

NORWOOD FINANCIAL CORP
Form 10-Q
August 08, 2012

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, 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 0-28366

Norwood Financial Corp.
(Exact name of Registrant as specified in its charter)

Pennsylvania
(State or other jurisdiction of
Incorporation or organization)

23-2828306
(I.R.S. employer identification no.)

717 Main Street, Honesdale, Pennsylvania
(Address of principal executive offices)

18431
(Zip Code)

(570) 253-1455
(Registrant's telephone number, including area code)

NA

(Former name, former address and former fiscal year, if changed since last report)

Indicate by check (x) 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 the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer

Accelerated filer

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Non-accelerated filer Smaller reporting company
(Do not check if a 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

Class	Outstanding as of August 1, 2012
Common stock, par value \$0.10 per share	3,277,607

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FORM 10-Q
FOR THE QUARTER ENDED JUNE 30, 2012

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PART I. FINANCIAL INFORMATION

Item 1. Financial Statements

NORWOOD FINANCIAL CORP.

Consolidated Balance Sheets (unaudited)

(dollars in thousands, except share and per share data)

	June 30, 2012	December 31, 2011
ASSETS		
Cash and due from banks	\$ 9,135	\$ 8,974
Interest bearing deposits with banks	15,261	12,449
Cash and cash equivalents	24,396	21,423
Securities available for sale, at fair value	144,720	150,263
Securities held to maturity, fair value 2012: \$177, 2011: \$177	172	171
Loans receivable (net of unearned income)	479,421	457,907
Less: Allowance for loan losses	5,775	5,458
Net loans receivable	473,646	452,449
Investment in Federal Home Loan Bank Stock, at cost	3,243	3,593
Bank premises and equipment, net	7,371	7,479
Bank owned life insurance	12,119	11,887
Accrued interest receivable	2,416	2,468
Foreclosed real estate owned	1,268	2,910
Goodwill	9,715	9,715
Other intangibles	720	800
Other assets	5,081	5,656
TOTAL ASSETS	\$ 684,867	\$ 668,814
LIABILITIES		
Deposits:		
Non-interest bearing demand	\$ 82,525	\$ 71,959
Interest-bearing	451,632	453,808
Total deposits	534,157	525,767
Short-term borrowings	27,192	21,794
Other borrowings	27,579	27,670
Accrued interest payable	1,335	1,321
Other liabilities	4,363	4,201
TOTAL LIABILITIES	594,626	580,753
STOCKHOLDERS' EQUITY		
Common stock, \$.10 par value per share, authorized 10,000,000; shares issued 2012: 3,371,849 shares, 2011: 3,371,866 shares	337	337
Surplus	24,696	24,660
Retained earnings	64,788	62,308
Treasury stock at cost: 2012: 94,242 shares, 2011: 87,370 shares	(2,739)	(2,559)
Accumulated other comprehensive income	3,159	3,315
TOTAL STOCKHOLDERS' EQUITY	90,241	88,061

TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$ 684,867	\$ 668,814
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See accompanying notes to the unaudited consolidated financial statements.

NORWOOD FINANCIAL CORP.

Consolidated Statements of Income (unaudited)

(dollars in thousands, except per share data)

	Three Months Ended		Six Months Ended	
	June 30,		June 30,	
	2012	2011	2012	2011
INTEREST INCOME				
Loans receivable, including fees	\$6,431	\$5,468	\$12,804	\$10,396
Securities	1,007	1,135	2,033	2,225
Other	7	16	11	24
Total interest income	7,445	6,619	14,848	12,645
INTEREST EXPENSE				
Deposits	942	932	1,903	1,817
Short-term borrowings	13	27	24	51