

SECURITIES AND EXCHANGE COMMISSION

FORM 10-Q

Quarterly report pursuant to sections 13 or 15(d)

Filing Date: **1994-05-13** | Period of Report: **1994-03-31**
SEC Accession No. **0000037651-94-000004**

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FILER

FLORIDA ROCK INDUSTRIES INC

CIK: **37651** | IRS No.: **590573002** | State of Incorp.: **FL** | Fiscal Year End: **0930**
Type: **10-Q** | Act: **34** | File No.: **001-07159** | Film No.: **94527847**
SIC: **3270** Concrete, gypsum & plaster products

Mailing Address
155 EAST 21ST ST
JACKSONVILLE FL 32206

Business Address
155 EAST 21ST STREET
JACKSONVILLE FL 32206
9043551781

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 Quarter Ended March 31, 1994

OR

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

Commission File Number 1-7159

FLORIDA ROCK INDUSTRIES, INC.
(exact name of registrant as specified in its charter)

Florida
(State or other jurisdiction of
incorporation or organization)

59-0573002
(I.R.S. Employer
Identification No.)

155 East 21st Street, Jacksonville, Florida 32206
(Address of principal executive offices)
(Zip Code)

904/355-1781
(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 X No

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of May 1, 1994: 9,486,782 shares of \$.10 par value common stock.

FLORIDA ROCK INDUSTRIES, INC.
CONSOLIDATED CONDENSED BALANCE SHEET
(In thousands)
(Unaudited)

	March 31, 1994	September 30, 1993
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 191	\$ 4,069
Accounts and notes receivable, less allowance for doubtful accounts of \$1,890 (\$1,428 at September 30, 1993)	36,870	41,931
Inventories:		
Finished products	20,173	19,034
Raw materials	3,348	2,962
Parts and supplies	1,056	1,109
Total inventories	24,577	23,105
Prepaid expenses and other	5,540	3,912
Total current assets	67,178	73,017
Other assets	26,483	29,257
Property, plant and equipment, at cost:		
Land	103,412	103,423
Plant and equipment	349,902	344,852
	453,314	448,275
Less accumulated depreciation, depletion and amortization	248,467	238,165
Net property, plant and equipment	204,847	210,110
	\$298,508	\$312,384
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Short-term notes payable to banks	\$ 9,200	\$ 10,200
Accounts payable	23,228	21,906
Accrued income taxes	-	2,403
Accrued liabilities	10,014	10,778
Long-term debt due within one year	10,376	6,746
Total current liabilities	52,818	52,033
Long-term debt	21,428	43,877
Deferred income taxes	29,064	30,734
Other accrued liabilities	14,787	14,146

Stockholders' equity:		
Preferred stock, no par value; 10,000,000 shares authorized	-	-
Common stock, \$.10 par value; 50,000,000 shares authorized, 9,486,809 shares issued (9,288,708 at September 30, 1993)	949	929
Capital in excess of par value	17,387	11,430
Retained earnings	162,075	161,268
Less cost of treasury stock, 27 shares (93,208 shares at September 30, 1993)	-	(2,033)
Total stockholders' equity	180,411	171,594
	\$298,508	\$312,384

See accompanying notes.

FLORIDA ROCK INDUSTRIES, INC.
CONSOLIDATED CONDENSED STATEMENT OF INCOME
(In thousands except per share amounts)
(Unaudited)

	Three Months Ended March 31		Six Months Ended March 31	
	1994	1993	1994	1993
Net sales	\$66,995	\$63,771	\$142,901	\$130,628
Cost of sales	58,324	57,136	122,228	116,482
Gross profit	8,671	6,635	20,673	14,146
Selling, general and administrative expense	7,884	6,996	15,064	13,905
Operating profit	787	(361)	5,609	241
Interest expense	(517)	(692)	(1,147)	(1,362)
Interest income	94	118	218	249
Other income, net	(12)	186	77	200
Income before income taxes	352	(749)	4,757	(672)
Provision (benefit) for				

income taxes	118	(196)	1,581	(177)
Net income	\$ 234	(\$ 553)	\$ 3,176	(\$ 495)
Per common share:				
Income	\$.02	(\$.06)	\$.34	(\$.05)
Cash dividends	\$. -	\$. -	\$.25	\$.25
Weighted average number of shares	9,554,700	9,199,254	9,473,369	9,195,862

See accompanying notes

FLORIDA ROCK INDUSTRIES, INC.
CONSOLIDATED CONDENSED STATEMENT OF CASH FLOWS
SIX MONTHS ENDED MARCH 31, 1994 AND 1993
(In thousands)
(Unaudited)

