

FIRST OF LONG ISLAND CORP
Form 10-Q
August 09, 2016
UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, DC 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, 2016

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 001-32964

THE FIRST OF LONG ISLAND CORPORATION
(Exact name of registrant as specified in its charter)

New York

11-2672906

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(State or other jurisdiction of incorporation or organization)

(I.R.S. Employer Identification No.)

10 Glen Head Road, Glen Head, NY
(Address of principal executive offices)

11545
(Zip Code)

(516) 671-4900
(Registrant's telephone number, including area code)

Not Applicable
(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.

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).

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

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

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<u>Title of Each Class</u>	<u>Outstanding at July 29,</u> <u>2016</u>
Common stock, \$.10 par value per share	15,670,062

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PART 1. FINANCIAL INFORMATION**ITEM 1. FINANCIAL STATEMENTS****CONSOLIDATED BALANCE SHEETS (UNAUDITED)**

(dollars in thousands)	June 30, 2016	December 31, 2015
Assets:		
Cash and cash equivalents	\$51,026	\$39,635
Investment securities:		
Held-to-maturity, at amortized cost (fair value of \$12,637 and \$14,910)	12,206	14,371
Available-for-sale, at fair value	862,001	737,700
	874,207	752,071
Loans held-for-sale	-	105
Loans:		
Commercial and industrial	105,106	93,056
Secured by real estate:		
Commercial mortgages	1,043,560	1,036,331
Residential mortgages	1,110,977	1,025,215
Home equity lines	87,971	87,848
Consumer and other	5,998	5,733
	2,353,612	2,248,183
Allowance for loan losses	(27,677)	(27,256)
	2,325,935	2,220,927
Restricted stock, at cost	23,074	28,435
Bank premises and equipment, net	31,527	30,330
Bank-owned life insurance	32,914	32,447
Pension plan assets, net	14,451	14,337
Other assets	14,154	12,056
	\$3,367,288	\$3,130,343
Liabilities:		
Deposits:		
Checking	\$765,392	\$777,994
Savings, NOW and money market	1,562,740	1,195,968
Time, \$100,000 and over	190,606	198,147
Time, other	106,117	112,566

	2,624,855	2,284,675
Short-term borrowings	57,666	211,502
Long-term debt	359,212	365,712
Accrued expenses and other liabilities	9,497	12,313
Deferred income taxes payable	10,406	5,205
	3,061,636	2,879,407
Stockholders' Equity:		
Common stock, par value \$.10 per share:		
Authorized, 40,000,000 shares; Issued and outstanding, 15,590,694 and 14,116,677 shares	1,559	1,412
Surplus	96,273	56,931
Retained earnings	194,128	185,069
	291,960	243,412
Accumulated other comprehensive income, net of tax	13,692	7,524
	305,652	250,936
	\$3,367,288	\$3,130,343

See notes to unaudited consolidated financial statements

CONSOLIDATED STATEMENTS OF INCOME (UNAUDITED)

(dollars in thousands, except per share data)	Six Months Ended June 30,		Three Months Ended June 30,	
	2016	2015	2016	2015
Interest and dividend income:				
Loans	\$ 40,055	\$ 33,691	\$ 20,241	\$ 17,140
Investment securities:				
Taxable	3,910	4,242	2,020	2,124
Nontaxable	6,823	6,792	3,420	3,403
	50,788	44,725	25,681	22,667
Interest expense:				
Savings, NOW and money market deposits	2,343	1,150	1,410	605
Time deposits	2,674	3,070	1,299	1,489
Short-term borrowings	131	94	7	13
Long-term debt	3,666	4,111	1,692	2,066
	8,814	8,425	4,408	4,173
Net interest income	41,974	36,300	21,273	18,494
Provision for loan losses	392	1,353	139	942
Net interest income after provision for loan losses	41,582	34,947	21,134	17,552
Noninterest income:				
Investment Management Division income	990	1,039	514	532
Service charges on deposit accounts	1,290	1,325	656	669
Net gains on sales of securities	1,844	1,133	1,844	1,133
Other	1,361	1,542	717	749
	5,485	5,039	3,731	3,083
Noninterest expense:				
Salaries	11,049	10,020	5,471	4,968
Employee benefits	3,449	2,739	1,780	1,376
Occupancy and equipment	4,579	4,569	2,202	2,111
Debt extinguishment	1,756	1,084	1,756	1,084
Other	6,470	4,777	3,663	2,503
	27,303	23,189	14,872	12,042
Income before income taxes	19,764	16,797	9,993	8,593
Income tax expense	4,714	4,036	2,373	2,317
Net income	\$ 15,050	\$ 12,761	\$ 7,620	\$ 6,276
Earnings per share:				
Basic	\$ 1.03	\$.91	\$.51	\$.45
Diluted	1.02	.90	.50	.44
Cash dividends declared per share	.40	.38	.20	.19

