

JUNIATA VALLEY FINANCIAL CORP

Form 10-Q/A

September 15, 2005

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
FORM 10-Q/A
Amendment No. 1

(Mark One)

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT 1934

For the quarterly period ended June 30, 2005

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 _____ 000-13232 _____
Juniata Valley Financial Corp.**

(Exact name of registrant as specified in its charter)

Pennsylvania 23-2235254

(State or other jurisdiction of incorporation or organization) (I.R.S. Employer Identification No.)

Bridge and Main Streets, Mifflintown, Pennsylvania 17059

(Address of principal executive offices) (Zip Code)
(717) 436-8211

(Registrant's telephone number, including area code)

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 is an accelerated filer (as defined in Rule 12b-2 of the Exchange Act). Yes No

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 September 9, 2005
Common Stock (\$1.00 par value)	2,283,909 shares

JUNIATA VALLEY FINANCIAL CORPORATION
Amendment No. 1 to the Quarterly Report on Form 10-Q
For the Quarter Ended June 30, 2005

EXPLANATORY NOTE

In reliance on the extension of time that the SEC provided in its November 30, 2004 exemptive order regarding reports on internal control over financial reporting required by Item 308 of Regulation S-K, the Company filed a Form 10-K/A on May 2, 2005, to include such reports. Because the Company had not realized until February 2005 that it is an accelerated filer, the Company was not able to complete its documentation and testing of its internal controls over financial reporting in a timely manner in order to permit its independent registered public accounting firm, Beard Miller Company LLP (Beard Miller) sufficient time to perform an audit of management's assessment and an audit of effectiveness of the Company's internal control. Accordingly, Beard Miller issued a disclaimer of opinion (Disclaimed Opinion) on both management's assessment and the effectiveness of the Company's internal control over financial reporting.

In conversations with representatives of the SEC, the SEC informed the Company that it did not consider the Disclaimed Opinion to constitute an attestation report of the type required to be included in an annual report on Form 10-K. The SEC agreed, however, to permit the Company to continue to use its registration statements on Forms S-3 and S-8 and for the Company's management and directors to continue to rely on Rule 144 in connection with the public resale of Company stock, if the Company filed an amended quarterly report for the quarter ended June 30, 2005 and included in such amended report audited financial statements as of June 30, 2005, a report by management on the Company's internal control over financial reporting and an opinion by Beard Miller on management's report and on the Company's internal controls. Accordingly, the Company is filing this amended quarterly report on Form 10-Q/A. In addition including management's report and Beard Miller's opinion on the Company's internal controls, this amended quarterly report also records a minimum pension liability as a result of reassessing our pension position as of June 30, 2005.

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PART I FINANCIAL INFORMATION

Item 1 FINANCIAL STATEMENTS

JUNIATA VALLEY FINANCIAL CORP. AND SUBSIDIARY
CONSOLIDATED BALANCE SHEETS

	June 30, 2005	December 31, 2004
	(In thousands, except share data) (Unaudited)	
ASSETS		
Cash and due from banks	\$ 11,485	\$ 10,733
Interest bearing deposits with banks	91	167
Federal funds sold		3,900
Cash and cash equivalents	11,576	14,800
Interest bearing time deposits with banks	6,260	6,760
Securities available for sale	67,479	71,583
Securities held to maturity, fair value of \$7,861 and \$4,489, respectively	7,887	4,485
FHLB stock	1,049	1,329
Loans receivable, net of allowance for loan losses of \$2,988 and \$2,989, respectively	289,000	276,759
Bank premises and equipment, net	6,596	6,802
Bank-owned life insurance	8,023	7,885
Accrued interest receivable and other assets	8,190	6,355
TOTAL ASSETS	\$ 406,060	\$ 396,758

LIABILITIES AND STOCKHOLDERS EQUITY

Liabilities:

Deposits:

Non-interest bearing	\$ 46,941	\$ 47,459
Interest bearing	294,197	285,183
Total deposits	341,138	332,642
Securities sold under agreements to repurchase	4,564	4,716
Short-term debt	1,500	
Long-term debt	5,000	5,000
Accrued interest payable and other liabilities	5,973	4,247
Total liabilities	358,175	346,605

Stockholders' Equity:

Preferred stock, no par value; 500,000 shares authorized; no shares issued or outstanding

Common stock, par value \$1.00 per share; authorized 20,000,000 shares; issued 2,372,913 shares

Surplus

Retained earnings

Accumulated other comprehensive income (loss)

Treasury stock, at cost 88,998 shares and 92,284 shares respectively

Total stockholders' equity

2,373	2,373
20,488	20,386
28,629	29,966
(655)	414
(2,950)	(2,986)
47,885	50,153

TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY

\$ 406,060	\$ 396,758
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See Notes to Unaudited Consolidated Financial Statements

