

YORK WATER CO
Form 10-Q
November 09, 2006

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

FORM 10-Q

**QUARTERLY REPORT UNDER SECTION 13 OR 15(D)
OF THE SECURITIES EXCHANGE ACT OF 1934**

For Quarter ended September 30, 2006

Commission file number 0-690

THE YORK WATER COMPANY
(Exact name of registrant as specified in its charter)

PENNSYLVANIA
(State or other jurisdiction of
incorporation or organization)

23-1242500
(I.R.S. Employer
Identification No.)

**130 EAST MARKET STREET
YORK, PENNSYLVANIA**
(Address of principal executive offices)

17401
(Zip Code)

(717) 845-3601
(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 checkmark whether the registrant is a large accelerated filer, an accelerated filer or a non-accelerated filer. See definition of "accelerated filer and large accelerated filer" in Rule 12b-2 of the Exchange Act.

Large Accelerated Filer

Accelerated Filer

Non-accelerated Filer

Indicate by checkmark 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.

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Common stock, No par value

10,445,826 Shares outstanding
as of November 9, 2006

THE YORK WATER COMPANY

PART I - FINANCIAL INFORMATION

Item 1. Financial Statements

Consolidated Balance Sheets
(In thousands of dollars, except per share amounts)

	(Unaudited) As of Sept 30, 2006	As of Dec. 31, 2005
ASSETS		
UTILITY PLANT, at original cost	\$ 199,374	\$ 182,868
Plant acquisition adjustments	(1,088)	(1,112)
Accumulated depreciation	(28,713)	(26,982)
Net utility plant	169,573	154,774
OTHER PHYSICAL PROPERTY:		
Less accumulated depreciation of \$136 in 2006 and \$129 in 2005	571	527
CURRENT ASSETS:		
Receivables, less reserves of \$163 in 2006 and \$135 in 2005	2,469	2,202
Unbilled revenues	2,572	1,580
Recoverable income taxes	-	59
Materials and supplies, at cost	820	843
Prepaid expenses	591	348
Deferred income taxes	113	92
Total current assets	6,565	5,124
OTHER LONG-TERM ASSETS:		
Deferred debt expense	713	761
Notes receivable	2,030	2,196
Deferred regulatory assets	6,683	5,747
Other	3,315	3,167
Total long-term assets	12,741	11,871
Total Assets	\$ 189,450	\$ 172,296

The accompanying notes are an integral part of these statements.

THE YORK WATER COMPANY**Consolidated Balance Sheets**
(In thousands of dollars, except per share amounts)

	(Unaudited)	
	As of	As of
	Sept 30, 2006	Dec. 31, 2005

STOCKHOLDERS' EQUITY AND LIABILITIES**COMMON STOCKHOLDERS' EQUITY:**

Common stock, no par value, authorized 46,500,000 shares,	\$	42,809	\$	42,015
issued and outstanding 10,445,826 shares in 2006 and 10,399,995 shares in 2005				
Retained earnings		9,597		8,633
Accumulated other comprehensive loss		(103)		(233)
Total common stockholders' equity		52,303		50,415

PREFERRED STOCK, authorized 500,000 shares, no shares issued

		-		-
LONG-TERM DEBT, excluding current portion		39,805		39,835

COMMITMENTS**CURRENT LIABILITIES:**

Short-term borrowings		16,967		7,292
Current portion of long-term debt		12,040		12,039
Accounts payable		4,061		2,641
Dividends payable		929		927
Accrued taxes		505		89
Accrued interest		490		786
Deferred regulatory liabilities		113		92
Other accrued expenses		837		784
Total current liabilities		35,942		24,650

DEFERRED CREDITS:

Customers' advances for construction		25,923		23,704
Contributions in aid of construction		15,278		14,995
Deferred income taxes		13,541		12,339
Deferred investment tax credits		1,053		1,082
Deferred regulatory liabilities		757		779
Deferred employee benefits		4,486		3,885
Other deferred credits		362		612
Total deferred credits		61,400		57,396

Total Stockholders' Equity and Liabilities	\$	189,450	\$	172,296
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The accompanying notes are an integral part of these statements.

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Loan fee income					576	709	1,261	1,389
Mortgage banking activities, net					231	247	778	499
Bank owned life insurance income					1,419	219	1,598	415
Security gains, net					603	268	1,018	268
Other income					820	739	1,502	1,438
					16,029	12,436	29,668	23,577
Noninterest expenses:								
Salaries, benefits and other compensation					14,413	12,111	29,229	24,097
Occupancy expense					2,935	2,271	5,773	4,833
Equipment expense					1,915	1,646	3,529	3,114
Loan workout and OREO expenses					1,642	2,872	4,125	3,969
Professional Fees					1,584	1,440	2,707	2,458
Data processing and operations expenses					1,284	1,159	2,701	2,445
FDIC expenses					1,278	1,762	3,042	3,405
Marketing Expense					898	904	1,849	1,609
Acquisition integration costs							446	- 780 -
Non-routine ATM loss							-	- - 4,491
Other operating expense					4,257	3,574	8,304	6,951
					30,652	27,739	62,039	57,372
Income before taxes					7,982	4,801	14,580	4,242
Income tax provision					2,459	1,500	4,851	427
Net income					5,523	3,301	9,729	3,815
Dividends on preferred stock and accretion of discount					693	692	1,385	1,384
Net income allocable to common stockholders					\$4,830	\$2,609	\$8,344	\$2,431

Earnings per share:

Basic

\$0.56 0.37 \$0.97 \$0.34

Diluted

\$0.55 0.36 \$0.96 \$0.34

The accompanying notes are an integral part of these consolidated Financial Statements.

