

GUARANTY BANCSHARES INC /TX/
Form 10-Q
August 13, 2004

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**
Washington, D.C. 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, 2004.

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: 000-24235

GUARANTY BANCSHARES, INC.

(Exact name of registrant as specified in its charter)

TEXAS

(State or other jurisdiction of incorporation or organization)

75-16516431

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

100 W. ARKANSAS

MT. PLEASANT, TEXAS 75455

(Address of principal executive offices, including zip code)

903-572-9881

(Registrant's telephone number, including area code)

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.

YesNo

Indicate by check mark whether the registrant is an accelerated filer (as defined in Rule 12b-2 of the Exchange Act).

YesNo

As of August 11, 2004, there were 2,922,128 shares of the registrant's Common Stock, par value \$1.00 per share, outstanding.

**GUARANTY BANCSHARES, INC.
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PART I FINANCIAL INFORMATION
ITEM 1. UNAUDITED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
GUARANTY BANCSHARES, INC.
CONSOLIDATED BALANCE SHEETS
(DOLLARS IN THOUSANDS)
(EXCEPT PAR VALUE)

	June 30, 2004	December 31, 2003
	(Unaudited)	
<u>ASSETS</u>		
Cash and cash equivalents	\$ 16,946	\$ 20,630
Interest-bearing deposits	207	186
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Total cash and cash equivalents	17,153	20,816
Interest-bearing time deposits	8,248	6,776
Securities available for sale	97,542	99,614
Loans held for sale	1,897	1,244
Loans, net of allowance for loan losses of \$4,071 and \$3,906, respectively	366,865	360,364
Premises and equipment, net	13,411	13,183
Other real estate	911	743
Accrued interest receivable	2,676	2,638
Goodwill	2,338	2,338
Other assets	8,708	9,362
	<hr/>	<hr/>
Total assets	\$ 519,749	\$ 517,078
	<hr/>	<hr/>
<u>LIABILITIES AND SHAREHOLDERS' EQUITY</u>		
Liabilities		
Deposits		
Noninterest-bearing	\$ 76,555	\$ 72,202
Interest-bearing	336,695	335,645
	<hr/>	<hr/>
Total deposits	413,250	407,847
FHLB advances and federal funds purchased	55,317	57,712
Long term debt	10,310	10,000
Other liabilities	4,341	5,071
	<hr/>	<hr/>
Total liabilities	483,218	480,630
	<hr/>	<hr/>
Shareholders' equity		
Preferred stock, \$5.00 par value, 15,000,000 shares authorized, no shares issued		
Common stock, \$1.00 par value, 50,000,000 shares authorized, 3,252,016 shares issued	3,252	3,252
Additional capital	12,801	12,801
Retained earnings	25,201	23,912
Treasury stock, 329,888 and 330,088 shares at cost, respectively	(3,979)	(3,981)
Accumulated other comprehensive (loss) income	(744)	464
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Total shareholders' equity	36,531	36,448
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Total liabilities and shareholders' equity	\$ 519,749	\$ 517,078
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See accompanying Notes to Interim Consolidated Financial Statements.

GUARANTY BANCSHARES, INC.
CONSOLIDATED STATEMENTS OF EARNINGS
(DOLLARS IN THOUSANDS, EXCEPT PER SHARE AMOUNTS)
(UNAUDITED)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2004	2003	2004	2003
Interest income:				
Loans	\$ 5,640	\$ 5,964	\$ 11,328	\$ 11,919
Securities				
Taxable	805	999	1,763	2,058
Nontaxable	29	15	43	29
Federal funds sold	4	16	10	29
Interest-bearing deposits	34	7	68	8
Total interest income	6,512	7,001	13,212	14,043
Interest expense:				
Deposits	1,424	2,010	2,823	4,125
FHLB advances and federal funds purchased	496	511	996	976
Long term debt	251	250	502	499
Total interest expense	2,171	2,771	4,321	5,600
Net interest income	4,341	4,230	8,891	8,443
Provision for loan losses	230	150	480	525
Net interest income after provision for loan losses	4,111	4,080	8,411	7,918
Noninterest income:				
Service charges	797	724	1,521	1,407
Realized gain on securities available for sale		30	42	171
Other operating income	438	546	900	1,108
Total noninterest income	1,235	1,300	2,463	2,686
Noninterest expense:				
Employee compensation and benefits	2,346	2,345	4,822	4,684
Occupancy expenses	542	508	1,052	1,008
Other operating expenses	1,202	1,264	2,330	2,377
Total noninterest expenses	4,090	4,117	8,204	8,069
Earnings before income taxes	1,256	1,263	2,670	2,535
Provision for income taxes	415	478	797	715
Net earnings	\$ 841	\$ 785	\$ 1,873	\$ 1,820
Basic earnings per common share	\$ 0.29	\$ 0.27	\$ 0.64	\$ 0.62
Diluted earnings per common share	\$ 0.28	\$ 0.27	\$ 0.63	\$ 0.62

See accompanying Notes to Interim Consolidated Financial Statements.

GUARANTY BANCSHARES, INC.
CONDENSED CONSOLIDATED STATEMENTS OF CHANGES
IN SHAREHOLDERS' EQUITY
(DOLLARS IN THOUSANDS)
(UNAUDITED)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2004	2003	2004	2003
Balance at beginning of period	\$ 37,629	\$ 35,081	\$ 36,448	\$ 34,644
Net income	841	785	1,873	1,820
Cash dividends declared on common stock	(584)	(497)	(584)	(497)
Purchases of treasury stock				(161)
Proceeds from stock option exercises	2			