

TEXAS PACIFIC LAND TRUST
Form 10-Q
August 06, 2013

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, 2013

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF
1934.

For the transition period from _____ to _____

Commission File Number: 1-737

Texas Pacific Land Trust

(Exact Name of Registrant as Specified in Its Charter)

NOT APPLICABLE

75-0279735

(State or Other Jurisdiction of Incorporation (I.R.S. Employer
or Organization) Identification No.)

1700 Pacific Avenue, Suite 2770, Dallas, Texas 75201

(Address of Principal Executive Offices) (Zip Code)

(214) 969-5530

(Registrant's Telephone Number, Including Area Code)

(Former Name, Former Address and Former Fiscal Year, if Changed Since Last Report)

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. (Check one):

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

Cautionary Statement Regarding Forward-Looking Statements

Statements in this Quarterly Report on Form 10-Q that are not purely historical are forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934, including statements regarding management's expectations, hopes, intentions or strategies regarding the future. Forward-looking statements include statements regarding the Trust's future operations and prospects, the markets for real estate in the areas in which the Trust owns real estate, applicable zoning regulations, the markets for oil and gas, production limits on prorated oil and gas wells authorized by the Railroad Commission of Texas, expected competition, management's intent, beliefs or current expectations with respect to the Trust's future financial performance and other matters. All forward-looking statements in this Report are based on information available to us as of the date this Report is filed with the Securities and Exchange Commission, and we assume no responsibility to update any such forward-looking statements, except as required by law. All forward-looking statements are subject to a number of risks, uncertainties and other factors that could cause our actual results, performance, prospects or opportunities to differ materially from those expressed in, or implied by, these forward-looking statements. These risks, uncertainties and other factors include, but are not limited to, the factors discussed in Item 1A "Risk Factors" of Part I of our Annual Report to the Securities and Exchange Commission on Form 10-K for the year ended December 31, 2012, and in Part I, Item 2 "Management's Discussion and Analysis of Financial Condition and Results of Operations" and Part II, Item 1A "Risk Factors" of this Quarterly Report on Form 10-Q.

PART I. FINANCIAL INFORMATION**Item 1. Financial Statements****TEXAS PACIFIC LAND TRUST****BALANCE SHEETS**

Assets	June 30, 2013 (Unaudited)	December 31, 2012
Cash and cash equivalents	\$9,293,479	\$8,424,907
Accrued receivables	3,497,724	2,700,855
Other assets	53,832	82,082
Prepaid income taxes	-	416,882
Notes receivable for land sales	7,288,537	8,370,984
Water wells, vehicles, furniture, and equipment – at cost less accumulated depreciation	67,815	66,103
Real estate acquired: (10,125 acres at June 30, 2013 and December 31, 2012)	1,125,059	1,125,059
Real estate and royalty interests assigned through the 1888 Declaration of Trust, no value assigned:		
Land (surface rights) situated in eighteen counties in Texas – 911,391 acres in 2013 and 911,491 acres in 2012	-	-
Town lots in Loraine – 318 lots in 2013 and 2012	-	-
1/16 nonparticipating perpetual royalty interest in 373,777 acres in 2013 and 2012	-	-
1/128 nonparticipating perpetual royalty interest in 85,414 acres in 2013 and 2012	-	-
	\$21,326,446	\$21,186,872
Liabilities and Capital		
Accounts payable and accrued expenses	\$938,027	\$1,075,256
Income taxes payable	529,169	240,887
Other taxes payable	193,443	108,816
Unearned revenue	1,205,792	1,017,693
Deferred taxes	1,910,669	2,274,496

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Pension plan liability	582,326	873,579
Total liabilities	5,359,426	5,590,727
Capital:		
Certificates of Proprietary Interest, par value \$100 each; outstanding 0 certificates	-	-
Sub-share Certificates in Certificates of Proprietary Interest, par value \$.03 1/3 each; outstanding: 8,646,235 Sub-shares in 2013 and 8,795,258 Sub-shares in 2012	-	-
Other comprehensive loss	(917,664)	(953,965)
Net proceeds from all sources	16,884,684	16,550,110
Total capital	15,967,020	15,596,145
	\$21,326,446	\$21,186,872

See accompanying notes to financial statements.

TEXAS PACIFIC LAND TRUST**STATEMENTS OF INCOME AND TOTAL COMPREHENSIVE INCOME****(Unaudited)**

	Three Months Ended		Six Months Ended	
	June 30,		June 30,	
	2013	2012	2013	2012
Income:				
Rentals, royalties and sundry income	\$9,592,061	\$6,278,498	\$16,055,569	\$12,104,019
Land sales	218,588	2,242,747	331,588	5,809,747
Interest income from notes receivable	140,175	180,489	287,450	362,850
	9,950,824	8,701,734	16,674,607	18,276,616
Expenses:				
Taxes, other than income taxes	384,115	219,896	625,702	463,511
General and administrative expenses	520,140	530,733	1,161,697	1,088,911
	904,255	750,629		