HARLEYSVILLE SAVINGS FINANCIAL CORP
Form 10-Q
May 15, 2007

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20429

FORM 10-Q

(Mark One)

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

For the quarterly period ended March 31, 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 0-29709

HARLEYSVILLE SAVINGS FINANCIAL CORPORATION
(Exact name of registrant as specified in its charter)

Pennsylvania	23-3028464
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

271 Main Street, Harleysville, Pennsylvania 19438
(Address of principal executive offices)
(Zip Code)

(215) 256-8828
(Registrant's telephone number, including area code)

(Former name, former address and former fiscal year, if changed since 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 [X] No [ ]

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 [X]

Indicate by check mark whether the Registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

[ ] Yes [X] No

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date:

Common Stock, $.01 Par Value, 3,921,177 shares outstanding as of May 7, 2007

Harleysville Savings Financial Corporation
and Subsidiary

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Harleysville Savings Financial Corporation
Condensed Consolidated Statements of Financial Condition

	March 31, 2007	Septem 20
	(Unaudited)	
Assets		
Cash and amounts due from depository institutions	$ 1,604,307	$ 1,
Interest bearing deposits in other banks	6,536,993	8,
Total cash and cash equivalents	8,141,300	10,
Investment securities held to maturity (fair value - March 31, $106,931,057; September 30, $111,248,000)	106,821,321	111,
Investment securities available-for-sale at fair value	7,260,149	8,
Mortgage-backed securities held to maturity (fair value - March 31, $194,049,300; September 30, $213,913,000)	198,350,674	219,
Mortgage-backed securities available-for-sale at fair value	825,319	
Loans receivable (net of allowance for loan losses - March 31, $1,946,390; September 30, $1,955,805)	399,799,269	385,
Accrued interest receivable	3,720,325	3,
Federal Home Loan Bank stock - at cost	13,809,300	15,
Office properties and equipment, net	9,917,011	8,
Prepaid expenses and other assets	14,990,471	13,
TOTAL ASSETS	$ 763,635,139	$ 775,
Liabilities and Stockholders' Equity		
Liabilities:		
Deposits	$ 434,471,139	$ 429,
Advances	274,153,786	294,
Accrued interest payable	1,250,287	1,
Advances from borrowers for taxes and insurance	3,804,507	1,
Accounts payable and accrued expenses	714,105	
Income taxes payable	33,689	
Total liabilities	714,427,513	727,
Stockholders' equity:		
Preferred Stock: $.01 par value; 12,500,000 shares authorized; none issued		
Common stock: $.01 par value; 25,000,000 shares authorized; 3,921,177 shares issued	39,212	
Additional Paid-in capital	8,031,522	7,
Treasury stock, at cost (Mar. 2007, 51,361 shares; Sept. 2006, 71,441)	(913,419)	(1,
Retained earnings - partially restricted	42,064,656	41,
Accumulated other comprehensive loss	(14,345)	

Total stockholders' equity	49,207,626	48,
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	$ 763,635,139	$ 775,

See notes to unaudited condensed consolidated financial statements.

Harleysville Savings Financial Corporation
Unaudited Condensed Consolidated Statements of Income

	For the Three Months Ended March 31,	
	2007	2006
INTEREST INCOME:		
Interest on mortgage loans	$ 4,230,013	$ 3,943,55
Interest on mortgage-backed securities	2,335,004	2,754,22
Interest on consumer and other loans	1,606,748	1,385,36
Interest and dividends on tax-exempt investments	277,081	346,47
Interest and dividends on taxable investments	1,450,006	1,205,09
Total interest income	9,898,852	9,634,72
Interest Expense:		
Interest on deposits	3,806,729	3,203,36
Interest on borrowings	3,150,755	3,167,08
Total interest expense	6,957,484	6,370,44
Net Interest Income	2,941,368	3,264,27
Provision for loan losses	--	-
Net Interest Income after Provision for Loan Losses	2,941,368	3,264,27
Other Income:		
Gain on sales of securities	159,888	8,91
Other income	385,737	273,11
Total other income	545,625	282,03
Other Expenses:		
Salaries and employee benefits	1,301,365	1,129,57
Occupancy and equipment	404,031	385,04
Deposit insurance premiums	12,957	13,67
Other	596,199	502,71
Total other expenses	2,314,552	2,031,00

Income before Income Taxes	1,172,441	1,515,29
Income tax expense	268,500	354,17
Net Income	$ 903,941	$ 1,161,11
Basic Earnings Per Share	$ 0.23	$ 0.3
Diluted Earnings Per Share	$ 0.23	$ 0.2
Dividends Per Share	$ 0.17	$ 0.1

See notes to unaudited condensed consolidated financial statements.

