

SOUTHERN MISSOURI BANCORP, INC.

Form 11-K

December 20, 2017

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 11-K

(Mark One)

ANNUAL REPORT PURSUANT TO SECTION 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended: June 30, 2017

OR

TRANSITION REPORT PURSUANT TO SECTION 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from \_\_\_\_\_ to \_\_\_\_\_

Commission file number: 000-23406

A. Full title of the plan and the address of the plan, if different from that of the issuer named below:

Southern Bank 401(k) Retirement Plan

B. Name of issuer of the securities held pursuant to the plan and the address of its principal executive office:

Southern Missouri Bancorp, Inc.

2991 Oak Grove Road

Poplar Bluff, MO 63901

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SOUTHERN BANK 401(k) RETIREMENT PLAN

Required Information

The Southern Bank 401(k) Retirement Plan (the “Plan”) is subject to the provisions of the Employee Retirement Income Security Act of 1974, as amended (“ERISA”), and for purposes of satisfying the requirements of Form 11-K has included for filing herewith the Plan financial statements and schedules prepared in accordance with the financial reporting requirements of ERISA. Attached to this report as Exhibit 23 is the consent of BKD, LLP.

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Southern Bank 401(k) Retirement Plan

EIN 43-0462350 PN001

Report of Independent Registered Public Accounting Firm and Financial Statements

June 30, 2017 and 2016

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Southern Bank 401(k) Retirement Plan

June 30, 2017 and 2016

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Report of Independent Registered Public Accounting Firm

Audit Committee  
Southern Bank 401(k) Retirement Plan  
Poplar Bluff, Missouri

We have audited the accompanying statements of net assets available for benefits of Southern Bank 401(k) Retirement Plan (the "Plan") as of June 30, 2017 and 2016, and the related statement of changes in net assets available for benefits for the year ended June 30, 2017. These financial statements are the responsibility of the Plan's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. The Plan is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing auditing procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Plan's internal control over financial reporting. Accordingly, we express no such opinion. Our audits also included examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the net assets available for benefits of Southern Bank 401(k) Retirement Plan as of June 30, 2017 and 2016, and the changes in net assets available for benefits for the year ended June 30, 2017, in conformity with accounting principles generally accepted in the United States of America.

The supplemental information in the accompanying Schedule of Assets (Held at End of Year) as of June 30, 2017, has been subjected to audit procedures performed in conjunction with the audit of the Plan's financial statements. The supplemental information is presented for the purpose of additional analysis and is not a required part of the financial statements but includes supplemental information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. The supplemental information is the responsibility of the Plan's management. Our audit procedures included determining whether the supplemental information reconciles to the financial statements or the underlying accounting and other records, as applicable, and performing procedures to test the completeness and accuracy of the information presented in the supplemental information. In forming our opinion on the supplemental information in the accompanying schedule, we evaluated whether the supplemental information, including its form and content, is presented in conformity with the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. In our opinion, the supplemental information in the accompanying schedule is fairly stated, in all material respects, in relation to the financial statements as a whole.

/s/ BKD, LLP

St. Louis, Missouri  
December 20, 2017

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Southern Bank 401(k) Retirement Plan  
Statements of Net Assets Available for Benefits  
June 30, 2017 and 2016

	2017	2016
Investments, At Fair Value	\$21,738,439	\$16,584,392
Receivables		
Notes receivable from participants	436,049	471,491
Employer's contributions	501,790	458,193
	937,839	929,684
Net Assets Available for Benefits	\$22,676,278	\$17,514,076

See Notes to Financial Statements

Southern Bank 401(k) Retirement Plan  
 Statement of Changes in Net Assets Available for Benefits  
 Year Ended June 30, 2017

Investment Income	
Net appreciation in fair value of investments	\$4,400,095
Interest and dividends	399,556
Net investment income	4,799,651
Interest Income on Notes Receivable from Participants	18,701
Contributions	
Participants	462,962
Employer	991,346
Rollovers	285,928
Total contributions	1,740,236
Total additions	6,558,588
Deductions	
Benefits paid to participants	1,394,481
Administrative fees	1,905
Total deductions	1,396,386
Net Increase	5,162,202
Net Assets Available for Benefits, Beginning of Year	17,514,076
Net Assets Available for Benefits, End of Year	\$22,676,278

See Notes to Financial Statements



Southern Bank 401(k) Retirement Plan  
Notes to Financial Statements (continued)  
June 30, 2017 and 2016

Note 1: Description of the Plan

The following description of Southern Bank 401(k) Retirement Plan (Plan) provides only general information. Participants should refer to the Plan Document for a more complete description of the Plan's provisions.

