

CITIZENS FINANCIAL SERVICES INC
Form 10-K/A
October 17, 2007

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

FORM 10-K/A

(Mark One)

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended **December 31, 2006**

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 **000-13222**

CITIZENS FINANCIAL SERVICES, INC.
(Exact name of registrant as specified in its charter)

Pennsylvania
State or other jurisdiction of
incorporation or organization

23-2265045
(I.R.S. Employer
Identification No.)

**15 South Main Street, Mansfield,
Pennsylvania**
(Address of principal executive offices)

16933
(Zip Code)

Registrant's telephone number,
including area code **(570) 662-2121**

Securities registered pursuant to Section 12(b) of
the Act: **None**

Securities registered pursuant to Section 12(g) of the Act:

Common Stock, par value \$1.00 per share
(Title of class)

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.

Yes No

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Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act.

Yes No

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 if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (§229.405 of this chapter) is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K.

Indicate by check mark 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. (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 the Act). Yes No

State the aggregate market value of the voting and non-voting common equity held by non-affiliates computed by reference to the price at which the common equity was last sold, or the average bid and asked price of such common equity, as of the last business day of the registrant's most recently completed second fiscal quarter. \$57,423,080 as of June 30, 2006.

Indicate the number of shares outstanding of each of the registrant's classes of common stock, as of the latest practicable date. 2,819,692 as of March 1, 2007

DOCUMENTS INCORPORATED BY REFERENCE

Certain information required by Parts III is incorporated by reference to Registrant's Definitive Proxy Statement for the Annual Meeting of Shareholders.

Certain information required by Parts I and II is incorporated by reference to Registrant's Annual Report to Shareholders for the year ended December 31, 2006.

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Explanatory Note: This Form 10-K/A is being filed to file the Registrant's Annual Report to Shareholders for the year ended December 31, 2006 as Exhibit 13 to this Form 10-K/A.

PART II

ITEM 8 - FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA.

The information under the caption “*Consolidated Financial Statements*” appearing in the Registrant’s Annual Report to Shareholders for the year ended December 31, 2006, are incorporated in their entirety by reference in response to this Item 8.

Financial Statements:

Consolidated Balance Sheet as of December 31, 2006 and 2005

Consolidated Statement of Income for the Years Ended December 31, 2006, 2005 and 2004

Consolidated Statement of Changes in Stockholders' Equity for the Years Ended December 31, 2006, 2005 and 2004

Consolidated Statement of Cash Flows for the Years Ended December 31, 2006, 2005 and 2004

Notes to Consolidated Financial Statements

Report of Independent Registered Public Accounting Firm

PART IV

ITEM 15 - EXHIBITS, FINANCIAL STATEMENT SCHEDULES.

(a) The following documents are filed as a part of this report:

1. The following financial statements are incorporated by reference in Item 8:

Report of Independent Registered Public Accounting Firm

Consolidated Balance Sheet as of December 31, 2006 and 2005

Consolidated Statement of Income for the Years Ended December 31, 2006, 2005 and 2004

Consolidated Statement of Changes in Stockholders' Equity for the Years Ended December 31, 2006, 2005 and 2004

Consolidated Statement of Cash Flows for the Years Ended December 31, 2006, 2005 and 2004

Notes to Consolidated Financial Statements

2. All financial statement schedules are omitted because the required information is either not applicable, not required or is shown in the respective financial statement or in the notes thereto, which are incorporated by reference at subsection (a)(1) of this item.

3. The following Exhibits are filed herewith, or incorporated by reference as a part of this report.

3.1 Articles of Incorporation of Citizens Financial Services, Inc., as amended⁽¹⁾

3.2 Bylaws of Citizens Financial Services, Inc.⁽²⁾

4 Instrument defining the rights of security holders ⁽³⁾

10.1 Amended and Restated Executive Employment Agreement between Citizens Financial Services, Inc., First Citizens National Bank and Randall E. Black⁽⁴⁾

10.2 Consulting and Non-Compete Agreement between Citizens Financial Services, Inc., First Citizens National Bank and Richard E. Wilber⁽⁵⁾

10.3 Citizens Financial Services, Inc. Directors' Deferred Compensation Plan⁽⁶⁾

10.4 Citizens Financial Services, Inc. Directors' Life Insurance Program⁽⁷⁾

10.5 Citizens Financial Services, Inc. 2006 Restricted Stock Plan⁽⁸⁾

11 Statement re computation of per share earnings⁽⁹⁾

13 The Annual Report to Shareholders

21 List of Subsidiaries⁽¹⁰⁾

23 Consent of S.R. Snodgrass, A.C., Certified Public Accountants

31.1 Rule 13a-14(a)/15d-14(a) Certification of Chief Executive Officer

31.2 Rule 13a-14(a)/15d-14(a) Certification of Chief Financial Officer

32.1 Section 1350 Certification of Chief Executive Officer

32.2 Section 1350 Certification of Chief Financial Officer

⁽¹⁾ Incorporated by reference to Exhibit 3(i) to the Company's Quarterly Report on Form 10-Q for the quarter ended March 31, 2000, as filed with the Commission on May 11, 2000.

⁽²⁾ Incorporated by reference to Exhibit 3(ii) to the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2003, as filed with the Commission on April 29, 2004.

- (3) Incorporated by reference to Exhibit 4 to the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2005, as filed with the commission on March 14, 2006.
- (4) Incorporated by reference to Form 8-K filed with the Commission on September 19, 2006.
- (5) Incorporated by Reference to Exhibit 10 to the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2003, as filed with the Commission on March 18, 2004.
- (6) Incorporated by reference to Exhibit 10.2 to the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2004, as filed with the Commission on March 14, 2005.
- (7) Incorporated by reference to Exhibit 10.3 to the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2004, as filed with the Commission on March 14, 2005.
- (8) Incorporated by reference to Exhibit 4.1 to the Company's Form S-8, as filed with the Commission on August 29, 2006.
- (9) The statement regarding computation of per share earnings required by this exhibit is contained in Note 1 to the consolidated financial statements captioned "Earnings Per Share." as part of Item 8 of this report.
- (10) Incorporated by reference to Exhibit 21 to the Annual Report on Form 10-K for the year ended December 31, 2006, as initially filed with the Commission on March 13, 2007.
- (b) See Item 15(a)(3).
- (c) The exhibits required to be filed by this item are listed under Item 15(a)(3) above.
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SIGNATURE

In accordance with Section 13 or 15(d) of the Exchange Act, the registrant caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Citizens Financial Services, Inc.

Date: October 17, 2007

By: /s/ Randall E. Black
Randall E. Black
Chief Executive Officer and
President