Harleysville Savings Financial Corporation
Unaudited Condensed Consolidated Statements of Comprehensive Income

Net Income	$
Other Comprehensive Income	
Unrealized gain on securities net of tax 2007, ($21,518); 2006, $(9,046)	
Total Comprehensive Income	$

(1) Disclosure of reclassification amount, net of tax for the three months ended:

Net unrealized gain arising during the three months ended	$
Less: Reclassification adjustment for net gains included in net income	
Net of tax expense -2007, 0; 2006, $3,031	
Net unrealized gain on securities	$

Net Income	$
Other Comprehensive Income	
Unrealized loss on securities net of tax benefit 2007, $1,177; 2006, $332	
Total Comprehensive Income	$

(1) Disclosure of reclassification amount, net of tax for the six months ended:

Net unrealized gain (loss) arising during the six months ended	$
Less: Reclassification adjustment for net gains included in net income Net of tax expense -2007, 0; 2006, $3,031	
Net unrealized loss on securities	$

See notes to unaudited condensed consolidated financial statements.

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Harleysville Savings Financial Corporation
Unaudited Condensed Consolidated Statement of Stockholders' Equity

	Common Stock Shares	Common Stock	Additional Paid-in Capital	Treasury Stock	Retained Earnings- Partially Restricted
Balance at October 1, 2006	3,921,177	$ 39,212	$7,992,014	$(1,262,412)	$ 41,714,616
Net Income					1,660,902
Dividends - $.34 per share					(1,310,862
Option Compensation			56,250		
Treasury stock issued for stock options exercised (3,334 shares)			(13,186)	57,947	
Treasury Stock issued under Dividend Reinvestment Plan (16,746 shares)			(3,556)	291,046	

Unrealized holding loss on available - for- sale securities, net of tax					
Balance at March 31, 2007	3,921,177	$ 39,212	$8,031,522	$ (913,419)	$ 42,064,656

	Common Stock Shares	Common Stock	Additional Paid-in Capital	Treasury Stock	Retai Earni Partia Restri
Balance at October 1, 2005	3,904,136	$ 39,041	$ 7,610,511	$ (60,107)	$ 39,99
Net Income					2,24
Issuance of Common Stock	17,041	171			
Dividends - $.32 per share					(1,24
Option Compensation			35,025		
Treasury stock purchased				(1,091,072)	
Treasury stock issued for stock options exercised			(12,339)	155,122	
Stock delivered under Dividend Reinvestment Plan			300,427		
Unrealized holding loss on available - for- sale securities, net of tax					
Balance at March 31, 2006	3,921,177	$ 39,212	$ 7,933,624	$ (996,057)	$ 40,98

See notes to unaudited condensed consolidated financial statements.

Harleysville Savings Financial Corporation
Unaudited Condensed Consolidated Statements of Cash Flows

	Six Months Ended Ma	
	2007	
Operating Activities:		
Net Income	$ 1,660,902	$
Adjustments to reconcile net income to net cash (used in) provided by operating activities:		
Depreciation	259,642	
Compensation charge on stock options	56,250	
Amortization of deferred loan fees	(1,598)	
Gain on sale of securities	(159,888)	
Increase in cash surrender value	(234,000)	
Net amortization of premiums and discounts	84,924	
Changes in assets and liabilities which provided (used) cash:		

Increase (decrease) in accounts payable and accrued expenses	36,780
(Increase) in prepaid expenses and other assets	(1,620,670)
(Increase) decrease in accrued interest receivable	249,285
Decrease in accrued interest payable	(155,874)
Net cash provided by operating activities	175,753
Investing Activities:	
Purchase of investment securities held to maturity	(17,491,691)
Purchase of investment securities available for sale	(471,067)
Purchase of mortgage-backed securities held to maturity	(8,058,720)
Proceeds from the sales of mortgage-backed securities	10,290,037
Proceeds from maturities of investment securities held to maturity	21,769,052
Proceeds from maturities of investment securities available for sale	1,310,152
Principal collected on long-term loans & mortgage-backed securities	61,162,459
Proceeds of FHLB stock	1,689,300
Long-term loans originated	(56,522,964)
Purchases of premises and equipment	(2,162,684)
Net cash provided by (used in) investing activities	11,513,874
Financing Activities:	
Net increase (decrease) in demand deposits, NOW accounts and savings accounts	7,365,164
Net (decrease) increase in certificates of deposit	(2,148,072)
Cash dividends	(1,310,862)
Proceeds from advances	25,000,000
Repayment of FHLB advances	(45,457,376)
Treasury stock delivered under employee stock plan and Dividend Reinvestment Plan	332,251
Purchase of treasury stock	--
Net proceeds from issuance of stock	--
Net increase in advances from borrowers for taxes & insurance	2,620,418
Net cash (used in) provided by financing activities	(13,598,477)
(DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(1,908,850)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	10,050,150
CASH AND CASH EQUIVALENTS AT END OF PERIOD	$ 8,141,300
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION:	
Cash paid during the period for:	
Income taxes	$ 2,000
Interest expense	14,140,720

