

Edgar Filing: MONARCH CEMENT CO - Form 10-Q

MONARCH CEMENT CO  
Form 10-Q  
May 14, 2004

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, 2004, 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 May 10, 2004, there were 2,392,761 shares of Capital Stock, par value \$2.50 per share outstanding and 1,634,197 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, 2003 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 2003 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, 2004 and December 31, 2003

ASSETS	2 0 0 4	2 0 0 3
	(Unaudited)	
<b>CURRENT ASSETS:</b>		
Cash and cash equivalents	\$ 2,320,812	\$ 5,438,018
Receivables, less allowances of \$598,000 in 2004 and \$591,000 in 2003 for doubtful accounts	17,633,147	13,852,596
Inventories, priced at cost which is not in excess of market-		
Finished cement	\$ 6,119,230	\$ 2,553,258
Work in process	2,657,009	919,646
Building products	1,712,729	1,559,424
Fuel, gypsum, paper sacks and other	4,487,075	4,022,894
Operating and maintenance supplies	7,424,371	7,063,030
Total inventories	\$ 22,400,414	\$ 16,118,252
Deferred income taxes	572,225	573,000
Prepaid expenses	687,799	155,011
Total current assets	\$ 43,614,397	\$ 36,136,877
PROPERTY, PLANT AND EQUIPMENT, at cost, less accumulated depreciation and depletion of \$107,140,298 in 2004 and \$105,703,279 in 2003	77,278,915	77,884,890
DEFERRED INCOME TAXES	1,907,750	2,447,000
INVESTMENTS	13,002,901	11,502,902
OTHER ASSETS	1,797,660	1,860,762
	\$137,601,623	\$129,832,431
<b>LIABILITIES AND STOCKHOLDERS' INVESTMENT</b>		
<b>CURRENT LIABILITIES:</b>		
Accounts payable	\$ 9,613,378	\$ 6,435,292
Bank loan payable	5,741,095	-
Current portion of advancing term loan	3,380,724	3,353,778
Accrued liabilities	3,702,862	5,284,474
Total current liabilities	\$ 22,438,059	\$ 15,073,544
LONG-TERM DEBT	18,765,392	19,694,501
ACCRUED POSTRETIREMENT BENEFITS	9,732,234	9,554,920
ACCRUED PENSION EXPENSE	476,033	385,543
MINORITY INTEREST IN CONSOLIDATED SUBSIDIARIES	1,913,280	1,915,605

#### STOCKHOLDERS' INVESTMENT:

Capital stock, par value \$2.50 per share,

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one vote per share - Authorized 10,000,000 shares, Issued 2,389,411 shares at 3/31/2004 and 2,389,381 shares at 12/31/2003	\$ 5,973,528	\$ 5,973,453
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 1,637,547 shares at 3/31/2004 and 1,637,577 shares at 12/31/2003	4,093,867	4,093,942
Retained earnings	71,449,230	71,180,923
Accumulated other comprehensive income	2,760,000	1,960,000
Total stockholders' investment	\$ 84,276,625	\$ 83,208,318
	\$137,601,623	\$129,832,431