

CONSUMERS BANCORP INC /OH/
Form 10-Q
February 14, 2007
Table of Contents

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM 10-Q

x QUARTERLY REPORT UNDER SECTION 13 OR 15 (d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended December 31, 2006

Commission File No. 033-79130

CONSUMERS BANCORP, INC.

(Exact name of registrant as specified in its charter)

OHIO
(State or other jurisdiction

033-79130
(Commission File Number)

34-1771400
(I.R.S. Employer

of incorporation or organization)

Identification No.)

614 East Lincoln Way, P.O. Box 256, Minerva, Ohio
(Address of principal executive offices)

44657
(Zip Code)

(330) 868-7701

(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

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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. See definition of accelerated filer and large accelerated filer in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer Accelerated filer Non-accelerated filer

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

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

Common Stock, no par value

Outstanding at February 12, 2007
2,099,772 Common Shares

Table of Contents

CONSUMERS BANCORP, INC.

FORM 10-Q

QUARTER ENDED DECEMBER 31, 2006

Part I Financial Information

Item 1 Financial Statements (Unaudited)

Interim financial information required by Rule 10-01 of Regulation S-X is included in this Form 10-Q as referenced below:

	Page
	Number (s)
<u>Consolidated Balance Sheets</u>	
December 31, 2006 (Unaudited) and June 30, 2006	1
<u>Consolidated Statements of Income</u>	
Three and six months ended December 31, 2006 and 2005 (Unaudited)	2
<u>Condensed Consolidated Statements of Changes in Shareholders' Equity</u>	
Three and six months ended December 31, 2006 and 2005 (Unaudited)	3
<u>Condensed Consolidated Statements of Cash Flows</u>	
Six months ended December 31, 2006 and 2005 (Unaudited)	4
<u>Notes to the Consolidated Financial Statements</u>	5 - 9
<u>Item 2 Management's Discussion and Analysis of Financial Condition and Results of Operations</u>	10 - 19
<u>Item 3 Quantitative and Qualitative Disclosures about Market Risk</u>	20
<u>Item 4 Controls and Procedures</u>	21

Part II Other Information

<u>Item 1 Legal Proceedings</u>	22
<u>Item 1A Risk Factors</u>	22
<u>Item 2 Unregistered Sales of Equity Securities and Use of Proceeds</u>	22
<u>Item 3 Defaults upon Senior Securities</u>	22
<u>Item 4 Submission of Matters to a Vote of Security Holders</u>	22 - 23
<u>Item 5 Other Information</u>	23
<u>Item 6 Exhibits</u>	23
<u>Signatures</u>	23

Table of Contents**CONSUMERS BANCORP, INC.****CONSOLIDATED BALANCE SHEETS**

(Dollars in thousands, except per share data)

	Unaudited December 31, 2006	June 30, 2006
ASSETS		
Cash and cash equivalents	\$ 6,033	\$ 5,941
Securities, available for sale	38,805	37,470
Federal bank and agency stocks, at cost	1,146	1,118
Total loans	144,594	148,002
Less allowance for loan losses	(1,729)	(1,557)
Net Loans	142,865	146,445
Cash surrender value of life insurance	4,214	4,139
Premises and equipment, net	4,477	4,648
Intangible assets	813	894
Other real estate owned	455	749
Accrued interest receivable and other assets	1,630	2,146
Total assets	\$ 200,438	\$ 203,550
LIABILITIES		
Deposits		
Non-interest bearing demand	\$ 42,029	\$ 41,869
Interest bearing demand	10,980	10,156
Savings	49,058	50,575
Time	68,721	64,708
Total deposits	170,788	167,308
Short-term borrowings	4,641	5,049
Federal Home Loan Bank advances	3,998	10,790
Accrued interest and other liabilities	1,299	1,301
Total liabilities	180,726	184,448
Commitments and contingent liabilities		
SHAREHOLDERS EQUITY		
Common stock (no par value, 2,500,000 shares authorized; 2,160,000 issued)	4,869	4,869
Retained earnings	15,839	15,333
Treasury stock, at cost (51,291 shares at December 31, 2006 and 19,566 shares at June 30, 2006)	(701)	(303)
Accumulated other comprehensive income (loss)	(295)	(797)
Total shareholders equity	19,712	19,102
Total liabilities and shareholders equity	\$ 200,438	\$ 203,550

