

Edgar Filing: MONARCH CEMENT CO - Form 10-Q

MONARCH CEMENT CO  
Form 10-Q  
May 15, 2003

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 March 31, 2003, 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 incorporation or organization)	(I.R.S. Employer 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 May 8, 2003, there were 2,369,861 shares of Capital Stock, par value \$2.50 per share outstanding and 1,657,097 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.

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The condensed consolidated balance sheet of the Company as of December 31, 2002 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 2002 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

March 31, 2003 and December 31, 2002

ASSETS	2 0 0 3 (Unaudited)	2 0 0 2
<b>CURRENT ASSETS:</b>		
Cash and cash equivalents	\$ 2,249,977	\$ 3,909,215
Receivables, less allowances of \$666,000 in 2003 and \$644,000 in 2002 for doubtful accounts	11,204,258	15,916,614
Inventories, priced at cost which is not in excess of market-		
Cost determined by last-in, first-out method-		
Finished cement	\$ 5,794,560	\$ 1,386,348
Work in process	1,457,727	626,130
Building products	1,145,630	1,119,723
Cost determined by first-in, first-out method-		
Fuel, gypsum, paper sacks and other	4,723,711	4,164,573
Cost determined by average method-		
Operating and maintenance supplies	7,862,048	8,059,488
Total inventories	\$ 20,983,676	\$ 15,356,262
Refundable federal and state income taxes	1,164,306	562,496
Deferred income taxes	593,000	593,000
Prepaid expenses	963,336	82,304
Total current assets	\$ 37,158,553	\$ 36,419,891
PROPERTY, PLANT AND EQUIPMENT, at cost, less accumulated depreciation and depletion of \$98,574,003 in 2003 and \$96,128,254 in 2002	81,283,068	82,331,077
DEFERRED INCOME TAXES	4,077,585	4,038,000
OTHER ASSETS	10,556,807	10,717,296
	\$133,076,013	\$133,506,264
<b>LIABILITIES AND STOCKHOLDERS' INVESTMENT</b>		
<b>CURRENT LIABILITIES:</b>		
Accounts payable	\$ 5,509,868	\$ 5,845,901
Bank loan payable	6,687,798	3,048,076
Current portion of advancing term loan	3,278,080	3,255,476
Accrued liabilities	3,476,378	5,011,856
Total current liabilities	\$ 18,952,124	\$ 17,161,309
LONG-TERM DEBT	22,406,663	23,284,663
ACCRUED POSTRETIREMENT BENEFITS	9,377,010	9,322,377
ACCRUED PENSION EXPENSE	2,502,952	2,418,375
MINORITY INTEREST IN CONSOLIDATED SUBSIDIARIES	1,810,383	1,969,101

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STOCKHOLDERS' INVESTMENT:

Capital stock, par value \$2.50 per share, 1 vote per share - Authorized 10,000,000 shares, Issued 2,366,991 shares at 3/31/2003 and 2,344,293 shares at 12/31/2002	\$ 5,917,478	\$ 5,860,733
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 1,659,967 shares at 3/31/2003 and 1,682,665 shares at 12/31/2002	4,149,917	4,206,662
Retained earnings	69,318,486	70,582,044
Accumulated other comprehensive loss	(1,359,000)	(1,299,000)
Total stockholders' investment	\$ 78,026,881	\$ 79,350,439
	\$133,076,013	\$133,506,264