

GUARANTY FEDERAL BANCSHARES INC  
Form 10-Q  
November 16, 2009

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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 September 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  
(State or other jurisdiction of incorporation or  
organization)

43-1792717  
(IRS Employer Identification No.)

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

65807  
(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  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

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes  No

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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 November 10, 2009
Common Stock, Par Value \$0.10 per share	2,630,840 Shares

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GUARANTY FEDERAL BANCSHARES, INC.

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## PART I FINANCIAL INFORMATION

## Item 1. Financial Statements

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

ASSETS	9/30/09	12/31/08
Cash	\$1,600,687	\$3,826,567
Interest-bearing deposits in other financial institutions	17,474,539	11,270,448
Cash and cash equivalents	19,075,226	15,097,015
Interest-bearing deposits	27,105,802	-
Available-for-sale securities	110,908,412	65,505,339
Held-to-maturity securities	495,433	556,465
Stock in Federal Home Loan Bank, at cost	6,730,100	6,730,100
Mortgage loans held for sale	1,652,861	1,933,798
Loans receivable, net of allowance for loan losses of September 30, 2009 - \$13,220,409 - December 31, 2008 - \$16,728,492	526,151,829	556,393,243
Accrued interest receivable:		
Loans	2,076,414	2,310,062
Investments	570,545	322,388
Prepaid expenses and other assets	6,958,187	4,065,359
Foreclosed assets held for sale	5,879,132	5,655,257
Premises and equipment	12,029,723	11,323,463
Income taxes receivable	3,780,084	9,091
Deferred income taxes	3,981,842	5,768,813
	\$727,395,590	\$675,670,393
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
<b>LIABILITIES</b>		
Deposits	\$505,737,285	\$447,079,469
Federal Home Loan Bank advances	111,050,000	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	514,734	166,327
Accrued expenses and other liabilities	972,665	448,226
Accrued interest payable	1,483,595	1,577,279
	674,973,279	638,357,491
<b>COMMITMENTS AND CONTINGENCIES</b>	-	-
<b>STOCKHOLDERS' EQUITY</b>		
Capital Stock:		
Series A preferred stock, \$0.01 par value; authorized 2,000,000 shares; issued and outstanding September 30, 2009 - 17,000 shares	15,805,897	-
Common stock, \$0.10 par value; authorized 10,000,000 shares; issued September 30, 2009 and December 31, 2008 - 6,779,800 shares;	677,980	677,980

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Common stock warrants; September 30, 2009 - 459,459 shares	1,377,811	-
Additional paid-in capital	58,531,848	58,535,159
Unearned ESOP shares	(717,930 )	(888,930 )
Retained earnings, substantially restricted	36,714,075	39,114,189
Accumulated other comprehensive income	1,853,499	1,687,858
	114,243,180	99,126,256
Treasury stock, at cost; September 30, 2009 and December 31, 2008 - 4,079,067 and 4,077,567 shares, respectively	(61,820,869 )	(61,813,354 )
	52,422,311	37,312,902
	\$727,395,590	\$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 NINE MONTHS ENDED SEPTEMBER 30, 2009 AND 2008 (UNAUDITED)

	Three months ended		Nine months ended	
	9/30/2009	9/30/2008	9/30/2009	9/30/2008
Interest Income				
Loans	\$7,402,215	\$		