See notes to unaudited condensed consolidated financial statements.

Harleysville Savings Financial Corporation
Notes to Unaudited Condensed Consolidated Financial Statements

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation - The unaudited condensed consolidated financial statements include the accounts of Harleysville Savings Financial Corporation (the "Company") and its subsidiary. Harleysville Savings Bank (the "Bank") is the wholly owned subsidiary of the Company. The accompanying consolidated financial statements include the accounts of the Company, the Bank, and the Bank's wholly owned subsidiaries, HSB Inc, a Delaware corporation which was formed in order to hold certain assets, Freedom Financial LLC that allows the Company to offer non deposit products and HARL LLC that allows the Bank to invest in equity investments. All significant intercompany accounts and transactions have been eliminated in consolidation.

The accompanying unaudited condensed consolidated financial statements have been prepared in accordance with the instructions for Form 10-Q and therefore do not include information or footnotes necessary for a complete presentation of financial condition, results of operations and cash flows in conformity with accounting principles generally accepted in the United States of America. However, all adjustments (consisting only of normal recurring adjustments) which, in the opinion of management, are necessary for a fair presentation of the consolidated financial statements have been included. The results of operations for the six months ended March 31, 2007 are not necessarily indicative of the results which may be expected for the entire fiscal year ending September 30, 2007 or any other period. The financial information should be read in conjunction with the Annual Report on Form 10-K for the period ended September 30, 2006.

Use of Estimates in Preparation of Consolidated Financial Statements - The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statement and the reported amounts of income and expenses during the reporting period. The most significant of these estimates is the allowance for loan losses. Actual results could differ from those estimates.

Recent Accounting Pronouncements - In October 2006, the FASB issued FASB Staff Position No. 123R-5, "Amendment of FASB Staff Position FAS 123(R)-1" ("FSP 123(R)-5"). FSP 123(R)-5 amends FSP 123(R)-1 for equity instruments that were originally issued as employee compensation and then modified, with such modification made solely to reflect an equity restructuring that occurs when the holders are no longer employees. The Company does not expect the adoption of FSP 123(R)-5 to have a material impact on its financial condition, results of operations or cash flows.

In July 2006, the FASB issued FASB Interpretation No. 48, "Accounting for Uncertainty in Income Taxes - an Interpretation of FASB Statement No. 109 ("FIN 48"). FIN 48 prescribes a recognition threshold and measurement attribute for the financial statement recognition and measurement of a tax position taken in a tax return. The Company must presume the tax position will be examined by the relevant tax authority and determine whether it is more likely than not that the tax position will be sustained upon examination, including resolution of any related appeals or litigation processes, based on the technical merits of the position. A tax position that meets the more-likely-than-not recognition threshold is measured to determine the amount of benefit to recognize in the financial statements. FIN 48 also provides guidance on derecognition, classification, interest and penalties, accounting in interim periods, disclosure and transition. FIN 48 is effective for fiscal years begining after December 15, 2006. The cumulative effect of applying the provisions of FIN 48 represents a change in accounting principle and shall be reported as an adjustment to the opening balance of retained earnings. The Company is currently evaluating the impact of adopting FIN 48 on its Consolidated Financial Statements.

