

CONSOLIDATED TOMOKA LAND CO

Form 10-Q

October 28, 2014

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UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM 10-Q

x **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended September 30, 2014

.. **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 01-11350

CONSOLIDATED-TOMOKA LAND CO.

(Exact name of registrant as specified in its charter)

Florida (State or other jurisdiction of incorporation or organization)	59-0483700 (I.R.S. Employer Identification No.)
1530 Cornerstone Blvd., Suite 100 Daytona Beach, Florida (Address of principal executive offices)	32117 (Zip Code)
(386) 274-2202 (Registrant's telephone number, including area code)	
N/A	
(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 website, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or such shorter period that the registrant was required to submit and post such files). Yes No

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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 accelerated filer, smaller reporting company, and large accelerated filer 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

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.

Class of Common Stock Outstanding

October 22, 2014

\$1.00 par value 5,867,180

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CONSOLIDATED-TOMOKA LAND CO.

CONSOLIDATED BALANCE SHEETS

	(Unaudited) September 30, 2014	December 31, 2013
ASSETS		
Property, Plant, and Equipment:		
Land, Timber, and Subsurface Interests	\$ 15,312,067	\$ 15,291,911
Golf Buildings, Improvements, and Equipment	3,298,993	3,103,979
Income Properties, Land, Buildings, and Improvements	172,641,924	154,902,374
Other Furnishings and Equipment	994,941	955,597
Construction in Progress		987,303
Total Property, Plant, and Equipment	192,247,925	175,241,164
Less, Accumulated Depreciation and Amortization	(14,865,344)	(13,260,856)
Property, Plant, and Equipment - Net	177,382,581	161,980,308
Land and Development Costs	22,863,889	23,768,914
Intangible Assets - Net	6,697,873	6,359,438
Assets Held for Sale	3,153,762	
Impact Fee and Mitigation Credits	5,649,220	6,081,433
Commercial Loan Investments	27,399,082	18,845,053
Cash and Cash Equivalents	2,219,256	4,932,512
Restricted Cash	1,425,507	366,645
Investment Securities	864,342	729,814
Net Pension Asset	492,806	407,670
Other Assets	4,188,156	2,711,893
Total Assets	\$ 252,336,474	\$ 226,183,680
 LIABILITIES AND SHAREHOLDERS EQUITY		
Liabilities:		
Accounts Payable	\$ 712,355	\$ 872,331
Accrued Liabilities	5,483,109	4,726,809
Deferred Revenue	3,449,265	3,344,351
Accrued Stock-Based Compensation	428,217	247,671
Income Taxes Payable	110,559	1,044,061
Deferred Income Taxes - Net	33,989,478	32,552,068
Long-Term Debt	81,190,011	63,227,032

Total Liabilities	125,362,994	106,014,323
Shareholders' Equity:		
Common Stock -25,000,000 shares authorized; \$1 par value, 5,907,650 shares issued and -5,867,180 shares outstanding at September 30, 2014; 5,866,759 shares issued and 5,852,125 shares outstanding at December 31, 2013	5,831,083	5,767,192
Treasury Stock - 40,470 shares at September 30, 2014; 14,634 shares at December 31, 2013	(1,381,566)	(453,654)
Additional Paid-In Capital	10,565,383	8,509,976
Retained Earnings	112,111,407	106,581,305
Accumulated Other Comprehensive Loss	(152,827)	(235,462)
Total Shareholders' Equity	126,973,480	120,169,357
Total Liabilities and Shareholders' Equity	\$ 252,336,474	\$ 226,183,680

See Accompanying Notes to Consolidated Financial Statements

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CONSOLIDATED-TOMOKA LAND CO.

