

CITIZENS HOLDING CO /MS/
Form 10-Q
November 08, 2005
Table of Contents

SECURITIES AND EXCHANGE COMMISSION

Washington, D. C. 20549

FORM 10-Q

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

For the quarterly period ended September 30, 2005

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 number: 000-25221

CITIZENS HOLDING COMPANY

(Exact name of registrant as specified in its charter)

MISSISSIPPI
(State or other jurisdiction of

incorporation or organization)

64-0666512
(I. R. S. Employer Identification Number)

521 Main Street, Philadelphia, MS
(Address of principal executive offices)

39350
(Zip Code)

Edgar Filing: CITIZENS HOLDING CO /MS/ - Form 10-Q

Registrant's telephone number, including area code: 601-656-4692

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

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

Indicate by check mark whether the registrant is a shell company. Yes No

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of November 4, 2005.

<u>Title</u>	<u>Outstanding</u>
Common Stock, \$.20 par value	5,009,278

Table of Contents

CITIZENS HOLDING COMPANY

THIRD QUARTER 2005 INTERIM FINANCIAL STATEMENTS

TABLE OF CONTENTS

PART I. FINANCIAL INFORMATION

Item 1. Consolidated Financial Statements (Unaudited)

Consolidated Statements of Condition September 30, 2005 and December 31, 2004

Consolidated Statements of Income Three and Nine months ended September 30, 2005 and 2004

Consolidated Statements of Comprehensive Income Three and Nine months ended September 30, 2005 and 2004

Consolidated Statements of Cash Flows Nine months ended September 30, 2005 and 2004

Notes to Consolidated Financial Statements

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

Item 3. Quantitative and Qualitative Disclosures About Market Risk

Item 4. Controls and Procedures

PART II. OTHER INFORMATION

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

Item 6. Exhibits

SIGNATURES

Table of Contents

PART I. FINANCIAL INFORMATION

ITEM 1. CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)

CITIZENS HOLDING COMPANY AND SUBSIDIARY

CONSOLIDATED STATEMENTS OF CONDITION

(Unaudited)

	September 30, 2005	December 31, 2004
	<u> </u>	<u> </u>
ASSETS		
Cash and due from banks	\$ 19,853,405	\$ 16,837,433
Interest bearing deposits with other banks	2,115,922	818,716
Federal funds sold	4,000,000	11,000,000
Investment securities available for sale, at fair value	159,888,618	151,716,083
Loans, net of allowance for loan losses of \$4,679,225 in 2005 and \$4,720,875 in 2004	371,511,270	364,868,117
Premises and equipment, net	10,140,378	9,772,213
Other real estate owned, net	2,746,301	2,786,716
Accrued interest receivable	4,850,501	4,385,892
Cash value of life insurance	15,866,910	15,504,829
Intangible assets, net	5,424,452	5,827,579
Other assets	6,389,890	3,721,413
	<u> </u>	<u> </u>
TOTAL ASSETS	\$ 602,787,647	\$ 587,238,991
	<u> </u>	<u> </u>
LIABILITIES AND STOCKHOLDERS EQUITY		
LIABILITIES		
Deposits:		
Noninterest-bearing demand	87,288,714	78,070,820
Interest-bearing NOW and money market accounts	145,015,566	148,617,480
Savings deposits	35,980,642	38,151,914
Certificates of deposit	202,597,600	209,623,530
	<u> </u>	<u> </u>
Total deposits	470,882,522	474,463,744
Accrued interest payable	768,499	620,590
Federal Home Loan Bank advances	60,321,220	46,118,566
Federal funds purchased		
Directors deferred compensation payable	2,372,177	2,157,041
Other liabilities	3,251,645	2,221,390
	<u> </u>	<u> </u>
Total liabilities	537,596,063	525,581,331
Minority interest in consolidated subsidiary	1,380,243	1,466,435
STOCKHOLDERS EQUITY		
Common stock; \$.20 par value, 22,500,000 shares authorized, 5,009,278 shares outstanding at September 30, 2005 and 5,000,278 shares at December 31, 2004	1,001,856	1,000,056

Edgar Filing: CITIZENS HOLDING CO /MS/ - Form 10-Q

Additional paid-in capital	3,386,248	3,150,246
Retained earnings	59,116,686	55,641,002
Accumulated other comprehensive income, net of taxes of \$186,416 in 2005 and \$211,084 in 2004	306,551	399,921
	<u> </u>	<u> </u>
Total stockholders' equity	63,811,341	60,191,225
	<u> </u>	<u> </u>
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$ 602,787,647	\$ 587,238,991
	<u> </u>	<u> </u>

See notes to consolidated financial statements.