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WSFS FINANCIAL CORPORATION
CONSOLIDATED STATEMENT OF CONDITION

	June 30, 2011	Dec 31, 2010
	(Unaudited)	
	(In Thousands, Except Per Share Data)	
Assets		
Cash and due from banks	\$95,682	\$49,932
Cash in non-owned ATMs	395,381	326,573
Interest-bearing deposits in other banks	103	254
Total cash and cash equivalents	491,166	376,759
Investment securities held-to-maturity	217	219
Investment securities-available-for-sale including reverse mortgages	38,888	52,232
Mortgage-backed securities - available-for-sale	756,169	700,926
Mortgages-backed securities-trading	12,432	12,432
Loans held-for-sale	3,443	14,522
Loans, net of allowance for loan losses of \$56,248 at June 30, 2011 and \$60,339 at December 31, 2010	2,620,840	2,561,368
Bank owned life insurance	65,841	64,243
Stock in Federal Home Loan Bank of Pittsburgh, at cost	35,681	37,536
Assets acquired through foreclosure	5,143	9,024
Premises and equipment	33,723	31,870
Goodwill	27,828	26,745
Intangible assets	6,698	7,307
Accrued interest receivable and other assets	53,448	58,335
 Total assets	 \$4,151,517	 \$3,953,518
 Liabilities and Stockholders' Equity		
Liabilities:		
Deposits:		
Noninterest-bearing demand	\$561,836	\$468,098
Interest-bearing demand	330,844	312,546
Money market	689,634	743,808
Savings	376,321	255,340
Time	452,593	484,864
Jumbo certificates of deposit – customer	299,549	297,112
Total customer deposits	2,710,777	2,561,768
Brokered deposits	166,710	249,006
Total deposits	2,877,487	2,810,774
 Federal funds purchased and securities sold under agreements to repurchase	 100,000	 100,000
Federal Home Loan Bank advances	634,087	488,959
Trust preferred borrowings	67,011	67,011
Other borrowed funds	67,863	91,636
Accrued interest payable and other liabilities	29,146	27,316
Total liabilities	3,775,594	3,585,696

Stockholders' Equity:

Serial preferred stock \$.01 par value, 7,500,000 shares authorized; issued 56,625 at June 30, 2011 and December 31, 2010	1	1
Common stock \$.01 par value, 20,000,000 shares authorized; issued 18,184,354 at June 30, 2011 and 18,105,788 at December 31, 2010	182	180
Capital in excess of par value	217,662	216,316
Accumulated other comprehensive income	6,991	6,524
Retained earnings	399,367	393,081
Treasury stock at cost, 9,580,569 shares at June 30, 2011 and December 31, 2010	(248,280)	(248,280)
Total stockholders' equity	375,923	367,822
Total liabilities and stockholders' equity	\$4,151,517	\$3,953,518

The accompanying notes are an integral part of these consolidated Financial Statements.

WSFS FINANCIAL CORPORATION
CONSOLIDATED STATEMENT OF CASH FLOWS

	Six Months Ended June 30,	
	2011	2010
	(Unaudited)	
	(In Thousands)	
Operating activities:		
Net Income	\$9,729	\$3,815
Adjustments to reconcile net income to net cash provided by operating activities:		
Provision for loan losses	14,490	22,004
Depreciation, accretion and amortization	4,995	2,973
Increase (decrease) in accrued interest receivable and other assets	4,658	(5,597)
Non-routine ATM losses	-	4,491
Origination of loans held-for-sale	(47,393)	(54,225)
Proceeds from sales of loans held-for-sale	59,329	52,543
Gain on mortgage banking activity	(778)	(499)
Loss on mark to market adjustment on trading securities	-	62
Gain on sale of securities, net	(1,018)	(330)
Stock-based compensation expense, net of tax benefit recognized	441	372
Excess tax benefits from share-based payment arrangements	(75)	(263)
Increase in accrued interest payable and other liabilities	1,958	4,994
Loss on sale of assets acquired through foreclosure and valuation adjustments, net	1,765	3,563
Increase in value of bank-owned life insurance	(1,598)	(415)
Decrease in capitalized interest, net	71	76
 Net cash provided by operating activities	 \$46,574	 \$33,564
Investing activities:		
Maturities of investment securities	11,552	2,500
Sale of investment securities available for sale	6,050	-
Purchase of investments available-for-sale	(4,027)	(2,002)
Sales of mortgage-backed securities available-for sale	117,075	45,979
Repayments of mortgage-backed securities available-for-sale	89,879	90,523
Purchases of mortgage-backed securities available-for-sale	(261,847)	(192,700)
Disbursements for reverse mortgages	(351)	(97)
Net increase in loans	(80,350)	(5,872)
Net decrease in stock of Federal Home Loan Bank of Pittsburgh	1,855	-
Sales of assets acquired through foreclosure, net	7,303	926
Investment in premises and equipment, net	(4,886)	(2,165)
 Net cash used for investing activities	 \$(117,747)	 \$(62,908)
Financing activities:		
Net increase in demand and saving deposits	155,070	99,346
Net (decrease) increase in time deposits	(29,834)	19,390
Net decrease in brokered deposits	(82,321)	(46,109)
Receipts from federal funds purchased and securities sold under agreement to repurchase	8,525,000	9,245,000

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Repayments of federal funds purchased and securities sold under agreement to repurchase	(8,525,000)	(9,245,000)
Receipts from FHLB advances	7,907,471	15,593,383
Repayments of FHLB advances	(7,762,343)	(15,634,455)
Dividends paid		