

TEXAS PACIFIC LAND TRUST
Form 10-Q
August 07, 2007

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, 2007

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

(State or Other Jurisdiction of Incorporation
or Organization)

1700 Pacific Avenue, Suite 1670, Dallas, Texas

(Address of Principal Executive Offices)

75-0279735

(I.R.S. Employer

Identification No.)

75201

(Zip Code)

(214) 969-5530

(Registrant's Telephone Number, Including Area Code)

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(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 is a large accelerated filer, an accelerated filer, or a non-accelerated filer. See definition of "accelerated filer and large accelerated filer" in Rule 12b-2 of the Exchange Act. (Check one):

Large Accelerated Filer

Accelerated Filer

Non-Accelerated Filer

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, 2006, 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, 2007 (Unaudited)	December 31, 2006
Cash and cash equivalents	\$ 7,947,753	\$ 8,524,177
Accrued receivables	1,676,596	1,154,605
Other assets	36,867	92,169
Notes receivable for land sales	20,308,267	20,802,132
Water wells, leasehold improvements, furniture and equipment – at cost less accumulated depreciation	130,093	117,458
Real estate acquired: (10,565 acres at June 30, 2007 and December 31, 2006)	1,777,007	1,777,007
Real estate and royalty interests assigned through the 1888 Declaration of Trust, no value assigned:		
Land (surface rights) situated in twenty counties in Texas – 955,827 acres in 2007 and 2006	–	–
Town lots in Iatan, Loraine and Morita – 628 lots in 2007 and 2006	–	–
1/16 nonparticipating perpetual royalty interest in 386,988 acres in 2007 and 2006	–	–
1/128 nonparticipating perpetual royalty interest in 85,414 acres in 2007 and 2006	–	–
	\$ 31,876,583	\$ 32,467,548
LIABILITIES AND CAPITAL		
Accounts payable and accrued liabilities	\$ 902,626	\$ 653,733
Federal income taxes payable	94,548	213,780
Other taxes payable	137,200	57,800
Unearned revenues	467,551	415,060
Deferred taxes	6,250,026	6,408,682
Pension plan liability	322,038	279,091
Total liabilities	8,173,989	8,028,146
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:		

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10,557,375 Sub-shares in 2007 and 10,612,875

Sub-shares in 2006	—	—
Other comprehensive income	(326,549) (336,788
Net proceeds from all sources	24,029,143	24,776,190
Total capital	23,702,594	24,439,402
	\$ 31,876,583	\$ 32,467,548

See accompanying notes to financial statements.

TEXAS PACIFIC LAND TRUST

STATEMENTS OF INCOME

(Unaudited)

	Three Months Ended		Six Months Ended	
	June 30,		June 30,	
	2007	2006	2007	2006
Income:				