FORM 10-Q

Quarterly report pursuant to sections 13 or 15(d)

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JUNIATA VALLEY FINANCIAL CORP
CIK:**714712**| IRS No.: **232235254** | State of Incorp.:**PA** | Fiscal Year End: **1231**
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SIC: **6022** State commercial banks

Mailing Address	Business Address
BRIDGE AND MAIN STREETS	*BRIDGE & MAIN ST*
P O BOX 66	*P O BOX 66*
MIFFLINTOWN PA 17059-0066	*MIFFLINTOWN PA 17059-0066*
	7174368211

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
FORM 10-Q

(Mark One)
[X] QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT 1934

For the quarterly period ended March 31, 1995

[ ] 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 2-81699

Juniata Valley Financial Corp.

(Exact name of registrant as specified in its charter)

Pennsylvania	23-2235254
(State or other jurisdiction of incorporation or organization)	(I.R.S.Employer Identification No.)

Bridge and Main Streets, Mifflintown, Pennsylvania	17059
(Address of principal executive offices)	(Zip Code)

(717) 436-8211

(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. [X] 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 April 26,1995
Common Stock ($1.00 par value)	890,692 shares

JUNIATA VALLEY FINANCIAL CORP. AND SUBSIDIARY

CONSOLIDATED BALANCE SHEETS

	March 31, 1995	December 31, 1994
	(In thousands)	
	(Unaudited)	
ASSETS:		
Cash and due from banks	$ 5,831	$ 5,978
Interest-bearing deposits with banks	20	7
Federal funds sold	4,500	-
Total cash and cash equivalents	10,351	5,985
Securities available for sale	12,069	13,057
Securities held to maturity, fair value of $43,671 and $42,728 respectively	44,363	44,157
Loans, receivable net of unearned discount of $4,119 and $4,095 respectively	123,316	123,191
Less: Allowance for loan losses	1,560	1,523
Net loans receivable	121,756	121,668
Bank premises and equipment, net	1,653	1,681
Accrued interest receivable and other assets	3,831	3,628
TOTAL ASSETS	$ 194,023	$ 190,176
LIABILITIES AND STOCKHOLDERS' EQUITY:		
Non-interest bearing deposits	$ 19,173	$ 18,971
Interest bearing deposits	148,862	146,180
Total deposits	168,035	165,151
Accrued interest and other liabilities	2,885	2,591
Total liabilities	170,920	167,742
Stockholders' Equity:		
Preferred stock, no par value, authorized		

500,000 shares, no shares issued or outstanding	-	-
Common stock, par value $1.00, per share; authorized 2,000,000 shares; issued and outstanding 890,692 shares	891	891
Capital surplus	14,956	14,956
Retained earnings	7,273	6,749
Net unrealized depreciation on securities available for sale, net of taxes of $9 and $84	(17)	(162)
Total stockholders' equity	23,103	22,434
TOTAL LIABILITIES AND STOCKHOLDERS'EQUITY	$ 194,023	$ 190,176

JUNIATA VALLEY FINANCIAL CORP. AND SUBSIDIARY

CONSOLIDATED STATEMENTS OF INCOME

(Unaudited)

	For the Quarter Ended	
	March 31, 1995	March 31, 1994
	(In thousands, except per share amounts)	
INTEREST INCOME:		
Loans receivable	$ 2,758	$ 2,546
Taxable securities	437	448
Tax-exempt securities	237	358
Other	26	54
Total interest income	3,548	3,406
INTEREST EXPENSE ON DEPOSITS	1,527	1,418
Net interest income	2,021	1,988
PROVISION FOR LOAN LOSSES	45	45
Net interest income, after provision for loan losses	1,976	1,943
OTHER INCOME:		
Trust department	35	30
Customer service fees	57	51
Other	44	30

Total other income	136	111
OTHER EXPENSES:		
Salaries and wages	532	506
Employee benefits	155	143
Occupancy	73	89
Equipment	74	100
Federal deposit insurance premiums	112	93
Director compensation	110	107
Taxes, other than income	51	49
Other	287	224
Total other expenses	1,394	1,311
INCOME BEFORE INCOME TAXES	718	743
FEDERAL INCOME TAXES	194	152
Net income	$ 524	$ 591
PER SHARE DATA:		
Net income	$ .59	$ .66
Weighted average number of shares outstanding	890,692	890,692

