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CALCASIEU REAL ESTATE & OIL CO INC

Form 10-Q

August 02, 2002

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 Ended June 30, 2002

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 70601
(Address of principal executive offices) (Zip Code)

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

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:

| Title of each class | Name of each exchange on which registered |
|---------------------|---|
| None | Not applicable |

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

Common Stock, No Par Value
(Title of Class)

As of June 30, 2002, 1,955,044 shares of the registrant's Common Stock, without par value, were issued and outstanding.

CALCASIEU REAL ESTATE & OIL CO., INC.

Form 10-Q for the Quarter ended June 30, 2002

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

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

CALCASIEU REAL ESTATE & OIL CO., INC.

PART I

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

Net income for the first six months ended June 30, 2002, was down 22.6% from the same six months in 2001, whereas net income for the quarter ended June 30, 2002, was up 38.4% when compared to the second quarter of 2001. This was caused by income in 2001 from the North English Bayou Field decreasing each month in 2002, while in 2002 income from the North Gordon Field increased each month. The North English Bayou Field is now depleted and wells on property partially owned by Calcasieu Real Estate and Oil have been plugged and abandoned. We believe that income from the North Gordon Field has reached its maximum potential and will begin decreasing in the near future. Income from agriculture and timber was up 13.2% for the first six months of 2002 as compared to 2001. Expenses were down for the first six months of 2002 as compared to 2001, due to a decrease in legal fees. The legal fees for both years were to defend a suit which has recently been settled at no further expense to the Company.

The enclosed financial statements are unaudited with the exception of the Balance Sheet for December 31, 2001. The unaudited interim financial statements reflect all adjustments which are, in the opinion of management, necessary to a

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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. Management does not presently anticipate that the Company will incur material additional liabilities in its future operations.

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CALCASIEU REAL ESTATE & OIL CO., INC.

BALANCE SHEET

ASSETS

| CURRENT ASSETS | June 30, 2002 | December 31, 2001 |
|--|---------------|-------------------|
| Cash and cash equivalents | \$ 572,556 | \$1,419,084 |
| Accounts receivables | 186,757 | 93,748 |
| Prepaid income taxes & expenses | | 174,452 |
| Inventory harvested crops | | 11,042 |
| | ----- | ----- |
| Total current assets | \$ 759,313 | \$1,698,326 |
| | ----- | ----- |
| SECURITIES AVAILABLE FOR SALE | \$1,389,431 | \$ 377,732 |
| | ----- | ----- |
| PROPERTY AND EQUIPMENT, less accumulated depreciation, depletion and amortization. | \$ 95,094 | \$ 94,043 |
| Timber, less accumulated depletion | 513,495 | 498,569 |
| Land | 3,751,730 | 3,738,993 |
| | ----- | ----- |
| Total Property | \$4,360,319 | \$4,331,605 |
| | ----- | ----- |
| TOTAL | \$6,509,063 | \$6,407,663 |
| | ----- | ----- |

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CALCASIEU REAL ESTATE & OIL CO., INC.

BALANCE SHEET

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LIABILITIES & STOCKHOLDERS' EQUITY

| CURRENT LIABILITIES | June 30, 2002 | December 31, 2001 |
|--|---------------|-------------------|
| Trade payables and accrued expenses | \$ 22,786 | \$ 5,968 |
| Dividends payable | 97,991 | 195,737 |
| Current deferred tax liability, net | 30,293 | 26,893 |
| Income taxes payable | 7,131 | |
| | ----- | ----- |
| Total Current Liabilities | \$ 158,201 | \$ 228,598 |
| | ----- | ----- |
| SHAREHOLDERS' EQUITY | | |
| Common Stock, no par value, 3,000,000 shares authorized; 2,100,000 shares issued | \$ 72,256 | \$ 72,256 |
| Retained earnings | 6,554,276 | 6,387,579 |
| Accumulated other comprehensive income | 31,159 | 26,059 |
| | ----- | ----- |
| | \$ 6,657,691 | \$ 6,485,894 |
| Less cost treasury stock (2002 144,956 shares; 2001 144,956 shares) | 306,829 | 306,829 |
| | ----- | ----- |
| Total Equity | \$ 6,350,862 | \$ 6,179,065 |
| | ----- | ----- |
| TOTAL | \$ 6,509,063 | \$ 6,407,663 |
| | ----- | ----- |

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CALCASIEU REAL ESTATE & OIL CO., INC.

