

AMERISERV FINANCIAL INC /PA/
Form 11-K
June 29, 2007

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

FORM 11-K

Annual Report pursuant to Section 15(d) of the
Securities Exchange Act of 1934 for the fiscal year
ended December 31, 2006.

or

Transition Report pursuant to Section 15(d) of the
Securities Exchange Act of 1934 for the transition
period from _____ to _____.

Commission File Number: 0-11204

AmeriServ Financial
401(k) Profit Sharing Plan
(Full title of the plan)

AmeriServ Financial, Inc.
Main and Franklin Streets
Johnstown, PA 15901

(Name of issuer of the securities held pursuant to the plan and
the address of its principal executive office.)

Registrant's telephone number, including area code: (814) 533-5300

Notices and communications from the Securities and Exchange
Commission relating to this report should be forwarded to:

AmeriServ Financial, Inc.
Main and Franklin Streets
Johnstown, PA 15901

Attention: Nicholas E. Debias, Jr.

With a copy to:

Wesley R. Kelso, Esquire
Stevens & Lee
Suite 602
25 North Queen Street
Lancaster, PA 17603
(717) 399-6632

Item 1.

Financial Statements and Exhibits

a.

Financial Statements

1.

Report of Independent Registered Public Accounting Firm.

2.

Statement of Net Assets Available for Benefits as of December 31, 2006 and 2005.

3.

Statement of Changes in Net Assets Available for Benefits for the two years ended December 31, 2006 and 2005.

4.

Notes to Financial Statements.

b.

Exhibits

1.

Consent of S. R. Snodgrass, A.C.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Trustees of AmeriServ Financial 401(k) Profit Sharing Plan

Johnstown, Pennsylvania

We have audited the accompanying statements of net assets available for benefits of AmeriServ Financial 401(k) Profit Sharing Plan as of December 31, 2006 and 2005, and the related statement of changes in net assets available for benefits for the years then ended. These financial statements are the responsibility of the Plan's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the standards of the public company accounting oversight board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects,

the net assets available for benefits of AmeriServ Financial 401(k) Profit Sharing Plan as of December 31, 2006 and 2005, and the changes in net assets available for benefits for the years then ended, in conformity with U.S. generally accepted accounting principles.

Our audit was made for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplemental schedule of Assets Held for Investment Purposes as of December 31, 2006, is presented for the purpose of additional analysis and is not a required part of the basic financial statements, but is supplementary information required by the United States Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. The supplemental schedule is the responsibility of Plan's management. The supplemental schedule has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

/s/ S.R. Snodgrass, A.C.

Wexford, PA

June 25, 2007

AMERISERV FINANCIAL 401(k) PROFIT SHARING PLAN
STATEMENT OF NET ASSETS AVAILABLE FOR BENEFITS

	December 31,	
	2006	2005
ASSETS		
Investments, at fair value:		
Common / Collective Funds	\$ 10,261,324	\$
		9,341,951
Mutual Funds	9,101,166	7,715,742
AmeriServ Financial, Inc.	579,714	565,318
Money Market	870,296	480,944
Participant Loans	<u>393,710</u>	<u>295,070</u>
Total Investments	21,206,210	18,399,025
Contribution Receivable	35,713	8,700
Accrued Interest Receivable	148,175	86,961
Cash	<u>12</u>	<u>96,600</u>
TOTAL ASSETS AVAILABLE FOR BENEFITS	21,390,110	18,591,286
LIABILITIES		
Benefits Payable	<u>-</u>	<u>10,347</u>
NET ASSETS AVAILABLE FOR BENEFITS	\$ <u>21,390,110</u>	\$ <u>18,580,939</u>

The accompanying notes are an integral part of these financial statements.

**AMERISERV FINANCIAL 401(k) PROFIT SHARING PLAN
STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS**

Year Ended December 31,
2006 2005

ADDITIONS IN NET ASSETS ATTRIBUTED
TO:

INVESTMENT INCOME:

Net appreciation in fair value of investments	\$ 1,735,651	\$ 528,620
Interest and dividends	286,148	199,517
Capital gains	<u>214,496</u>	<u>126,374</u>
Total Investment Income	<u>2,236,295</u>	<u>854,511</u>
Contributions by employees	729,520	728,437
Contributions by employer	207,243	217,421
Rollovers	<u>136,832</u>	<u>55,138</u>
Total Contributions	<u>1,073,595</u>	<u>1,000,996</u>
Total Additions	<u>3,309,890</u>	<u>1,855,507</u>

DEDUCTIONS FROM NET ASSETS
ATTRIBUTED TO:

Benefits paid directly to participants	<u>500,719</u>	<u>768,278</u>
Net Increase	2,809,171	1,087,229

NET ASSETS AVAILABLE FOR BENEFITS

Beginning of the year	<u>18,580,939</u>	<u>17,493,710</u>
End of the year	<u>\$ 21,390,110</u>	<u>\$ 18,580,939</u>

The accompanying notes are an integral part of these financial statements.