JUNIATA VALLEY FINANCIAL CORP. AND SUBSIDIARY

CONSOLIDATED STATEMENT OF STOCKHOLDERS' EQUITY

FOR THE THREE MONTHS ENDED MARCH 31, 1995

(Unaudited)

	Common Stock	Capital Surplus	Retained Earnings	Net Unrealized Appreciation (Depreciation) on Securities Available For Sale	Total
	(In thousands)				
Balance, December 31,					

1994	$ 891	$ 14,956	$ 6,749	(162)	$ 22,434
Net income for the three months ended March 31, 1995	-	-	524	-	524
Net change in unrealized depreciation on securities available for sale, net of taxes	-	-	-	145	145
Balance March 31, 1995	$ 891	$ 14,956	$ 7,273	$ (17)	$ 23,103

JUNIATA VALLEY FINANCIAL CORP. AND SUBSIDIARY

CONSOLIDATED STATEMENTS OF CASH FLOWS

(Unaudited)

Increase (Decrease) in Cash and Cash Equivalents

	For the Three Months Ended	
	March 31, 1995	March 31, 1994
	(In thousands)	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income	$ 524	$ 591
Adjustments to reconcile net income to net cash provided by operating activities:		
Provision for loan losses	45	45
Provision for depreciation and amortization	43	47
Deferred directors' fees and supplemental retirement plan expense	79	73
Payment of deferred compensation	(31)	(32)
Deferred income taxes	(21)	(22)
(Increase) decrease in accrued interest receivable and other assets	(258)	(344)
Increase (decrease) in interest payable and other liabilities	247	228
Net cash provided by operating activities	628	586

CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of available for sale securities	(89)	(998)
Proceeds from maturities of and principal repayments on available for sale securities	1,296	308
Purchases of held to maturity securities	(1,145)	(7,148)
Proceeds from maturities of and principal repayments on held to maturity securities	939	3,254
Net (increase) decrease in loans receivable	(133)	438
Purchases of bank premises and equipment	(14)	(27)
Net cash provided by (used in) investing activities	854	(4,173)
CASH FLOWS FROM FINANCING ACTIVITIES		
Net increase (decrease) in deposits	2,884	1,638
Net cash provided by financing activities	2,884	1,638
Increase (decrease) in cash and cash equivalents	4,366	(1,949)
CASH AND CASH EQUIVALENTS:		
Beginning	5,985	10,429
Ending	$ 10,351	$ 8,480
CASH PAYMENTS FOR:		
Interest	$ 1,483	$ 1,423

JUNIATA VALLEY FINANCIAL CORP. AND SUBSIDIARY

NOTES TO THE INTERIM FINANCIAL STATEMENTS

MARCH 31, 1995

NOTE A - Basis of Presentation

The financial statements includes the accounts of the Juniata Valley Financial Corp. and its wholly owned subsidiary, The Juniata Valley Bank. All significant intercompany accounts and transactions have been eliminated.

The accompanying unaudited consolidated financial statements have been prepared in accordance with generally accepted accounting principles for interim financial information. Accordingly, they do not include all of the information and footnotes required by generally accepted accounting principles for complete financial statements. In the opinion of management, all adjustments considered necessary for fair presentation have been included. Operating results for the three-month period ended March 31, 1995, are not necessarily indicative of the results that may be expected for the year ended December 31, 1995. For further information, refer to the consolidated financial statements and footnotes thereto included in Juniata Valley Financial Corp. annual report on Form 10-K for the year ended December 31, 1994.

NOTE B - Significant Accounting Policies

Loans receivable and accounting change:

Loans receivable are stated at the amount of unpaid principal, adjusted for unearned discounts, less an allowance for loan losses. Unearned discounts are amortized by the interest method, generally over the remaining contractual term of the related loans, and reported as an adjustment to interest income.

