

Edgar Filing: SOUTH JERSEY INDUSTRIES INC - Form 10-Q/A

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 is a large accelerated filer, an accelerated filer, or a non-accelerated filer. See definition of "accelerated filer" and "large accelerated filer" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer ☒

Accelerated filer ☐

Non-accelerated filer ☐

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 August 1, 2006, there were 29,232,801 shares of the registrant's common stock outstanding.

EXPLANATORY NOTE

This Form 10-Q/A amends the Company's quarterly report on Form 10-Q for the quarter ended June 30, 2006, which was filed on August 9, 2006.

The amendment is a result of the restatement of the Company's consolidated financial statements and related financial information for the three and six months ended June 30, 2006 and 2005.

The Company is restating its previously filed financial statements and other financial information for the above referenced periods because management determined that the documentation for selected hedge transactions did not meet the requirements of Statement of Financial Accounting Standards No. 133 "Accounting for Derivative Instruments and Hedging Activities."

In addition, the Company's previously filed financial statements and other financial information for the three and six months ended June 30, 2006 is being restated to appropriately reflect costs related to a supply contract that were previously deferred.

See Note 12 to the Consolidated Financial Statements included in Item 1 - Financial Statements for a more detailed discussion of the restatement.

The Company is also filing amended Quarterly Reports on Form 10-Q for the quarters ended March 31, 2006 and September 30, 2006 to correct the errors described above. Previously filed consolidated financial statements as of and for the years ended December 31, 2005 and 2004 have been restated on the Company's Annual Report on Form 10-K for the year ended December 31, 2006, which was filed on March 1, 2007.

All of the information in this Form 10-Q/A is as of August 9, 2006, the date the Company originally filed its Form 10-Q with the Securities and Exchange Commission, and does not reflect any subsequent information or events other than the restatement discussed in Note 12 to the Consolidated Financial Statements appearing in this Form 10-Q/A. For the convenience of the reader, this Form 10-Q/A sets forth the originally filed Form 10-Q in its entirety. However, the following items have been amended solely as a result of, and to reflect, the restatement, and no other information in the Form 10-Q/A is amended hereby as a result of the restatement:

Part I, Item 1 - Financial Statements

Part I, Item 2 - Management's Discussion and Analysis of Financial Condition and Results of Operations

Part I, Item 3 - Quantitative and Qualitative Disclosures About Market Risk of the Company

Part I, Item 4 - Controls and Procedures

Part II, Item 6 - Exhibits

The Company is including currently dated Sarbanes-Oxley Act Section 302 and Section 906 certifications of the Chief Executive Officer and Chief Financial Officer that are attached to this Form 10-Q/A as Exhibits 31.1, 31.2, 32.1 and 32.2.

Edgar Filing: SOUTH JERSEY INDUSTRIES INC - Form 10-Q/A

Except as described above, no other changes have been made to the Form 10-Q. This Form 10-Q/A does not amend or update any other information set forth in the Form 10-Q and we have not updated disclosures contained therein to reflect any events that occurred at a date subsequent to the filing of the Form 10-Q.

SJI - 2

PART I — FINANCIAL INFORMATION

Item 1. Financial Statements (restated) — See Pages 4 through 28

SJI - 3

SOUTH JERSEY INDUSTRIES, INC. AND SUBSIDIARIES**CONSOLIDATED STATEMENTS OF INCOME (UNAUDITED)**

(In Thousands Except for Per Share Data)

	Three Months Ended June 30,	
	2006 (As Restated See Note 12)	2005 (As Restated See Note 12)
Operating Revenues:		
Utility	\$ 95,107	\$ 84,759
Nonutility	58,662	63,756
Total Operating Revenues	153,769	148,515
Operating Expenses:		
Cost of Sales - Utility	66,141	53,786
Cost of Sales - Nonutility	47,907	57,114
Operations	14,742	16,131
Maintenance	1,365	1,511
Depreciation	6,396	5,971
Energy and Other Taxes	1,891	2,117
Total Operating Expenses	138,442	136,630
Operating Income	15,327	11,885
Other Income and Expense	646	(55)
Interest Charges	(6,217)	(4,922)
Income Before Income Taxes	9,756	6,908
Income Taxes	(4,146)	(2,822)
Equity in Affiliated Companies	331	215
Income from Continuing Operations	5,941	4,301
Loss from Discontinued Operations - Net	(63)	(182)
Net Income	\$ 5,878	\$ 4,119
Basic Earnings Per Common Share:		
Continuing Operations	\$ 0.204	\$ 0.154
Discontinued Operations - Net	\$ (0.002)	\$ (0.006)