AMERISERV FINANCIAL 401(k) PROFIT SHARING PLAN
NOTES TO FINANCIAL STATEMENTS

NOTE 1 - DESCRIPTION OF PLAN

The following brief description of the AmeriServ Financial 401(k) Profit Sharing Plan (the Plan) is provided for general information purposes only. Interested parties should refer to the Plan Document for a more comprehensive description of the Plan's provisions.

1General

The Plan is a defined contribution plan covering the employees of AmeriServ Financial, Inc., and its wholly owned subsidiaries AmeriServ Financial Bank, AmeriServ Trust and Financial Services, and AmeriServ Associates, Inc. (the Companies), including members of the United Steelworkers of America, AFL-CIO-CLC, Local Union 2653-06 (the Union) who have attained the age of 21 and the earlier of completion of 12 consecutive months of service with at least 500 hours of service (employee deferrals) or 1,000 hours of service (employer discretionary contribution). As of June 30, 2006 the Company closed AmeriServ Associates, Inc. The former employees are no longer participating in the Plan. The Plan includes a 401(k) before-tax savings feature, which permits participants to defer compensation under Section 401(k) of the Internal Revenue Code. It is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA), as amended. The Plan is not covered by the Pension Benefit Guaranty Corporation.

Contributions

Employees may elect to contribute, through the 401(k) feature, 1 percent to 100 percent of their base salaries each period to the maximum amount permitted by the Internal Revenue Code. Employees may elect to have their contributions in 5 percent increments invested in one or more of 28 mutual funds, 6 common/collective portfolios, 1 money market fund, and the AmeriServ Financial, Inc. common stock administered by the Plan's trustee. The diversified mutual fund investment options include a bond and government securities fund and various U.S. and foreign stock funds.

The Companies have the right to make a discretionary contribution to the Plan. Any contribution to be made will be on an annual basis, and such contribution is allocated as a percentage of compensation of eligible participants for the year. In addition, the Companies contribute 4 percent of employees' gross compensation on behalf of Union employees.

Participant Accounts

Each participant's profit sharing account is credited with Plan earnings. Allocations are based upon the proportionate value of all accounts. The benefit to which each participant is entitled is that which can be provided from the participant's account.

NOTE 1 - DESCRIPTION OF PLAN (continued)

Vesting

Participants are immediately vested in their voluntary contributions plus actual earnings thereon. Vesting in the sponsor's contributions in the Plan is based on completion of credited service years. A credited service year is considered one in which the participant completed at least 1,000 hours of service. Employees become 100 percent vested after five years of service.

Payment of Benefits

On termination of service, a participant will receive a lump sum amount equal to the vested value of his or her account. The Plan also provides for normal retirement benefits to be paid in the form of a lump sum upon reaching age 65 or termination of employment and has provisions for deferred, death, disability and retirement benefits, and hardship withdrawals.

Forfeitures

Forfeitures of a participant's non-vested account shall be restored upon rehire if such rehire happens at any time during his or her 5th consecutive one-year break in service. At the end of the Plan year in which the former participant incurs his or her 5th consecutive one-year break in service, the forfeitures held on behalf of the participant will be allocated to all participants eligible to share in the allocations in the same proportion that each participant's account balance bears to all account balances for such year. At December 31, 2006 and 2005, the forfeiture account had a balance of \$31,094 and \$41,994, respectively. Forfeitures totaling \$7,997 and \$16,366 for the years ended December 31, 2006 and 2005, respectively, were reallocated to participants' accounts.

Administrative Expenses

Certain administrative functions are performed by officers and employees of the Companies. No such officer or employee receives compensation from the Plan. Certain other administrative expenses are paid directly by the Companies. Such costs amounted to \$50,037 and \$54,319 for the years ended December 31, 2006 and 2005, respectively.

Risks and Uncertainties

The Plan invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect participants' account balances and the amounts reported in the Statement of Net Assets Available for Benefits.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting principles followed by the Plan and the methods of applying these principles conform with U.S. generally accepted accounting principles.

