

VISION BANCSHARES INC  
Form 10QSB  
August 13, 2003  
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## SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

### FORM 10-QSB

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15 (d) OF THE SECURITIES EXCHANGE ACT OF 1934  
For the Quarterly Period Ended June 30, 2003

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15 (d) OF THE SECURITIES EXCHANGE ACT OF 1934  
Commission File No. 333-88073

## VISION BANCSHARES, INC.

(Exact name of registrant as specified in its charter)

Alabama  
(State of Incorporation)

63-1230752  
(IRS Employer Identification No.)

2201 West 1<sup>st</sup> Street  
Gulf Shores, Alabama 36542  
(Address of principal executive offices)

(251) 967-4212  
(Registrant's telephone number)

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

As of June 30, 2003, Vision Bancshares had 1,887,161 shares of common stock outstanding.

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CONSOLIDATED STATEMENTS OF FINANCIAL CONDITION

	<b>June 30, 2003</b>	<b>December 31, 2002</b>
	(Unaudited)	
Assets		
Cash	\$ 2,232,591	\$ 896,243
Due from banks and federal funds sold	14,412,084	15,845,949
Investment securities available for sale	12,393,291	12,178,867
Loans	142,959,483	108,876,814
Less: Allowance for loan losses	(1,744,011)	(1,389,637)
Loans, net	141,215,472	107,487,177
Premises and equipment, net	1,879,960	1,558,650
Accrued interest receivable	694,312	604,061
Deferred tax benefit	566,637	435,748
Goodwill	125,002	125,002
Other assets	710,037	851,441
Total Assets	<u>\$ 174,229,386</u>	<u>\$ 139,983,138</u>
Liabilities and Stockholders' Equity		
Deposits:		
Noninterest-bearing	\$ 26,697,961	\$ 13,137,526
Interest bearing	124,351,522	104,410,501
Total Deposits	151,049,483	117,548,027
Accrued interest payable	241,267	229,776
Other liabilities	325,726	419,868
Total Liabilities	151,616,476	118,197,671
Stockholders' Equity		
Common stock, \$1.00 par value; 10,000,000 authorized; 1,887,161 and 1,819,333 shares issued and outstanding at June 30, 2003 and December 31, 2002, respectively	1,887,161	1,819,333
Preferred stock \$1.00 par value; 1,000,000 authorized; -0- shares issued and outstanding	21,655,503	20,761,907
Additional paid-in capital	(999,410)	(910,816)
Retained earnings	69,656	115,043
Accumulated other comprehensive income		
Total Stockholders' Equity	<u>22,612,910</u>	<u>21,785,467</u>
Total Liabilities and Stockholders' Equity	<u>\$ 174,229,386</u>	<u>\$ 139,983,138</u>

See Notes to Consolidated Financial Statements

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CONSOLIDATED STATEMENTS OF OPERATION  
(Unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2003	2002	2003	2002
Interest Income:				
Interest and fees on loans	\$ 2,409,555	\$ 1,837,714	\$ 4,454,911	\$ 3,500,951
Interest and dividends on investment securities-AFS	82,959	223,824	179,461	400,023
Interest income on federal funds sold	28,886	14,699	61,215	25,672
Other interest income		(300)		
Total interest income	2,521,400	2,075,937	4,695,587	3,926,646
Interest Expense:				
Interest on deposits	787,347	830,894	1,520,984	1,596,002
Interest on federal funds purchased				96
Total interest expense	787,347	830,894	1,520,984	1,596,098
Net interest income, before provision for loan losses	1,734,053	1,245,043	3,174,603	2,330,548
Provision for loan losses	166,825	148,000	385,225	301,907
Net interest income, after provision for loan losses	1,567,228	1,097,043	2,789,378	2,028,641
Noninterest Income:				
Service charges on deposits accounts	152,294	107,153	291,723	196,527
Gain on sale of securities			151,523	
Other noninterest income	159,983	147,107	307,400	293,991
Total noninterest income	312,277	254,260	750,646	490,518
Noninterest Expense:				
Salaries and benefits	1,058,014	664,410	2,038,078	1,398,729
Net occupancy	216,955	125,590	429,284	232,654
Equipment expense	78,259	44,799	151,275	87,647
Data processing expense	80,125	43,527	153,191	84,246
Organization expense	(996)	173,801	64,468	206,216
Professional fees	72,040	60,608	132,099	116,297
Printing and office supplies	45,193	31,060	88,758	62,786
Advertising expense	43,672	17,935	70,895	40,790
Other noninterest expense	262,768	153,641	553,075	286,239
Total noninterest expense	1,856,030	1,315,371	3,681,123	2,515,604
Income (loss) before income taxes	23,475	35,932	(141,099)	3,555
Income tax expense/(benefit)	5,392	18,668	(52,505)	5,530
Net Income (loss)	\$ 18,083	\$ 17,264	\$ (88,594)	\$ (1,975)
Earnings (loss) per share - basic & diluted	\$ 0.01	\$ 0.02	\$ (0.05)	\$ (0.00)

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Average number of shares outstanding	<u>1,885,949</u>	<u>1,043,896</u>	<u>1,868,181</u>	<u>1,043,689</u>
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See Notes to Consolidated Financial Statements.

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VISION BANCSHARES, INC. AND SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME  
(Unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2003	2002	2003	2002
Net income/(loss)	\$ 18,083	\$ 17,264	\$ (88,594)	\$ (1,975)
Unrealized holding gains/(losses) arising during period	72,525	297,037	80,781	308,169
Reclassification adjustments for gains/(losses) on securities during the period, before income taxes			(151,523)	
Other comprehensive income/(loss), before income taxes:	72,525	297,037	(70,742)	308,169
Income tax expense/(benefit) related to other Comprehensive Income	27,457	109,606	(25,355)	113,714
Unrealized gains/(losses) on investment securities available for sale arising during the period, net of income taxes	45,068	187,431	(45,387)	194,455
Other comprehensive income/(loss)	\$ 63,151	\$ 204,695		