

HARRODSBURG FIRST FINANCIAL BANCORP INC
Form 10QSB
May 13, 2004
Table of Contents

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-QSB

(Mark One)

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

For the quarterly period ended March 31, 2004.

OR

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

Commission File Number: 0-26570

Harrodsburg First Financial Bancorp, Inc.

(Exact name of registrant as specified in its charter)

Edgar Filing: HARRODSBURG FIRST FINANCIAL BANCORP INC - Form 10QSB

Delaware
(State or other jurisdiction of

61-1284899
(I.R.S. Employer

incorporation or organization)

Identification No.)

104 South Chiles Street, Harrodsburg, Kentucky
(Address of principal executive offices)

40330-1620
(Zip Code)

Registrant's telephone number, including area code: **(859) 734-5452**

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 ninety days. Yes No

As of May 1, 2004, 1,222,978 shares of the registrant's common stock were issued and outstanding.

Table of Contents

CONTENTS

	Page

PART I. FINANCIAL INFORMATION	
Item 1. Financial Statements	
<u>Condensed Consolidated Balance Sheets as of March 31, 2004 (unaudited) and September 30, 2003</u>	3
<u>Condensed Consolidated Statements of Income for the Three-Month and Six-Month Periods Ended March 31, 2004 and 2003 (unaudited)</u>	4
<u>Condensed Consolidated Statements of Changes in Stockholders' Equity for the Six Month Periods Ended March 31, 2004 and 2003 (unaudited)</u>	5
<u>Condensed Consolidated Statements of Cash Flows for the Six-Month Periods Ended March 31, 2004 and 2003 (unaudited)</u>	6
<u>Notes to the Condensed Consolidated Financial Statements</u>	8
Item 2. <u>Management's Discussion and Analysis of Financial Condition and Results of Operations</u>	10
Item 3. <u>Controls and Procedures</u>	16
PART II. OTHER INFORMATION	
Item 1. <u>Legal Proceedings</u>	17
Item 2. <u>Changes in Securities</u>	17
Item 3. <u>Defaults Upon Senior Securities</u>	17
Item 4. <u>Submission of Matters to a Vote of Security Holders</u>	17
Item 5. <u>Other Information</u>	17
Item 6. <u>Exhibits and Reports on Form 8-K</u>	17

Table of Contents**HARRODSBURG FIRST FINANCIAL BANCORP, INC. AND SUBSIDIARY****CONDENSED CONSOLIDATED BALANCE SHEETS**

	As of	
	March 31,	As of
	2004	September 30,
	(unaudited)	2003
ASSETS		
Cash and due from banks	\$ 2,606,966	\$ 2,027,407
Federal funds sold	230,000	482,000
Interest-bearing deposits in banks	5,898,814	6,028,852
	<u>8,735,780</u>	<u>8,538,259</u>
Cash equivalents	8,735,780	8,538,259
Interest bearing deposits	496,000	596,000
Securities available-for-sale at fair value	34,440,469	31,689,002
Securities held-to-maturity, fair value of \$2,985,000 and \$4,400,000 at March 31, 2004 and September 30, 2003, respectively	2,966,536	4,404,376
Federal Home Loan Bank stock, at cost	1,986,200	1,945,800
Loans receivable, net of allowance for loan losses of \$953,282 and \$1,006,286 March 31, 2004 and September 30, 2003	120,278,509	117,655,048
Interest receivable	789,999	770,806
Premises and equipment, net	2,813,808	2,171,449
Cash surrender value of life insurance	2,912,936	2,825,948
Equity method investment	2,146,062	2,135,346
Goodwill	356,064	356,064
Real estate owned	558,154	
Other assets	914,928	521,327
	<u>\$ 179,395,445</u>	<u>\$ 173,609,425</u>
LIABILITIES AND STOCKHOLDERS EQUITY		
Deposits	\$ 143,529,093	\$ 141,744,891
Advances from Federal Home Loan Bank	5,752,508	2,706,669
Trust preferred securities	5,155,000	5,000,000
Deferred Federal income tax	1,363,190	1,113,684
Interest payable and other liabilities	513,498	507,638
	<u>156,313,289</u>	<u>151,072,882</u>
Total liabilities	156,313,289	151,072,882
Commitments and contingencies		
Minority interests	1,784,396	1,764,484
Stockholders equity		
Common stock, \$0.10 par value, 5,000,000 shares authorized; 1,222,978 shares issued and outstanding as of March 31, 2004 and September 30, 2003, respectively	218,213	218,213
Additional paid-in capital	21,383,711	21,314,754
Retained earnings, substantially restricted	11,461,313	11,491,935
Accumulated other comprehensive income	3,160,054	2,746,618
Treasury stock, 959,147 shares, at cost, as of March 31, 2004 and September 30, 2003, respectively	(14,389,080)	(14,377,599)

