

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**

Edgar Filing: CKX LANDS, INC. - Form 10-Q

(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

Edgar Filing: CKX LANDS, INC. - Form 10-Q

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**

---

**CKX Lands, Inc.**

**Form 10-Q**

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

**Table of Contents**

|                                      | <b>Page</b>   |
|--------------------------------------|---|
| <b>Part I. Financial Information</b> |   |
| Item 1.                              | Financial Statements  |
| a.                                   | Balance Sheets as of September 30, 2016 and December 31, 2015 (Unaudited) 1                                       |
| b.                                   | Statements of Income for the quarter and nine months ended September 30, 2016 and 2015 (Unaudited) 2              |
| c.                                   | Statements of Changes in Stockholders' Equity for the nine months ended September 30, 2016 and 2015 (Unaudited) 3 |
| d.                                   | Statements of Cash Flows for the nine months ended September 30, 2016 and 2015 (Unaudited) 4                      |
| e.                                   | Notes to Financial Statements as of September 30, 2016 (Unaudited) 5-7  |
| Item 2.                              | Management's Discussion and Analysis of Financial Condition and Results of Operations 8-10                        |
| Item 4.                              | Controls and Procedures 10  |
| <b>Part II. Other Information</b>    |   |
| Item 6.                              | Exhibits 11   |
|                                      | Signature 11  |

---

**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  |

Edgar Filing: CKX LANDS, INC. - Form 10-Q

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,<br>2016 | 2015       | September 30,<br>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.

2

---

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

|   | Total         | Retained<br>Earnings | Capital<br>Stock<br>Issued | Treasury<br>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:                       |             |             |
| Purchases                                      | (1,690,000) | (2,124,000) |
| Maturity proceeds                              | 1,920,000   | 1,920,000   |
| Land, timber, equipment, and other assets:     |             |             |
| Purchases                                      | (2,401,040) | (287,517 )  |
| Sales proceeds                                 | --          | 185,623     |
| Net cash provided from investing activities    | (2,171,040) | (305,894 )  |
| Cash Flows from Financing Activities:          |             |             |
| Dividends reversion (paid)                     | 6,507       | (194,250 )  |
| Net cash from (used in) financing activities   | 6,507       | (194,250 )  |
| Net increase in cash and cash equivalents      | (1,981,427) | (51,492 )   |
| Cash and cash equivalents:                     |             |             |
| Beginning                                      | 2,767,424   | 5,225,594   |
| Ending   | \$785,997   | \$5,174,102 |

Supplemental disclosures of cash flow information:

## Cash payments (refunds) for:

|              |          |          |
|--------------|----------|----------|
| Interest     | \$--     | \$--     |
| Income taxes | \$35,571 | \$33,576 |

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

**CKX Lands, Inc.**

**Notes to Financial Statements**

**September 30, 2016**

**(Unaudited)**

Note 1: Basis of Presentation

The accompanying unaudited financial statements of CKX Lands, Inc. (“Company”) have been prepared in accordance with United States generally accepted accounting principles for interim financial information. They do not include all information and footnotes required by United States generally accepted accounting principles for complete financial statements. Except as described herein, there has been no material change in the information disclosed in the notes to the financial statements included in our financial statements as of and for the year ended December 31, 2015. In the opinion of management, all adjustments (consisting of normal recurring accruals) considered necessary for a fair presentation have been included in the accompanying financial statements.

Interim results are not necessarily indicative of results for a full year. These financial statements and accompanying notes should be read in conjunction with the Company’s Form 10-K for the year ended December 31, 2015 and Form 10-Q for the quarter period ended September 30, 2015.

Note 2: Income Taxes

In accordance with generally accepted accounting principles, the Company has analyzed its filing positions in federal and state income tax returns for the tax years that remain subject to examination, generally three years after filing. The Company believes that all filing positions are highly certain and that all income tax filing positions and deductions would be sustained upon a taxing jurisdiction’s audit. Therefore, no reserve for uncertain tax positions is required. No interest or penalties have been levied against the Company and none are anticipated.

Note 3. Company Operations

The Company’s operations are classified into three principal operating segments that are all located in the United States: oil and gas, timber and surface. The Company’s reportable business segments are strategic business units that offer income from different products all of which are derived from the Company lands. They are managed separately due to the unique aspects of each area.