Table of Contents

CITIZENS HOLDING COMPANY AND SUBSIDIARY

CONSOLIDATED STATEMENTS OF INCOME

(Unaudited)

	For the Three Months		For the Nine Months	
	Ended September 30,		Ended September 30,	
	2005	2004	2005	2004
INTEREST INCOME				
Loan income including fees	\$ 6,802,123	\$ 5,972,998	\$ 19,697,078	\$ 17,850,801
Investment securities	1,615,368	1,505,360	4,730,737	4,196,486
Other interest	31,990	23,582	109,702	53,928
Total interest income	8,449,481	7,501,940	24,537,517	22,101,215
INTEREST EXPENSE				
Deposits	1,919,944	1,433,549	5,243,477	4,226,224
Other borrowed funds	668,035	475,454	1,720,436	1,313,420
Total interest expense	2,587,979	1,909,003	6,963,912	5,539,644
NET INTEREST INCOME	5,861,502	5,592,937	17,573,605	16,561,571
PROVISION FOR LOAN LOSSES	540,509	121,691	1,046,266	1,021,691
NET INTEREST INCOME AFTER PROVISION FOR LOAN LOSSES	5,320,993	5,471,246	16,527,339	15,539,880
OTHER INCOME				
Service charges on deposit accounts	942,554	880,417	2,678,623	2,534,623
Other service charges and fees	186,071	116,532	462,943	529,640
Other income	425,237	368,274	1,310,188	1,092,503
Total other income	1,553,862	1,365,223	4,451,754	4,156,766
OTHER EXPENSES				
Salaries and employee benefits	2,416,333	2,275,272	7,217,953	6,628,989
Occupancy expense	772,581	759,316	2,229,116	2,205,972
Other operating expense	1,099,217	1,106,545	3,726,506	3,339,741
Earnings applicable to minority interest	81,900	48,949	152,902	137,037
Total other expenses	4,370,031	4,190,082	13,326,477	12,311,739
INCOME BEFORE PROVISION FOR INCOME TAXES	2,504,824	2,646,387	7,652,616	7,384,907
PROVISION FOR INCOME TAXES	572,342	708,018	1,773,918	1,971,564
NET INCOME	\$ 1,932,482	\$ 1,938,369	\$ 5,878,698	\$ 5,413,343
NET INCOME PER SHARE				
-Basic	\$ 0.39	\$ 0.39	\$ 1.17	\$ 1.08
-Diluted	\$ 0.38	\$ 0.38	\$ 1.16	\$ 1.07

DIVIDENDS PAID PER SHARE	\$ 0.16	\$ 0.15	\$ 0.48	\$ 0.45
--------------------------	---------	---------	---------	---------

Table of Contents

CITIZENS HOLDING COMPANY AND SUBSIDIARY
 CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(Unaudited)

	For the Three Months		For the Nine Months	
	Ended September 30,		Ended September 30,	
	2005	2004	2005	2004
Net income	\$ 1,932,483	\$ 1,938,369	\$ 5,878,698	\$ 5,413,343
Other comprehensive income (loss), net of tax Unrealized holding gains (losses)	61,687	2,172,095	(93,370)	(506,293)
Reclassification adjustment for (gains) losses included in net income		959		(7,020)
Total other comprehensive income (loss)	61,687	2,171,136	(93,370)	(499,273)
Comprehensive income	\$ 1,994,170	\$ 4,109,505	\$ 5,785,328	\$ 4,914,070

Table of Contents

CITIZENS HOLDING COMPANY AND SUBSIDIARY

CONSOLIDATED STATEMENTS OF CASH FLOWS

(Unaudited)

	For the Nine Months	
	Ended September 30,	
	2005	2004
CASH FLOWS FROM OPERATING ACTIVITIES		
Net Cash Provided by Operating Activities	\$ 6,757,676	\$ 8,562,513
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from maturities of securities available for sale	30,316,476	30,927,404
Proceeds from sale of investment securities available for sale		21,852,802
Purchases of investment securities available for sale	(39,695,374)	(57,700,736)
Purchases of bank premises and equipment	(872,815)	(729,686)
(Increase) Decrease in interest bearing deposits with other banks	(1,297,206)	(91,665)
Decrease in Federal Funds Purchased		1,500,000
Net (increase) decrease in federal funds sold	7,000,000	(4,500,000)
Sale of Real Estate acquired by foreclosure	1,586,743	1,129,611
Net increase in loans	(9,235,747)	(13,636,028)
Net Cash Used by Investing Activities	(12,197,923)	(24,248,298)
CASH FLOWS FROM FINANCING ACTIVITIES		
Net (decrease) increase in deposits	(3,581,223)	26,630,376
Increase (decrease) in FHLB Advances	14,202,654	(4,758,984)
Proceeds from exercise of stock options	237,802	45,993
Payment of dividends	(2,403,014)	(2,246,840)
Net Cash Provided by Financing Activities	8,456,219	19,670,545
Net Increase (Decrease) in Cash and Due from Banks	3,015,972	3,984,760
Cash and Due From Banks, beginning of year	16,837,433	15,101,810
Cash and Due from Banks, end of period	\$ 19,853,405	\$ 19,086,570

See notes to consolidated financial statements.

Table of Contents

CITIZENS HOLDING COMPANY AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Unaudited)

As of and for the nine months ended September 30, 2005