See accompanying notes to consolidated financial statements

Table of Contents

CONSUMERS BANCORP, INC.
CONSOLIDATED STATEMENTS OF INCOME

(Unaudited)

(Dollars in thousands, except per share amounts)

	Three Months ended December 31,		Six Months ended December 31,	
	2006	2005	2006	2005
Interest income				
Loans, including fees	\$ 2,623	\$ 2,466	\$ 5,224	\$ 4,852
Securities				
Taxable	300	245	582	449
Tax-exempt	155	144	309	257
Federal funds sold	2	1	3	5
Total interest income	3,080	2,856	6,118	5,563
Interest expense				
Deposits	857	546	1,622	1,060
Short-term borrowings	37	37	78	62
Federal Home Loan Bank advances	56	164	189	223
Total interest expense	950	747	1,889	1,345
Net interest income	2,130	2,109	4,229	4,218
Provision for loan losses	172	182	343	224
Net interest income after Provision for loan losses	1,958	1,927	3,886	3,994
Non-interest income				
Service charges on deposit accounts	382	390	762	824
Gain (loss) on sale of other assets owned	(1)		(25)	13
Other	190	146	394	279
Total non-interest income	571	536	1,131	1,116
Non-interest expenses				
Salaries and employee benefits	1,047	1,098	2,107	2,186
Occupancy	294	271	554	542
Directors' fees	35	25	72	65
Professional fees	72	34	157	97
Franchise taxes	30	21	58	88
Printing and supplies	45	69	87	122
Telephone and network communications	57	59	113	135
Amortization of intangible	40	40	81	80
Other	425	458	819	913
Total non-interest expenses	2,045	2,075	4,048	4,228
Income before income taxes	484	388	969	882
Income tax expense	104	72	209	188

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Net Income	\$ 380	\$ 316	\$ 760	\$ 694
Basic earnings per share	\$ 0.18	\$ 0.15	\$ 0.36	\$ 0.32

See accompanying notes to consolidated financial statements

Table of Contents**CONSUMERS BANCORP, INC.****CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS EQUITY****(Unaudited)**

(Dollars in thousands, except per share data)

	Three Months ended		Six Months ended	
	December 31, 2006	December 31, 2005	December 31, 2006	December 31, 2005
Balance at beginning of period	\$ 19,804	\$ 19,252	\$ 19,102	\$ 19,297
Comprehensive income				
Net Income	380	316	760	694
Other comprehensive income/(loss)	(306)	62	502	(168)
Total comprehensive income	74	378	1,262	526
Purchase of treasury stock (1,475 and 31,725 shares for the three and six month periods ending December 31, 2006, respectively)	(19)		(398)	
Common cash dividends	(147)	(194)	(254)	(387)
Balance at the end of the period	\$ 19,712	\$ 19,436	\$ 19,712	\$ 19,436
Common cash dividends per share	\$ 0.07	\$ 0.09	\$ 0.12	\$ 0.18

See accompanying notes to consolidated financial statements.

Table of Contents**CONSUMERS BANCORP, INC.****CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS****(Unaudited)**

(Dollars in thousands)

	Six Months Ended December 31,	
	2006	2005
Cash flows from operating activities		
Net cash from operating activities	\$ 1,654	\$ 1,074
Cash flow from investing activities		
Securities available for sale		
Purchases	(3,159)	(15,907)
Maturities and principal pay downs	2,580	2,865
Net (increase) decrease in loans	3,234	(328)
Acquisition of premises and equipment	(117)	(720)
Disposal of premises and equipment		13
Sale of other real estate owned	272	204
Net cash from investing activities	2,810	(13,873)
Cash flow from financing activities		
Net increase (decrease) in deposit accounts	3,480	(3,904)
Net change in short-term borrowings		