Edgar Filing: HARRODSBURG FIRST FINANCIAL BANCORP INC - Form 10QSB

Unallocated employee stock ownership plan (ESOP) shares	(536,451)	(621,862)
Total stockholders' equity	21,297,760	20,772,059
Total liabilities and stockholders' equity	\$ 179,395,445	\$ 173,609,425

See accompanying notes to condensed consolidated financial statements.

Table of Contents**HARRODSBURG FIRST FINANCIAL BANCORP, INC. AND SUBSIDIARY****CONDENSED CONSOLIDATED STATEMENTS OF INCOME****(Unaudited)**

	For the Three-Month Periods		For the Six-Month Periods	
	Ended March 31		Ended March 31	
	2004	2003	2004	2003
Interest income:				
Interest on loans	\$ 1,840,909	\$ 1,902,722	\$ 3,697,324	\$ 3,882,157
Interest and dividends on securities	343,932	186,514	696,644	318,555
Other interest income	10,915	48,415	20,743	99,406
Total interest income	2,195,756	2,137,651	4,414,711	4,300,118
Interest expense:				
Interest on deposits	930,115	1,015,781	1,897,168	2,075,512
FHLB advances	37,218	17,363	69,480	33,797
Trust preferred securities	88,997		178,684	
Total interest expense	1,056,330	1,033,144	2,145,332	2,109,309
Net interest income	1,139,426	1,104,507	2,269,379	2,190,809
Provision for loan losses	23,000	61,600	51,500	90,700
Net interest income after provision for loan losses	1,116,426	1,042,907	2,217,879	2,100,109
Non-interest Income:				
Loan and other service fees, net	95,173	97,928	201,918	180,586
Earnings in equity method investee	5,455	47,359	30,137	47,359
Increase in cash value of life insurance	42,271	44,886	86,989	89,236
Gain on sale of investments			(2,812)	18,326
Gain on sale of premises and equipment				118,496
Other	21,477	8,515	32,892	19,586
	164,376	198,688	349,124	473,591
Non-interest Expense:				
Compensation and benefits	581,127	501,807	1,099,339	955,540
Occupancy expenses, net	108,825	85,822	205,036	172,464
Data processing expenses	85,947	79,460	169,036	155,845
State franchise tax	38,545	40,316	92,679	74,144
Other operating expenses	322,833	226,292	583,020	439,410
	1,137,277	933,697	2,149,110	1,797,403
Income before income tax expense	143,525	307,898	417,893	776,297
Income tax expense	(14,917)	12,613	(90,449)	(151,379)

Edgar Filing: HARRODSBURG FIRST FINANCIAL BANCORP INC - Form 10QSB

Net income before minority interests	128,608	320,511	327,444	624,918
Minority interests	5,024	17,890	(10,885)	24,046
Net income	\$ 133,632	\$ 338,401	\$ 316,559	\$ 648,964
Basic earnings per common share	\$ 0.11	\$ 0.27	\$ 0.27	\$ 0.52
Diluted earnings per common share	\$ 0.11	\$ 0.27	\$ 0.27	\$ 0.52
Weighted average common shares outstanding	1,167,407	1,259,822	1,165,042	1,257,896
Weighted average common shares outstanding after dilutive effect	1,167,407	1,259,822	1,165,042	1,257,896

See accompanying notes to condensed consolidated financial statements.

Table of Contents

HARRODSBURG FIRST FINANCIAL BANCORP, INC. AND SUBSIDIARY

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN STOCKHOLDERS EQUITY

For the Six Month Periods Ended March 31, 2004 and 2003

(unaudited)

	<u>Common Stock</u>	<u>Paid-in Capital</u>	<u>Retained Earnings</u>	<u>Additional Comprehensive Income</u>	<u>Accumulated Other Treasury Stock</u>	<u>Unearned ESOP Shares</u>	<u>Total Stockholders Equity</u>
Balance, September 30, 2003	\$ 218,213	\$ 21,314,754	\$ 11,491,935	\$ 2,746,618	\$ (14,377,599)	\$ (621,862)	\$ 20,772,059