General

The Plan is a defined contribution plan sponsored by Southern Bank (the Bank), a wholly-owned subsidiary of Southern Missouri Bancorp, Inc. (the Company), for the benefit of its employees who have at least one year of service and are age 21 or older. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA).

The Bank previously also maintained a qualified Employee Stock Ownership Plan (ESOP). The Bank merged the ESOP into the Plan effective October 1, 2010. Participant accounts under the ESOP are maintained as a separate source (ESOP Source) under the Plan with ESOP provisions concerning matters such as vesting, withdrawals, loans, dividends, and distributions remaining in effect.

The Plan is administered by the Bank. Capital Bank and Trust Company is the trustee of the Plan. American Funds serves as Plan custodian.

Contributions

The Plan permits eligible employees to make voluntary contributions to the Plan up to the annual limit set by the Internal Revenue Service (IRS). Employee rollover contributions are also permitted. Participants who have attained age 50 before the end of the calendar year are eligible to make catch-up contributions.

The Bank makes safe harbor matching contributions of 100% of employees' salary deferral amounts on the first 3% of employees' compensation, and 50% of employees' salary deferral amounts on the next 2% of employees' compensation. The Bank also makes profit-sharing contributions. Bank profit-sharing contributions are discretionary as determined by the Bank's Board of Directors. Contributions are subject to certain limitations. Forfeitures are used to reduce Bank contributions.

Participant Investment Account Options

Investment account options available include various funds and common stock of the Company. Each participant has the option of directing his contributions into any of the separate investment accounts and may change the allocation daily.

Southern Bank 401(k) Retirement Plan  
Notes to Financial Statements (continued)  
June 30, 2017 and 2016

Participant Accounts

Each participant's account is credited with the participant's contribution, the Bank's contribution, and plan earnings, and is charged with an allocation of administrative expenses. Allocations are based on participant earnings or account balances, as defined. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account.

Vesting

Participants are immediately vested in their voluntary contributions plus earnings thereon. Bank matching contributions and ESOP Source contributions are vested at a rate of 20% per year of service beginning with completion of the second year of service. A participant becomes fully vested with completion of their sixth year of service. The non-vested balance is forfeited upon termination of service. Forfeitures are used to reduce Bank contributions.

Payment of Benefits

Under the terms of the Plan, participants are entitled to receive the amount credited to their accounts upon normal retirement at the age of 65 or disability retirement. Participants terminating employment prior to retirement are entitled to receive that portion of their account that is vested. In the event of death, the participant's account becomes fully vested and is paid to the designated beneficiary. Distributions under the Plan are payable in a lump sum or through installments. Payments through installments are only available to Participants with a vested account balance in excess of \$5,000 who terminate at normal retirement age or later. At June 30, 2017 and 2016, Plan assets included no amounts allocated to accounts of terminated or retired participants who have elected to withdraw from the Plan but which had not yet been paid.

Forfeited Accounts

At June 30, 2017 and 2016, forfeited non-vested accounts totaled \$11,661 and \$4,216, respectively. These accounts will be used to reduce future Bank contributions. The forfeitures totaling \$11,661 were used to reduce employer contributions made during the 2018 plan year related to the 2017 employer contributions receivable. Also, in 2017, employer contributions were reduced by \$7,497 from forfeited non-vested accounts.

Southern Bank 401(k) Retirement Plan  
Notes to Financial Statements (continued)  
June 30, 2017 and 2016

Notes Receivable from Participants

The Plan Document includes provisions authorizing loans from the Plan to active eligible participants. Loans are made to any eligible participant demonstrating a qualifying need. The minimum amount of a loan shall be \$1,000. The maximum amount of a participant's loans is determined by the available loan balance restricted to the lesser of \$50,000 or 50% of the participant's vested account balance. All loans are covered by demand notes and are repayable over a period not to exceed five years. Loans are repaid through payroll withholdings unless the participant is paying the loan in full. Interest on the loans is fixed for the term of the loan at a rate one percentage point above the Wall Street Journal's published prime rate of interest on the first day of the month in which the loan was made.

Plan Termination

Although it has not expressed an intention to do so, the Bank has the right under the Plan to discontinue its contributions at any time and to terminate the Plan, subject to the provisions of ERISA. In the event of plan termination, participants will become 100% vested in their accounts.