JUNIATA VALLEY FINANCIAL CORP. AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF INCOME

(Unaudited)

	For the Quarter Ended		For the Six Months Ended	
	June 30, 2005	June 30, 2004	June 30, 2005	June 30, 2004
	(In thousands, except per share amount)			
INTEREST INCOME:				
Loans receivable	\$ 4,965	\$ 4,674	\$ 9,726	\$ 9,159
Taxable securities	482	524	968	1,082
Tax-exempt securities	168	209	334	447
Other	69	38	148	74
Total interest income	5,684	5,445	11,176	10,762
INTEREST EXPENSE:				
Deposits	1,866	1,550	3,557	3,191
Borrowings	63		129	
Total interest expense	1,929	1,550	3,686	3,191
Net interest income	3,755	3,895	7,490	7,571
PROVISION FOR LOAN LOSSES		77	28	157
Net interest income after provision for loan losses	3,755	3,818	7,462	7,414
OTHER INCOME:				
Trust department	93	99	190	236
Customer service fees	349	322	683	604
Other	262	283	521	474
Earnings on bank-owned life insurance	67	87	138	171
Gain on sale of securities		134	99	268
Total other income	771	925	1,631	1,753
OTHER EXPENSES:				
Salaries and wages	1,409	1,077	2,459	2,090
Employee benefits	400	354	786	736
Occupancy	210	199	417	409
Equipment	447	395	900	822
Director compensation	104	104	202	208
Taxes, other than income	128	128	257	257
Other	525	392	873	746
Total other expenses	3,223	2,649	5,894	5,268

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INCOME BEFORE INCOME TAXES	1,303	2,094	3,199	3,899
FEDERAL INCOME TAXES	358	519	891	969
Net income	\$ 945	\$ 1,575	\$ 2,308	\$ 2,930
Basic earnings per share	\$.41	\$.69	\$ 1.01	\$ 1.28
Diluted earnings per share	\$.41	\$.69	\$ 1.01	\$ 1.28
Dividends per share	\$.60	\$.56	\$ 1.60	\$ 1.56

See Notes to Unaudited Consolidated Financial Statements

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JUNIATA VALLEY FINANCIAL CORP. AND SUBSIDIARY
CONSOLIDATED STATEMENT OF STOCKHOLDERS' EQUITY
FOR THE SIX MONTHS ENDED JUNE 30, 2005

(Unaudited, except per share amounts)

	Common		Retained	Accumulated Other Comprehensive	Treasury	
	Stock	Surplus	Earnings	Income (loss)	Stock	Total
	(In thousands)					
BALANCE						
December 31, 2004	\$ 2,373	\$ 20,386	\$ 29,966	\$ 414	\$ (2,986)	\$ 50,153
Comprehensive Income:						
Net income for the six months ended June 30, 2005			2,308			2,308
Change in unrealized (losses) on securities available for sale, net of reclassification adjustment and tax effects				(438)		(438)
Minimum pension liability Adjustment net of tax effects				(631)		(631)
Total Comprehensive Income						1,239
Cash dividends, \$1.60 per share			(3,645)			(3,645)
Treasury stock issued for dividend reinvestment plan (7,086 shares)		94			233	327
Treasury stock issued for employee stock purchase plan (2,200 shares)		8			73	81
Treasury stock acquired (6,000 shares)					(270)	(270)
Balance June 30, 2005	\$ 2,373	\$ 20,488	\$ 28,629	\$ (655)	\$ (2,950)	\$ 47,885

See Notes to Unaudited Consolidated Financial Statements

JUNIATA VALLEY FINANCIAL CORP. AND SUBSIDIARY
CONSOLIDATED STATEMENT OF STOCKHOLDERS' EQUITY
FOR THE SIX MONTHS ENDED JUNE 30, 2004

(Unaudited, except per share amounts)

	Common Stock	Surplus	Retained Earnings	Accumulated Other Comprehensive Income	Treasury Stock	Total
	(In thousands)					
BALANCE						
December 31, 2003	\$ 2,373	\$ 20,231	\$ 29,016	\$ 1,472	\$ (2,609)	\$ 50,483
Comprehensive Income:						
Net income for the six months ended June 30, 2004			2,930			2,930
Change in unrealized losses on securities available for sale, net of reclassification adjustment and tax effects				(1,138)		(1,138)
Total Comprehensive Income						1,792
Cash dividends, \$1.56 per share			(3,560)			(3,560)
Treasury stock issued for dividend reinvestment plan (7,207 shares)		74			206	280
Treasury stock issued for employee stock purchase plan (5,574 shares)		(6)			160	154
Treasury stock acquired (15,115 shares)					(580)	(580)