

PLUMAS BANCORP  
Form 10-Q  
May 09, 2007

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**UNITED STATES SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549  
FORM 10-Q**

(Mark One)

**QUARTERLY REPORT UNDER SECTION 13 OR 15(D) OF THE SECURITIES EXCHANGE ACT OF 1934 FOR THE QUARTERLY PERIOD ENDED March 31, 2007**

**TRANSITION REPORT UNDER SECTION 13 OR 15 (D) OF THE SECURITIES EXCHANGE ACT OF 1934 FOR THE TRANSITION PERIOD FROM \_\_\_\_\_ TO \_\_\_\_\_**

**COMMISSION FILE NUMBER: 000-49883**

**PLUMAS BANCORP**

(Exact Name of Registrant as Specified in Its Charter)

**California**

(State or Other Jurisdiction of Incorporation or Organization)

**75-2987096**

(I.R.S. Employer Identification No.)

**35 S. Lindan Avenue, Quincy, California**

(Address of Principal Executive Offices)

**95971**

(Zip Code)

Registrant's Telephone Number, Including Area Code **(530) 283-7305**

Indicated 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 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 May 7, 2007; 4,994,596 shares

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**PART I FINANCIAL INFORMATION**  
**ITEM 1. FINANCIAL STATEMENTS**  
**PLUMAS BANCORP**  
**CONDENSED CONSOLIDATED BALANCE SHEET**  
**(Unaudited)**

(In thousands, except share data)

	<b>March 31, 2007</b>	<b>December 31, 2006</b>
<b>Assets</b>		
Cash and due from banks	\$ 12,457	\$ 11,293
Federal funds sold		
Cash and cash equivalents	12,457	11,293
Investment securities (fair value of \$66,904 at March 31, 2007 and \$74,841 at December 31, 2006)	66,849	74,795
Loans, less allowance for loan losses of \$4,150 at March 31, 2007 and \$3,917 at December 31, 2006 (Notes 3 and 4)	357,485	351,977
Premises and equipment, net	15,153	15,190
Intangible assets, net	1,262	1,337
Bank owned life insurance	9,531	9,449
Accrued interest receivable and other assets	9,441	9,198
Total assets	\$ 472,178	\$ 473,239
<b>Liabilities and Shareholders Equity</b>		
Deposits:		
Non-interest bearing	\$ 113,284	\$ 121,464
Interest bearing	292,076	280,712
Total deposits	405,360	402,176
Short-term borrowings	14,800	20,000
Accrued interest payable and other liabilities	5,179	4,901
Junior subordinated deferrable interest debentures	10,310	10,310
Total liabilities	435,649	437,387
Commitments and contingencies (Note 4)		
Shareholders equity (Notes 5, 7 and 10):		
Serial preferred stock, no par value; 10,000,000 shares authorized, none issued		
Common stock, no par value; 22,500,000 shares authorized; issued and outstanding 4,999,596 shares at March 31, 2007 and 5,023,205 shares at December 31, 2006	4,871	4,828
Retained earnings	32,201	31,716

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Accumulated other comprehensive loss (Note 6)	(543)	(692)
Total shareholders' equity	36,529	35,852
Total liabilities and shareholders' equity	\$ 472,178	\$ 473,239

See notes to unaudited condensed consolidated financial statements.

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**PLUMAS BANCORP**  
**CONDENSED CONSOLIDATED STATEMENT OF INCOME**  
(In thousands, except per share data)

	<b>Unaudited</b>	
	<b>For the Three Months</b>	
	<b>Ended March 31,</b>	
	<b>2007</b>	<b>2006</b>
<b>Interest Income:</b>		
Interest and fees on loans	\$ 6,905	\$ 6,004
Interest on investment securities:		
Taxable	519	687
Exempt from Federal income taxes	134	131
Interest on Federal funds sold	2	117
 Total interest income	 7,560	 6,939
<b>Interest Expense:</b>		
Interest on deposits	1,675	1,361
Interest on short-term borrowings	186	
Interest on junior subordinated deferrable interest debentures	206	183
Other	6	4
 Total interest expense	 2,073	 1,548
 Net interest income before provision for loan losses	 5,487	 5,391
<b>Provision for Loan Losses</b>	<b>250</b>	<b>300</b>
 Net interest income after provision for loan losses	 5,237	 5,091
<b>Non-Interest Income:</b>		
Service charges	855	859
Gain (loss) on sale of loans	27	(4)
Earnings on Bank owned life insurance policies	102	94
Other	287	261
 Total non-interest income	 1,271	 1,210
<b>Non-Interest Expenses:</b>		
Salaries and employee benefits	2,828	2,537
Occupancy and equipment	910	750
Other	1,270	1,121
 Total non-interest expenses	 5,008	 4,408
 Income before provision for income taxes	 1,500	 1,893
<b>Provision for Income Taxes</b>	<b>552</b>	<b>718</b>
 Net income	 \$ 948	 \$ 1,175

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Basic earnings per share (Note 5)	\$ 0.19	\$ 0.24
Diluted earnings per share (Note 5)	\$ 0.19	\$ 0.23

See notes to unaudited condensed consolidated financial statements.

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**PLUMAS BANCORP**  
**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**  
**(Unaudited)**  
(In thousands)

	<b>For the Three Months Ended March 31,</b>	
	<b>2007</b>	<b>2006</b>
<b>Cash Flows from Operating Activities:</b>		
Net income	\$ 948	\$ 1,175
Adjustments to reconcile net income to net cash provided by operating activities:		
Provision for loan losses	250	300
Change in deferred loan origination costs/fees, net	69	(246)
Depreciation and amortization	564	482
Stock-based compensation expense	53	43
Amortization of investment security premiums	59	122
Accretion of investment security discounts	(16)	(22)
Net loss on disposal/sale of premises and equipment	27	1
Net gain on sale of other vehicles owned	(20)	
Earnings on Bank owned life insurance policies	(102)	(94)
Expenses on Bank owned life insurance policies	20	17
Increase in accrued interest receivable and other assets	(419)	(120)
Increase in accrued interest payable and other liabilities	278	33
Net cash provided by operating activities	1,711	1,691
<b>Cash Flows from Investing Activities:</b>		
Proceeds from matured and called available-for-sale investment securities	7,375	7,346
Proceeds from matured and called held-to-maturity investment securities	26	
Purchases of held-to-maturity investment securities		(155)
Proceeds from principal repayments from available-for-sale government-guaranteed mortgage-backed securities	755	837
Proceeds from principal repayments from held-to-maturity government-guaranteed mortgage-backed securities		19
Net increase in loans	(5,921)	(1,209)
Proceeds from sale of other real estate and vehicles	89	54
Purchase of premises and equipment	(382)	(2,001)
Net cash provided by investing activities	1,942	4,891

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**PLUMAS BANCORP**  
**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**  
**(Unaudited)**  
(In thousands)  
(Continued)

	<b>For the Three Months Ended March 31,</b>	
	<b>2007</b>	<b>2006</b>
<b>Cash Flows from Financing Activities:</b>		
Net (decrease) increase in demand, interest bearing and savings deposits	\$ (11,813)	\$ 3,028
Net increase (decrease) in time deposits	14,997	(5,911)
Net decrease in short-term borrowings	(5,200)	
Net proceeds from exercise of stock options	17	61
Repurchase and retirement of common stock	(490)	
 Net cash used in financing activities	 (2,489)	 (2,822)
 Increase in cash and cash equivalents	 1,164	 3,760
<b>Cash and Cash Equivalents at Beginning of Year</b>	<b>11,293</b>	<b>24,596</b>