	1994	1993
Cash flows from operating activities:		
Net income	\$ 3,176	(\$ 495)
Adjustments to reconcile net income to net cash provided from operating activities:		
Depreciation, depletion and amortization	12,748	13,008
Net changes in operating assets and liabilities:		
Decrease in accounts receivable	4,645	3,818
Increase in inventories	(1,472)	(1,279)
Increase in prepaid expenses and other	(1,020)	(106)
Decrease in accounts payable and accrued liabilities	(1,634)	(277)
Decrease in deferred income taxes	(1,847)	(699)
Gain on disposition of property, plant and equipment	(48)	(573)
Other, net	208	19
Net cash provided from operating activities	14,756	13,416
Cash flows from investing activities:		
Purchase of property, plant and equipment	(7,309)	(11,359)
Proceeds from the sale of property, plant and equipment	135	568
Proceeds from the disposition of other assets	710	480
Collections of notes receivable	2,759	82
Additions to other assets and other	(750)	(180)

Net cash used in investing activities	(4,455)	(10,409)
Cash flows from financing activities:		
Net increase (decrease) in short-term debt	(1,000)	2,000
Repayment of debt	(10,816)	(3,075)
Exercise of employee stock options	10	-
Repurchase of Company stock	(1)	(64)
Payment of dividends	(2,372)	(2,299)
Net cash used in financing activities	(14,179)	(3,438)
Net decrease in cash and cash equivalents	(3,878)	(431)
Cash and cash equivalents at beginning of year	4,069	1,201
Cash and cash equivalents at end of period	\$ 191	\$ 770

See accompanying notes.

FLORIDA ROCK INDUSTRIES, INC.
NOTES TO CONSOLIDATED CONDENSED FINANCIAL STATEMENTS
MARCH 31, 1994
(Unaudited)

(1) Basis of Presentation

The accompanying consolidated condensed financial statements include the accounts of the Company and its subsidiaries. These statements have been prepared in accordance with the Company's regular accounting practices and include all normal recurring accruals and adjustments. In the opinion of Company management, all adjustments necessary for a fair statement of the results for the interim periods have been made. Results for interim periods should not be regarded as necessarily indicative of results for a full year.

(2) Earnings Per Share

Earnings per share are based on the weighted average number of common shares outstanding and common stock equivalents, where applicable, during the periods. Fully diluted earnings per share are not reported because their effect would have been less than 3% dilutive.

(3) Supplemental Disclosures of Cash Flow Information.

Cash paid during the six months ended March 31, 1994 and 1993 for certain expense items are (in thousands):

	1994	1993
Interest expense, net of		

amount capitalized	\$1,629	\$1,600
Income taxes	\$6,261	\$ 544

The following schedule summarizes noncash investing and financing activities for the six months ended March 31, 1994 and 1993 (in thousands):

	1994	1993
Additions to property, plant and equipment from:		
Exchanges	\$ 12	\$ 61
Issuing debt	\$ -	\$ 364
Issuing of common stock in payment of note payable	\$8,000	

MANAGEMENT'S DISCUSSION AND ANALYSIS

Operating Results

In the second quarter and first six months of fiscal 1994, ended March 31, 1994, consolidated net sales increased 5% and 9%, respectively, from the same periods last year in spite of the unusually severe winter which slowed construction activity in the Company's Georgia, Virginia and Maryland markets. The increases in sales were attributable to higher volumes in certain products in certain markets coupled with modest price improvement in some products in certain markets.

Gross profit and gross profit margin improved as a result of the increased sales and the many actions taken by management during the past several quarters to reduce costs.

Selling, general and administrative expenses were up in both current periods due to increased sales and the impact of profit sharing and incentive compensation which are linked to profitability.

The decrease in interest expense in the current periods is due principally to a lower average debt outstanding and lower average interest rate.

The decrease in interest income in the current periods is due principally to a reduction in notes receivable.

The sales recovery expected for fiscal 1994 is taking place. Commercial construction markets remain overbuilt and are not expected to show any meaningful signs of recovery for some time to come. Construction of single-family homes has recovered to reasonable levels. Infrastructure programs are expected to grow modestly.

The Company expects a continued recovery through the balance of this

year.

Financial Condition

The Company continues to maintain its sound financial condition with sufficient resources to meet anticipated capital expenditures and other operating requirements.

