

IF Bancorp, Inc.
Form 10-Q
May 11, 2017
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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 March 31, 2017**

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 (State or other jurisdiction of incorporation or organization)	45-1834449 (I.R.S. Employer Identification Number)
201 East Cherry Street, Watseka, Illinois (Address of Principal Executive Offices)	60970 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, smaller reporting company, or an emerging growth company. See the definitions of large accelerated filer, accelerated filer, smaller reporting company, and emerging growth company in Rule 12b-2 of the Exchange Act.

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Large accelerated filer

Accelerated filer

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

Smaller reporting company

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

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 3,940,408 shares of common stock, par value \$0.01 per share, issued and outstanding as of May 4, 2017.

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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)**

	March 31, 2017 (Unaudited)	June 30, 2016
Assets		
Cash and due from banks	\$ 15,223	\$ 5,451
Interest-bearing demand deposits	1,562	998
Cash and cash equivalents	16,785	6,449
Interest-bearing time deposits in banks	250	252
Available-for-sale securities	113,589	121,328
Loans, net of allowance for loan losses of \$5,366 and \$5,351 at March 31, 2017 and June 30, 2016, respectively	437,946	443,748
Premises and equipment, net of accumulated depreciation of \$6,234 and \$5,925 at March 31, 2017 and June 30, 2016, respectively	4,886	4,586
Federal Home Loan Bank stock, at cost	2,813	5,425
Foreclosed assets held for sale	155	338
Accrued interest receivable	1,921	1,803
Bank-owned life insurance	8,756	8,555
Mortgage servicing rights	627	440
Deferred income taxes	3,231	1,746
Other	513	895
Total assets	\$ 591,472	\$ 595,565
Liabilities and Equity		
Liabilities		
Deposits		
Demand	\$ 21,987	\$ 19,036
Savings, NOW and money market	166,456	156,688
Certificates of deposit	208,937	216,343
Brokered certificates of deposit	38,773	41,641
Total deposits	436,153	433,708

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Repurchase agreements	2,440	4,392
Federal Home Loan Bank advances	62,500	67,000
Advances from borrowers for taxes and insurance	1,047	932
Accrued post-retirement benefit obligation	3,003	2,967
Accrued interest payable	50	59
Other	3,077	2,535
Total liabilities	508,270	511,593

Commitments and Contingencies

Stockholders' Equity

Common stock, \$.01 par value per share, 100,000,000 shares authorized, 3,940,408 and 4,014,061 shares issued and outstanding at March 31, 2017 and June 30, 2016, respectively	39	40
Additional paid-in capital	47,836	47,535
Unearned ESOP shares, at cost, 274,241 and 288,675 shares at March 31, 2017 and June 30, 2016, respectively	(2,742)	(2,887)
Retained earnings	38,426	37,095
Accumulated other comprehensive income (loss), net of tax	(357)	2,189
Total stockholders' equity	83,202	83,972
Total liabilities and stockholders' equity	\$ 591,472	\$ 595,565

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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 March 31,		Nine Months Ended March 31,	
	2017	2016	2017	2016
Interest and Dividend Income				
Interest and fees on loans	\$ 4,519	\$ 4,384	\$ 13,846	\$ 12,473
Securities:				
Taxable	663	704	1,949	2,372
Tax-exempt	35	37	107	112
Federal Home Loan Bank dividends	27	20	79	40
Deposits with other financial institutions	11	3	30	8
Total interest and dividend income	5,255	5,148	16,011	15,005
Interest Expense				
Deposits	716	585	2,095	1,706
Federal Home Loan Bank advances and repurchase agreements	182	249	587	671
Total interest expense	898	834	2,682	2,377
Net Interest Income	4,357	4,314	13,329	12,628
Provision for Loan Losses	192	254	225	1,142
Net Interest Income After Provision for Loan Losses	4,165	4,060	13,104	11,486
Noninterest Income				
Customer service fees	117	122	395	403
Other service charges and fees	64	69	186	164
Insurance commissions	198	184	548	538
Brokerage commissions	127	165	420	522
Net realized gains on sales of available-for-sale securities		115	117	417
Mortgage banking income, net	65	14	349	111
Gain on sale of loans	39	31	214	130
Bank-owned life insurance income, net	65	65	201	199
Other	164	161	548	585
Total noninterest income	839	926	2,978	3,069
Noninterest Expense				

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Compensation and benefits	2,446	2,245	7,089	6,733
Office occupancy	146	142	444	436
Equipment	278	250	872	756
Federal deposit insurance	42	80	134	231
Stationary, printing and office	46	42	130	144
Advertising	107	90	263	253
Professional services	159	106	400	390
Supervisory examinations	40	38	121	115
Audit and accounting services	40	17	114	103
Organizational dues and subscriptions	2	2	52	45
Insurance bond premiums	35	29	110	99
Telephone and postage	62	80	153	215
Gain on foreclosed assets, net	(7)	(1)	(14)	
Other	285	380	955	1,140
Total noninterest expense	3,681	3,500	10,823	10,660
Income Before Income Tax	1,323	1,486	5,259	3,895
Provision for Income Tax	479	542	1,942	1,397
Net Income	\$ 844	\$ 944	\$ 3,317	\$ 2,498

Earnings Per Share:

Basic	\$ 0.23	\$ 0.25	\$ 0.90	\$ 0.67
Diluted	\$ 0.23	\$ 0.25	\$ 0.89	\$ 0.67
Dividends declared per common share	\$ 0.08	\$ 0.08	\$ 0.16	\$ 0.13

See accompanying notes to the unaudited condensed consolidated financial statements.

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

	Three Months Ended March 31,	
	2017	2016
Net Income	\$ 844	\$ 944
Other Comprehensive Income		
Unrealized appreciation on available-for-sale securities, net of taxes of \$145 and \$678, for 2017 and 2016, respectively	226	1,006
Less: reclassification adjustment for realized gains included in net income, net of taxes of \$0 and \$46 for 2017 and 2016, respectively		69
	226	937
Postretirement health plan amortization of transition obligation and prior service cost and change in net loss, net of taxes of \$(1) and \$(3) for 2017 and 2016, respectively	(2)	(4)
Other comprehensive income, net of tax	224	933
Comprehensive Income	\$ 1,068	\$ 1,877