Basic Earnings Per Common Share	\$	0.202	\$	0.148
Average Shares of Common Stock Outstanding - Basic		29,162		27,953
Diluted Earnings Per Common Share:				
Continuing Operations	\$	0.203	\$	0.153
Discontinued Operations - Net	\$	(0.002)	\$	(0.006)
Diluted Earnings Per Common Share	\$	0.201	\$	0.147
Average Shares of Common Stock Outstanding - Diluted		29,226		28,180
Dividends Declared per Common Share	\$	0.2250	\$	0.2125

The accompanying notes are an integral part of the consolidated financial statements.

SJI - 4

SOUTH JERSEY INDUSTRIES, INC. AND SUBSIDIARIES**CONSOLIDATED STATEMENTS OF INCOME (UNAUDITED)**

(In Thousands Except for Per Share Data)

	Six Months Ended June 30,	
	2006 (As Restated See Note 12)	2005 (As Restated See Note 12)
Operating Revenues:		
Utility	\$ 364,628	\$ 296,926
Nonutility	161,753	180,101
Total Operating Revenues	526,381	477,027
Operating Expenses:		
Cost of Sales - Utility	267,201	195,761
Cost of Sales - Nonutility	131,085	160,255
Operations	32,409	36,328
Maintenance	2,770	3,004
Depreciation	12,738	11,844
Energy and Other Taxes	6,622	7,275
Total Operating Expenses	452,825	414,467
Operating Income	73,556	62,560
Other Income and Expense	794	329
Interest Charges	(12,583)	(10,227)
Income Before Income Taxes	61,767	52,662
Income Taxes	(25,632)	(21,912)
Equity in Affiliated Companies	710	409
Income from Continuing Operations	36,845	31,159
Loss from Discontinued Operations - Net	(229)	(326)
Net Income	\$ 36,616	\$ 30,833
Basic Earnings Per Common Share:		
Continuing Operations	\$ 1.266	\$ 1.118
Discontinued Operations - Net	\$ (0.008)	\$ (0.012)
Basic Earnings Per Common Share	\$ 1.258	\$ 1.106

Average Shares of Common Stock Outstanding - Basic	29,097		27,876
Diluted Earnings Per Common Share:			
Continuing Operations	\$ 1.263	\$	1.109
Discontinued Operations - Net	\$ (0.008)	\$	(0.012)
Diluted Earnings Per Common Share	\$ 1.255	\$	1.097
Average Shares of Common Stock Outstanding - Diluted	29,163		28,102
Dividends Declared per Common Share	\$ 0.4500	\$	0.4250

The accompanying notes are an integral part of the consolidated financial statements.

SJI - 5

SOUTH JERSEY INDUSTRIES, INC. AND SUBSIDIARIES

**CONSOLIDATED STATEMENTS OF COMPREHENSIVE
INCOME (UNAUDITED)**

(In Thousands)

	Three Months Ended June 30,	
	2006 (As Restated See Note 12)	2005 (As Restated See Note 12)
Net Income	\$ 5,878	\$ 4,119
Other Comprehensive Income (Loss), Net of Tax:		
Change in Fair Value of Investments	(67)	121
Change in Fair Value of Derivatives - Other	879	(1,271)
Other Comprehensive Income (Loss) - Net of Tax	812	(1,150)
Comprehensive Income	\$ 6,690	\$ 2,969

	Six Months Ended June 30,	
	2006 (As Restated See Note 12)	2005 (As Restated See Note 12)
Net Income	\$ 36,616	\$ 30,833
Other Comprehensive Income (Loss), Net of Tax:		
Change in Fair Value of Investments	90	78
Change in Fair Value of Derivatives - Other	2,103	(886)
Other Comprehensive Income (Loss) - Net of Tax	2,193	(808)
Comprehensive Income	\$ 38,809	\$ 30,025

The accompanying notes are an integral part of the consolidated financial statements.

SJI - 6

SOUTH JERSEY INDUSTRIES, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS (UNAUDITED)

(