In September 2006, the FASB issued SFAS No. 157, "Fair Value Measurements" ("SFAS No. 157"). SFAS No. 157 defines fair value, establishes a framework for measuring fair value in generally accepted accounting principles, and expands disclosures about fair value measurements. The changes to current practice resulting from the application of SFAS No. 157 relate to the definition of fair value, the methods used to measure fair value and the expanded disclosures about fair value measurements. SFAS No. 157 is effective for financial statements issued for fiscal years beginning after November 15, 2007. Earlier application is encouraged, provided that the reporting entity has not yet issued financial statements for that fiscal year, including financial statements for an interim period within that fiscal year. The provisions of SFAS No. 157 should be applied prospectively as of the beginning of the fiscal year in which it is initially applied, except for certain financial instruments which require retrospective application as of the beginning of the fiscal year of initial application (a limited form of retrospective application). The transition adjustment, measured as the difference between the carrying amounts and the fair values of those financial instruments at the date SFAS No. 157 is initially applied, should be recognized as a cumulative-effect adjustment to the opening balance of retained earnings. The Company is currently evaluating the impact of adopting SFAS No. 157 on its Consolidated Financial Statements and whether to adopt its provisions prior to the required effective date.

In September 2006, the Securities and Exchange Commission ("SEC") released Staff Accounting Bulletin ("SAB") No. 108. This release expresses the staff's views regarding the process of quantifying financial statement misstatements and addresses diversity in practice in quantifying financial statement misstatements and the potential under current practice for the build up of improper amounts on the balance sheet. SAB No. 108 is effective for annual financial statements covering the first fiscal year ending after November 15, 2006. The Company has reviewed the SAB in connection with our condensed consolidated financial statements for the current and prior periods, and has determined that its adoption will not have an impact on any of these financial statements.

In February 2007, the FASB issued SFAS No. 159, "The Fair Value Option for Financial Assets and Financial Liabilities-Including an amendment of FASB Statement No. 115." SFAS No. 159 permits entities to choose to measure many financial instruments and certain other items at fair value. Unrealized gains and losses on items for which the fair value option has been elected will be recognized in earnings at each subsequent reporting date. SFAS No. 159 is effective for our Company January 1, 2008. The Company is evaluating the impact that the adoption of SFAS No. 159 will have on our consolidated financial statements.

In March 2007, the FASB ratified EITF Issue No. 06-11, "Accounting for Income Tax Benefits of Dividends on Share-Based Payment Awards." EITF 06-11 requires companies to recognize the income tax benefit realized from dividends or dividend equivalents that are charged to retained earnings and paid to employees for nonvested equity-classified employee share-based payment awards as an increase to additional paid-in capital. EITF 06-11 is effective for fiscal years beginning after September 15, 2007. The Company does not expect EITF 06-11 will have a material impact on its financial position, results of operations or cash flows.

On September 7, 2006, the Task Force reached a conclusion on EITF Issue No. 06-5, "Accounting for Purchases of Life Insurance-Determining the Amount That Could Be Realized in Accordance with FASB Technical Bulletin No. 85-4, Accounting for Purchases of Life Insurance" ("EITF 06-5"). The scope of EITF 06-5 consists of six separate issues relating to accounting for life insurance policies purchased by entities protecting against the loss of "key persons". The six issues are clarifications of previously issued guidance on FASB Technical Bulletin No. 85-4. EITF 06-5 is effective for fiscal years beginning after December 15, 2006. The Company does not expect it to have a material impact on the Company's consolidated financial statements.

2. INVESTMENT SECURITIES HELD TO MATURITY

A comparison of amortized cost and approximate fair value of investment securities with gross unrealized gains and losses, by maturities, is as follows:

	March 31, 2007		
	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses
U.S. Government Agencies			
Due after 1 years through 5 years	$ 5,000,000		$ (82,820)
Due after 5 years through 10 years	20,899,629	$ 26,133	(270,486)
Due after 10 years through 15 years	48,416,180	24,865	(720,552)
Due after 15 years	6,387,323	--	(65,764)
Tax-Exempt Obligations			
Due after 10 years through 15 years	17,913,446	1,046,056	
Due after 15 years	8,204,743	265,543	(113,239)
Total Investment Securities	$ 106,821,321	$ 1,362,597	$ (1,252,861)

A summary of investment with unrealized losses, aggregated by category, at March 31, 2007 is as follows:

	Less than 12 Months		12 Month
	Fair Value	Unrealized Losses	Fair Value
US Government agencies	$ 14,329,023	$ (143,477)	$ 60,349,765
Tax-Exempt Obligations	2,903,433	(113,239)	--
Total	$ 17,232,456	$ (256,716)	$ 60,349,765

	Total Fair Value	Total Unrealized Losses
US Government agencies	$ 74,678,788	$ (1,139,622)
Tax-Exempt Obligations	2,903,433	(113,239)
Total	$ 77,582,221	$ (1,252,861)

At March 31, 2007, investment securities in a gross unrealized loss position for twelve months or longer consisted of 23 US Government Agency Securities that at such date had an aggregate depreciation of 1.6% from the Company's amortized cost basis. Management believes that the estimated fair value of the securities disclosed above is primarily dependent upon the movement in market interest rates. Management evaluated the length of time and the extent to which the market value has been less than cost and the financial condition and near term prospects of the issuer. The Company has the ability and intent to hold these securities until the anticipated recovery of fair value occurs. Management does not believe any individual unrealized loss as of March 31, 2007 represents an other-than-temporary impairment.

