

GUARANTY FEDERAL BANCSHARES INC  
Form 10-Q  
May 14, 2012

---

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, 2012

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 organization)

(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 "large accelerated filer", "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

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

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

Class	Outstanding as of May 4, 2012
Common Stock, Par Value \$0.10 per share	2,712,048 Shares

---

---

---

## GUARANTY FEDERAL BANCSHARES, INC.

## TABLE OF CONTENTS

	Page
<b>PART I. FINANCIAL INFORMATION</b>	
<u>Item 1. Financial Statements</u>	
Condensed Consolidated Financial Statements (Unaudited):	
<u>Condensed Consolidated Statements of Financial Condition</u>	3
<u>Condensed Consolidated Statements of Income</u>	4
<u>Condensed Consolidated Statements of Comprehensive Income</u>	5
<u>Condensed Consolidated Statements of Stockholders' Equity</u>	6
<u>Condensed Consolidated Statements of Cash Flows</u>	8
<u>Notes to Condensed Consolidated Financial Statements</u>	9
<u>Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations</u>	26
<u>Item 3. Quantitative and Qualitative Disclosures about Market Risk</u>	31
<u>Item 4. Controls and Procedures</u>	32
<b>PART II. OTHER INFORMATION</b>	
<u>Item 1. Legal Proceedings</u>	33
<u>Item 1A. Risk factors</u>	33
<u>Item 2. Unregistered Sales of Equity Securities and Use of Proceeds</u>	33
<u>Item 3. Defaults Upon Senior Securities</u>	33
<u>Item 4. Mine Safety Disclosures</u>	33
<u>Item 5. Other Information</u>	33
<u>Item 6. Exhibits</u>	33
<u>Signatures</u>	

Table of Contents

## PART I FINANCIAL INFORMATION

## Item 1. Financial Statements

GUARANTY FEDERAL BANCSHARES, INC.  
CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL CONDITION  
MARCH 31, 2012 (UNAUDITED) AND DECEMBER 31, 2011

ASSETS	3/31/12	12/31/11
Cash	\$7,205,152	\$7,200,969
Interest-bearing deposits in other financial institutions	28,503,524	19,373,113
Cash and cash equivalents	35,708,676	26,574,082
Interest-bearing deposits	-	5,587,654
Available-for-sale securities	96,418,573	81,064,878
Held-to-maturity securities	208,580	218,571
Stock in Federal Home Loan Bank, at cost	3,846,900	3,846,900
Mortgage loans held for sale	2,395,420	3,702,849
Loans receivable, net of allowance for loan losses of March 31, 2012 - \$10,973,592 - December 31, 2011 - \$10,613,145	460,559,163	478,960,736
Accrued interest receivable:		
Loans	1,634,115	1,752,786
Investments and interest-bearing deposits	379,529	386,534
Prepaid expenses and other assets	6,974,259	7,116,067
Prepaid FDIC deposit insurance premiums	1,882,603	2,089,076
Foreclosed assets held for sale	9,426,805	10,012,035
Premises and equipment	11,423,577	11,423,822
Bank owned life insurance	13,352,265	10,770,887
Income taxes receivable	420,741	512,666
Deferred income taxes	4,402,723	4,486,315
	\$649,033,929	\$648,505,858
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
<b>LIABILITIES</b>		
Deposits	\$484,218,455	\$484,583,665
Federal Home Loan Bank advances	68,050,000	68,050,000
Securities sold under agreements to repurchase	25,000,000	25,000,000
Subordinated debentures	15,465,000	15,465,000
Advances from borrowers for taxes and insurance	253,782	156,509
Accrued expenses and other liabilities	537,986	496,956
Accrued interest payable	464,038	518,881
	593,989,261	594,271,011
<b>COMMITMENTS AND CONTINGENCIES</b>	-	-
<b>STOCKHOLDERS' EQUITY</b>		
<b>Capital Stock:</b>		
Series A preferred stock, \$0.01 par value; authorized 2,000,000 shares; issued and outstanding March 31, 2012 and December 31, 2011 - 17,000 shares	16,494,802	16,425,912
	677,980	677,980

Edgar Filing: GUARANTY FEDERAL BANCSHARES INC - Form 10-Q

Common stock, \$0.10 par value; authorized 10,000,000 shares; issued March 31, 2012 and December 31, 2011 - 6,779,800 shares;		
Common stock warrants; March 31, 2012 and December 31, 2011 - 459,459 shares	1,377,811	1,377,811
Additional paid-in capital	58,180,615	58,333,614
Unearned ESOP shares	(147,930 )	(204,930 )
Retained earnings, substantially restricted	39,010,323	38,456,991
Accumulated other comprehensive income		
Unrealized appreciation on available-for-sale securities, net of income taxes	800,393	791,285
	116,393,994	115,858,663
Treasury stock, at cost; March 31, 2012 and December 31, 2011 - 4,054,306 and 4,072,156 shares, respectively	(61,349,326 )	(61,623,816 )
	55,044,668	54,234,847
	\$649,033,929	\$648,505,858

See Notes to Condensed Consolidated Financial Statements

Table of Contents

GUARANTY FEDERAL BANCSHARES, INC.  
 CONDENSED CONSOLIDATED STATEMENTS OF INCOME  
 THREE MONTHS ENDED MARCH 31, 2012 AND 2011 (UNAUDITED)

	3/31/2012	3/31/2011
Interest Income		
Loans	\$6,403,838	\$6,717,072
Investment securities	412,344	725,211
Other	49,740	87,835
	6,865,922	7,530,118
Interest Expense		
Deposits	1,142,796	1,599,941