Following is a summary of segmented operations information for the nine months ended September 30, 2016 and 2015, respectively:

|                                    | 2016       | 2015       |
|------------------------------------|------------|------------|
| Revenues:                          |            |            |
| Oil and Gas                        | \$ 359,951 | \$ 672,986 |
| Timber                             | 125,860    | 19,447     |
| Surface                            | 152,188    | 189,034    |
| Total                              | 637,999    | 881,467    |
| Cost and Expenses:                 |            |            |
| Oil and Gas                        | 36,059     | 58,570     |
| Timber                             | 10,978     | 670        |
| Surface                            | 2,459      | 4,266      |
| Total                              | 49,496     | 63,506     |
| Income from Operations:            |            |            |
| Oil and Gas                        | 323,892    | 614,416    |
| Timber                             | 114,882    | 18,777     |
| Surface                            | 149,729    | 184,768    |
| Total                              | 588,503    | 817,961    |
| Other Expense before Income Taxes: | (426,769)  | (195,505)  |
| Income before Income Taxes         | 161,734    | 622,456    |

**CKX Lands, Inc.****Notes to Financial Statements****September 30, 2016****(Unaudited)**

## Note 3. Company Operations (continued)

## Identifiable Assets, net of accumulated depreciation:

|                          |            |            |
|--------------------------|------------|------------|
| Oil and Gas              | \$--       | \$--       |
| Timber                   | 2,064,058  | 1,546,088  |
| Surface                  | --         | --         |
| General Corporate Assets | 12,314,402 | 12,610,848 |
| Total                    | 14,378,460 | 14,156,936 |

## Capital Expenditures:

|                           |           |         |
|---------------------------|-----------|---------|
| Oil and Gas               | --        | --      |
| Timber                    | 519,721   | 21,535  |
| Surface                   | --        | --      |
| General Corporate Assets: | 1,881,319 | 265,982 |
| Total                     | 2,401,040 | 287,517 |

## Depreciation and Depletion:

|                          |          |      |
|--------------------------|----------|------|
| Oil and Gas              | --       | --   |
| Timber                   | 1,751    | --   |
| Surface                  | 236      | --   |
| General Corporate Assets | --       | --   |
| Total                    | \$ 1,987 | \$-- |

There are no intersegment sales reported in the accompanying income statements. The accounting policies of the segments are the same as those described in the summary of significant accounting policies in the Company's Form 10-K for the year ended December 31, 2015. The Company evaluates performance based on income or loss from operations before income taxes excluding any nonrecurring gains and losses on securities held available-for-sale. Income before income tax represents net revenues less costs and expenses less other income and expenses of a general corporate nature. Identifiable assets by segment are those assets used solely in the Company's operations within that segment.

Revenue from customers representing 5% or more of total revenue for the nine months ended September 30, 2016 and 2015, respectively are:

| Count | 2016      | 2015      |
|-------|-----------|-----------|
| 1     | \$112,835 | \$137,065 |
| 2     | 97,135    | 96,728    |
| 3     | 63,449    | 93,755    |
| 4     | 52,063    | 73,616    |
| 5     | 51,020    | 63,890    |
| 6     | 47,666    | 63,826    |
| 7     | --        | 56,487    |
| 8     | --        | 45,195    |

6

---

**CKX Lands, Inc.****Notes to Financial Statements****September 30, 2016****(Unaudited)**

## Note 4: Land Purchases and Sales

**Purchases**

During the nine months ended September 30, 2016, the Company purchased the following 100% interest in approximate acres, land, timber and mineral rights:

| Quarter         | Acres | Louisiana<br>Parish | Timber     | Land         | Mineral<br>Rights % |   |
|-----------------|-------|---------------------|------------|--------------|---------------------|---|
| 1 <sup>st</sup> | 40    | Beauregard          | \$ 10,000  | \$ 59,638    | 0.00                | % |
| 2 <sup>nd</sup> | 129   | Beauregard          | \$ 34,200  | \$ 198,874   | 50.00               | % |
| 3 <sup>rd</sup> | 880   | Calcasieu           | \$ 408,000 | \$ 1,519,021 | 50.00               | % |
| 3 <sup>rd</sup> | 80    | Calcasieu           | \$ 58,000  | \$ 74,895    | 100.00              | % |

During the nine months ended September 30, 2015, the Company purchased the following 100% interest in approximate acres, land, timber and mineral rights:

| Quarter         | Acres | Louisiana<br>Parish | Timber | Land      | Mineral<br>Rights % |   |
|-----------------|-------|---------------------|--------|-----------|---------------------|---|
| 3 <sup>rd</sup> | 200   | Natchitoches        | \$ --  | \$265,982 | 50.00               | % |

1031 exchange proceeds of \$187,500, discussed below, were applied to purchase of the 200 acres in Natchitoches parish, Louisiana.

