

FIRST NATIONAL COMMUNITY BANCORP INC
Form 10-Q/A
July 09, 2009
UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM 10-Q/A

(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, 2009
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 No. 333-24121

FIRST NATIONAL COMMUNITY BANCORP, INC.

(Exact Name of Registrant as Specified in Its Charter)

Pennsylvania

(State or Other Jurisdiction)

23-2900790

(I.R.S. Employer

of Incorporation or Organization)

Identification No.)

102 E. Drinker St., Dunmore, PA

(Address of Principal Executive Offices)

18512

(Zip Code)

Registrant's telephone number, including area code (570) 346-7667

(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

Edgar Filing: FIRST NATIONAL COMMUNITY BANCORP INC - Form 10-Q/A

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 12-b-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:

<u>Common Stock, \$1.25 par value</u>	<u>16,154,176 shares</u>
(Title of Class)	(Outstanding at May 8, 2009)

Edgar Filing: FIRST NATIONAL COMMUNITY BANCORP INC - Form 10-Q/A

EXPLANATORY NOTE

This amendment on Form 10-Q/A (THIS "Amendment") amends the quarterly report on Form 10-Q for the quarterly period ended March 31, 2009 originally filed with the Securities and Exchange Commission on May 8, 2009 of First National Community Bancorp, Inc. (the "Original Form 10-Q"). The purpose of this Amendment is to revise an error made in the March 31, 2009 financial statements. The error related to a \$2.1 million provision to the allowance for credit losses which the Company originally determined should be allocated to the quarter ended June 30, 2009 but was later determined that it should have been properly attributed to the quarter ended March 31, 2009. The Amendment specifically revises Part I, Items 1 and 2. Except for the changes to Part I, Items 1 and 2 in this Amendment, the remainder of the Original Form 10-Q shall remain in effect as of the date of filing the Original Form 10-Q. Additionally, this Amendment does not purport to provide an update or discussion of any other developments subsequent to the filing of the Original Form 10-Q.

FIRST NATIONAL COMMUNITY BANCORP, INC.

INDEX

PART I		Page
FINANCIAL INFORMATION		<u>No.</u>
Item 1.	Consolidated Financial Statements. Consolidated Statements of Financial Condition	
	March 31, 2009 (restated) (unaudited) and December 31, 2008 Consolidated Statements of Income	1
	Three Months Ended March 31, 2009 (restated) and March 31, 2008 (unaudited) Consolidated Statements of Cash Flows	2
	Three Months Ended March 31, 2009 (restated) and March 31, 2008 (unaudited) Consolidated Statements of Changes in Stockholders' Equity	3
	Three Months Ended March 31, 2009 (restated) (unaudited) Notes to Consolidated Financial Statements	5 6
Item 2.	Management's Discussion and Analysis of Financial Condition and Results of Operations.	8
PART II		
OTHER INFORMATION		20
Item 6.	Exhibits.	
Signatures		21

(ii)

Edgar Filing: FIRST NATIONAL COMMUNITY BANCORP INC - Form 10-Q/A

FIRST NATIONAL COMMUNITY BANCORP, INC.

CONSOLIDATED STATEMENTS OF FINANCIAL CONDITION

(Dollars in thousands)

	March 31, 2009 (RESTATED) (UNAUDITED)	December 31, 2008 (AUDITED)
ASSETS		
Cash and cash equivalents:		
Cash and due from banks	\$ 17,536	\$ 18,171
Federal funds sold	0	0
Total cash and cash equivalents	17,536	18,171
Securities:		
Available-for-sale, at fair value	220,566	245,900
Held-to-maturity, at cost (fair value \$1,856 on March 31, 2009 and \$1,774 on December 31, 2008)	1,830	1,808
Federal Reserve Bank and FHLB stock, at cost	11,515	11,087
Net loans	975,354	956,674
Bank premises and equipment	17,683	17,785
Intangible Assets	9,836	9,781
Other assets	56,930	52,553
Total Assets	\$1,311,250	\$1,313,759
LIABILITIES AND SHAREHOLDERS' EQUITY		
Liabilities:		
Deposits:		
Demand – non-interest bearing	\$ 77,083	\$ 79,760
Interest bearing demand	295,221	302,058
Savings	78,276	79,526
Time (\$100,000 and over)	205,421	191,052
Other time	311,039	300,496
Total deposits	967,040	952,892
Borrowed funds	236,147	245,197
Other liabilities	13,026	15,328
Total Liabilities	\$1,216,213	\$1,213,417
Shareholders' equity:		
Common Stock, \$1.25 par value,		
Authorized: 50,000,000 shares		
Issued and outstanding:		
16,154,176 shares at March 31, 2009 and		
16,047,928 shares at December 31, 2008	\$ 20,193	\$ 20,060

Edgar Filing: FIRST NATIONAL COMMUNITY BANCORP INC - Form 10-Q/A

Additional Paid-in Capital	60,506	59,591
Retained Earnings	42,365	40,892
Accumulated Other Comprehensive Income (Loss)	(28,027)	(20,201)
Total shareholders' equity	\$ 95,037	\$ 100,342
Total Liabilities and Shareholders' Equity	\$1,311,250	\$1,313,759

Note: The balance sheet at December 31, 2008 has been derived from the audited financial statements at that date but does not include all of the information and footnotes required by generally accepted accounting principles for complete financial statements.

