

CODORUS VALLEY BANCORP INC
Form 10-Q
August 08, 2016

UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

Quarterly Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

For the quarterly period ended June 30, 2016

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: 0-15536

CODORUS VALLEY BANCORP, INC.
(Exact name of registrant as specified in its
charter)

Pennsylvania 23-2428543

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

105 Leader Heights Road, P.O. Box 2887, York, Pennsylvania 17405

(Address of principal executive offices) (Zip code)

717-747-1519

(Registrant's
telephone
number,
including area
code)

Not Applicable

(Former name,
former address
and former fiscal
year,

if changed since
the last report.)

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 definition of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer Accelerated filer
Non-accelerated filer 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

APPLICABLE ONLY TO CORPORATE ISSUERS

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date. On July 29, 2016, 7,977,024 shares of common stock, par value \$2.50, were outstanding.

Codorus Valley Bancorp, Inc.

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

Codorus Valley Bancorp, Inc.

Consolidated Balance Sheets

	(Unaudited)	
	June 30,	December 31,
(dollars in thousands, except per share data)	2016	2015
Assets		
Interest bearing deposits with banks	\$65,179	\$44,496
Cash and due from banks	14,155	12,989
Total cash and cash equivalents	79,334	57,485
Securities, available-for-sale	189,326	213,470
Restricted investment in bank stocks, at cost	5,126	5,028
Loans held for sale	950	564
Loans (net of deferred fees of \$2,962 - 2016 and \$2,701 - 2015)	1,167,519	1,123,211
Less-allowance for loan losses	(13,558)	(12,704)
Net loans	1,153,961	1,110,507
Premises and equipment, net	24,838	24,606
Goodwill	2,301	2,301
Other assets	48,229	42,373
Total assets	\$1,504,065	\$1,456,334
Liabilities		
Deposits		
Noninterest bearing	\$194,630	\$162,982
Interest bearing	1,004,120	931,167
Total deposits	1,198,750	1,094,149
Short-term borrowings	21,887	74,510
Long-term debt	120,310	120,310
Other liabilities	10,101	8,224
Total liabilities	1,351,048	1,297,193
Shareholders' equity		
Preferred stock, par value \$2.50 per share; \$1,000 liquidation preference, 1,000,000 shares authorized; Series B shares issued and outstanding: 0 at June 30, 2016 and 12,000 at December 31, 2015	0	12,000
	19,935	19,893

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Common stock, par value \$2.50 per share; 15,000,000 shares authorized; shares issued and outstanding: 7,973,876 at June 30, 2016 and 7,957,145 at December 31, 2015

Additional paid-in capital	97,910	97,338
Retained earnings	32,310	28,539
Accumulated other comprehensive income	2,862	1,371
Total shareholders' equity	153,017	159,141
Total liabilities and shareholders' equity	\$1,504,065	\$1,456,334

See accompanying notes.

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Codorus Valley Bancorp, Inc.

Consolidated Statements of Income

Unaudited

(dollars in thousands, except per share data)	Three months ended		Six months ended	
	June 30, 2016	2015	June 30, 2016	2015
Interest income				
Loans, including fees	\$14,221	\$12,560	\$28,032	\$24,867
Investment securities:				
Taxable	602	762	1,304	1,542
Tax-exempt	420	422	845	844
Dividends	54	48	122	206
Other	26	14	34	33
Total interest income	15,323	13,806	30,337	27,492
Interest expense				
Deposits	1,608	1,551	3,118	3,191
Federal funds purchased and other short-term borrowings	28	38	82	79
Long-term debt	488	388	973	715
Total interest expense	2,124	1,977	4,173	3,985
Net interest income	13,199	11,829	26,164	23,507
Provision for loan losses	800	800	1,600	1,800
Net interest income after provision for loan losses	12,399	11,029	24,564	21,707
Noninterest income				
Trust and investment services fees	621	604	1,238	1,205
Income from mutual fund, annuity and insurance sales	236	159	495	315
Service charges on deposit accounts	901	875	1,738	1,632
Income from bank owned life insurance	224	173	398	344
Other income	229			