Note 2: Summary of Significant Accounting Policies

Basis of Accounting

The accompanying financial statements are prepared on the accrual basis of accounting.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of net assets and changes in net assets and disclosure of contingent assets and liabilities at the date of the financial statements. Actual results could differ from those estimates.

Investment Valuation and Income Recognition

Quoted market prices, if available, are used to value investments. Common stock is valued at the closing price reported on the active market on which the individual security is traded. Mutual funds and the money market fund are valued at the net asset value (NAV) of shares held by the plan at year end.

Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date. Net appreciation includes the Plan's gains and losses on investments bought and sold as well as held during the year.

Southern Bank 401(k) Retirement Plan  
Notes to Financial Statements (continued)  
June 30, 2017 and 2016

Notes Receivable from Participants

Notes receivable from participants are measured at their unpaid principal balance plus any accrued but unpaid interest. Delinquent participant loans are reclassified as distributions based upon the terms of the plan document.

Plan Tax Status

The Plan operates under a non-standardized adoption agreement in connection with a prototype 401(k) profit-sharing plan and trust sponsored by American Funds Distributors, Inc. This prototype plan document has been filed with the appropriate agency. The Plan has not obtained or requested a determination letter. However, the Plan Administrator believes that the Plan is currently designed and being operated in compliance with the applicable requirements of the Internal Revenue Code and that the Plan was qualified and the related trust was tax exempt.

Payment of Benefits

Benefit payments to participants are recorded upon distribution.

Administrative Expenses

Administrative expenses may be paid by the Bank or the Plan, at the Bank's discretion.

Note 3: Related-Party and Party-in-Interest Transactions

Party-in-interest transactions include those with fiduciaries or employees of the Plan, any person who provides services to the Plan, an employer whose employees are covered by the Plan, a person who owns 50 percent or more of such an employer, or relatives of such persons.

The Plan allows participants to invest their account balances in shares of the Company. The number of shares of common stock held by the Plan at June 30, 2017 and 2016 was 403,123 shares and 407,122 shares, respectively, and the Plan received dividends of \$162,205 during the year ended June 30, 2017.

The plan incurs expenses related to general administrative and record keeping. The Company pays certain administrative expenses and accounting and auditing fees relating to the Plan and provides certain administrative services at no cost to the plan.

Southern Bank 401(k) Retirement Plan  
 Notes to Financial Statements (continued)  
 June 30, 2017 and 2016

Note 4: Disclosures About Fair Value of Plan Assets

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value measurements must maximize the use of observable inputs and minimize the use of unobservable inputs. There is a hierarchy of three levels of inputs that may be used to measure fair value:

Level 1 Quoted prices in active markets for identical assets

Level 2 Observable inputs other than Level 1 prices, such as quoted prices for similar assets; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets

Level 3 Unobservable inputs that are supported by little or no market activity and significant to the fair value of the assets

Recurring Measurements

The following tables present the fair value measurements of assets recognized in the accompanying statements of net assets available for benefits measured at fair value on a recurring basis and the level within the fair value hierarchy in which the fair value measurements fall at June 30, 2017 and 2016:

	Fair Value	June 30, 2017 Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Company security	\$13,004,743	\$13,004,743	\$ -	\$ -
Mutual funds	8,453,513	8,453,513	-	-
Money market fund	280,183	280,183	-	-
	\$21,738,439	\$21,738,439	\$ -	\$ -

Southern Bank 401(k) Retirement Plan  
 Notes to Financial Statements (continued)  
 June 30, 2017 and 2016

		June 30, 2016		
		Fair Value Measurements Using		
		Quoted		
		Prices in		
		Active	Significant	
		Markets for	Other	Significant
		Identical	Observable	Unobservable
		Assets	Inputs	Inputs
	Fair Value	(Level 1)	(Level 2)	(Level 3)
Company security	\$9,579,574	\$9,579,574	\$ -	\$ -
Mutual funds	6,549,368	6,549,368	-	-
Money market fund	455,450	455,450	-	-
	\$16,584,392	\$16,584,392	\$ -	\$ -

Following is a description of the valuation methodologies and inputs used for assets measured at fair value on a recurring basis and recognized in the accompanying statements of net assets available for benefits, as well as the general classification of such assets pursuant to the valuation hierarchy. There have been no significant changes in the valuation techniques during the year ended June 30, 2017. In addition, the Plan had no assets measured at fair value on a nonrecurring basis.

