

OLD POINT FINANCIAL CORP
Form 10-Q
August 09, 2007
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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

(Mark One)

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

For the quarterly period ended June 30, 2007

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: 000-12896

OLD POINT FINANCIAL CORPORATION

(Exact name of registrant as specified in its charter)

VIRGINIA
(State or other jurisdiction of

incorporation or organization)

1 West Mellen Street, Hampton, Virginia 23663

(Address of principal executive offices) (Zip Code)

54-1265373
(I.R.S. Employer

Identification No.)

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(757) 728-1200

(Registrant's telephone number, including area code)

Not Applicable

(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 a large accelerated filer, an accelerated filer, or a non-accelerated filer. See definition of accelerated filer and large accelerated filer in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer Accelerated filer Non-accelerated filer

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.

3,944,711 shares of common stock (\$5.00 par value) outstanding as of July 31, 2007

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Consolidated Balance Sheets

	June 30, 2007 (unaudited)	December 31, 2006
Assets		
Cash and due from banks	\$ 14,562,221	\$ 18,571,359
Federal funds sold	7,873,332	18,213,002
Cash and cash equivalents	22,435,553	36,784,361
Securities available-for-sale, at fair value	157,080,132	184,806,097
Securities held-to-maturity (fair value approximates \$3,643,626 and \$3,454,019)	3,632,000	3,432,000
Loans, net of allowance for loan losses of \$5,088,475 and \$4,783,685	585,026,086	578,809,269
Premises and equipment, net	25,962,703	26,409,594
Bank owned life insurance	10,905,060	10,608,106
Other assets	7,149,605	6,671,859
	\$ 812,191,139	\$ 847,521,286
Liabilities & Stockholders Equity		
Deposits:		
Noninterest-bearing deposits	\$ 97,545,219	\$ 96,652,975
Savings and interest-bearing demand deposits	203,638,316	201,273,300
Time deposits	297,164,739	290,488,326
Total deposits	598,348,274	588,414,601
Federal funds purchased, repurchase agreements and other borrowings	43,954,837	57,052,656
Federal Home Loan Bank advances	90,000,000	125,000,000
Accrued expenses and other liabilities	2,810,298	2,388,777
Total liabilities	735,113,409	772,856,034
Stockholders Equity:		
Common stock, \$5 par value, 10,000,000 shares authorized; 3,979,111 and 3,992,155 shares issued	19,895,555	19,960,775
Additional paid-in capital	15,272,933	14,718,903
Retained earnings	43,597,768	42,245,413
Accumulated other comprehensive income (loss)	(1,688,526)	(2,259,839)
Total stockholders equity	77,077,730	74,665,252
	\$ 812,191,139	\$ 847,521,286

See Notes to Consolidated Financial Statements.

Table of Contents**Old Point Financial Corporation and Subsidiaries**

Consolidated Statements of Income

	Three Months Ended		Six Months Ended	
	June 30, 2007	June 30, 2006	June 30, 2007	June 30, 2006
	(unaudited)			
Interest and Dividend Income:				
Interest and fees on loans	\$ 10,469,595	\$ 9,005,132	\$ 20,706,778	\$ 17,304,167
Interest on federal funds sold	143,794	80,839	297,276	133,164
Interest on securities:				
Taxable	1,150,858	1,277,567	2,374,728	2,565,640
Tax-exempt	321,179	366,956	647,651	755,240
Dividends and interest on all other securities	95,625	91,649	221,361	178,998
Total interest and dividend income	12,181,051	10,822,143	24,247,794	20,937,209
Interest Expense:				
Interest on savings and interest-bearing demand deposits	660,470	571,012	1,293,233	1,064,605
Interest on time deposits	3,343,068	2,526,873	6,654,799	4,805,638
Interest on federal funds purchased, securities sold under agreement to repurchase and other borrowings	479,236	464,393	977,745	872,214
Interest on Federal Home Loan Bank advances	1,220,270	1,153,712	2,635,293	2,138,046
Total interest expense	5,703,044	4,715,990	11,561,070	8,880,503
Net interest income	6,478,007	6,106,153	12,686,724	12,056,706
Provision for loan losses	200,000	300,000	500,000	600,000
Net interest income, after provision for loan losses	6,278,007	5,806,153	12,186,724	11,456,706
Noninterest Income:				
Income from fiduciary activities	782,777	661,486	1,579,691	1,338,900
Service charges on deposit accounts	1,449,876	1,391,562	2,842,823	2,725,497
Other service charges, commissions and fees	581,856	718,288	1,167,147	1,253,637
Income from bank owned life insurance	148,173	133,575	296,346	266,728
Gain on available-for-sale securities, net	0	550	3,168	1,896
Other operating income	170,528	119,456	322,581	225,612
Total noninterest income	3,133,210	3,024,917	6,211,756	5,812,270
Noninterest Expense:				
Salaries and employee benefits	4,040,113	3,825,051	7,942,411	7,536,647
Occupancy and equipment	889,194	885,790	1,787,781	1,777,310
Postage and courier	127,000	128,953	254,783	268,426
Service fees	91,010	200,459	166,041	369,186
Data processing	219,562	186,249	423,512	355,272
Advertising	203,081	189,364	376,382	331,207
Customer development	162,524	126,924	339,064	294,329
Employee professional development	176,384	160,248	325,604	291,284
Other	664,986	642,404	1,283,519	1,261,753
Total noninterest expenses	6,573,854	6,345,442	12,899,097	12,485,414

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Income before income taxes	2,837,363	2,485,628	5,499,383	4,783,562
Income tax expense	810,050	679,807	1,555,158	1,287,372
Net income	\$ 2,027,313	\$ 1,805,821	\$ 3,944,225	\$ 3,496,190

Basic Earnings per Share:

Average shares outstanding	3,991,871	3,988,674	3,990,649	3,991,815
Net income per share of common stock	\$ 0.51	\$ 0.45	\$ 0.99	\$ 0.88

Diluted Earnings per Share:

Average shares outstanding	4,025,297	4,049,006	4,028,333	4,052,729
Net income per share of common stock	\$ 0.50	\$ 0.45	\$ 0.98	\$ 0.86

See Notes to Consolidated Financial Statements.

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Consolidated Statements of Changes in Stockholders' Equity

(Unaudited)	Shares of Common Stock	Common Stock	Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Total
FOR SIX MONTHS ENDED JUNE 30, 2007						
Balance at beginning of period	3,992,155	\$ 19,960,775	\$ 14,718,903	\$ 42,245,413	\$ (2,259,839)	\$ 74,665,252
Comprehensive income:						
Net income				3,944,225		3,944,225
Unrealized holding gains arising during the period (net of tax, \$295,390)					573,404	573,404
Reclassification adjustment (net of tax, \$1,077)					(2,091)	(2,091)
Total comprehensive income				3,944,225	571,313	4,515,538
Sale of common stock	17,741	88,705	548,909	(482,693)		154,921
Repurchase and retirement of common stock	(30,785)	(153,925)		(672,727)		(826,652)
Nonqualified stock options			5,121			5,121
Cash dividends (\$.36 per share)				(1,436,450)		(1,436,450)
Balance at end of period	3,979,111	\$ 19,895,555	\$ 15,272,933	\$ 43,597,768	\$ (1,688,526)	