

CCFNB BANCORP INC
Form 10-Q
November 13, 2012

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, DC 20549

FORM 10-Q

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

For the quarterly period ended September 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 _____.

No. 000-19028

(Commission file number)

CCFNB BANCORP, INC.

(Exact name of registrant as specified in its charter)

PENNSYLVANIA
(State or other jurisdiction of
incorporation or organization)

23-2254643
(I.R.S. Employer
Identification
Number)

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232 East Street, Bloomsburg, PA
(Address of principal executive offices)

17815
(Zip Code)

Registrant's telephone number, including area code: (570) 784-4400

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 the definitions of "larger 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

(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

On November 1, 2012, there were 2,197,481 shares of the Registrant's common stock outstanding, par value \$1.25.

CCFNB Bancorp, Inc. and Subsidiary

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PART I Financial Information**Item 1. Financial Statements****CCFNB Bancorp, Inc.****Consolidated Balance Sheets**

(In Thousands)	(Unaudited) September 30, 2012	December 31, 2011
ASSETS		
Cash and due from banks	\$ 9,401	\$ 9,632
Interest-bearing deposits in other banks	45,098	26,699
Federal funds sold	1,797	1,845
Total cash and cash equivalents	56,296	38,176
Investment securities, available for sale, at fair value	187,226	196,345
Restricted securities, at cost	3,222	2,900
Loans held for sale	3,763	5,164
Loans, net of unearned income	357,017	345,674
Less: Allowance for loan losses	5,694	5,383
Loans, net	351,323	340,291
Premises and equipment, net	12,043	11,740
Accrued interest receivable	1,778	1,328
Cash surrender value of bank-owned life insurance	14,852	14,413
Investment in limited partnerships	1,288	1,455
Intangible Assets:		
Core deposit	1,312	1,639
Goodwill	7,937	7,937
Prepaid FDIC assessment	934	1,146
Other assets	2,119	2,143
TOTAL ASSETS	\$ 644,093	\$ 624,677
LIABILITIES		
Interest-bearing deposits	\$ 406,643	\$ 397,045
Noninterest-bearing deposits	83,017	85,334
Total deposits	489,660	482,379
Short-term borrowings	72,818	58,288
Long-term borrowings	4,114	6,118
Accrued interest payable	370	497

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Other liabilities	2,709	5,980
TOTAL LIABILITIES	569,671	553,262
STOCKHOLDERS' EQUITY		
Common stock, par value \$1.25 per share; authorized 15,000,000 shares, issued 2,311,881 shares in 2012; and 2,300,987 shares in 2011	2,890	2,876
Surplus	28,797	28,421
Retained earnings	43,745	40,418
Accumulated other comprehensive income	2,469	2,260
Treasury stock, at cost; 114,400 shares in 2012 and 88,900 shares in 2011	(3,479)	(2,560)
TOTAL STOCKHOLDERS' EQUITY	74,422	71,415
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$ 644,093	\$ 624,677

See accompanying notes to unaudited consolidated financial statements.

CCFNB Bancorp, Inc.**Consolidated Statements of Income****(Unaudited)**

(In Thousands, Except Per Share Data)	For the Three Months Ended		For the Nine Months Ended	
	September 30, 2012	2011	September 30, 2012	2011
INTEREST AND DIVIDEND INCOME				
Interest and fees on loans:				
Taxable	\$ 4,348	\$ 4,363	\$ 12,925	\$ 13,227
Tax-exempt	279	288	835	853
Interest and dividends on investment securities:				
Taxable	825	1,220	2,849	4,038
Tax-exempt	178	148	517	413
Dividend and other interest income	17	13	48	38
Federal funds sold	-	-	1	1
Deposits in other banks	19	22	44	49
TOTAL INTEREST AND DIVIDEND INCOME	5,666	6,054	17,219	18,619
INTEREST EXPENSE				
Deposits	754	1,118	2,447	3,550
Short-term borrowings	45	75	164	233
Long-term borrowings	31	40	107	119
Junior subordinate debentures	-	28	-	76
TOTAL INTEREST EXPENSE	830	1,261	2,718	3,978
NET INTEREST INCOME	4,836	4,793	14,501	14,641
PROVISION FOR LOAN LOSSES	305	30	365	440
NET INTEREST INCOME AFTER PROVISION FOR LOAN LOSSES	4,531	4,763	14,136	14,201
NON-INTEREST INCOME				
Service charges and fees	371	419	1,110	1,272
Gain on sale of loans	468	188	1,208	555
Earnings on bank-owned life insurance	122	103	381	318
Brokerage	106	80	331	208
Trust	167	148	467	555
Investment security (losses) gains	-	-	(17) 3
Gain on sale of premises and equipment	-	-	-	489
Interchange fees	267	232	783	691
Other	277	250	811	746
TOTAL NON-INTEREST INCOME	1,778	1,420	5,074	4,837

NON-INTEREST EXPENSE				
Salaries	1,638	1,606	4,882	4,879
Employee benefits	406	503	1,479	1,616
Occupancy	265	248	783	807
Furniture and equipment	274	327	865	955
State shares tax	160	151	485	445
Professional fees	161	160	488	464
Director's fees	65	88	192	221
FDIC assessments	80	51	239	305
Telecommunications	58	60	185	222
Amortization of core deposit intangible	108	125	326	428
Automated teller machine and interchange	132	173	498	488
Other	625	490	1,513	1,379
TOTAL NON-INTEREST EXPENSE	3,972	3,982	11,935	12,209
INCOME BEFORE INCOME TAX PROVISION	2,337	2,201	7,275	6,829
INCOME TAX PROVISION	573	573	1,814	1,751
NET INCOME	\$ 1,764	\$ 1,628	\$ 5,461	\$ 5,078
EARNINGS PER SHARE	\$ 0.80	\$ 0.73	\$ 2.48	\$ 2.28
CASH DIVIDENDS PER SHARE	\$ 0.33	\$ 0.31	\$ 0.97	\$ 0.93
WEIGHTED AVERAGE SHARES OUTSTANDING	2,197,306	2,226,139	2,202,034	2,226,711

See accompanying notes to the unaudited consolidated financial statements.

CCFNB Bancorp, Inc.

Consolidated Statements of Changes in Stockholders' Equity

(Unaudited)

	Common Stock Shares	Amount	Surplus	Retained Earnings	Accumulated Other Comprehensive Income	Treasury Stock	Total Stockholders' Equity
(In Thousands Except Per Share Data)							
Balance, December 31, 2010	2,286,931	\$2,859	\$27,964	\$36,397	\$ 2,221	\$(1,587)	\$ 67,854
Comprehensive Income:							
Net income				5,078			5,078
Change in net unrealized gain on investment securities available-for-sale, net of reclassification adjustment and tax effects.					174		174
Common stock issuance under dividend reinvestment and stock purchase plans	10,834	13	344				357
Recognition of employee stock purchase plan expense			4				4
Purchase of treasury stock (14,400 shares)						(505)	(505)
Cash dividends, (\$0.93 per share)				(2,069)			(2,069)
Balance, September 30, 2011	2,297,765	\$2,872	\$28,312	\$39,406	\$ 2,395	\$(2,092)	\$ 70,893