

BARNWELL INDUSTRIES INC
Form 10-Q
May 11, 2017

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 March 31, 2017

or
 Transition Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934
Commission File Number 1-5103

BARNWELL INDUSTRIES, INC.
(Exact name of registrant as specified in its charter)
DELAWARE 72-0496921
(State or other jurisdiction of (I.R.S. Employer
incorporation or organization) Identification No.)

1100
Alakea
Street,
96813,
Suite 2900,
Honolulu,
Hawaii
(Address
of
Principal
executive
offices)

(808) 531-8400
(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 (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, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer Accelerated filer
Non-accelerated filer (Do not check if a smaller reporting company) Smaller reporting company
Emerging growth company

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If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

As of May 8, 2017 there were 8,277,160 shares of common stock, par value \$0.50, outstanding.

BARNWELL INDUSTRIES, INC.
AND SUBSIDIARIES

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PART I - FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

BARNWELL INDUSTRIES, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS
(Unaudited)

	March 31, 2017	September 30, 2016
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 16,655,000	\$ 15,550,000
Restricted cash	375,000	381,000
Accounts and other receivables, net of allowance for doubtful accounts of: \$56,000 at March 31, 2017; \$40,000 at September 30, 2016	1,362,000	1,228,000
Asset held for sale	1,829,000	1,829,000
Investment held for sale	1,192,000	1,192,000
Other current assets	1,629,000	934,000
Total current assets	23,042,000	21,114,000
Investments	2,892,000	3,552,000
Property and equipment	76,104,000	76,868,000
Accumulated depletion, depreciation, and amortization	(69,663,000)	(69,966,000)
Property and equipment, net	6,441,000	6,902,000
Total assets	\$ 32,375,000	\$ 31,568,000
LIABILITIES AND EQUITY		
Current liabilities:		
Accounts payable	\$ 1,789,000	\$ 1,423,000
Accrued capital expenditures	250,000	439,000
Accrued operating and other expenses	982,000	1,031,000
Accrued compensation	592,000	449,000
Current portion of asset retirement obligation	1,007,000	1,017,000
Other current liabilities	348,000	377,000
Total current liabilities	4,968,000	4,736,000
Liability for retirement benefits	6,504,000	6,707,000
Asset retirement obligation	5,749,000	6,177,000
Deferred income taxes	318,000	204,000
Total liabilities	17,539,000	17,824,000
Commitments and contingencies (Note 12)		
Equity:		
Common stock, par value \$0.50 per share; authorized, 20,000,000 shares: 8,445,060 issued at March 31, 2017 and September 30, 2016	4,223,000	4,223,000
Additional paid-in capital	1,348,000	1,345,000
Retained earnings	14,878,000	13,852,000
Accumulated other comprehensive loss, net	(3,775,000)	(3,920,000)
Treasury stock, at cost: 167,900 shares at March 31, 2017 and September 30, 2016	(2,286,000)	(2,286,000)
Total stockholders' equity	14,388,000	13,214,000

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Non-controlling interests	448,000	530,000
Total equity	14,836,000	13,744,000
Total liabilities and equity	\$32,375,000	\$31,568,000

See Notes to Condensed Consolidated Financial Statements

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BARNWELL INDUSTRIES, INC. AND SUBSIDIARIES
 CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
 (Unaudited)

	Three months ended March 31,		Six months ended March 31,	
	2017	2016	2017	2016
Revenues:				
Oil and natural gas	\$1,409,000	\$621,000	\$2,550,000	\$1,469,000
Contract drilling	1,580,000	550,000	2,986,000	1,382,000
Sale of interest in leasehold land	—	330,000	1,678,000	480,000
Gas processing and other	40,000	67,000	105,000	111,000
	3,029,000	1,568,000	7,319,000	3,442,000
Costs and expenses:				
Oil and natural gas operating	800,000	1,014,000	1,646,000	1,753,000
Contract drilling operating	850,000	618,000	2,014,000	1,168,000
General and administrative	1,752,000	1,574,000	3,775,000	3,436,000
Depletion, depreciation, and amortization	384,000	391,000	708,000	753,000
Interest expense	2,000	33,000	6,000	66,000
	3,788,000	3,630,000	8,149,000	7,176,000
Loss before equity in (loss) income of affiliates and income taxes	(759,000)	(2,062,000)	(830,000)	