

GUARANTY FEDERAL BANCSHARES INC
Form 10-Q
August 12, 2009

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549

FORM 10-Q
(Mark One) T QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended June 30, 2009
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 (IRS Employer Identification No.)
organization)

1341 West Battlefield
Springfield, Missouri 65807
(Address of principal executive offices) (Zip Code)

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

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 T 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 "accelerated filer", "large accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one): Large accelerated filer £ Accelerated filer £ Non-accelerated filer £ Smaller reporting company T

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act. Yes

£ No T

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

Class	Outstanding as of August 10, 2009
Common Stock, Par Value \$0.10 per share	2,625,140 Shares

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PART I FINANCIAL INFORMATION

Item 1. Financial Statements

GUARANTY FEDERAL BANCSHARES, INC.
CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL CONDITION
JUNE 30, 2009 (UNAUDITED) AND DECEMBER 31, 2008

ASSETS	6/30/09	12/31/08
Cash	\$ 3,489,898	\$ 3,826,567
Interest-bearing deposits in other financial institutions	40,529,599	11,270,448
Cash and cash equivalents	44,019,497	15,097,015
Interest-bearing deposits	21,404,000	-
Available-for-sale securities	108,504,661	65,505,339
Held-to-maturity securities	510,363	556,465
Stock in Federal Home Loan Bank, at cost	6,730,100	6,730,100
Mortgage loans held for sale	3,592,915	1,933,798
Loans receivable, net of allowance for loan losses of June 30, 2009 - \$14,264,462 - December 31, 2008 - \$16,728,492	527,216,656	556,393,243
Accrued interest receivable:		
Loans	1,973,445	2,310,062
Investments	609,351	322,388
Prepaid expenses and other assets	6,677,335	4,065,359
Foreclosed assets held for sale	5,366,465	5,655,257
Premises and equipment	12,152,973	11,323,463
Income taxes receivable	3,454,926	9,091
Deferred income taxes	4,491,042	5,768,813
	\$ 746,703,729	\$ 675,670,393
LIABILITIES AND STOCKHOLDERS' EQUITY		
LIABILITIES		
Deposits	\$ 525,425,902	\$ 447,079,469
Federal Home Loan Bank advances	111,436,000	132,436,000
Securities sold under agreements to repurchase	39,750,000	39,750,000
Subordinated debentures	15,465,000	15,465,000
Notes payable	-	1,435,190
Advances from borrowers for taxes and insurance	416,108	166,327
Accrued expenses and other liabilities	1,172,995	448,226
Accrued interest payable	1,608,209	1,577,279
	695,274,214	638,357,491
COMMITMENTS AND CONTINGENCIES	-	-
STOCKHOLDERS' EQUITY		
Capital Stock:		
Series A preferred stock, \$0.01 par value; authorized 2,000,000 shares; issued and outstanding June 30, 2009 - 17,000 shares	15,737,007	-
Common stock, \$0.10 par value; authorized 10,000,000 shares; issued June 30, 2009 and December 31, 2008 - 6,779,800 shares;	677,980	677,980

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Common stock warrants; June 30, 2009 - 459,459 shares	1,377,811	-
Additional paid-in capital	58,532,921	58,535,159
Unearned ESOP shares	(774,930)	(888,930)
Retained earnings, substantially restricted	36,421,003	39,114,189
Accumulated other comprehensive income	1,278,592	1,687,858
	113,250,384	99,126,256
Treasury stock, at cost; June 30, 2009 and December 31, 2008 - 4,079,067 and 4,077,567 shares, respectively	(61,820,869)	(61,813,354)
	51,429,515	37,312,902
	\$746,703,729	\$675,670,393

See Notes to Condensed Consolidated Financial Statements

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GUARANTY FEDERAL BANCSHARES, INC.
 CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
 THREE MONTHS AND SIX MONTHS ENDED JUNE 30, 2009 AND 2008 (UNAUDITED)

	Three months ended		Six months ended	
	6/30/2009	6/30/2008	6/30/2009	6/30/2008
Interest Income				
Loans	\$7,412,658	\$8,045,298	\$14,857,367	\$16,647,514
Investment securities	1,074,845	829,023	1,904,241	1,404,188
Other	16,609	50,883	65,805	104,535
	8,504,112	8,925,204	16,827,413	18,156,237
Interest Expense				