

GUARANTY FEDERAL BANCSHARES INC
Form 10-Q
May 14, 2018

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 March 31, 2018

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

(State or other jurisdiction of incorporation or organization)

43-1792717

(IRS Employer Identification No.)

2144 E Republic Rd, Suite F200

Springfield, Missouri

(Address of principal executive offices)

65804

(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, a smaller reporting company or an emerging growth company. See definitions of “large accelerated filer”, “accelerated filer”, “smaller reporting company” and “emerging growth company” in Rule 12b-2 of the Exchange Act. Large accelerated filer Accelerated filer Non-accelerated filer 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 of 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

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 <u>May 7, 2018</u></u>
Common Stock, Par Value \$0.10 per share	4,447,257 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
MARCH 31, 2018 (UNAUDITED) AND DECEMBER 31, 2017

	3/31/18	12/31/17
ASSETS		
Cash and due from banks	\$3,871,850	\$4,094,694
Interest-bearing deposits in other financial institutions	36,162,017	33,312,236
Cash and cash equivalents	40,033,867	37,406,930
Available-for-sale securities	81,943,424	81,478,673
Held-to-maturity securities	15,097	16,457
Stock in Federal Home Loan Bank, at cost	4,183,600	4,597,500
Mortgage loans held for sale	781,075	1,921,819
Loans receivable, net of allowance for loan losses of March 31, 2018 - \$7,102,712 - December 31, 2017 - \$7,107,418	637,957,786	629,605,009
Accrued interest receivable	2,525,967	2,449,847
Prepaid expenses and other assets	5,076,193	3,846,686
Foreclosed assets held for sale	350,001	282,785
Premises and equipment, net	11,948,116	10,607,094
Bank owned life insurance	19,852,638	19,740,623
Deferred and income taxes receivable	2,357,521	2,506,097
	\$807,025,285	\$794,459,520

LIABILITIES AND STOCKHOLDERS' EQUITY**LIABILITIES**

Deposits	\$632,998,549	\$607,364,350
Federal Home Loan Bank advances	80,600,000	94,300,000
Subordinated debentures	15,465,000	15,465,000
Advances from borrowers for taxes and insurance	281,497	180,269
Accrued expenses and other liabilities	1,326,064	1,962,865
Accrued interest payable	519,635	295,543
	731,190,745	719,568,027

COMMITMENTS AND CONTINGENCIES

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STOCKHOLDERS' EQUITY

Capital Stock:

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Common stock, \$0.10 par value; authorized 10,000,000 shares; issued March 31, 2018 and December 31, 2017 - 6,883,003 and 6,878,503 shares; respectively	688,300	687,850
Additional paid-in capital	50,844,042	50,856,069
Retained earnings, substantially restricted	61,502,282	60,679,308
Accumulated other comprehensive loss	(233,135)	(206,193)
	112,801,489	112,017,034
Treasury stock, at cost; March 31, 2018 and December 31, 2017 - 2,443,246 and 2,453,728 shares, respectively	(36,966,949)	(37,125,541)
	75,834,540	74,891,493
	\$807,025,285	\$794,459,520

See Notes to Condensed Consolidated Financial Statements

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**GUARANTY
FEDERAL
BANCSHARES,
INC.
CONDENSED
CONSOLIDATED
STATEMENTS
OF INCOME
THREE
MONTHS ENDED
MARCH 31, 2018
AND 2017
(UNAUDITED)**

	3/31/2018	3/31/2017
Interest Income		
Loans	\$7,378,575	\$6,246,510
Investment securities	449,369	475,469
Other	128,372	49,423
	7,956,316	6,771,402
Interest Expense		
Deposits	1,422,570	621,854
FHLB advances	333,527	399,927
Subordinated debentures	168,967	151,680
	1,925,064	1,173,461
Net Interest Income	6,031,252	5,597,941
Provision for Loan Losses	225,000	475,000
Net Interest Income After Provision for Loan Losses	5,806,252	5,122,941
Noninterest Income		
Service charges	317,166	267,106
Gain on sale of investment securities	3,183	-
Gain on sale of mortgage loans held for sale	379,557	408,614
Gain on sale of Small Business Administration loans	170,862	130,488
Net gain on foreclosed assets	44,331	38,073
Other income	403,940	385,084
	1,319,039	1,229,365
Noninterest Expense		
Salaries and employee benefits	3,173,424	2,857,771
Occupancy	770,407	486,229
FDIC deposit insurance premiums	78,298	53,112
Data processing	302,532	229,316
Advertising	131,250	131,250
Merger costs	228,000	-
Other expense	791,944	