

WILLIAM PENN BANCORP INC
Form 10-Q
May 15, 2008
UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, DC 20549

FORM 10-Q

(Mark One)

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

For the Quarterly Period Ended March 31, 2008

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 0-53172

WILLIAM PENN BANCORP, INC.
(Exact name of registrant as specified in its charter)

United States
(State or other jurisdiction of
incorporation or organization)

37-1562563
(I.R.S. Employer
Identification No.)

8150 Route 13, Levittown, Pennsylvania
(Address of principal executive offices)

19057
(Zip Code)

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(215) 945-1200

(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, a non-accelerated filer or a smaller reporting company. See the definition of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act:

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

As of May 14, 2008, there were 3,641,018 shares of the issuer's common stock outstanding.

WILLIAM PENN BANCORP, INC.

QUARTERLY REPORT ON FORM 10-Q

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PART I – FINANCIAL INFORMATION**Item 1. Financial Statements****William Penn Bank, FSB****Consolidated Balance Sheets (In Thousands)**

	March 31, 2008 (Unaudited)	June 30, 2007
ASSETS		
Cash and due from banks	\$ 13,373	\$ 14,229
Interest bearing time deposits	3,749	3,418
Securities available for sale	15	25
Securities held to maturity, fair value \$60,380 and \$61,049	58,959	61,637
Loans receivable, net of allowance for loan losses \$1,860 and \$1,840	185,751	180,204
Premises and equipment, net	1,846	1,937
Federal Home Loan Bank stock, at cost	3,642	3,838
Deferred income taxes	1,727	1,816
Accrued interest receivable and other assets	2,209	1,726
Total Assets	\$ 271,271	\$ 268,830
LIABILITIES AND EQUITY		
Liabilities		
Deposits:		
Non-interest bearing	\$ 1,242	\$ 1,755
Interest-bearing	155,735	157,185
Deposits held for Stock Purchase	9,260	—
Total Deposits	166,237	158,940
Advances from Federal Home Loan Bank	66,000	71,000
Advances from borrowers for taxes and insurance	1,985	1,947
Accrued interest payable and other liabilities	2,483	2,885
Total Liabilities	236,705	234,772
Equity	34,566	34,058
Total Liabilities and Equity	\$ 271,271	\$ 268,830

See accompanying notes to the unaudited consolidated financial statements.

William Penn Bank, FSB

Consolidated Statements of Operations (In Thousands)

	Three Months Ended		Nine Months Ended	
	March 31, 2008 (Unaudited)	2007	March 31, 2008	2007
Interest Income				
Loans receivable, including fees	\$ 2,920	\$ 2,837	\$ 8,913	\$ 8,568
Taxable Securities	705	707	2,383	2,152
Other	232	313	693	686
Total Interest Income	3,857	3,857	11,989	11,406
Interest Expense				
Deposits	1,462	1,572	4,783	4,584
Borrowings	808	988	2,790	2,912
Total Interest Expense	2,270	2,560	7,573	7,496
Net Interest Income	1,587	1,297	4,416	3,910
Provision For Loan Losses	—	35	20	116
Net Interest Income after Provision for Loan Losses	1,587	1,262	4,396	3,794
Other Income				
Service fees	32	28	97	90
Realized gains (losses) on sale of Available for Sale Securities	—	(1)	—	6
Other	34	35	101	114
Total Other Income	66	62	198	210
Other Expenses				
Salaries and employee benefits	462	446	1,415	1,401
Termination of defined benefit pension plan	269	—	269	—
Occupancy and equipment	160	152	480	441
Prepayment Penalty on FHLB advances	—	—	1,524	—
Other	155	143	425	371
Total Other Expenses	1,046	741	4,113	2,213
Income before Income Taxes	607	583	481	1,791

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Income Tax Expenses	202	198	147	556
Net Income	\$ 405	\$ 385	\$ 334	\$ 1,235

See accompanying notes to the unaudited consolidated financial statements.

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William Penn Bank, FSB

Consolidated Statement of Equity (In Thousands) (Unaudited)

	Retained Earnings	Accumulated Other Comprehensive Loss	Total Equity
Balance – July 1, 2006	\$ 32,672	\$ —	\$ 32,672
Net income	1,235	—	1,235
Balance – March 31, 2007	\$ 33,907	\$ —	\$ 33,907
Balance – July 1, 2007	\$ 34,232	\$ (174)	\$ 34,058
Comprehensive Income			
Net income	334	—	334
Change in unrealized loss on defined benefit pension plan, net of taxes	—	174	174
Total Comprehensive Income			\$ 508
Balance – March 31, 2008	\$ 34,566	\$ —	\$ 34,566

See accompanying notes to unaudited consolidated financial statements.

William Penn Bank, FSB

Consolidated Statements of Cash Flows (In Thousands)

	Nine Months Ended	
	March 31,	
	2008	2007
	(Unaudited)	
Cash Flows from Operating Activities		
Net income	\$ 334	\$ 1,235
Adjustments to reconcile net income to net cash provided by (used in) operating activities:		
Provision for loan losses	20	116
Provision for depreciation	123	136
Net accretion of securities premiums and discounts	(188)