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Kentucky First Federal Bancorp
Form 8-K
October 05, 2010

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): September 29, 2010

KENTUCKY FIRST FEDERAL BANCORP
(Exact Name of Registrant as Specified in Its Charter)

United States0-51176 61-1484858
(State or (Commission(IRS
other Employer
jurisdiction of
incorporationFile Number)Identification
or No.)
organization)

479 Main 41702
Street,
Hazard,
Kentucky
(Address (Zip
of Code)
principal
executive
offices)

(502)
223-1638

(Registrant's telephone number, including area code)

Not
Applicable

(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- o Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

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- o Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - o Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - o Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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Item 4.02 Non-Reliance on Previously Issued Financial Statements or a Related Audit Report or Completed Interim Review.

On September 29, 2010, management and the Audit Committee of the Board of Directors of Kentucky First Federal Bancorp (the “Company”) determined that the Company’s financial statements for the year ended June 30, 2009 and for each of the quarters ended September 30, 2009, December 31, 2009 and March 31, 2010 should no longer be relied upon as a result of certain adjustments to the Company’s accrued and deferred income tax liability.

The restatement of the financial statements will incorporate the following adjustments:

- The reduction of deferred federal income taxes payable at July 1, 2007 with a \$224,000 adjustment to retained earnings reflecting lower actual levels of deferred tax liabilities;
- The decrease of the Company’s net earnings for the fiscal year ended June 30, 2009, from \$808,000 to \$728,000, as a result of additional income tax due on a dividend distribution from one of the Company’s bank subsidiaries, which exceeded the Bank’s accumulated earnings and profits and, as a consequence, resulted in a distribution of the bank’s thrift reserve; and
- The decrease of the Company’s basic and diluted earnings per share from \$0.11 to \$0.10 for the fiscal year ended June 30, 2009.

The financial statements also will be restated to revise the reported liability associated with deferred income taxes. As a result of the restatement, the following financial statement line items were adjusted (in thousands, except share data):

| Consolidated Statement of Financial Condition at June 30, 2009: | Restated | Previously Reported | Effect of Change |
|---|----------|---------------------|------------------|
| Accrued federal income taxes | \$ 147 | \$ 67 | \$ 80 |
| Deferred federal income taxes | 1,115 | 1,339 | (224) |
| Total liabilities | 182,363 | 182,507 | (144) |
| Retained earnings | 32,074 | 31,930 | 144 |
| Total shareholders’ equity | 58,538 | 58,394 | 144 |

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| Consolidated Statement of Earnings for the year ended June 30, 2009: | Restated | Previously Reported | Effect of Change |
|--|----------|---------------------|------------------|
| Federal income taxes, current | \$ 1,116 | \$ 1,036 | \$ 80 |
| Total federal income taxes | 1,183 | 1,103 | 80 |
| Net earnings | 728 | 808 | (80) |
| Earnings per share, basis and diluted | 0.10 | 0.11 | (0.01) |

| Consolidated Statement of Comprehensive Income for the year ended June 30, 2009: | Restated | Previously Reported | Effect of Change |
|--|----------|---------------------|------------------|
| Net earnings | \$ 728 | \$ 808 | \$ (80) |
| Comprehensive income | 802 | 882 | (80) |

| Consolidated Statement of Cash Flows for the year ended June 30, 2009: | Restated | Previously Reported | Effect of Change |
|--|----------|---------------------|------------------|
| Cash Flows from operating activities: | | | |
| Net earnings for the year | \$ 728 | \$ 808 | \$ (80) |
| Federal income taxes, current | 626 | 546 | 80 |

| Consolidated Balance Sheet as of September 30, 2009 | Restated | Previously Reported | Effect of Change |
|---|----------|---------------------|------------------|
| Prepaid federal income taxes | \$ 232 | \$ 312 | \$ (80) |
| Total assets | 235,767 | 235,847 | (80) |
| Deferred federal income taxes | 1,095 | 1,319 | (224) |
| Total liabilities | 177,821 | 178,045 | (224) |
| Retained earnings | 31,428 | 31,284 | 144 |
| Total shareholders' equity | 57,946 | 57,802 | 144 |
| Total liabilities and shareholders' equity | 235,767 | 235,847 | (80) |

| Consolidated Balance Sheet as of December 31, 2009 | Restated | Previously Reported | Effect of Change |
|--|----------|---------------------|------------------|
| Prepaid federal income taxes | \$ 393 | \$ 473 | \$ (80) |
| Total assets | 239,393 | 239,473 | (80) |
| Deferred federal income taxes | 1,225 | 1,449 | (224) |
| Total liabilities | 181,265 | 181,489 | (224) |
| Retained earnings | 31,360 | 31,216 | 144 |
| Total shareholders' equity | 58,128 | 57,984 | 144 |
| Total liabilities and shareholders' equity | 239,393 | 239,473 | (80) |

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| Consolidated Balance Sheet as of March 31, 2010 | Restated | Previously Reported | Effect of Change |
|---|----------|---------------------|------------------|
| Prepaid federal income taxes | \$ 218 | \$ 298 | \$ (80) |
| Total assets | 238,275 | 238,355 | (80) |
| Deferred federal income taxes | 1,160 | 1,384 | (224) |
| Total liabilities | 180,206 | 180,430 | (224) |
| Retained earnings | 31,367 | 31,223 | 144 |
| Total shareholders' equity | 58,069 | 57,925 | 144 |
| Total liabilities and shareholders' equity | 238,275 | 238,355 | (80) |

The Company has filed an amended Annual Report on Form 10-K for the year ended June 30, 2009, and amended Quarterly Reports on Form 10-Q for the quarters ended September 30, 2009, December 31, 2009 and March 31, 2010, containing corrected consolidated balance sheets and consolidated statements of income, comprehensive income and cash flows for the respective periods.

The Company's management and Audit Committee has consulted with Crowe Horwath, LLP, who serves as the Company's independent registered public accounting firm, and with BKD, LLP, who served as the Company's predecessor independent registered public accounting firm, regarding the matters disclosed in this Form 8-K in reaching the conclusion to restate the financial statements for the above-mentioned periods to reflect the adjustments discussed herein.

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.

KENTUCKY FIRST FEDERAL BANCORP

Date: October 5, 2010

By: /s/ Don D. Jennings
Don D. Jennings
President and Chief Operating Officer