

NORWOOD FINANCIAL CORP  
Form 10-Q  
November 13, 2007  
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 September 30, 2007

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)

717 Main Street, Honesdale, Pennsylvania

(Address of principal executive offices)

23-2828306

(I.R.S. Employer Identification No.)

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))

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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 is a large accelerated filer, an accelerated filer, or non-accelerated filer. See definition of "accelerated filer and large accelerated filer" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer

Accelerated filer

Non-accelerated filer

Indicate by check mark whether the registrant is a shell company (as defined in rule 12b-2 of 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 November 13, 2007
Common stock, par value \$0.10 per share	2,767,959

1

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**NORWOOD FINANCIAL CORP.**

**FORM 10-Q**

**FOR THE QUARTER ENDED SEPTEMBER 30, 2007**

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**PART I. FINANCIAL INFORMATION****Item 1. Financial Statements**

NORWOOD FINANCIAL CORP.

Consolidated Balance Sheets (unaudited)

(dollars in thousands, except per share data)

	<b>September 30, 2007</b>	<b>December 31, 2006</b>
<b>ASSETS</b>		
Cash and due from banks	\$ 8,656	\$ 9,450
Interest bearing deposits with banks	218	67
Cash and cash equivalents	8,874	9,517
Securities available for sale	118,736	112,912
Securities held to maturity, fair value 2007:		
\$723, 2006: \$971	705	954
Loans receivable (net of unearned income)	328,582	315,567
Less: Allowance for loan losses	3,979	3,828
Net loans receivable	324,603	311,739
Investment in FHLB Stock, at cost	1,989	1,687
Bank premises and equipment, net	5,764	6,020
Bank owned life insurance	7,694	7,479
Accrued interest receivable	2,417	2,129
Other assets	2,084	1,919
<b>TOTAL ASSETS</b>	<b>\$ 472,866</b>	<b>\$ 454,356</b>
<b>LIABILITIES</b>		
Deposits:		
Non-interest bearing demand	\$ 60,880	\$ 53,856
Interest bearing	306,673	304,247
Total deposits	367,553	358,103
Short-term borrowings	22,628	22,736
Other borrowings	23,000	13,000
Accrued interest payable	2,590	2,894
Other liabilities	2,375	5,392
<b>TOTAL LIABILITIES</b>	<b>418,146</b>	<b>402,125</b>
<b>STOCKHOLDERS' EQUITY</b>		
Common stock, \$.10 par value, authorized 10,000,000		
shares, issued: 2,840,872	284	284