

GUARANTY FEDERAL BANCSHARES INC  
Form 10-Q  
August 07, 2015  
UNITED STATES

**SECURITIES AND EXCHANGE COMMISSION**

**Washington, DC 20549**

**FORM 10-Q**

(Mark One)  **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d)**

**OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended June 30, 2015

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 0-23325

**Guaranty Federal Bancshares, Inc.**

(Exact name of registrant as specified in its charter)

**Delaware**

**43-1792717**

(State or other jurisdiction of  
incorporation or organization)

(IRS Employer Identification No.)

**1341 West Battlefield**

**Springfield, Missouri**

**65807**

(Address of principal executive offices) (Zip Code)

Registrant's telephone number, including area code: (417) 520-4333

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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 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 (§232.405 of this chapter) 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 definitions of “large accelerated filer”, “accelerated filer” and “smaller reporting company” in Rule 12b-2 of the Exchange Act. Large accelerated filer  Accelerated filer  Non-accelerated filer  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

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

<u>Class</u>	<u>Outstanding as of August 1, 2015</u>
Common Stock, Par Value \$0.10 per share	4,379,935 Shares

**GUARANTY FEDERAL BANCSHARES, INC.**

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**PART I FINANCIAL INFORMATION****Item 1. Financial Statements****GUARANTY FEDERAL BANCSHARES, INC.****CONDENSED CONSOLIDATED BALANCE SHEETS****JUNE 30, 2015 (UNAUDITED) AND DECEMBER 31, 2014**

<b>ASSETS</b>	<b>6/30/15</b>	<b>12/31/14</b>
Cash	\$3,437,429	\$3,604,316
Interest-bearing deposits in other financial institutions	17,979,902	8,889,574
Cash and cash equivalents	21,417,331	12,493,890
Available-for-sale securities	83,408,795	86,467,985
Held-to-maturity securities	51,341	60,993
Stock in Federal Home Loan Bank, at cost	2,837,500	3,156,900
Mortgage loans held for sale	1,618,290	1,214,632
Loans receivable, net of allowance for loan losses of June 30, 2015 - \$6,651,308 - December 31, 2014 - \$6,588,597	504,632,124	486,586,636
Accrued interest receivable:		
Loans	1,751,924	1,704,374
Investments and interest-bearing deposits	333,398	325,684
Prepaid expenses and other assets	4,166,398	4,530,191
Foreclosed assets held for sale	3,215,284	3,165,447
Premises and equipment, net	10,691,085	10,602,763
Bank owned life insurance	14,597,640	14,417,220
Income taxes receivable	290,124	320,416
Deferred income taxes	3,627,076	3,412,513
	<b>\$652,638,310</b>	<b>\$628,459,644</b>

**LIABILITIES AND STOCKHOLDERS' EQUITY****LIABILITIES**

Deposits	\$519,547,082	\$479,818,282
Federal Home Loan Bank and Federal Reserve Bank advances	52,100,000	60,350,000
Securities sold under agreements to repurchase	-	10,000,000
Subordinated debentures	15,465,000	15,465,000
Advances from borrowers for taxes and insurance	385,182	143,984
Accrued expenses and other liabilities	982,485	963,386
Accrued interest payable	195,937	242,145
	<b>588,675,686</b>	<b>566,982,797</b>

**COMMITMENTS AND CONTINGENCIES**

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**STOCKHOLDERS' EQUITY**

Capital Stock:

Series A preferred stock, \$0.01 par value; authorized 2,000,000 shares	-	-
Common stock, \$0.10 par value; authorized 10,000,000 shares; issued June 30, 2015 and December 31, 2014 - 6,844,503 and 6,823,203 shares, respectively	684,450	682,320
Additional paid-in capital	50,272,806	50,366,546
Retained earnings, substantially restricted	50,978,228	48,549,691
Accumulated other comprehensive loss		
Unrealized loss on available-for-sale securities, net of income taxes	(699,744 )	(448,421 )
	101,235,740	99,150,136
Treasury stock, at cost; June 30, 2015 and December 31, 2014 - 2,466,068 and 2,492,552 shares, respectively	(37,273,116 )	(37,673,289 )
	63,962,624	61,476,847
	\$652,638,310	\$628,459,644

