

NORWOOD FINANCIAL CORP
Form 10-Q
August 08, 2013

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, 2013

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.

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Large accelerated filer

Accelerated filer

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

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 August 1, 2013

Common stock, par value \$0.10 per share

3,621,969

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NORWOOD FINANCIAL CORP.
FORM 10-Q
FOR THE QUARTER ENDED JUNE 30, 2013

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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, 2013	December 31, 2012
ASSETS		
Cash and due from banks	\$ 9,872	\$ 10,867
Interest bearing deposits with banks	17,425	1,428
Cash and cash equivalents	27,297	12,295
Securities available for sale, at fair value	150,750	145,390
Securities held to maturity, fair value 2013: \$177, 2012: \$177	173	173
Loans receivable (net of unearned income)	480,715	476,710
Less: Allowance for loan losses	5,749	5,502
Net loans receivable	474,966	471,208
Regulatory stock, at cost	2,527	2,630
Bank premises and equipment, net	7,206	7,326
Bank owned life insurance	14,527	15,357
Accrued interest receivable	2,488	2,393
Foreclosed real estate owned	1,297	852
Goodwill	9,715	9,715
Other intangibles	575	647
Other assets	6,085	4,313
TOTAL ASSETS	\$ 697,606	\$ 672,299
LIABILITIES		
Deposits:		
Non-interest bearing demand	\$ 93,881	\$ 82,075
Interest-bearing	456,269	442,350
Total deposits	550,150	524,425
Short-term borrowings	32,075	28,697
Other borrowings	20,150	22,487
Accrued interest payable	1,037	1,242
Other liabilities	3,734	3,027
TOTAL LIABILITIES	607,146	579,878
STOCKHOLDERS' EQUITY		
Common stock, \$.10 par value per share, authorized 10,000,000; shares issued 2013: 3,708,718 shares, 2012: 3,371,849 shares	371	337
Surplus	34,949	24,737
Retained earnings	58,626	66,742
Treasury stock at cost: 2013: 86,749 shares, 2012: 75,426 shares	(2,299)	(2,192)
Accumulated other comprehensive income (loss)	(1,187)	2,797
TOTAL STOCKHOLDERS' EQUITY	90,460	92,421

TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$	697,606	\$	672,299
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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, 2013	2012	June 30 2013	2012
INTEREST INCOME				
Loans receivable, including fees	\$6,169	\$6,431	\$12,355	\$12,804
Securities	877	1,007	1,746	2,033
Other	10	7	12	11
Total interest income	7,056	7,445	14,113	14,848
INTEREST EXPENSE				
Deposits	719	942	1,473	1,903
Short-term borrowings	15	13	27	24
Other borrowings				