While the Company is affected by environmental regulations, such regulations are not expected to have a major effect on the Company's capital expenditures or operating results. Additional information concerning environmental matters is presented in Note 13 to the consolidated financial statements included in the Company's 1993 Annual Report to stockholders and in Item 3 "Legal Proceedings" of the Company's Form 10-K for fiscal 1993, and such information is incorporated herein by reference.

PART II OTHER INFORMATION

Item 1. Legal Proceedings

A wrongful death action was brought in the Superior Court of New Hanover County, North Carolina (Case No. 91 CV 0023) against two of the Company's subsidiaries, S&G Concrete, Inc. and The Arundel Corporation and others, arising from the death of an employee of an affiliated company in an on-the-job industrial accident. The complaint seeks compensatory and punitive damages in unspecified amounts. The case was originally styled Dora Richardson Powell, individually, and as personal representative of the Estate of Timothy G. Powell, deceased vs. S&G Concrete Company, et al.; however, the Estate amended its complaint to show Company subsidiaries, The Arundel Corporation and S&G Prestress Company, as the new defendants. Company motions for summary judgment were granted as to each defendant. The Estate appealed each of the aforesaid orders for summary judgment. On April 19, 1994, the North Carolina Court of Appeals affirmed the Summary Judgement granted as to each defendant. The Estate has the right to appeal this decision to the North Carolina Supreme Court. This matter has been previously reported in the 10-Q for the quarters ending December 31, 1990, and March 31, 1993 and in the 10-K for the years ending September 30, 1991 and September 30, 1993.

Item 6. Exhibits and Reports on Form 8-K

- (a) Exhibits. The response to this item is submitted as a separate section entitled "Exhibit Index" on page 7 of this Form 10-Q.
- (b) Reports on Form 8-K. There were no reports on Form 8-K filed during the three months ended March 31, 1994.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

May 10, 1994

FLORIDA ROCK INDUSTRIES, INC.

RUGGLES B. CARLSON
Ruggles B. Carlson
Vice President-Finance
and Treasurer
(Principal Financial and
Accounting Officer)

FLORIDA ROCK INDUSTRIES, INC.

FORM 10-Q FOR THE QUARTER ENDED MARCH 31, 1994

EXHIBIT INDEX

	Page No. in Sequential Numbering
(4) (a) Amended and Restated Revolving Credit and Term Loan Agreement dated as of December 5, 1990, among Florida Rock Industries, Inc.; Continental Bank, N. A.; Barnett Bank of Jacksonville, N. A.; Sun Bank, National Association; Crestar Bank; First Union National Bank of Florida; The First National Bank of Maryland; Southeast Bank, . N. A.; and Maryland National Bank. Previously filed with Form 10-K for September 30, 1990. File No. 1-7159.	
(4) (b) First Amendment dated as of September 30, 1992 to the Amended and Restated Revolving Credit and Term Loan Agreement dated as of December 5, 1990. Previously filed with Form 10-K for September 30, 1992. File No. 1-7159.	
(4) (c) The Company and its consolidated subsidiaries have other long-term debt agreements which do not exceed 10% of the total consolidated assets of the Company and its subsidiaries, and the Company agrees to furnish copies of such agreements and constituent documents to the Commission upon request.	
(11) Computation of earnings per share.	9

FLORIDA ROCK INDUSTRIES, INC.
COMPUTATION OF EARNINGS PER COMMON SHARE

	THREE MONTHS ENDED MARCH 31		SIX MONTHS ENDED MARCH 31	
	1994	1993	1994	1993
Net income (loss)	\$ 234,000	(\$553,000)	\$3,176,000	(\$495,000)
Common shares:				
Weighted average shares outstanding during the period	9,486,720	9,195,533	9,413,035	9,195,862
Shares issuable under stock options which are potentially dilutive and affect primary earnings per share	67,980	3,721	60,334	-
Maximum potential shares includable in computation of primary earnings per share	9,554,700	9,199,254	9,473,369	9,195,862
Additional shares issuable under stock options which are potentially dilutive and affect fully diluted earnings per share	-	7,490	-	11,283
Maximum potential shares included in computation of fully diluted earnings per share	9,554,700	9,206,744	9,473,369	9,207,145
Primary earnings (loss) per common share	\$.02	(\$.06)	\$.34	(\$.05)

Fully diluted earnings (loss) per common share (a)	\$.02	(\$.06)	\$.34	(\$.05)
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(a) Fully diluted earnings per common share are not presented on the income statement since the potential affect would have been less than 3% dilutive.