The allowance for loan losses is increased through a provision for loan losses charged to income, and decreased by charge-offs, net of recoveries, when management determines that collectability of all amounts when due is unlikely. The allowance is based on management's estimate of the amount necessary to absorb losses on existing loans. Management's estimate is based on a review of specific loans and, for smaller balance homogeneous loans, on the Corporation's past loan loss experience, known and inherent risks in the entire loan portfolio, overall portfolio quality, estimated fair value of any underlying collateral, and current economic conditions that may affect the borrower's ability to repay. For those loans that are separately evaluated for collectability, when management determines that it is probable that principal and interest on those loans will not be collected according to their contractual terms, the impairment of those loans is recognized in the allowance account based on the present value of expected future cash flows discounted at the loans' effective rate, except for those loans which are collateral dependent or where foreclosure is probable, on which impairment is based on the fair value of the collateral. Prior to 1995, the allowance for loan losses related to these loans was based on undiscounted cash flows or the fair value of the collateral for collateral dependent loans. Interest received on impaired loans generally is either applied against principal or reported as interest income, according to management's judgement as to the collectability of principal.

NOTE B - Significant Accounting Policies

Loans receivable and accounting change - Continued:

On January 1, 1995, the Corporation adopted FASB Statement No. 114, Accounting by Creditors for Impairment of Loans. Statement No. 114 has been amended by FASB Statement No. 118, Accounting By Creditors for Impairment of a Loan - Income Recognition and Disclosures. Statement 114, as amended, requires that the impairment of loans that have been separately identified for evaluation is to be measured based on the present value of expected future cash flows, or alternatively, the observable market price of the loans or the fair value of the collateral. However, for those loans that are collateral dependent (that is, if repayment of those loans is expected to be provided solely by the underlying collateral) and for which management has determined foreclosure is probable, the measure of impairment of those loans is to be based on the fair value of the collateral. Statement 114, as amended also requires certain disclosures about investments in impaired loans and the allowance for loan losses and interest income recognized on those loans. There was no effect on the allowance for loan losses and the related provision for loan losses upon the adoption of Statement 114.

Recently issued FASB statements:

The Financial Accounting Standards Board has issued Statement No. 121, Accounting for Impairment of Long-Lived Assets and For Long-Lived Assets to be Disposed Of. For long-lived assets and certain intangibles that are to be held and used, the Statement requires that an impairment loss be recognized when the expected future gross cash flows are less that the carrying amount of the asset. These assets should be carried at their fair value. Long-lived assets and certain intangible assets that are to be disposed of should be carried at the lower of the carrying amount of their fair value less cost to dispose.

Statement No. 121 is effective for financial statements for fiscal years beginning after December 15, 1995, although earlier application is permitted. The effect of adopting the provisions of this Statement is not expected to have a material impact on the Corporation's financial position or results of operations.

NOTE C - Allowance for Loan Losses

An analysis of the activity in the allowance for loan losses during the quarters ended March 31, 1995 and 1994 is as follows (in 000s):

	1995	1994
Balance, January 1	$ 1,523	$ 1,458
Provision for loan losses	45	45
Recoveries	0	11
Loans charged off	(8)	(24)
Balance March 31	$ 1,560	$ 1,490

Information about impaired loans as of and for the quarter ended March 31, 1995 is as follows (in 000s)

	1995
Loans recievalbe for which there is a related allowance for loan losses	$ 0
Loans receivable for which there is no related allowance for loan losses	649
Total impaired loans	$ 649
Related allowance for loan losses	$ 0
Average balance (based on month-end balances)	$ 649
Interest income recognized on impaired loans	$ 0

Item 2. Management's Discussion and Analysis

Financial Condition:

Total assets of Juniata Valley Financial Corp. reached $194,023,000 as of March 31, 1995, an increase of $3,843,000 or 2.02% from December 31, 1994. An increase in cash and cash equivalents of $4,366,000 from December 31, 1994, to March 31, 1995 was the primary reason for the growth in assets. The cash provided by operating activities of $628,000 for the period ended March 31, 1995, was more than adequate to fund net loan demand of $132,000 as well as cover the increase in bank premise and equipment of $14,000. Repayments and maturities of securities were in excess of purchases for the first quarter by $1,001,000. The cash provided by financing activities was $2,884,000 from an increase in deposits.

There are no material loans classified for regulatory purposes as loss, doubtful, substandard or special mention which management expects to impact future operating results, liquidity or capital resources. Additionally, management is not aware of any information which would give serious doubt as to the ability of its borrowers to substantially comply with their loan repayment terms. The Corporation's problem loans (i.e., 90 days past due and restructured loans) were not material for all periods presented.