**Sales**

During the second quarter of 2015, the Company sold its 1/6<sup>th</sup> interest in approximately 155 acres of land located in Jefferson Davis Parish for \$187,500 and reported a gain of \$170,853. This transaction was structured as a “deferred exchange using a qualified intermediary” pursuant to Paragraph 1031 of the Internal Revenue Code (1031 Exchange) for income tax purposes. Due to the 1031 exchange, the gain of \$170,853 is deferred for income tax purposes. At September 30, 2015, the 1031 exchange has been completed and \$187,500 in proceeds was used for the purchase of the 200 acres in Natchitoches Parish, Louisiana discussed above.

Note 5: Subsequent Event – Related Party Transaction

On October 16, 2016, the Company entered into a memorandum of understanding (“MOU”) with Stream Wetlands Services, LLC (“Stream”). Under the terms of the MOU, Stream paid the Company \$37,667 for a non-exclusive right to evaluate and market certain lands owned by the Company to their client for beneficial use purposes to compensate for wetlands impact. This non-exclusive right terminates in 6 months. If Stream is chosen to perform their client’s project, the Company has agreed to put forth its best efforts to negotiate and enter into a mutually acceptable lease form. Due to the uncertainty of the contract award and project scope, we are unable to estimate the potential financial benefit, if any, to the Company. William Gray Stream, Company Director, is the president of Stream Wetlands Services, LLC.

**Item 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS**

**Results of Operations**

**Revenue**

Comparison of Revenues for the nine months ended September 30, 2016 and 2015 follows:

|             | 2016    | 2015    | \$ Change | %<br>Change |
|-------------|---------|---------|-----------|-------------|
| Oil and Gas | 359,951 | 672,986 | (313,035) | (46.51%)    |
| Timber      | 125,860 | 19,447  | 106,413   | 547.19%     |
| Surface     | 152,188 | 189,034 | (36,846 ) | (19.49%)    |
| Total       | 637,999 | 881,467 | (243,468) | (27.62%)    |

**Oil and Gas**

CKX leases its property to oil and gas operators and collects income through its land ownership in the form of oil and gas royalties and lease rentals revenues. A breakdown of oil and gas revenues follows:

|       | 2016    | 2015    | \$ Change | %<br>Change |
|-------|---------|---------|-----------|-------------|
| Oil   | 265,950 | 505,614 | (239,664) | (47.40%)    |
| Gas   | 86,846  | 156,993 | (70,147 ) | (44.68%)    |
| Lease | 7,155   | 10,379  | (3,224 )  | (31.06%)    |
| Total | 359,951 | 672,986 | (313,035) | (46.51%)    |

CKX received oil and/or gas revenues from 114 and 129 wells during the nine months ended September 30, 2016 and 2015, respectively.

Edgar Filing: CKX LANDS, INC. - Form 10-Q

The following schedule summarizes barrels and MCF produced and average price per barrel and per MCF.

|  | 2016    | 2015    |
|--|---------|---------|
| Net oil produced (Bbl) <sup>(2)</sup>              | 6,413   | 8,805   |
| Average oil sales price (per Bbl) <sup>(1,2)</sup> | \$38.01 | \$53.46 |
| Net gas produced (MCF)                             | 36,094  | 45,700  |
| Average gas sales price (per MCF) <sup>(1)</sup>   | \$2.33  | \$3.44  |

Notes to above schedule:

(1) Before deduction of production and severance taxes.

(2) Excludes plant products.

Oil and Gas revenues declined by \$313,035 from 2015 revenues. As indicated in the schedule above the decline was due to a decrease in production and declines in the average sales prices for both oil and gas and lower lease and geophysical revenues. Oil and Gas revenues are dependent on oil and gas producers' activities, are not predictable and can vary significantly from year to year and quarter to quarter

**Item 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS (continued)**

Management believes oil and gas activity is driven by current and forecasted commodity prices, demand for oil and gas, and upstream and downstream industry activity. Based on available public information, management believes that oil and gas activity which includes oil and gas production as well as lease rentals will continue to be depressed when compared to 2015 reported amounts.

During 2016, the Company received timber revenues of \$112,835 from a stumpage agreement executed in 2014. The Company has entered into an additional stumpage agreement in 2016 with a 24-month term and received an advance payment of \$52,300 to be applied as the subject timber is harvested. We believe that due to heavy rains during the quarter, timber harvesting activities have not occurred.