A summary of the significant accounting and reporting policies applied in the presentation of the accompanying financial statements follows:

Accounting Estimates

The financial statements have been prepared in conformity with U.S. generally accepted accounting principles. In preparing the financial statements, management is required to make estimates and assumptions that affect the reported amounts and disclosures. Actual results could differ significantly from those estimates.

Valuation of Investments

Quoted market prices are used to value investments. Investments for which there is no quoted market price are reported at their estimated fair value.

NOTE 3 - INVESTMENTS

The Plan investments are administered by AmeriServ Trust and Financial Services (Trustee).

During 2006, the Plan's investments (including investments bought and sold, as well as, held during the year) appreciated in value by \$1,735,651.

	Net Appreciation (Depreciation) in Fair Value During Year	
	2006	2005
Investments at fair value as determined by quoted market price:		
Common / Collective Funds	\$ 1,042,227	\$ 460,175
Mutual Funds	621,661	173,648
AmeriServ Financial, Inc.	71,763	(103,663)
Sky Financial	<u>-</u>	<u>(1,540)</u>
Net Appreciation in Fair Value	<u>\$ 1,735,651</u>	<u>\$ 528,620</u>

Investments representing 5 percent or more of the Plan's net assets at December 31 are as follows:

2006		2005	
Principal Value	Fair Value	Principal Value	Fair Value

Investments at fair value as determined by
quoted market price:

Dodge & Cox Balanced Fund	\$ 1,275,534	\$ 1,504,801	\$	\$
			1,049,203	1,220,548
Vanguard Institutional Index	1,517,330	1,726,269	615,705	675,023
Pathroad Balance Growth & Income	2,994,138	3,846,188	2,853,114	3,358,058
Pathroad Capital Appreciation & Income	1,139,472	1,527,853	1,095,591	1,329,868
Pathroad Conservative Growth & Income	2,004,615	2,508,833	2,406,678	2,784,514
Pathroad Long-Term Equity	<u>1,217,537</u>	<u>1,594,699</u>	<u>937,348</u>	<u>1,129,051</u>
	<u>\$ 10,148,626</u>	<u>\$ 12,708,643</u>	\$	\$
			<u>8,341,934</u>	<u>9,822,039</u>

NOTE 4 - PLAN TERMINATION

Although it has not expressed any intent to do so, the Companies have the right, under the Plan, to discontinue their contributions at any time and to terminate the Plan subject to the provisions of ERISA. In the event of termination of the Plan, participants will become 100 percent vested in their accounts.

NOTE 5 - TAX STATUS

The Internal Revenue Service has determined and issued a letter on July 27, 2005 informing the Bank that the Plan and related trust are designed in accordance with applicable sections of the Internal Revenue Code. Therefore, no provision for income taxes has been included in the Plan's financial statements.

NOTE 6 - PARTY-IN-INTEREST TRANSACTIONS

Certain Plan investments are shares of mutual funds that are managed by the defined trustee of the Plan. The Plan also invests in the Plan Sponsor's common stock. Therefore, related transactions qualify as related party transactions. All other transactions which may be considered parties-in-interest transactions relate to normal Plan management and administrative services and related payment of fees.

NOTE 7 - FAIR VALUE OF FINANCIAL INSTRUMENTS

Statement of Financial Accounting Standards No. 107, *Disclosures About Fair Value of Financial Instruments*, requires the Plan to disclose the estimated fair value of its financial instruments. Financial instruments are defined as cash, evidence of ownership interest in an entity, or a contract which creates an obligation or right to receive or deliver cash or another financial instrument from/to a second entity on potentially favorable or unfavorable terms. Fair value is defined as the amount at which a financial instrument could be exchanged in a current transaction between willing parties other than in a forced liquidation or sale. If a quoted market price is available for a financial instrument, the estimated fair value would be calculated based upon the market price per trading unit of the instrument.

Investments in mutual funds, participant loans, and cash would be considered financial instruments. At December 31, 2006 and 2005, the carrying amounts of these financial instruments approximate fair value.