See Notes to Condensed Consolidated Financial Statements

**GUARANTY FEDERAL BANCSHARES, INC.****CONDENSED CONSOLIDATED STATEMENTS OF INCOME****THREE MONTHS AND SIX MONTHS ENDED JUNE 30, 2015 AND 2014 (UNAUDITED)**

	Three months ended		Six months ended	
	6/30/2015	6/30/2014	6/30/2015	6/30/2014
		Retrospectively		Retrospectively
		Adjusted -		Adjusted -
		Note 7		Note 7
<b>Interest Income</b>				
Loans	\$5,988,875	\$ 5,576,155	\$11,893,441	\$ 11,443,713
Investment securities	351,481	415,318	704,531	872,884
Other	46,154	46,110	76,175	81,050
	6,386,510	6,037,583	12,674,147	12,397,647
<b>Interest Expense</b>				
Deposits	625,261	562,700	1,220,190	1,169,493
Federal Home Loan Bank and Federal Reserve Bank advances	297,379	298,636	596,185	594,327
Subordinated debentures	133,997	133,035	266,858	266,198
Other	55,739	65,975	120,833	131,225
	1,112,376	1,060,346	2,204,066	2,161,243
<b>Net Interest Income</b>	5,274,134	4,977,237	10,470,081	10,236,404
<b>Provision for Loan Losses</b>	-	325,000	150,000	525,000
<b>Net Interest Income After Provision for Loan Losses</b>	5,274,134	4,652,237	10,320,081	9,711,404
<b>Noninterest Income</b>				
Service charges	315,275	318,434	596,634	631,419
Gain on sale of investment securities	148,516	7,603	155,313	10,691
Gain on sale of mortgage loans held for sale	364,709	250,667	743,775	436,245
Gain on sale of Small Business Administration loans	344,439	-	344,439	-
Net loss on foreclosed assets	(6,663 )	(61,182 )	(17,762 )	(76,965 )
Other income	345,477	346,973	691,063	678,798
	1,511,753	862,495	2,513,462	1,680,188
<b>Noninterest Expense</b>				
Salaries and employee benefits	2,488,220	2,231,963	4,941,312	4,536,731
Occupancy	463,360	419,614	936,587	846,675
FDIC deposit insurance premiums	113,578	120,029	220,338	256,963
Prepayment penalty on securities sold under agreements to repurchase	463,992	-	463,992	-
Data processing	201,342	165,486	393,823	326,272
Advertising	131,250	106,251	262,500	212,502
Other expense	690,038	618,270	1,462,903	1,605,704
	4,551,780	3,661,613	8,681,455	7,784,847
<b>Income Before Income Taxes</b>	2,234,107	1,853,119	4,152,088	3,606,745
<b>Provision for Income Taxes</b>	696,158	514,436	1,284,595	966,636

<b>Net Income</b>	1,537,949	1,338,683	2,867,493	2,640,109
<b>Preferred Stock Dividends and Discount Accretion</b>	-	111,000	-	357,210
<b>Net Income Available to Common Shareholders</b>	\$1,537,949	\$ 1,227,683	\$2,867,493	\$ 2,282,899
<b>Basic Income Per Common Share</b>	\$0.35	\$ 0.29	\$0.66	\$ 0.61
<b>Diluted Income Per Common Share</b>	\$0.35	\$ 0.28	\$0.65	\$ 0.60

See Notes to Condensed Consolidated Financial Statements



**GUARANTY FEDERAL BANCSHARES, INC.**

**CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)**

**THREE MONTHS AND SIX MONTHS ENDED JUNE 30, 2015 AND 2014 (UNAUDITED)**

	Three months ended	Six months ended
	6/30/2015	6/30/2014