Management is not aware of any current recommendations of the regulatory authorities which, if implemented, would have a material effect on the Corporation's liquidity, capital resources or operations.

Results of operations:

Interest income increased $142,000 or 4.17% for the first three months of 1995 compared to 1994, while interest expense increased $109,000 or 7.69%. These increases in interest income and expense for the first three months of 1995 versus 1994 are reflective of the overall higher rates offered and paid in 1995 versus 1994; however repricing of the assets is lagging behind the repricing of the liabilities. Net interest income increased $33,000 or 1.66% for the first three months of 1995 compared to 1994. This net increase was due primarily to an increase in net interest earning assets.

Other income has increased $25,000 or 22.52% from 1994 to 1995. This was due to an increase in the other category which can all be attributed to an increase in loan fees. Expenses increased $83,000 or 6.33% from 1994 to 1995. The increase in salaries can be attributed to the annual merit increases and promotions of employees. The increase in the other category is due to a $15,000 consulting fee; $10,000 increase in examination fees by the Pennsylvania Department of Banking; a $10,000 increase in errors and omissions; a $6,500 increase in repossession and delinquent loans expense. The decrease in occupancy expense is a direct result of a decrease in repairs and maintenance. The decrease in equipment costs can be attributed to expiration of a lease and less costly replacement lease. Federal income taxes have also increased $41,000 or 26.80% from 1994 to 1995, due to a reduction in tax free securities through maturities and repayments. All of these factors combined have contributed to a decline in net income of $67,000 or 11.34% from 1995 versus 1994.

Liquidity:

The objective of liquidity management is to ensure that sufficient funding is available at a reasonable cost to meet the ongoing operational cash needs of the Corporation and to take advantage of income producing opportunities as they arise. While the desired level of liquidity will vary depending upon a variety of factors, it is the primary goal of the Corporation to maintain a high level of liquidity in all economic environments.

Principal sources of asset liquidity are provided by securities maturing in one year or less, other short-term investments such as Federal Funds sold and cash and due from banks. Liability liquidity, which is more difficult to measure, can be met by attracting deposits and maintaining the core deposit base. The Corporation joined the Federal Home Loan Bank of Pittsburgh in August of 1993 for the purpose of providing short term liquidity when other sources are unable to fill these needs.

In view of the primary and secondary sources previously mentioned, Management believes that the Corporation's liquidity is capable of providing the funds needed to meet loan demand.

Interest rate sensitivity:

Interest rate sensitivity management is the responsibility of the Asset/Liability Management Committee. This process involves the development and implementation of strategies to maximize net interest margin, while minimizing the earnings risk associated with changing interest rates. The traditional gap analysis identified the maturity and repricing terms of all assets and liabilities.

As of March 31, 1995, the Corporation's had a six-month negative gap of $4,553,000. Generally a liability sensitive position indicates that more liabilities than assets are expected to reprice within the time period and that falling interest rates could positively affect net interest income while rising interest rates could negatively affect net interest income. However, the traditional analysis does not accurately reflect the Bank's interest rate sensitivity since the rates on core deposits generally do not change as quickly as market rates. Historically net interest income has, in fact, not been subject to the degree of sensitivity indicated by the traditional analysis at The Juniata Valley Bank.

Capital Adequacy:

The Bank's regulatory capital ratios for the periods presented are as follows:

Risk Weighted Assets Ratio:

	Actual	Required

	March 31, 1995	December 31, 1994	March 31, 1995	December 31, 1994
TIER I	17.80%	17.16%	8.0%	8.0%
TIER I & II	19.00%	18.34%	8.0%	8.0%
Total Assets Leveraged Ratio:				
TIER I	12.15%	11.47%	3.0%	3.0%

At March 31, 1995, the Corporation exceeds the regulatory requirements to be considered a "well capitalized" financial institution.

Part II. Other Information

Item 1. Legal Proceedings
None

Item 2. Changes in Securities
None

Item 3. Defaults Upon Senior Securities
Not applicable

Item 4. Submission of Matters to a Vote of Security Holders
Not applicable

Item 5. Other Information
None

Item 6. Exhibits and Reports on Form 8-K
None

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Juniata Valley Financial Corp.
(Registrant)

Date________________________________ By________________________________
A. Jerome Cook, President

Date________________________________ By________________________________
Linda L. Engle, Treasurer