See notes to unaudited consolidated financial statements

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CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (UNAUDITED)

(dollars in thousands)	Six Months Ended		Three Months Ended	
	June 30, 2016	2015	June 30, 2016	2015
Net income	\$15,050	\$12,761	\$7,620	\$6,276
Other comprehensive income (loss):				
Change in net unrealized holding gains on available-for-sale securities	10,653	(6,861)	5,511	(9,445)
Change in funded status of pension plan	122	-	61	-
Other comprehensive income (loss) before income taxes	10,775	(6,861)	5,572	(9,445)
Income tax expense (benefit)	4,607	(2,862)	2,335	(3,839)
Other comprehensive income (loss)	6,168	(3,999)	3,237	(5,606)
Comprehensive income	\$21,218	\$8,762	\$10,857	\$670

See notes to unaudited consolidated financial statements

CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY (UNAUDITED)

(dollars in thousands)	Six Months Ended June 30, 2016			Accumulated Other Comprehensive		
	Common Stock Shares	Amount	Surplus	Retained Earnings	Income	Total
Balance, January 1, 2016	14,116,677	\$ 1,412	\$ 56,931	\$ 185,069	\$ 7,524	\$ 250,936
Net income				15,050		15,050
Other comprehensive income					6,168	6,168
Common stock issued in public offering, net of issuance costs	1,300,000	130	35,132			35,262
Repurchase of common stock	(13,393)	(1)	(369)			(370)
Common stock issued under stock compensation plans, including tax benefit	82,762	8	776			784
Common stock issued under dividend reinvestment and stock purchase plan	104,648	10	2,889			2,899
Stock-based compensation			914			914
Cash dividends declared				(5,991)		(5,991)
Balance, June 30, 2016	15,590,694	\$ 1,559	\$ 96,273	\$ 194,128	\$ 13,692	\$ 305,652

(dollars in thousands)	Six Months Ended June 30, 2015			Accumulated Other Comprehensive		
	Common Stock Shares	Amount	Surplus	Retained Earnings	Income	Total
Balance, January 1, 2015	13,887,134	\$ 1,389	\$ 51,009	\$ 170,120	\$ 10,785	\$ 233,303
Net income				\$ 745	\$ -	\$ 1,436
CSW Services International, Inc.	Sweeny Cogeneration Limited Partnership	Plant Services	366	736	-	1,102
Total		\$ 1,057	\$ 1,481	\$ -	\$ 2,538	

ITEM 4 - SUMMARY OF AGGREGATE INVESTMENT

Investment in Energy-related Companies**(in thousands)**

Total Consolidated Capitalization - as of March 31, 2005	\$ 20,707,000 (a)	Line 1
Total Capitalization Multiplied by 15% (Line 1 multiplied by .15)	3,106,050	Line 2
Greater of \$50 million or line 2	\$ 3,106,050	Line 3
Total Current Aggregate Investment: (categorized by major line of energy-related business)		
Energy-related Category 1: Energy Services	-	
Energy-related Category 5: Energy Marketing	764,503	
Energy-related Category 7: Maintenance Services	44,498	
Energy-related Category 8: Qualifying Facility	689,384	
Energy-related Category 10: Other Form of Energy	133,574	
Energy-related Category 2,3,4,6,9	27,215	
Total Current Aggregate Investment	1,659,174	Line 4
Difference between the greater of \$50 million or 15% of capitalization and the total aggregate investment of the registered holding company system (Line 3 less Line 4)	\$ 1,446,876	

(a) Includes short-term debt.