CONSOLIDATED STATEMENTS OF OPERATIONS

(Unaudited)

	Three Months Ended		Nine Months Ended	
	September 30, 2014	September 30, 2013	September 30, 2014	September 30, 2013
Revenues				
Income Properties	\$ 3,864,632	\$ 3,298,447	\$ 10,821,121	\$ 9,445,677
Interest Income from Commercial Loan				
Investments	382,087	644,198	1,581,746	644,198
Real Estate Operations	8,645,034	1,369,397	10,925,215	2,010,722
Golf Operations	994,651	981,118	3,844,428	3,758,629
Agriculture and Other Income	182,731	20,845	258,052	149,028
Total Revenues	14,069,135	6,314,005	27,430,562	16,008,254
Direct Cost of Revenues				
Income Properties	(456,869)	(427,341)	(1,281,380)	(1,038,922)
Real Estate Operations	(3,435,357)	(174,411)	(3,758,283)	(480,152)
Golf Operations	(1,309,789)	(1,321,337)	(4,155,009)	(4,154,338)
Agriculture and Other Income	(34,158)	(33,821)	(144,690)	(120,275)
Total Direct Cost of Revenues	(5,236,173)	(1,956,910)	(9,339,362)	(5,793,687)
General and Administrative Expenses	(1,506,964)	(1,207,593)	(4,562,645)	(4,221,831)
Impairment Charges	(421,040)		(421,040)	(616,278)
Depreciation and Amortization	(886,618)	(732,427)	(2,505,007)	(2,128,185)
Total Operating Expenses	(8,050,795)	(3,896,930)	(16,828,054)	(12,759,981)
Operating Income	6,018,340	2,417,075	10,602,508	3,248,273
Interest Income	14,246		42,564	391
Interest Expense	(569,154)	(509,898)	(1,554,583)	(1,316,026)
Income from Continuing Operations				
Before Income Tax Expense	5,463,432	1,907,177	9,090,489	1,932,638
Income Tax Expense	(1,984,741)	(735,713)	(3,388,483)	(736,121)
Income from Continuing Operations	3,478,691	1,171,464	5,702,006	1,196,517
Income from Discontinued Operations (Net of Tax)		70,840		634,602
Net Income	\$ 3,478,691	\$ 1,242,304	\$ 5,702,006	\$ 1,831,119

Per Share Information:

Basic and Diluted

Income from Continuing Operations	\$	0.60	\$	0.21	\$	0.99	\$	0.21
Income from Discontinued Operations (Net of Tax)				0.01				0.11
Net Income	\$	0.60	\$	0.22	\$	0.99	\$	0.32
Dividends Declared and Paid	\$	0.00	\$	0.00	\$	0.03	\$	0.03

See Accompanying Notes to Consolidated Financial Statements

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CONSOLIDATED-TOMOKA LAND CO.

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(Unaudited)

	Three Months Ended		Nine Months Ended	
	September 30,	September 30,	September 30,	September 30,
	2014	2013	2014	2013
Net Income	\$ 3,478,691	\$ 1,242,304	\$ 5,702,006	\$ 1,831,119
Other Comprehensive Income				
Unrealized Gain on Investment Securities (Net of Tax of \$2,464 and \$51,893 for the three and nine months ended September 30, 2014, respectively)	3,926		82,635	
Total Other Comprehensive Income, Net of Tax	3,926		82,635	
Total Comprehensive Income	\$ 3,482,617	\$ 1,242,304	\$ 5,784,641	\$ 1,831,119

See Accompanying Notes to Consolidated Financial Statements

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CONSOLIDATED-TOMOKA LAND CO.

CONSOLIDATED STATEMENTS OF SHAREHOLDERS EQUITY

(Unaudited)

	Common Stock	Treasury Stock	Additional Paid-In Capital	Retained Earnings	Accumulated Other Comprehensive Loss	Total Shareholders Equity
Balance December 31, 2013	\$ 5,767,192	\$ (453,654)	\$ 8,509,976	\$ 106,581,305	\$ (235,462)	\$ 120,169,357
Net Income				5,702,006		5,702,006
Stock Repurchase		(927,912)				(927,912)
Exercise of Stock Options	26,255		1,175,883			1,202,138
Vested Restricted Stock	37,500		370,471			407,971
Stock Issuance	136		6,106			6,242
Stock Compensation Expense from Restricted Stock Grants and Equity Classified Stock Options			502,947			502,947
Cash Dividends (\$0.03 per share)				(171,904)		(171,904)
Other Comprehensive Income, Net of Tax					82,635	82,635
Balance September 30, 2014	\$ 5,831,083	\$ (1,381,566)	\$ 10,565,383	\$ 112,111,407	\$ (152,827)	\$ 126,973,480

See Accompanying Notes to Consolidated Financial Statements

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CONSOLIDATED-TOMOKA LAND CO.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)

**Nine Months
Ended**