Investments

Where quoted market prices are available in an active market, securities are classified within Level 1 of the valuation hierarchy.

Note 5: Reconciliation of Financial Statements to Form 5500

The following is a reconciliation of net assets available for benefits per the financial statements at June 30, 2017 and 2016, to Form 5500:

	2017	2016
Net assets available for benefits per the financial statements	\$22,676,278	\$17,514,076
Less: employer's contributions receivable	501,790	458,193
Net assets available for benefits per Form 5500	\$22,174,488	\$17,055,883

Southern Bank 401(k) Retirement Plan  
 Notes to Financial Statements (continued)  
 June 30, 2017 and 2016

The following is a reconciliation of contributions per the financial statements for the year ended June 30, 2017, to Form 5500:

	2017
Contributions per the financial statements	\$ 1,740,236
Add: Employer's contributions receivable at June 30, 2016	458,193
Less: Employer's contributions receivable at June 30, 2017	(501,790 )
Contributions per Form 5500	\$ 1,696,639

Note 6: Acquisition of Capaha Bank

On June 16, 2017, the Company acquired Capaha Bank and approved an amendment to terminate the Capaha Bank 401(k) Retirement & Savings Plan effective June 19, 2017. All participants in the Capaha Bank 401(k) Retirement & Savings Plan became 100% vested in that plan upon termination and were provided the option to have their account balance rolled into any qualified plan (including the Plan) or IRA, receive a lump-sum distribution or be paid through an annuity contract. As of June 30, 2017, no rollover requests into the Plan have been requested.

Note 7: Risks and Uncertainties

The Plan invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the participants' account balances and the amounts reported in the statements of net assets available for benefits.

Supplemental Schedule



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Southern Bank 401(k) Retirement Plan  
 EIN 43-0462350 PN001  
 Schedule H, Line 4i – Schedule of Assets (held at end of year)  
 June 30, 2017

Investment Type and Issuer	Description of Investment	Current Value
* American Funds Money Market Fund	280,183 shares \$	280,183
<b>Mutual Funds</b>		
* American Funds Bond Fund of America	21,993 shares	284,145
* American Funds Intermediate Bond Fund of America	7,071 shares	94,827
* American Funds Income Fund of America	6,832 shares	153,577
Franklin Income Fund	36,765 shares	84,558
* American Funds American Balanced Fund	20,371 shares	530,254
Invesco Van Kampen Comstock Fund	9,065 shares	220,098
Templeton Growth Fund	4,849 shares	125,202
* American Funds Fundamental Investors	7,157 shares	420,538
* American Funds Investment Company of America	22,662 shares	878,593
* American Funds Growth Fund of America	18,035 shares	835,764
* American Funds New Perspective Fund	12,383 shares	500,023
* American Funds New World Fund	6,923 shares	411,175
Putnam Growth Opportunities	3,094 shares	84,305
Victory Established Value Fund	22,603 shares	848,284
Franklin Small Cap Growth Fund	24,530 shares	467,045
* American Funds 2010 Target Date Fund	5,232 shares	55,514
* American Funds 2015 Target Date Fund	4,271 shares	48,011
* American Funds 2020 Target Date Fund	35,332 shares	426,461
* American Funds 2025 Target Date Fund	21,989 shares	280,136
* American Funds 2030 Target Date Fund	30,728 shares	414,822
* American Funds 2035 Target Date Fund	42,517 shares	583,338
* American Funds 2040 Target Date Fund	21,852 shares	306,147
* American Funds 2045 Target Date Fund	16,595 shares	234,826
* American Funds 2050 Target Date Fund	6,941 shares	96,199
* American Funds 2055 Target Date Fund	4,028 shares	69,406
* American Funds 2060 Target Date Fund	23 shares	265
* Southern Missouri Bancorp, Inc. Common Stock (SMBC)	403,123 shares	13,004,743
* Notes Receivable from Participants	Various maturity dates through 2022; interest rates up to 5.00%	436,049
		\$ 22,174,488
* Party-in-interest		



SIGNATURES

The Plan. Pursuant to the requirements of the Securities Exchange Act of 1934, the trustees (or other persons who administer the employee benefit plan) have duly caused this annual report to be signed on its behalf by the undersigned hereunto duly authorized.

SOUTHERN BANK 401(k) RETIREMENT  
PLAN

By: Southern Bank, as Plan Administrator

Date December 20, 2017 By: /s/ Matt Funke  
Name: Matt Funke  
Title: Chief Financial Officer