

BUCKHEAD COMMUNITY BANCORP INC

Form 10-Q

November 13, 2008

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U.S. SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM 10-Q

x **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**
For the quarterly period ended September 30, 2008

.. **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: 000-53197

BUCKHEAD COMMUNITY BANCORP, INC.

(Exact name of small business issuer as specified in its charter)

Georgia
(State or other jurisdiction of

58-2265980
(IRS Employer

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incorporation or organization)

415 East Paces Ferry Road

Identification No.)

Atlanta, Georgia 30305

(Address of principal executive offices)

(404) 504-2557

(Issuer's telephone number)

(Former name, former address and former fiscal year, if changed since last report)

Check whether the issuer (1) has filed all reports required to be filed by Section 13 or 15(d) of the Exchange Act during the past 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, or a smaller reporting company. See definition of "accelerated filer and large accelerated filer" in Rule 12b-2 of the Exchange Act.

Large Accelerated Filer

Accelerated Filer

Non-Accelerated Filer
(Do not check if a smaller

Smaller Reporting Company

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

State the number of shares outstanding of each of the issuer's classes of common equity, as of November 10, 2008: Common Stock, \$0.01 par value 6,314,213 shares outstanding.

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BUCKHEAD COMMUNITY BANCORP, INC.

AND SUBSIDIARY

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Table of Contents**PART I - FINANCIAL INFORMATION****ITEM 1. FINANCIAL STATEMENTS****BUCKHEAD COMMUNITY BANCORP, INC. AND SUBSIDIARY****CONSOLIDATED BALANCE SHEETS**

(Dollars in thousands)	September 30 2008 (Unaudited)	December 31 2007	September 30 2007 (Unaudited)
ASSETS			
Cash and due from banks	\$ 8,276	\$ 19,157	\$ 6,137
Interest-bearing deposits in other banks	356	2,264	341
Federal funds sold	1,141	23,428	32,050
Securities available for sale, at fair value	109,976	109,647	100,805
Restricted equity securities, at cost	3,183	1,761	1,419
Total investment securities	113,159	111,408	102,224
Loans held for sale	3,658	1,232	4,332
Loans, net of unearned income	724,043	676,119	455,553
Allowance for loan losses	(10,836)	(9,787)	(5,299)
Net loans	713,207	666,332	450,254
Bank premises and equipment	10,516	10,949	6,539
Accrued interest receivable	4,163	4,696	3,670
Goodwill	32,669	32,655	-
Other intangible assets	2,155	2,367	-
Other real estate owned	29,229	13,437	7,937
Other assets	9,625	11,020	3,689
Total assets	\$ 928,154	\$ 898,945	\$ 617,173
LIABILITIES			
Noninterest-bearing demand deposits	\$ 39,737	\$ 46,496	\$ 34,506
Interest-bearing deposits	701,327	709,252	507,874
Total deposits	741,064	755,748	542,380
Short-term borrowings	64,730	19,570	11,585
Long-term debt	16,000	-	-
Junior subordinated debt	15,465	15,465	15,465
Accrued interest payable	3,107	3,885	3,093
Accrued expenses and other liabilities	2,260	14,805	909
Total liabilities	842,626	809,473	573,432
SHAREHOLDERS EQUITY			

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Special stock, no par value; 2,000,000 shares authorized; none issued	-	-	-
Common stock, par value \$0.01; 20,000,000 shares authorized; 6,314,213, 6,315,813 and 4,575,166 shares issued and outstanding, respectively	63	63	46
Capital surplus	72,544	72,584	27,593
Retained earnings	13,581	17,285	17,042
Accumulated other comprehensive income/(loss)	(555)	(279)	(744)
Deferred compensation	(105)	(181)	(196)
Total shareholders' equity	85,528	89,472	43,741
Total liabilities and shareholders' equity	\$ 928,154	\$ 898,945	\$ 617,173

The accompanying notes are an integral part of these financial statements.

Table of Contents**BUCKHEAD COMMUNITY BANCORP, INC. AND SUBSIDIARY****CONSOLIDATED STATEMENTS OF OPERATIONS**

	Three Months Ended September 30		Nine Months Ended September 30	
	2008	2007	2008	2007
(Dollars in thousands, except share and per share data)(Unaudited)				
INTEREST INCOME				
Loans, including fees	\$ 11,470	\$ 10,407	\$ 35,405	\$ 29,829
Securities:				
Taxable	1,170	976	3,362	3,024
Tax-exempt	204	215	671	668
Federal funds sold and short-term investments	39	489	446	1,653
Dividends	23	57	87	66
Total interest income	12,906	12,144	39,971	35,240
INTEREST EXPENSE				
Deposits	7,123	6,308	22,658	17,877
Short-term borrowings	266	120	681	325
Junior subordinated debt	193	291	632	865
Long-term debt	195	-	419	-
Total interest expense	7,777	6,719	24,390	19,067
NET INTEREST INCOME	5,129	5,425	15,581	16,173
Provision for loan losses	2,134	400	5,626	1,150
NET INTEREST INCOME AFTER PROVISION FOR LOAN LOSSES	2,995	5,025	9,955	15,023
NONINTEREST INCOME				
Gain on sale of loans held for sale	171	349	176	869
Gain on sale of securities available for sale	32	-	167	-
Other noninterest income	(265)	120	90	417
Total noninterest income	(62)	469	433	1,286
NONINTEREST EXPENSE				
Salaries and employee benefits	2,790	2,215	8,420	6,402
Occupancy expenses	624	492	1,853	1,331
Advertising and marketing	179	194	512	467
Legal and other professional services	230	165	679	410
Other operating expenses	1,769	813	5,250	1,923
Total noninterest expense	5,592	3,879	16,714	10,533
(LOSS) INCOME BEFORE INCOME TAXES	(2,659)	1,615	(6,326)	5,776
Income tax (benefit)/expense	(1,082)	550	(2,622)	1,991

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NET (LOSS) INCOME	\$ (1,577)	\$ 1,065	\$ (3,704)	\$ 3,785
(LOSS) EARNINGS PER SHARE				
Basic	\$ (0.25)	\$ 0.23	\$ (0.59)	\$ 0.83
Diluted ¹	\$ (0.25)	\$ 0.23	\$ (0.59)	\$ 0.82
WEIGHTED-AVERAGE SHARES OUTSTANDING				
Basic				