See notes to financial statements

(1)

FIRST NATIONAL COMMUNITY BANCORP, INC.

CONSOLIDATED STATEMENTS OF INCOME (UNAUDITED)

(Dollars in thousands, except per share amounts)

	Three Months Ended	
	March 31, 2009 (RESTATED)	March 31, 2008
Interest Income:		
Loans	\$ 13,358	\$ 15,491
Investments	3,492	3,909
Federal Funds Sold	0	0
Total interest income	16,850	19,400
Interest Expense:		
Deposits	4,145	6,861
Borrowed Funds	2,038	2,700
Total interest expense	6,183	9,561
Net Interest Income before Loan Loss Provision	10,667	9,839
Provision for credit losses	2,460	300
Net interest income	8,207	9,539
Other Income:		
Service charges	687	729
Other Income	663	627
Gain / (Loss) on sale of:		
Loans	546	206
Securities	527	645
Other Real Estate	0	0
Total other income	2,423	2,207
Other expenses:		
Salaries & benefits	3,332	3,089
Occupancy & equipment	1,070	1,011
Advertising expense	240	240
Data processing expense	436	418
FDIC Assessment	240	95
Bank Shares Tax	217	170
Other	1,142	1,108
Total other expenses	6,677	6,131
Income before income taxes	3,953	5,615
Income tax expense	715	1,424
NET INCOME	3,238	\$ 4,191
Basic earnings per share	\$ 0.20	\$ 0.27
Diluted earnings per share	\$ 0.20	\$ 0.26
Weighted average number of basic shares	16,064,455	15,759,321

Edgar Filing: FIRST NATIONAL COMMUNITY BANCORP INC - Form 10-Q/A

Weighted average number of diluted shares	16,460,979	16,112,913
---	------------	------------

See notes to financial statements

(2)

Edgar Filing: FIRST NATIONAL COMMUNITY BANCORP INC - Form 10-Q/A

FIRST NATIONAL COMMUNITY BANCORP, INC.

CONSOLIDATED STATEMENTS OF CASH FLOWS

THREE MONTHS ENDED MARCH 31, 2009 AND 2008

(UNAUDITED)

	March 31, 2009 (RESTATED) (Dollars in thousands)	March 31, 2008
INCREASE (DECREASE) IN CASH EQUIVALENTS:		
Cash Flows From Operating Activities:		
Interest Received	\$ 16,544	\$ 19,588
Fees & Commissions Received	1,379	1,372
Interest Paid	(7,284)	(10,763)
Income Taxes Paid	(1,132)	(618)
Cash Paid to Suppliers & Employees	(8,528)	(6,149)
Net Cash Provided by Operating Activities	\$ 979	\$ 3,430
Cash Flows from Investing Activities:		
Securities available for sale:		
Proceeds from Sales prior to maturity	\$ 9,142	\$ 51,580
Proceeds from Calls prior to maturity	13,538	9,330
Purchases	(8,354)	(20,797)
Net Increase in Loans to Customers	(19,878)	(24,042)
Capital Expenditures	(283)	(1,203)
Net Cash Provided/(Used) by Investing Activities	\$(5,835)	\$ 14,868
Cash Flows from Financing Activities:		
Net Decrease in Demand Deposits, Money Market Demand, NOW Accounts, and Savings Accounts	\$(10,764)	\$(19,827)
Net Increase/(Decrease) in Certificates of Deposit	24,912	(12,918)
Net Increase/(Decrease) in Borrowed Funds	(9,050)	19,872
Net Proceeds from Issuance of Common Stock Through Dividend Reinvestment	889	707
Net Proceeds from Issuance of Common Stock – Stock Option Plans	0	76
Dividends Paid	(1,766)	(1,733)
Net Cash Provided/(Used) by Financing Activities	\$ 4,221	\$(13,823)
Net Increase/(Decrease) in Cash and Cash Equivalents	\$ (635)	\$ 4,475
Cash & Cash Equivalents at Beginning of Year	\$ 18,171	\$ 24,735
CASH & CASH EQUIVALENTS AT END OF PERIOD	\$ 17,536	\$ 29,210

(Continued)

(3)

Edgar Filing: FIRST NATIONAL COMMUNITY BANCORP INC - Form 10-Q/A

FIRST NATIONAL COMMUNITY BANCORP, INC.
 CONSOLIDATED STATEMENTS OF CASH FLOW (CONTINUED)
 THREE MONTHS ENDED MARCH 31, 2009 AND 2008

(UNAUDITED)

	2009 (RESTATED)	2008
	(Dollars in thousands)	
RECONCILIATION OF NET INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:		
Net Income	\$ 3,238	\$4,191
Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities:		
Amortization (Accretion), Net	(952)	(846)
Equity in trust	(2)	(3)
Depreciation and Amortization	458	438
Provision for Probable Credit Losses	2,460	300
Provision for Deferred Taxes	(56)	(50)
Gain on Sale of Loans	(546)	(205)
Gain on Sale of Investment Securities	(527)	(645)
Increase/(Decrease) in Taxes Payable		