	September 30, 2006		
	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses
U.S. Government Agencies			
Due after 1 year through 5 years	$ 12,000,000		$ (146,000)
Due after 5 years through 10 years	21,878,790	$ 24,290	(386,080)
Due after 10 years through 15 years	46,237,147	45,273	(769,420)
Due after 15 years	6,386,754		(97,754)
Tax Exempt Obligations			
Due after 10 years through 15 years	17,981,750	997,250	--
Due after 15 years	6,614,241	481,759	--
Total Investment Securities	$ 111,098,682	$ 1,548,572	$ (1,399,254)

A summary of investment with unrealized losses, aggregated by category, at September 30, 2006 is as follows:

	Less than 12 Months		12 Month
	Fair Value	Unrealized Losses	Fair Value
US Government agencies	$ 26,578,627	$ (216,285)	$ 50,655,619
Total	$ 26,578,627	$ (216,285)	$ 50,655,619

	Total Fair Value	Total Unrealized Losses
US Government agencies	$ 77,234,246	$ (1,399,254)
Total	$ 77,234,246	$ (1,399,254)

At September 30, 2006, investment securities in a gross unrealized loss position for twelve months or longer consisted of 19 US Government Agency Securities that at such date had an aggregate depreciation of 2.3% from the Company's amortized cost basis. Management believes that the estimated fair value of the securities disclosed above is primarily dependent upon the movement in market interest rates. Management evaluated the length of time and the extent to which the market value has been less than cost and the financial condition and near term prospects of the issuer. The Company has the ability and intent to hold these securities until the anticipated recovery of fair value occurs. Management does not believe any individual unrealized loss as of September 30, 2006 represents an other-than-temporary impairment.

3. INVESTMENT SECURITIES AVAILABLE-FOR-SALE

A comparison of amortized cost and approximate fair value of investment securities with gross unrealized gains and losses, is as follows:

	March 31, 2007		
	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses
Equity Securities	$ 1,516,667	$ 30,902	$ (92,768)
Money Market Mutual Funds	5,805,348		
Total Investment Securities	$ 7,322,015	$ 30,902	$ (92,768)

A summary of investment securities available for sale with unrealized losses, aggregated by category, at March 31, 2007 is as follows:

	Less than 12 Months		12 Month
	Fair Value	Unrealized Losses	Fair Value
Equity Securities	$ 1,023,251	$ (92,768)	$ --
Total	$ 1,023,251	$ (92,768)	$ --

	Total Fair Value	Total Unrealized Losses
Equity Securities	$ 1,023,251	$ (92,768)
Total	$ 1,023,251	$ (92,768)

There were no securities in a loss position greater then twelve months. Management evaluated the length of time and the extent to which the market value has been less than cost and the financial condition and near term prospects of the issuer. The Company has the ability and intent to hold these securities until the anticipated recovery of fair value occurs. Management does not believe any individual unrealized loss as of March 31, 2007 represents an other-than-temporary impairment.

	September 30, 2006		
	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses
Equity Securities	$ 1,050,664	$ 13,802	$ (67,143)
Money Market Mutual Funds	7,110,436		
Total Investment Securities	$ 8,161,100	$ 13,802	$ (67,143)

A summary of investment securities available for sale with unrealized losses, aggregated by category, at September 30,2006 is as follows:

	Less than 12 Months		12 Month
	Fair Value	Unrealized Losses	Fair Value
Equity Securities	$ 582,873	$ (67,143)	$ --
Total	$ 582,873	$ (67,143)	$ --

	Total Fair Value	Total Unrealized Losses
Equity Securities	$ 582,873	$ (67,143)
Total	$ 582,873	$ (67,143)

There were no securities in a loss position greater then twelve months. Management evaluated the length of time and the extent to which the market value has been less than cost; the financial condition and near term prospects of the issuer. The Company has the ability and intent to hold these securities until the anticipated recovery of fair value occurs. Management does not believe any individual unrealized loss as of September 30, 2006 represents an other-than-temporary impairment.

