

Edgar Filing: MONARCH CEMENT CO - Form 10-Q

MONARCH CEMENT CO
Form 10-Q
November 14, 2005

FORM 10-Q
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

(Mark One)

Quarterly report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

For the quarterly period ended September 30, 2005, 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: 0-2757

THE MONARCH CEMENT COMPANY
(Exact name of registrant as specified in its charter)

KANSAS 48-0340590____
(state or other jurisdiction of (I.R.S. employer
incorporation or organization) identification no.)

P.O. BOX 1000, HUMBOLDT, KANSAS 66748-0900
(address of principal executive offices) (zip code)

Registrant's telephone number, including area code: (620) 473-2222

(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 is an accelerated filer (as defined in Rule 12b-2 of the Exchange Act). YES NO

As of November 4, 2005, there were 2,463,126 shares of Capital Stock, par value \$2.50 per share outstanding and 1,563,832 shares of Class B Capital Stock, par value \$2.50 per share outstanding.

PART I - FINANCIAL INFORMATION

The condensed consolidated financial statements included in this report have been prepared by our Company without audit. Certain information and footnote disclosures normally included in financial statements prepared in accordance with generally accepted accounting principles have been condensed or omitted. Our Company believes that the disclosures are adequate to make the information presented not misleading. The accompanying consolidated financial statements reflect all adjustments that are, in the opinion of management, necessary for a fair statement of the results of operations for the interim periods presented. Those adjustments consist only of normal, recurring adjustments.

Edgar Filing: MONARCH CEMENT CO - Form 10-Q

The condensed consolidated balance sheet of the Company as of December 31, 2004 has been derived from the audited consolidated balance sheet of the Company as of that date. These condensed consolidated financial statements should be read in conjunction with the consolidated financial statements and notes thereto included in our Company's most recent annual report on Form 10-K for 2004 filed with the Securities & Exchange Commission. The results of operations for the period are not necessarily indicative of the results to be expected for the full year.

Item 1. Financial Statements

THE MONARCH CEMENT COMPANY AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

September 30, 2005 and December 31, 2004

| ASSETS | 2 0 0 5 | 2 0 0 4 |
|--|---------------|---------------|
| | (Unaudited) | |
| CURRENT ASSETS: | | |
| Cash and cash equivalents | \$ 2,858,523 | \$ 4,999,253 |
| Receivables, less allowances of \$710,000 in 2005 and \$727,000 in 2004 for doubtful accounts | 18,812,394 | 13,523,816 |
| Inventories, priced at cost which is not in excess of market- | | |
| Finished cement | \$ 2,808,374 | \$ 2,679,506 |
| Work in process | 1,260,260 | 1,456,854 |
| Building products | 3,902,603 | 3,391,901 |
| Fuel, gypsum, paper sacks and other | 3,168,757 | 2,919,528 |
| Operating and maintenance supplies | 8,975,240 | 7,500,453 |
| Total inventories | \$ 20,115,234 | \$ 17,948,242 |
| Refundable federal and state income taxes | - | 812,807 |
| Deferred income taxes | 686,000 | 686,000 |
| Prepaid expenses | 511,432 | 170,236 |
| Total current assets | \$ 42,983,583 | \$ 38,140,354 |
| | | |
| PROPERTY, PLANT AND EQUIPMENT, at cost, less accumulated depreciation and depletion of \$118,676,760 in 2005 and \$113,663,839 in 2004 | 82,548,485 | 79,948,242 |
| DEFERRED INCOME TAXES | 1,495,000 | 1,965,000 |
| INVESTMENTS | 13,804,631 | 13,620,501 |
| OTHER ASSETS | 1,322,364 | 1,526,069 |
| | \$142,154,063 | \$135,200,166 |
| | | |
| LIABILITIES AND STOCKHOLDERS' INVESTMENT | | |
| CURRENT LIABILITIES: | | |
| Accounts payable | \$ 7,282,352 | \$ 5,686,857 |
| Line of credit payable | - | 981,667 |
| Current portion of advancing term loan | 2,091,274 | 2,021,503 |
| Accrued liabilities | 5,714,506 | 5,659,437 |
| Total current liabilities | \$ 15,088,132 | \$ 14,349,464 |
| | | |
| LONG-TERM DEBT | 22,412,645 | 24,119,115 |
| ACCRUED POSTRETIREMENT BENEFITS | 11,353,956 | 10,128,039 |
| ACCRUED PENSION EXPENSE | 1,608,164 | 1,238,027 |
| MINORITY INTEREST IN CONSOLIDATED SUBSIDIARIES | 1,396,701 | 1,349,566 |

Edgar Filing: MONARCH CEMENT CO - Form 10-Q

STOCKHOLDERS' INVESTMENT:

| | | |
|--|---------------|---------------|
| Capital stock, par value \$2.50 per share, 1 vote per share - Authorized 10,000,000 shares, Issued 2,463,126 shares at 9/30/2005 and 2,406,197 shares at 12/31/2004 | \$ 6,157,815 | \$ 6,015,493 |
| Class B capital stock, par value \$2.50 per share, supervoting rights of ten votes per share, restricted transferability, convertible at all times into Capital Stock on a share-for-share basis - Authorized 10,000,000 shares, Issued 1,563,832 shares at 9/30/2005 and 1,620,761 shares at 12/31/2004 | 3,909,580 | 4,051,902 |
| Retained earnings | 76,257,070 | 70,528,560 |
| Accumulated other comprehensive income | 3,970,000 | 3,420,000 |
| Total stockholders' investment | \$ 90,294,465 | \$ 84,015,955 |
| | \$142,154,063 | \$135,200,166 |