

CONSOLIDATED TOMOKA LAND CO
Form 10-Q
July 29, 2016

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 June 30, 2016

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	59-0483700
(State or other jurisdiction of	(I.R.S. Employer
incorporation or organization)	Identification No.)

1530 Cornerstone Blvd., Suite 100

Daytona Beach, Florida	32117
(Address of principal executive offices)	(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

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

July 22, 2016

\$1.00 par value 5,796,325

INDEX

	Page No.
<u>PART I—FINANCIAL INFORMATION</u>	
Item 1. <u>Financial Statements</u>	
<u>Consolidated Balance Sheets – June 30, 2016 (Unaudited) and December 31, 2015</u>	3
<u>Consolidated Statements of Operations – Three and Six Months ended June 30, 2016 and 2015 (Unaudited)</u>	4
<u>Consolidated Statements of Comprehensive Income – Three and Six Months ended June 30, 2016 and 2015 (Unaudited)</u>	5
<u>Consolidated Statements of Shareholders’ Equity – Six Months ended June 30, 2016 (Unaudited)</u>	6
<u>Consolidated Statements of Cash Flows – Six Months ended June 30, 2016 and 2015 (Unaudited)</u>	7
<u>Notes to Consolidated Financial Statements (Unaudited)</u>	9
Item 2. <u>Management’s Discussion and Analysis of Financial Condition and Results of Operations</u>	41
Item 3. <u>Quantitative and Qualitative Disclosures About Market Risks</u>	56
Item 4. <u>Controls and Procedures</u>	56
<u>PART II—OTHER INFORMATION</u>	
Item 1. <u>Legal Proceedings</u>	56
Item 1A. <u>Risk Factors</u>	57
Item 2. <u>Unregistered Sales of Equity Securities and Use of Proceeds</u>	57
Item 3. <u>Defaults Upon Senior Securities</u>	57
Item 4. <u>Mine Safety Disclosures</u>	57
Item 5. <u>Other Information</u>	57
Item 6. <u>Exhibits</u>	58
<u>SIGNATURES</u>	59

PART I—FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

CONSOLIDATED-TOMOKA LAND CO.

CONSOLIDATED BALANCE SHEETS

	(Unaudited)	
	June 30,	December 31,
	2016	2015
ASSETS		
Property, Plant, and Equipment:		
Income Properties, Land, Buildings, and Improvements	\$211,698,872	\$268,970,875
Golf Buildings, Improvements, and Equipment	3,445,842	3,432,681
Other Furnishings and Equipment	1,060,007	1,044,139
Construction in Progress	234,677	50,610
Total Property, Plant, and Equipment	216,439,398	273,498,305
Less, Accumulated Depreciation and Amortization	(13,814,002)	(16,242,277)
Property, Plant, and Equipment—Net	202,625,396	257,256,028
Land and Development Costs (\$11,484,560 and \$11,329,574 Related to Consolidated VIE as of June 30, 2016 and December 31, 2015, respectively)	56,962,202	53,406,020
Intangible Lease Assets—Net	16,646,400	20,087,151
Assets Held for Sale	38,685,310	-
Impact Fee and Mitigation Credits	4,277,767	4,554,227
Commercial Loan Investments	23,960,467	38,331,956
Cash and Cash Equivalents	24,742,236	4,060,677
Restricted Cash	10,568,618	14,060,523
Investment Securities	-	5,703,767
Refundable Income Taxes	117,079	858,471
Other Assets	8,544,663	6,034,824
Total Assets	\$387,130,138	\$404,353,644
LIABILITIES AND SHAREHOLDERS' EQUITY		
Liabilities:		
Accounts Payable	\$2,225,130	\$1,934,417
Accrued and Other Liabilities	9,382,443	8,867,919
Deferred Revenue	5,393,195	14,724,610
Intangible Lease Liabilities - Net	30,870,405	31,979,559
Accrued Stock-Based Compensation	48,000	135,554
Deferred Income Taxes—Net	42,405,361	39,526,406
Long-Term Debt	153,887,378	166,796,853
Total Liabilities	244,211,912	263,965,318
Commitments and Contingencies - See Note 18		
Shareholders' Equity:		
Consolidated-Tomoka Land Co. Shareholders' Equity:		

Edgar Filing: CONSOLIDATED TOMOKA LAND CO - Form 10-Q

Common Stock – 25,000,000 shares authorized; \$1 par value, 6,018,739

shares issued and 5,796,115 shares outstanding at June 30, 2016;

6,068,310 shares issued and 5,908,437 shares outstanding at December 31, 2015	5,911,602	5,901,510
Treasury Stock – 222,624 shares at June 30, 2016; 159,873 shares at December 31, 2015	(10,864,945)	(7,866,410)
Additional Paid-In Capital	19,411,293	16,991,257
Retained Earnings	123,210,563	120,444,002
Accumulated Other Comprehensive Loss	(335,271)	(688,971)
Total Consolidated-Tomoka Land Co. Shareholders' Equity	137,333,242	134,781,388
Noncontrolling Interest in Consolidated VIE	5,584,984	5,606,938
Total Shareholders' Equity	142,918,226	140,388,326
Total Liabilities and Shareholders' Equity	\$387,130,138	\$404,353,644

See Accompanying Notes to Consolidated Financial Statements

CONSOLIDATED-TOMOKA LAND CO.

CONSOLIDATED STATEMENTS OF OPERATIONS

(Unaudited)

	Three Months Ended		Six Months Ended	
	June 30,	June 30,	June 30,	June 30,
	2016	2015	2016	2015
Revenues				
Income Properties	\$6,033,082	\$4,132,052	\$12,462,323	\$8,392,727
Interest Income from Commercial Loan Investments	635,050	638,710	1,516,295	1,270,194
Real Estate Operations	4,774,620	1,368,141	14,335,518	2,227,942
Golf Operations	1,412,196	1,448,567		