

IF Bancorp, Inc.
Form 10-Q
February 11, 2015
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SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

**Quarterly Report Pursuant To Section 13 or 15(d) of the Securities Exchange Act of 1934
For the quarterly period ended December 31, 2014**

OR

**Transition Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934
For the transition period from _____ to _____**

Commission File No. 001-35226

IF Bancorp, Inc.

(Exact name of registrant as specified in its charter)

Maryland **45-1834449**
(State or other jurisdiction of (I.R.S. Employer
incorporation or organization) Identification Number)
201 East Cherry Street, Watseka, Illinois **60970**
(Address of Principal Executive Offices) Zip Code
(815) 432-2476

(Registrant's telephone number)

N/A

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

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 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 during the preceding 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 smaller reporting company. See the definitions of large accelerated filer, accelerated filer and smaller reporting company in Rule 12b-2 of the Exchange Act. (Check one)

Large accelerated filer Accelerated filer
Non-accelerated filer (Do not check if smaller reporting company) 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

The Registrant had 4,339,057 shares of common stock, par value \$0.01 per share, issued and outstanding as of February 5, 2015.

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Table of Contents**Part I. Financial Information****Item 1. Financial Statements****IF Bancorp, Inc.****Condensed Consolidated Balance Sheets****(Dollars in thousands, except per share amount)**

	December 31, 2014 (Unaudited)	June 30, 2014
Assets		
Cash and due from banks	\$ 10,628	\$ 12,615
Interest-bearing demand deposits	315	116
Cash and cash equivalents	10,943	12,731
Interest-bearing time deposits in banks	250	250
Available-for-sale securities	172,982	184,586
Loans, net of allowance for loan losses of \$4,138 and \$3,958 at December 31, 2014 and June 30, 2014, respectively	342,360	329,924
Premises and equipment, net of accumulated depreciation of \$5,505 and \$5,253 at December 31, 2014 and June 30, 2014, respectively	4,956	5,124
Federal Home Loan Bank stock, at cost	5,425	5,425
Foreclosed assets held for sale	434	436
Accrued interest receivable	1,693	1,788
Bank-owned life insurance	8,159	8,025
Mortgage servicing rights	499	506
Deferred income taxes	1,739	2,059
Other	393	489
Total assets	\$ 549,833	\$ 551,343
Liabilities and Equity		
Liabilities		
Deposits		
Demand	\$ 16,179	\$ 16,705
Savings, NOW and money market	124,458	132,638
Certificates of deposit	224,543	219,675
Brokered certificates of deposit	40,213	35,575
Total deposits	405,393	404,593
Repurchase agreements	3,288	2,324

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Federal Home Loan Bank advances	52,500	56,750
Advances from borrowers for taxes and insurance	1,040	997
Accrued post-retirement benefit obligation	2,417	2,387
Accrued interest payable	96	96
Other	1,378	2,110
Total liabilities	466,112	469,257

Commitments and Contingencies

Stockholders Equity

Common stock, \$.01 par value per share, 100,000,000 shares authorized, 4,339,057 and 4,377,657 shares issued and outstanding at December 31, 2014 and June 30, 2014, respectively	43	44
Additional paid-in capital	46,857	46,689
Unearned ESOP shares, at cost, 317,543 and 327,165 shares at December 31, 2014 and June 30, 2014, respectively	(3,175)	(3,272)
Retained earnings	38,299	37,544
Accumulated other comprehensive income, net of tax	1,697	1,081
Total stockholders equity	83,721	82,086
Total liabilities and stockholders equity	\$ 549,833	\$ 551,343

See accompanying notes to the unaudited condensed consolidated financial statements.

Table of Contents**IF Bancorp, Inc.****Condensed Consolidated Statements of Income (Unaudited)****(Dollars in thousands except per share amounts)**

