$ 6,666,736	\$ 6,996,872	\$ 6,666,736
NET INCOME PER COMMON SHARE	\$ .17	\$ .11	\$ .40	\$ .29

**OTHER COMPREHENSIVE INCOME**

	<b>Three Months Ended</b>		<b>Nine Months Ended</b>	
	<b>September 30,</b>	<b>September 30,</b>	<b>September 30,</b>	<b>September 30,</b>
	<b>2003</b>	<b>2002</b>	<b>2003</b>	<b>2002</b>
Other comprehensive income				
Beginning of Period	\$ 41,228	\$ 31,159	\$ 16,563	\$ 26,059
Unrealized gain (loss) on securities available for sale, net of taxes	(9,832)	(25,653)	14,833	(20,553)
Other comprehensive income				
End of Period	\$ 31,396	\$ 5,506	\$ 31,396	\$ 5,506



**Table of Contents****CALCASIEU REAL ESTATE & OIL CO., INC.****STATEMENTS OF CASH FLOWS**

	<b>Nine Months Ended</b>	
	<b>September 30,</b>	<b>September 30,</b>
	<b>2003</b>	<b>2002</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Net income (or Loss)	\$ 783,808	\$ 564,826
Non cash (income) expenses included in net income:		
Depreciation, depletion and amortization	6,736	5,776
<b>CHANGE IN ASSETS AND LIABILITIES:</b>		
(Increase) decrease in accounts receivable	(66,947)	(106,168)
(Increase) decrease in inventory	10,125	11,042
(Increase) decrease in prepaid expenses	3,680	3,309
(Increase) decrease in prepaid income taxes	46,020	144,999
Increase (decrease) in trade payables	(2,982)	7,462
<b>Net Cash Provided by Operating Activities</b>	<b>\$ 780,440</b>	<b>\$ 631,246</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Maturity of securities available for sale	\$ 1,301,887	\$ 694,073
Purchase of securities available for sale	(798,905)	(1,695,365)
Purchase of Property and equipment and reforestation	(36,212)	(19,931)
Land (purchase) or refund	432	(12,737)
<b>Net Cash Provided (used in) Investing Activities</b>	<b>\$ 467,202</b>	<b>\$ (1,033,960)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Dividends paid	\$ (625,415)	\$ (481,406)
Payments to acquire treasury stock	(68,687)	0
<b>Net cash provided by (used in) financing activities</b>	<b>\$ (694,102)</b>	<b>\$ (481,406)</b>
<b>Net increase (decrease) in cash &amp; cash equivalents</b>	<b>\$ 553,540</b>	<b>\$ (884,120)</b>
<b>CASH AND CASH EQUIVALENTS:</b>		
Beginning	583,327	1,419,084
Ending	\$ 1,136,867	\$ 534,964

**Table of Contents**

*CALCASIEU REAL ESTATE & OIL CO., INC.*

*PART II OTHER INFORMATION*

Item 6. EXHIBITS AND REPORTS ON FORM 8-K.

(A) Exhibits

Exhibit 31.1

Exhibit 31.2

Exhibit 32

(B) Reports on Form 8-K

None

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 under-signed thereunto duly authorized.

CALCASIEU REAL ESTATE & OIL CO., INC

(Registrant)

/s/ Arthur Hollins, III

---

Arthur Hollins, III  
President

/s/ Charles D. Viccellio

---

Charles D. Viccellio  
Vice-President and Secretary

Dated: October 28, 2003