

FIRST OF LONG ISLAND CORP
Form 10-Q
August 11, 2014

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, 2014

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

10 Glen Head Road, Glen Head, NY 11545
(Address of principal executive offices) (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. 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

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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 "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.

Title of Each Class	Outstanding at July 31, 2014
Common stock, \$.10 par value per share	9,210,633

TABLE OF CONTENTS

PART I. FINANCIAL INFORMATION

ITEM 1. Financial Statements

Consolidated Balance Sheets (Unaudited) – June 30, 2014 and December 31, 2013 1

Consolidated Statements of Income (Unaudited) – Six and Three Months Ended June 30, 2014 and 2013 2

Consolidated Statements of Comprehensive Income or Loss (Unaudited) – Six and Three Months Ended June 30, 2014 and 2013 3

Consolidated Statements of Changes in Stockholders’ Equity (Unaudited) – Six Months Ended June 30, 2014 and 2013 4

Consolidated Statements of Cash Flows (Unaudited) – Six Months Ended June 30, 2014 and 2013 5

Notes to Unaudited Consolidated Financial Statements 6

ITEM 2. Management’s Discussion and Analysis of Financial Condition and Results of Operations 21

ITEM 3. Quantitative and Qualitative Disclosures About Market Risk 30

ITEM 4. Controls and Procedures 32

PART II. OTHER INFORMATION

ITEM 1. Legal Proceedings 32

ITEM 1A. Risk Factors 32

ITEM 2. Unregistered Sales of Equity Securities and Use of Proceeds 32

ITEM 3. Defaults Upon Senior Securities 32

ITEM 4. Mine Safety Disclosures 32

ITEM 5. Other Information 32

ITEM 6. Exhibits 32

Signatures 34

Table of Contents

PART 1. FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

CONSOLIDATED BALANCE SHEETS (UNAUDITED)

(dollars in thousands)	June 30, 2014	December 31, 2013
Assets:		
Cash and due from banks	\$44,971	\$35,034
Temporary investments	784	463
Cash and cash equivalents	45,755	35,497
Investment securities:		
Held-to-maturity, at amortized cost (fair value of \$27,578 and \$33,548)	26,243	32,104
Available-for-sale, at fair value	811,325	784,793
	837,568	816,897
Loans held-for-sale	1,800	900
Loans:		
Commercial and industrial	69,251	71,818
Secured by real estate:		
Commercial mortgages	747,667	716,011
Residential mortgages	664,197	605,343
Home equity lines	81,128	77,581
Consumer	6,483	7,184
	1,568,726	1,477,937
Allowance for loan losses	(21,140)	(20,848)
	1,547,586	1,457,089
Restricted stock, at cost	19,043	19,869
Bank premises and equipment, net	26,135	24,463
Bank-owned life insurance	14,445	14,185
Pension plan assets, net	18,775	18,532
Other assets	12,571	12,460
	\$2,523,678	\$2,399,892
Liabilities:		
Deposits:		
Checking	\$631,484	\$599,114
Savings, NOW and money market	951,866	917,974
Time, \$100,000 and over	205,670	173,379
Time, other	119,827	91,661
	1,908,847	1,782,128
Short-term borrowings	71,765	110,463
Long-term debt	295,000	285,000
Accrued expenses and other liabilities	12,040	13,141
Deferred income taxes payable	10,098	2,604
	2,297,750	2,193,336

Stockholders' Equity:

Common stock, par value \$.10 per share:

Authorized, 40,000,000 shares

Issued and outstanding, 9,194,480 and 9,141,767 shares

Surplus

Retained earnings

Accumulated other comprehensive income, net of tax

919	914
48,988	46,873
163,831	157,107
213,738	204,894
12,190	1,662
225,928	206,556
\$2,523,678	\$2,399,892

See notes to consolidated financial statements

1

Table of Contents

CONSOLIDATED STATEMENTS OF INCOME (UNAUDITED)

(dollars in thousands, except per share data)	Six Months Ended June 30,		Three Months Ended June 30,	
	2014	2013	2014	2013
Interest and dividend income:				
Loans	\$28,292	\$24,895	\$14,233	\$12,563
Investment securities:				
Taxable	4,809	5,274	2,437	2,645
Nontaxable	6,609	6,325	3,348	3,167
	39,710	36,494	20,018	18,375
Interest expense:				
Savings, NOW and money market deposits	958	1,218	465	609
Time deposits	2,932	2,503	1,515	1,221
Short-term borrowings	74	151	24	84
Long-term debt	3,303	1,996	1,666	1,005
	7,267	5,868	3,670	2,919
Net interest income	32,443	30,626	16,348	15,456
Provision for loan losses	923	755	982	947
Net interest income after provision for loan losses	31,520	29,871	15,366	14,509
Noninterest income:				
Investment Management Division income	1,021	896	521	485
Service charges on deposit accounts	1,588	1,417	785	708
Net gains on sales of securities	118	4	49	-
Other	917	1,055	442	505
	3,644	3,372	1,797	1,698
Noninterest expense:				
Salaries	8,881	8,166	4,451	3,965
Employee benefits	2,351	2,657	1,138	1,245
Occupancy and equipment	4,326	3,926	2,089	1,928
Other	4,727	4,498	2,417	2,329
	20,285	19,247	10,095	9,467
Income before income taxes	14,879	13,996	7,068	6,740
Income tax expense	3,378	3,050	1,524	1,433
Net income	\$11,501	\$10,946	\$5,544	\$5,307
Weighted average:				
Common shares	9,180,716	9,060,294	9,193,934	9,081,320
Dilutive stock options and restricted stock units	96,552	69,565	96,944	69,826
	9,277,268	9,129,859	9,290,878	9,151,146
Earnings per share:				
Basic	\$1.25	\$1.21	\$.60	\$.58
Diluted	\$1.24	\$1.20	\$.60	\$.58
Cash dividends declared per share	\$.52	\$.50	\$.26	\$.25

See notes to consolidated financial statements

Table of Contents

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME OR LOSS (UNAUDITED)

(dollars in thousands)	Six Months Ended		Three Months	
	June 30, 2014	2013	Ended June 30, 2014	2013
Net income	\$11,501	\$10,946	\$5,544	\$5,307
Other comprehensive income (loss):				
Change in net unrealized holding gains on available-for-sale securities	17,761	(28,302)	7,568	(20,899)
Change in funded status of pension plan	7	326	3	163
Other comprehensive income (loss) before income taxes	17,768	(27,976)	7,571	(20,736)
Income tax expense (benefit)	7,240	(11,106)	3,074	