	Three Months Ended December 31,		Six Months Ended December 31,	
	2014	2013	2014	2013
Interest and Dividend Income				
Interest and fees on loans	\$ 3,569	\$ 3,446	\$ 7,070	\$ 6,837
Securities:				
Taxable	1,095	1,288	2,230	2,408
Tax-exempt	39	26	71	54
Federal Home Loan Bank dividends	7	6	16	10
Deposits with other financial institutions	3	1	6	4
Total interest and dividend income	4,713	4,767	9,393	9,313
Interest Expense				
Deposits	625	580	1,250	1,152
Federal Home Loan Bank advances	196	208	393	408
Total interest expense	821	788	1,643	1,560
Net Interest Income	3,892	3,979	7,750	7,753
Provision for Loan Losses	138	47	242	226
Net Interest Income After Provision for Loan Losses	3,754	3,932	7,508	7,527
Noninterest Income				
Customer service fees	137	144	271	292
Other service charges and fees	25	26	53	72
Insurance commissions	145	152	344	350
Brokerage commissions	174	168	371	336
Net realized gains (losses) on sales of available-for-sale securities	56	(44)	(42)	(104)
Mortgage banking income, net	32	66	88	128
Gain on sale of loans	19	27	51	72
Bank-owned life insurance income, net	67	67	134	134
Other	178	140	328	287
Total noninterest income	833	746	1,598	1,567
Noninterest Expense				
Compensation and benefits	2,037	2,071	4,087	4,189

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Office occupancy	134	121	275	250
Equipment	237	218	521	435
Federal deposit insurance	73	78	152	141
Stationary, printing and office	44	42	89	79
Advertising	101	109	208	198
Professional services	119	82	246	198
Supervisory examinations	38	37	73	74
Audit and accounting services	24	32	70	81
Organizational dues and subscriptions	16	16	33	33
Insurance bond premiums	37	37	65	65
Telephone and postage	65	65	126	125
Loss on foreclosed assets, net	40	76	55	192
Other	339	296	623	543
Total noninterest expense	3,304	3,280	6,623	6,603
Income Before Income Tax	1,283	1,398	2,483	2,491
Provision for Income Tax	460	501	889	852
Net Income	\$ 823	\$ 897	\$ 1,594	\$ 1,639

Earnings Per Share:

Basic and diluted (Note 4)	\$.21	\$.22	\$.40	\$.39
Dividends declared per common share	\$	\$	\$.05	\$.05

See accompanying notes to the unaudited condensed consolidated financial statements.

Table of Contents**IF Bancorp, Inc.****Condensed Consolidated Statements of Comprehensive Income (Loss) (Unaudited)****(Dollars in thousands)**

	Three Months Ended December 31, 2014 2013	
Net Income	\$ 823	\$ 897
Other Comprehensive Income (Loss)		
Unrealized appreciation (depreciation) on available-for-sale securities, net of taxes of \$822 and \$(661), for 2014 and 2013, respectively	1,218	(980)
Less: reclassification adjustment for realized gains (losses) included in net income, net of taxes of \$23 and \$(17), for 2014 and 2013, respectively	33	(26)
	1,185	(954)
Postretirement health plan amortization of transition obligation and prior service cost and change in net loss, net of taxes of \$0 and \$(6) for 2014 and 2013, respectively	1	(9)
Other comprehensive income (loss), net of tax	1,186	(963)
Comprehensive Income (Loss)	\$ 2,009	\$ (66)

	Six Months Ended December 31, 2014 2013	
Net Income	\$ 1,594	\$ 1,639
Other Comprehensive Income (Loss)		
Unrealized appreciation (depreciation) on available-for-sale securities, net of taxes of \$398 and \$(793), for 2014 and 2013, respectively	589	(1,174)
Less: reclassification adjustment for realized losses included in net income, net of taxes of \$(17) and \$(42), for 2014 and 2013, respectively	(25)	(62)
	614	(1,112)
Postretirement health plan amortization of transition obligation and prior service cost and change in net loss, net of taxes of \$1 and \$(12) for 2014 and 2013, respectively	2	(18)

Other comprehensive income (loss), net of tax	616	(1,130)
Comprehensive Income	\$ 2,210	\$ 509

See accompanying notes to the unaudited condensed consolidated financial statements.

Table of Contents**IF Bancorp, Inc.****Condensed Consolidated Statement of Stockholders Equity (Unaudited)****(Dollars in thousands, except per share amounts)**

	Common Stock	Additional Paid-In Capital	Unearned ESOP Shares	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Total
For the six months ended December 31, 2014						
Balance, July 1, 2014	\$ 44	\$ 46,689	\$ (3,272)	\$ 37,544	\$ 1,081	\$ 82,086
Net income				1,594		1,594
Other comprehensive income					616	616
Dividends on common stock, \$0.05 per share						