

COMMUNITY FIRST BANCORP
Form 10-Q
August 16, 2010

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

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

For the Quarterly Period Ended June 30, 2010
File No. 000-29640

Commission

COMMUNITY FIRST BANCORPORATION

(Exact name of registrant as specified in its charter)

South Carolina
(State or other jurisdiction of
incorporation or organization)

58-2322486
(IRS Employer Identification No.)

449 HIGHWAY 123 BYPASS
SENECA, SOUTH CAROLINA 29678

(Address of principal executive offices, zip code)

(864) 886-0206

(Registrant's telephone number, including area code)

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 has submitted electronically and posted on its corporate web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).

Yes No (Not yet applicable to Registrant)

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. (Check one):

Edgar Filing: COMMUNITY FIRST BANCORP - Form 10-Q

Large accelerated filer Accelerated filer

Non-accelerated filer Smaller reporting company

(Do not check if a smaller reporting company)

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-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: Common Stock, no par or stated value, 3,784,159 Shares Outstanding on August 2, 2010

COMMUNITY FIRST BANCORPORATION

FORM 10-Q

Index

PART I – FINANCIAL INFORMATION

Page

PART I – FINANCIAL INFORMATION

Item 1. Financial Statements

Consolidated Balance Sheets	3
Consolidated Statements of Income	4
Consolidated Statements of Changes in Shareholders' Equity	6
Consolidated Statements of Cash Flows	7
Notes to Unaudited Consolidated Financial Statements	8

Item 2.	Management's Discussion and Analysis of Financial Condition and Results of Operations	16
---------	---	----

Item 4.	Controls and Procedures	26
---------	-------------------------	----

PART II - OTHER INFORMATION

Item 6.	Exhibits	27
---------	----------	----

SIGNATURE		28
-----------	--	----

PART I – FINANCIAL INFORMATION

Item 1. – Financial Statements

COMMUNITY FIRST BANCORPORATION
Consolidated Balance Sheets

	(Unaudited)	
	June 30, 2010	December 31, 2009
	(Dollars in thousands)	
Assets		
Cash and due from banks	\$2,134	\$1,463
Interest bearing balances due from banks	42,353	46,020
Cash and cash equivalents	44,487	47,483
Securities available-for-sale	180,170	141,710
Securities held-to-maturity (fair value \$8,373 for 2010 and \$9,476 for 2009)	7,770	9,024
Other investments	1,307	1,307
Loans	265,349	267,248
Allowance for loan losses	(6,427)	(6,052)
Loans - net	258,922	261,196
Premises and equipment - net	8,345	8,470
Accrued interest receivable	2,851	2,424
Foreclosed assets	7,139	6,078
Bank-owned life insurance	9,471	9,289
Other assets	4,243	5,916
Total assets	\$524,705	\$492,897
Liabilities		
Deposits		
Noninterest bearing	\$42,160	\$47,067
Interest bearing	424,443	389,581
Total deposits	466,603	436,648
Accrued interest payable	3,081	2,043
Long-term debt	6,500	8,000
Other liabilities	1,700	1,388
Total liabilities	477,884	448,079
Shareholders' equity		
Preferred stock - Series A - non-voting 5% cumulative - \$1,000 per share liquidation preference; 5,000 shares authorized; issued and outstanding - 3,150 shares	3,126	3,126
Preferred stock - no par value; 9,995,000 shares authorized; None issued and outstanding	-	-
Common stock - no par value; 10,000,000 shares authorized; issued and outstanding - 3,784,159 for 2010 and 3,782,415 for 2009	38,940	38,923
Additional paid-in capital	748	748
Retained earnings	1,961	1,434

Edgar Filing: COMMUNITY FIRST BANCORP - Form 10-Q

Accumulated other comprehensive income (loss)	2,046	587
Total shareholders' equity	46,821	44,818
Total liabilities and shareholders' equity	\$524,705	\$492,897

See accompanying notes to unaudited consolidated financial statements.

COMMUNITY FIRST BANCORPORATION
Consolidated Statements of Income

	(Unaudited)			
	Period Ended June 30,			
	Three Months	Six Months		
	2010	2009	2010	2009
	(Dollars in thousands, except per share)			
Interest income				
Loans, including fees	\$4,053	\$4,197	\$8,057	\$8,246
Interest bearing balances due from banks	32	6	70	22
Securities				
Taxable	1,332	1,456	2,617	2,962
Tax-exempt	197	202	396	411
Other investments	2	-	2	-
Federal funds sold	-	-	-	3
Total interest income	5,616	5,861	11,142	11,644
Interest expense				
Time deposits \$100M and over	746	990	1,479	2,083
Other deposits	1,436	1,757	2,855	3,573
Long-term debt	73	91	149	182
Total interest expense	2,255	2,838	4,483	5,838
Net interest income	3,361	3,023	6,659	5,806
Provision for loan losses	1,125	700	2,250	1,450
Net interest income after provision	2,236	2,323	4,409	4,356
Other income				
Service charges on deposit accounts	309	348	610	671
Debit card transaction fees	214	156	350	296
Gains on sales of securities available-for-sale	-	90	-	90
Increase in value of bank-owned life insurance	90	91	182	183
Other income	79	67	86	83
Total other income	692	752	1,228	1,323
Other expenses				
Salaries and employee benefits	1,204	1,244	2,323	2,425
Net occupancy expense	138	134	283	269
Furniture and equipment expense	96	100	186	193
Amortization of computer software	97	112	209	207
Debit card transaction expenses	123	101	223	214
Directors' fees	43	34	78	57
FDIC insurance expense	235	300	633	370
Other expense	527	401	1,013	788
Total other expenses	2,463	2,426	4,948	4,523

Edgar Filing: COMMUNITY FIRST BANCORP - Form 10-Q

Income before income taxes	465	649	689	1,156
Income tax expense	66	160	83	253
Net income	399	489	606	903
Deductions for amounts not available to common shareholders:				
Dividends declared or accumulated on				
preferred stock	(40) -	(99) -
Net income available to common shareholders	\$359	\$489	\$507	\$903