

Citizens Community Bancorp Inc.
Form 10-Q
May 11, 2009

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

(Mark One)

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

For the quarterly period ended March 31, 2009.

OR

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

For the transition period from _____ to _____

Commission file number _____001-33003_____

CITIZENS COMMUNITY BANCORP, INC.

Exact name of registrant as specified in its charter)

Maryland
(State or other jurisdiction of incorporation or
organization)

20-5120010
(IRS Employer Identification
Number)

2174 EastRidge Center, Eau Claire, WI 54701
(Address of principal executive offices)

715-836-9994
(Registrant's telephone number, including area code)

(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 and 15(d) of the Securities Exchange Act of 1934 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 has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of regulation S-T (§232.405 of this chapter) during the proceeding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer or a small reporting company. See definition of "large accelerated filer, accelerated filer and smaller reporting company" in Rule 12b-2 of the Exchange Act (Check one):

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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

APPLICABLE ONLY TO ISSUERS INVOLVED IN BANKRUPTCY
PROCEEDINGS DURING THE PRECEDING FIVE YEARS:

Indicate by check mark whether the registrant has filed all documents and reports required to be filed by Section 12, 13 or 15(d) of the Securities Exchange Act of 1934 subsequent to the distribution of securities under a plan confirmed by a court. Yes No

Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.

APPLICABLE ONLY TO CORPORATE ISSUERS

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date:

At May 1, 2009, there were 5,477,475 shares of the issuers' common stock outstanding.

CITIZENS COMMUNITY BANCORP, INC.

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Part I – FINANCIAL INFORMATION
Item 1. Financial Statements (Unaudited)

CITIZENS COMMUNITY BANCORP, INC.
Consolidated Balance Sheets

March 31, 2009, unaudited, September 30, 2008, derived from audited financial statements
(in thousands)

Assets	March 31, 2009	September 30, 2008
Cash and cash equivalents	\$18,685	\$23,666
Other interest-bearing deposits	5,297	371
Securities available-for-sale (at fair value)	56,600	61,776
Federal Home Loan Bank stock	5,787	5,787
Loans receivable	400,472	369,710
Allowance for loan losses	(1,544)	(1,192)
Loans receivable - net	398,928	368,518
Office properties and equipment - net	6,732	5,916
Accrued interest receivable	1,904	1,726
Intangible assets	1,315	1,481
Goodwill	5,593	5,593
Other assets	6,673	5,202
TOTAL ASSETS	\$507,514	\$480,036
Liabilities and Stockholders' Equity	March 31, 2009	September 30, 2008
Liabilities:		
Deposits	\$342,206	\$297,243
Federal Home Loan Bank advances	99,225	110,245
Other liabilities	3,902	4,072
Total liabilities	445,333	411,560
Stockholders' equity:		
Common stock - 5,477,475 and 6,226,995 shares, respectively	55	62
Additional paid-in capital	56,934	62,192
Retained earnings	12,411	12,550
Unearned ESOP shares	(3,186)	(3,416)
Unearned deferred compensation	(81)	(126)
Accumulated other comprehensive loss	(3,952)	(2,786)
Total stockholders' equity	62,181	68,476
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$507,514	\$480,036

CITIZENS COMMUNITY BANCORP, INC.
Consolidated Statements of Income - Unaudited
For the Six Months Ended March 31, 2009 and 2008
(in thousands, except per share data)

	Three Months Ended		Six Months Ended	
	March 31, 2009	March 31, 2008	March 31, 2009	March 31, 2008
Interest and Dividend Income:				
Interest and fees on loans	\$6,446	\$5,661	\$12,814	\$11,226
Other interest and dividend income	1,012	777	2,035	1,474
Total interest and dividend income	7,458	6,438	14,849	12,700
Interest expense:				
Interest on deposits	2,581	2,263	5,154	4,353
Borrowings	1,120	1,201	2,358	2,455
Total interest expense	3,701	3,464	7,512	6,808
Net interest income	3,757	2,974	7,337	5,892
Provision for loan losses	374	196	641	361
Net interest income after provision for loan losses	3,383	2,778	6,696	5,531
Noninterest Income:				
Service charges on deposit accounts	294	221	632	492
Insurance commissions	110	93	181	173
Loan fees and service charges	70	70	135	144
Other	2	3	5	6
Total noninterest income	476	387	953	815
Noninterest expense:				
Salaries and related benefits	1,831	1,450	3,551	2,817
Occupancy - net	536	305	1,020	564
Office	364	266	756	499
Data processing	98	89	203	187
Amortization of core deposit	83	76	166	151
Advertising, marketing and public relations	46	35	121	65
Professional services	280	179	449	345
Other	314	338	603	544
Total noninterest expense	3,552	2,738	6,869	5,172
Income before provision for income tax	307	427	780	1,174
Provision for income taxes	114	181	321	473
Net income	\$193	\$246	\$459	\$701
Per share information:				
Basic earnings	\$0.04	\$0.04	\$0.08	\$0.11

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Diluted earnings	\$0.04	\$0.04	\$0.08	\$0.11
Dividends paid	\$0.05	\$0.05	\$0.10	\$0.10

Consolidated Statements of
Changes in Stockholders' Equity - Unaudited
For the Six Months ended March 31, 2009 and 2008
(in thousands, except Shares)

Six Months Ended March 31, 2009	Shares	Common Stock	Additional Paid-In Capital	Retained Earnings	Unearned ESOP Shares	Unearned Compensation	Accumulated Other Comprehensive Loss	Total
Balance - Beginning of Period	6,226,995	\$62	\$62,192	\$12,550	(\$3,416)	(\$126)	(\$2,786)	\$68,476
Comprehensive income:								
Net Income				459				459
Amortization of unrecognized prior service costs and net gains/losses, net of tax							26	26
Net unrealized loss on available for sale securities, net of tax							(1,192)	(1,192)
Total comprehensive income (loss)								(707)
Common Stock Repurchased	(749,520)	(7)	(5,253)					(5,260)
Stock option expense			33					33
Committed ESOP shares					230			230
Appreciation in fair value of ESOP shares charged to expense			(38)					(38)
Amortization of restricted stock						45		45
Cash dividends (\$0.10 per share)				(598)				(598)
Balance - End of Period	5,477,475	\$55	\$56,934	\$12,411	(\$3,186)	(\$81)	(\$3,952)	\$62,181

Six Months Ended March 31, 2008	Shares	Common Stock	Additional Paid-In Capital	Retained Earnings	Unearned ESOP Shares	Unearned Compensation	Accumulated Other Comprehensive Loss	Total
Balance - Beginning of Period	7,118,205	\$71	\$69,934	\$12,420	(\$3,877)	(\$207)	(\$192)	\$78,149
Comprehensive income:								
Net income				701				701

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Amortization of unrecognized prior service costs and net gains/losses, net of tax							27	27
Net unrealized gain on available for sale securities, net of tax							43	43
Total comprehensive income								771
Common stock repurchased	(355,000)	(3)	(3,296)					(3,299)
Stock option expense			36					36
Committed ESOP shares						231		231
Appreciation in fair value of ESOP shares charged to expense			24					24
Cancellation of unvested restricted stock			17			(17)		0
Amortization of restricted stock						46		46
Cash dividends (\$0.10 per share)				(695)				(695)
Balance - End of Period	6,763,205	\$68	\$66,715	\$12,426	(\$3,646)	(\$178)	(\$122)	\$75,263