AMERISERV FINANCIAL 401(k) PROFIT SHARING PLAN
 SCHEDULE H, LINE 4i - SCHEDULE OF ASSETS HELD FOR INVESTMENT PURPOSES
 EMPLOYER IDENTIFICATION NUMBER 25-0851535
 PLAN NUMBER 002
 DECEMBER 31, 2006

	Par or Shares	Cost	Current Value
<u>Common Stock</u>			
*AmeriServ Financial, Inc.	117,589	\$ 578,613	\$ 579,714
Total Common Stock			579,714
<u>Mutual Funds</u>			
Alger Large Cap Growth	1,328	16,743	18,266
Alger Midcap Growth	2,552	40,854	43,205
CGM Focus Fund	4,117	155,221	142,815
Dodge & Cox Balanced Fund	17,281	1,275,534	1,504,801
Dodge & Cox Stock Fund	4,154	609,379	637,527
Federated Kaufmann Fund	52,906	286,887	299,448
Fidelity New Insights	3,112	54,270	57,629
Fidelity Low-Priced Stock Fund	20,322	673,541	884,818
Fidelity New Markets	801	11,921	11,852
Franklin Biotechnology Discovery	2,441	131,644	145,220
Franklin Mutual Beacon	928	15,510	15,527
Goldman Sachs Global Income	1,170	15,554	14,911
Janus Growth & Income	1,517	44,003	58,059
Legg Mason Opportunity Trust	3,020	53,794	58,226
Legg Mason Value Trust	4,593	286,655	364,479
MFS International New Discovery Fund	10,474	261,875	292,022
Northern Technology	4,308	51,914	52,818
Pimco Total Return	23,145	246,015	240,248
SEI Stable Asset	860,291	860,291	860,291
T. Rowe Price Equity Income	10,610	266,746	313,518
T. Rowe Price Financial Services	1,126	25,932	24,070

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Tweedy, Browne Global Value	13,236	322,353	409,397
Vanguard GNMA	11,130	116,083	113,641
Vanguard Health Care	1,627	225,860	236,906
Vanguard Institutional Index	13,321	1,517,330	1,726,269
Vanguard Primecap	5,000	309,759	344,734
Vanguard Short-Term Admiral	20,102	209,503	206,648
Vanguard Total Bond Market Index	2,385	24,257	23,821
Total Mutual Funds			<u>9,101,166</u>

AMERISERV FINANCIAL 401(k) PROFIT SHARING PLAN
 SCHEDULE H, LINE 4i - SCHEDULE OF ASSETS HELD FOR INVESTMENT PURPOSES
 EMPLOYER IDENTIFICATION NUMBER 25-0851535
 PLAN NUMBER 002
 DECEMBER 31, 2006

	Par or Shares	Cost	Current Value
<u>Common / Collective Funds</u>			
*Pathroad Balance Growth & Income	271,623	\$ 2,994,138	\$ 3,846,188
*Pathroad Capital Appreciation & Income	102,061	1,139,472	1,527,853
*Pathroad Conservative Fixed Income	38,890	408,706	443,735
*Pathroad Conservative Growth & Income	180,882	2,004,615	2,508,833
*Pathroad Intermediate-Term Fixed Income	27,245	298,139	340,016
*Pathroad Long-Term Equity	104,708	1,217,537	1,594,699
Total Common / Collective Funds			10,261,324
<u>Money Market Funds</u>			
Goldman Sachs Financial Square Prime Obligation	870,296	870,296	870,296
Total Money Market Funds			870,296
<u>Participant Loans</u>	393,710	393,710	393,710
Total			\$ 21,206,210

*Party-In-Interest

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Trustees of the AmeriServ Financial 401(k) Profit Sharing Plan have duly caused this annual report to be signed on its behalf by the undersigned thereunto duly authorized.

Dated: June 26, 2007

AmeriServ Financial 401(k) Profit Sharing Plan

AmeriServ Trust and Financial

Services Company, as Trustee

By

/s/ David M. Margetan_____

David M. Margetan, Assistant

Vice President and Assistant Secretary

Exhibit Index

Exhibit

1.

Consent of S. R. Snodgrass, A.C

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Exhibit 1

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

Trustees of AmeriServ Financial 401(k) Profit Sharing Plan

Johnstown, Pennsylvania

We consent to the incorporation by reference in the Registration Statement Nos. 033-55845, 033-55207, and 033-55211 on Forms S-8 of AmeriServ Financial Inc. of our report dated June 25, 2007, relating to the financial statements and supplemental schedules of the AmeriServ Financial 401(k) Profit Sharing Plan as of and for the year ended December 31, 2006, appearing in this Annual Report on Form 11-K.

/s/S.R. Snodgrass, A.C.

Wexford, PA

June 25, 2007