Investments in gas-related companies:

NONE

ITEM 5 — OTHER INVESTMENTS

Major Line of Energy-related Business	Other Investment in Last U-9C-3 Report	Other Investment in This U-9C-3 Report	Reason for Difference in Other Investment
	(in thousands)		
CSW Energy Services Invested Prior to April 1, 1997	\$ 2,696	\$ 2,696	Amounts are excluded from Item 4
Independent Power Plant/Qualifying Facility Invested Prior to April 1, 1997	196,644	194,644	Amounts are excluded from Item 4

ITEM 6 — FINANCIAL STATEMENTS AND EXHIBIT

List all financial statements and exhibit filed as a part of this report.

Financial Statements:

Balance Sheets and Income Statements for period ended March 31, 2005 are filed confidentially under a separate cover for:

AEP C&I Company, LLC
AEP Coal, Inc.
AEP EmTech, LLC
AEP Energy Services, Inc.
AEP Gas Power GP, LLC
AEP Gas Power Systems, LLC
AEP Power Marketing, Inc.
AEP Texas Commercial & Industrial Retail LP
AEP Texas Commercial & Industrial Retail GP, LLC
AEP Texas POLR GP, LLC
CSW Development-I, Inc. (consolidated)
CSW Energy, Inc. (consolidated)
CSW Energy Services, Inc.
CSW Ft. Lupton, Inc.
CSW Power Marketing, Inc.
CSW Services International, Inc.
Diversified Energy Contractors Company, LLC (DECCO)
Dolet Hills Lignite Company, LLC
Mutual Energy LLC (consolidated)
Mutual Energy SWEPCO, LP
Nuvest, LLC
POLR Power, LP
REP General Partner LLC
Sweeny Cogeneration Limited Partnership

Exhibit:

1. Certificate stating that a copy of the U-9C-3 for the previous quarter has been filed with the Ohio, Kentucky, Virginia, West Virginia, Tennessee, Indiana, Arkansas, Louisiana, Oklahoma, Michigan and Texas State Commissions.

ITEM 6 — FINANCIAL STATEMENTS AND EXHIBIT (Continued)

CERTIFICATE

The undersigned certifies that he is the duly designated and acting Controller and Chief Accounting Officer of American Electric Power Company, Inc., a New York corporation (“AEP”), and that:

AEP’s Quarterly Report on Form U-9C-3 filed pursuant to Rule 58 for the quarter ended March 31, 2005 (the “Quarterly Report on Form U-9C-3”) was filed with each state commission having jurisdiction over the retail rates of the public utility companies that are associate companies of any of the reporting companies (the “Specific State Commissions”).

The names and addresses of the Specific State Commissions are:

Indiana Utility Regulatory Commission
302 West Washington Street, E 306
Indianapolis, Indiana 46204

Kentucky State Commission
211 Sower Boulevard
P.O. Box 615
Frankfort, Kentucky 40602

Michigan Public Service Commission
6545 Mercantile Way
P.O. Box 30221
Lansing, Michigan 48909

Public Service Commission of West Virginia
201 Brooks Street
P.O. Box 812
Charleston, West Virginia 25323

Tennessee Regulatory Authority
460 James Robertson Parkway
Nashville, Tennessee 37243-0505

The Public Utilities Commission of Ohio
180 East Broad Street
Columbus, Ohio 43215

Virginia State Corporation Commission
1300 East Main Street
P.O. Box 2118
Richmond, Virginia 23216

Arkansas Public Service Commission
1000 Center

P.O. Box 400
Little Rock, AR 72203-0400

Louisiana Public Service Commission
One American Place
P.O. Box 91154
Baton Rouge, LA 70821-9154

Oklahoma Corporation Commission
2102 N. Lincoln Blvd.
P.O. Box 52000-2000
Oklahoma City, OK 73152-2000

Public Utility Commission of Texas
1701 N. Congress Avenue
Austin, TX 78701

IN WITNESS WHEREOF, I have hereunto set my hand as of the 27th day of May, 2005.

By: /s/ Joseph M. Buonaiuto

Joseph M. Buonaiuto
Controller and Chief Accounting Officer
American Electric Power Company, Inc.

SIGNATURE

The undersigned system company has duly caused this quarterly report to be signed on its behalf by the undersigned, thereunto duly authorized, pursuant to the requirements of the Public Utility Holding Company Act of 1935.

AMERICAN ELECTRIC POWER COMPANY, INC.

By: /s/ Joseph M. Buonaiuto

Joseph M. Buonaiuto
Controller and Chief Accounting Officer
American Electric Power Company, Inc.

May 27, 2005