STATEMENTS OF INCOME AND RETAINED EARNINGS

| | Three Months Ended | |
|--|--------------------|---------------|
| | June 30, 2002 | June 30, 2001 |
| REVENUES | | |
| Income—primarily from oil and gas properties | \$ 387,640 | \$ 266,584 |
| Agricultural Income | 13,754 | 19,108 |
| Timber Income | 51,596 | 62,818 |
| | ----- | ----- |
| TOTAL | \$ 452,990 | \$ 348,510 |
| | ----- | ----- |
| COSTS AND EXPENSES | | |

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| | | | | |
|--|----|-----------|----|-----------|
| Forestry expenses | \$ | 3,794 | \$ | 6,441 |
| Agriculture expense | | 2,684 | | 383 |
| Oil and gas production costs | | 24,078 | | 11,315 |
| General and Administrative | | 48,728 | | 74,228 |
| Depreciation and depletion | | 2,629 | | 4,891 |
| | | ----- | | ----- |
| TOTAL | \$ | 81,913 | \$ | 97,258 |
| | | ----- | | ----- |
| OTHER INCOME (EXPENSE): | | | | |
| Interest | \$ | 4,967 | \$ | 17,810 |
| Dividends on Common Stock | | 8,562 | | 5,146 |
| Gain on sale of land | | | | 4,991 |
| | | ----- | | ----- |
| TOTAL | \$ | 13,529 | \$ | 27,947 |
| | | ----- | | ----- |
| INCOME OR LOSS BEFORE INCOME TAXES AND EXTRAORDINARY CREDITS | \$ | 384,606 | \$ | 279,199 |
| PROVISION FOR INCOME TAXES: Current | | 120,222 | | 88,199 |
| | | ----- | | ----- |
| NET INCOME OR (LOSS) | \$ | 264,384 | \$ | 191,000 |
| RETAINED EARNINGS, BEGINNING OF PERIOD | | 6,379,609 | | 6,173,482 |
| DIVIDENDS | | (89,717) | | (97,976) |
| | | ----- | | ----- |
| RETAINED EARNINGS, END OF PERIOD | \$ | 6,554,276 | \$ | 6,266,506 |
| | | ----- | | ----- |
| NET INCOME PER COMMON SHARE | | \$.13 | | \$.09 |
| OTHER COMPREHENSIVE INCOME BEGINNING OF PERIOD | \$ | 26,059 | \$ | 31,866 |
| Unrealized Securities Gains(Losses) Net of income taxes | | 5,100 | | (516) |
| | | ----- | | ----- |
| OTHER COMPREHENSIVE INCOME END OF PERIOD | \$ | 31,159 | \$ | 31,350 |

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CALCASIEU REAL ESTATE & OIL CO., INC.

STATEMENTS OF CASH FLOWS

Three Months Ended
June 30, 2002 June 30, 2001 June 30,

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| | | | |
|---|--------------|--------------|------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | | |
| Net Income (or Loss) | \$ 264,384 | \$ 191,000 | \$ 354 |
| Non cash (income) expenses included in net income: | | | |
| Depreciation, depletion and amortization | 2,629 | 4,891 | 3 |
| CHANGE IN ASSETS AND LIABILITIES: | | | |
| (Increase) decrease in accounts receivable | (49,071) | 7,192 | (93) |
| (Increase) decrease in inventory | | | 11 |
| (Increase) decrease in prepaid expenses | | | 3 |
| (Increase) decrease in prepaid income taxes | 113,091 | (65,679) | 171 |
| Increase (decrease) in trade payables | 5,916 | (21,922) | 16 |
| Increase (decrease) in income tax payable | 7,131 | (42,098) | 7 |
| | ----- | ----- | ----- |
| Net Cash Provided by Operating Activities | \$ 344,080 | \$ 73,384 | \$ 474 |
| | ----- | ----- | ----- |
| CASH FLOWS FROM INVESTING ACTIVITIES: | | | |
| Purchase of securities available for sale | \$ (103,266) | \$ | \$ (1,003) |
| Maturity of securities available for sale | | 491,833 | |
| Reforestation expenditure | (18,780) | | (18) |
| Purchase land | (5,564) | | (12) |
| Purchase of equipment | (1,151) | | (1) |
| | ----- | ----- | ----- |
| | \$ (128,761) | \$ 491,833 | \$ (1,035) |
| | ----- | ----- | ----- |
| CASH FLOWS FROM FINANCING ACTIVITIES: | | | |
| Dividends paid | \$ (89,699) | \$ (97,981) | \$ (285) |
| Payments to acquire treasury stock | | | |
| | ----- | ----- | ----- |
| Net cash provided by (used in) financing activities | \$ (89,699) | \$ (97,981) | \$ (285) |
| | ----- | ----- | ----- |
| Net increase (decrease) in cash & cash equivalents | \$ 125,620 | \$ 467,236 | \$ (846) |
| CASH AND CASH EQUIVALENTS: | | | |
| Beginning | 446,936 | 947,757 | 1,419 |
| | ----- | ----- | ----- |
| Ending | \$ 572,556 | \$ 1,414,993 | \$ 572 |
| | ----- | ----- | ----- |

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Item 6. EXHIBITS AND REPORTS ON FORM 8-K

(A) Exhibits

None

(B) Reports on Form 8-K

None

SIGNATURES

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.

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 July 25, 2002