Surface revenue decreased due to the timing of pipeline right of way agreements. As previously noted by management, pipeline, utility and other right of ways are not unusual to the Company; however, these types of revenue are not predictable and can vary significantly from year to year and quarter to quarter

**Costs and Expenses**

Oil and gas costs, primarily severance taxes, decreased by \$22,511 in 2016. With the reduction in oil and gas revenues, the decrease was expected.

General and administrative expenses increased by \$74,669 primarily due to increased officer salary, additional officer salary and property taxes related to successful land acquisitions in the quarter ended September 30, 2016, property managers' fees, and director fees which were offset by a decrease in professional fees.

Other costs and expenses incurred for the quarter and nine months ended September 30, 2016 were materially consistent with 2015 reported amounts.



**Item MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS  
2. OF OPERATIONS (continued)**

**Financial Condition**

Current assets totaled \$4,743,473 and total liabilities equaled \$139,427 at September 30, 2016. Management believes available cash and certificates of deposit together with funds generated from operations should be sufficient to meet operating requirements and provide funds for strategic acquisitions. The Company has an available bank line of credit of \$3,000,000.

In determining whether a dividend will be declared, the Board of Directors will take into account the Company's prior fiscal year's cash flows from operations and current economic conditions among other information deemed relevant.

Pursuant to a dividend reversion clause in the Company's Articles of Incorporation, dividends not claimed within one year after a dividend becomes payable will expire and revert in full ownership to the Company and the Company's obligation to pay such dividend will cease. During 2016 the Company received \$6,507 in dividend reversions and none in 2015.

**Issues and Uncertainties**

This quarterly report contains forward-looking statements. These statements are based on current expectations and assumptions that are subject to risks and uncertainties. Actual results could differ materially because of issues and uncertainties such as those discussed below, which, among others, should be considered in evaluating the Company's financial outlook.

Revenues from oil and gas provide a significant portion of the Company's net income and cash flows. These revenues come from wells operated by other companies which CKX Lands, Inc. owns a royalty interest. Consequently, these revenues fluctuate due to changes in oil and gas prices and changes in the operations of these other companies.

**Item 3. Not applicable.**

**Item 4. CONTROLS AND PROCEDURES**

**Evaluation of Disclosure Controls and Procedures**

The Company has evaluated the effectiveness of the design and operation of its disclosure controls and procedures pursuant to Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934 as of the period covered by this report. Based on the evaluation, performed under the supervision and with the participation of the Company's management, including the President, concluded that the Company's disclosure controls and procedures were effective as of the end of the period covered by the report.

**Changes in Internal Control Over Financial Reporting**

There were no significant changes with respect to the Company's internal control over financial reporting or in other factors that materially affected, or are reasonably likely to materially affect, our internal control over financial reporting during the quarter covered by this report.

**Part II. Other Information**

**Item 1 – 5 Not Applicable**

**Item 6. EXHIBITS**

3.1 Restated/Articles of Incorporation of the Registrant are incorporated by reference to Exhibit (3)-1 to Form 10 filed April 29, 1981.

3.2 Amendment to Articles of Incorporation of the Registrant is incorporated by reference to Exhibit (3.2) to Form 10-K for year ended December 31, 2003.

3.3 By-Laws of the Registrant are incorporated by reference to Exhibit (3.3) to Form 10-Q for the quarter ended March 31, 2013.

10 Contract to Purchase and Sell approximately 3,495 acres in Cameron Parish, Louisiana effective July 3, 2007 is incorporated by reference to Exhibit (10) to Form 10-QSB filed August 13, 2007.

10.1 Agreement to Purchase and Sell Real Estate of approximately 880 acres in Calcasieu Parish, Louisiana effective May 11, 2016 is incorporated by reference to Form 10-Q filed August 8, 2016.

31 Certification of Brian R. Jones, President and Treasurer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 filed herewith.

32 Certification of President and Treasurer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 filed herewith.

101.INS\*\*XBRL Instance

101.SCH\*\*XBRL Taxonomy Extension Schema

101.CAL\*\*XBRL Taxonomy Extension Calculation

101.DEF\*\* XBRL Taxonomy Extension Definition

101.LAB\*\* XBRL Taxonomy Extension Labels

101.PRE\*\* XBRL Taxonomy Extension Presentation

\*\*XBRL information is furnished and not filed or a part of a registration statement or prospectus for purposes of sections 11 or 12 of the Securities Act of 1933, as amended, is deemed not filed for purposes of section 18 of the Securities Exchange Act of 1934, as amended, and otherwise is not subject to liability under these sections.

\*\*\*\*\*

**Signature**

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.

CKX Lands, Inc.

*/s/ Brian R. Jones*  
Brian R. Jones  
President and Treasurer

Date: November 4, 2016