

MEXCO ENERGY CORP
Form 10-Q
November 14, 2011

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, 2011

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 No. 0-6994

MEXCO ENERGY CORPORATION
(Exact name of registrant as specified in its charter)

Colorado
(State or other jurisdiction of
incorporation or organization)

84-0627918
(IRS Employer
Identification Number)

214 West Texas Avenue, Suite 1101
Midland, Texas
(Address of principal executive offices)

79701
(Zip code)

(432) 682-1119
(Registrant's telephone number, including area code)

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 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 (§ 229.405 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 as defined in Rule 12b-2 of the Exchange Act.

Large Accelerated Filer ☐

Accelerated Filer ☐

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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 ☒

The number of shares outstanding of the registrant's common stock, par value \$.50 per share, as of November 14, 2011 was 2,027,949.

MEXCO ENERGY CORPORATION

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Mexco Energy Corporation and Subsidiaries
CONSOLIDATED BALANCE SHEETS

	September 30, 2011 (Unaudited)	March 31, 2011
ASSETS		
Current assets		
Cash and cash equivalents	\$ 79,429	\$ 179,071
Accounts receivable:		
Oil and gas sales	381,992	384,215
Trade	25,567	42,432
Related parties	5	-
Prepaid costs and expenses	149,943	64,479
Total current assets	636,936	670,197
Property and equipment, at cost		
Oil and gas properties, using the full cost method	30,238,628	30,426,817
Other	78,520	78,520
	30,317,148	30,505,337
Less accumulated depreciation, depletion and amortization	15,706,243	15,227,063
Property and equipment, net	14,610,905	15,278,274
	\$ 15,247,841	\$ 15,948,471
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities		
Accounts payable and accrued expenses	\$ 212,659	\$ 199,944
Long-term debt	775,000	1,800,000
Asset retirement obligation	551,803	528,911
Deferred income tax liabilities	850,627	912,663
Commitments and contingencies		
Stockholders' equity		
Preferred stock - \$1.00 par value; 10,000,000 shares authorized; none outstanding	-	-
Common stock - \$0.50 par value; 40,000,000 shares authorized; 2,089,116 shares issued; 2,027,949 and 2,029,949 shares outstanding as of September 30, 2011 and March 31, 2011, respectively	1,044,558	1,044,558
Additional paid-in capital	6,632,348	6,453,226
Retained earnings	5,495,491	5,311,834
Treasury stock, at cost (61,167 and 59,167 shares, respectively)	(314,645)	(302,665)
Total stockholders' equity	12,857,752	12,506,953
	\$ 15,247,841	\$ 15,948,471

The accompanying notes are an integral part of

the consolidated financial statements.

Mexco Energy Corporation and Subsidiaries
CONSOLIDATED STATEMENTS OF OPERATIONS
(Unaudited)

	Three Months Ended September 30		Six Months Ended September 30	
	2011	2010	2011	2010
Operating revenue:				
Oil and gas	\$810,655	\$783,990	\$1,715,995	\$1,616,000
Other	5,106	4,649	8,860	9,032
Total operating revenues	815,761	788,639	1,724,855	1,625,032
Operating expenses:				
Production	236,330	253,138	464,232	621,365
Accretion of asset retirement obligation	8,698	8,544	17,736	16,974
Depreciation, depletion, and amortization	234,006	267,691	479,180	519,186
General and administrative	225,261	199,544	495,561	447,683
Total operating expenses	704,295	728,917	1,456,709	1,605,208
Operating income	111,466	59,722	268,146	19,824
Other income (expenses):				
Interest income	92	22	94	26
Interest expense	(5,961)	(6,857)	(16,881)	(10,196)
Net other expense	(5,869)	(6,835)	(16,787)	(10,170)
Income before provision for income taxes	105,597	52,887	251,359	9,654
Income tax expense (benefit):				
Current	58,442	33,998	129,738	33,998
Deferred	(32,117)	(51,151)	(62,036)	(100,160)
	26,325	(17,153)	67,702	(66,162)
Net income	\$79,272	\$70,040	\$183,657	\$75,816
Earnings per common share:				
Basic	\$0.04	\$0.04	\$0.09	\$0.04
Diluted	\$0.04	\$0.04	\$0.09	\$0.04
Weighted average common shares outstanding:				
Basic	2,029,926	1,935,199	2,029,938	1,928,711
Diluted	2,036,476	1,945,893	2,041,269	1,946,420

The accompanying notes are an integral part of
the consolidated financial statements.

Mexco Energy Corporation and Subsidiaries
CONSOLIDATED STATEMENT OF CHANGES IN STOCKHOLDERS' EQUITY
(Unaudited)

	Common Stock Par Value	Treasury Stock	Additional Paid-In Capital	Retained Earnings	Total Stockholders' Equity
Balance at March 31, 2011	\$1,044,558	\$(302,665)	) \$6,453,226	\$5,311,834	\$12,506,953
Net income	-	-	-	104,385	104,385
Excess tax benefits from stock-based compensation	-	-	71,296	-	71,296
Stock based compensation	-	-	27,237	-	27,237
Balance at June 30, 2011	\$1,044,558	\$(302,665)	) \$6,551,759	\$5,416,219	\$12,709,871
Net Income	-	-	-	79,272	79,272
Purchase of stock		(11,980)	)		(11,980)
Excess tax benefits from stock-based compensation			58,442		58,442
Stock based compensation	-	-	22,147	-	22,147
Balance at September 30, 2011	\$1,044,558	\$(314,645)	) \$6,632,348	\$5,495,491	\$12,857,752