4. MORTGAGE-BACKED SECURITIES HELD TO MATURITY

A comparison of amortized cost and approximate fair value of mortgage-backed securities with gross unrealized gains and losses, is as follows:

	March 31,2007		
	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses
Collateralized mortgage obligations	$ 17,287,899	$ 119,699	$ (256,663)
FHLMC pass-through certificates	87,466,909	21,687	(2,127,171)
FNMA pass-through certificates	92,862,336	15,284	(2,077,724)
GNMA pass-through certificates	733,530	3,514	--
Total Mortgage-Backed Securities	$ 198,350,674	$ 160,184	$ (4,461,558)

A summary of motgage-backed securities held to maturity with unrealized losses, aggregated by category, at March 31, 2007 is as follows:

	Less than 12 Months		12 Month
	Fair Value	Unrealized Losses	Fair Value
Mortgage-backed securities held to maturity	$ 9,457,405	$ (30,339)	$ 179,028,533
Total	$ 9,457,405	$ (30,339)	$ 179,028,533

	Total Fair Value	Total Unrealized Losses
Mortgage-backed securities held to maturity	$ 188,485,938	$ (4,461,558)
Total	$ 188,485,938	$ (4,461,558)

At March 31, 2007, mortgage-related securities in a gross unrealized loss position for twelve months or longer consisted of 88 securities that at such date had an aggregate depreciation of 2.4% from the Company's amortized cost basis. Management believes that the estimated fair value of the securities disclosed above is primarily dependent upon the movement in market interest rates. Management evaluated the length of time and the extent to which the market value has been less than cost and the financial condition and near term prospects of the issuer. The Company has the ability and intent to hold these securities until the anticipated recovery of fair value occurs. Management does not believe any individual unrealized loss as of March 31, 2007 represents an other-than-temporary impairment.

September 30,2006

	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses
Collateralized mortgage obligations	$ 15,088,964	$ 88,867	$ (319,831)
FHLMC pass-through certificates	98,855,830	70,407	(2,793,237)
FNMA pass-through certificates	100,287,098	83,203	(2,825,301)
GNMA pass-through certificates	5,261,926	115,074	
Total Mortgage-Backed Securities	$ 219,493,818	$ 357,551	$ (5,938,369)

A summary of motgage-backed securities held to maturity with unrealized losses, aggregated by category, at September 30, 2006 is as follows:

	Less than 12 Months		12 Month
	Fair Value	Unrealized Losses	Fair Value
Mortgage-backed securities held to maturity	$ 6,898,645	$ (68,773)	$ 191,950,265
Total	$ 6,898,645	$ (68,773)	$ 191,950,265

	Total Fair Value	Total Unrealized Losses
Mortgage-backed securities held to maturity	$ 198,848,910	$ (5,938,369)
Total	$ 198,848,910	$ (5,938,369)

At September 30, 2006, mortgage-related securities in a gross unrealized loss position for twelve months or longer consisted of 76 securities that at such date had an aggregate depreciation of 3.1% from the Company's amortized cost basis. Management believes that the estimated fair value of the securities disclosed above is primarily dependent upon the movement in market interest rates. Management evaluated the length of time and the extent to which the market value has been less than cost and the financial condition and near term prospects of the issuer. The Company has the ability and intent to hold these securities until the anticipated recovery of fair value occurs. Management does not believe any individual unrealized loss as of September 30, 2006 represents an other-than-temporary impairment.

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5. MORTGAGE-BACKED SECURITIES AVAILABLE-FOR-SALE

A comparison of amortized cost and approximate fair value of mortgage-backed securities with gross unrealized gains and losses, is as follows:

	March 31,2007			
	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
FNMA pass-through certificates	$ 785,187	$ 40,132	$ --	$ 825,319
Total Mortgage-Backed Securities	$ 785,187	$ 40,132	$ --	$ 825,319

	September 30,2006			
	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
FNMA pass-through certificates	$ 785,187	$ 35,068	$ --	$ 820,255
Total Mortgage-Backed Securities	$ 785,187	$ 35,068	$ --	$ 820,255

6. LOANS RECEIVABLE

Loans receivable consist of the following:

	March 31, 2007	September 30, 2006
Residential Mortgages	$ 290,962,031	$ 282,181,674
Commercial Mortgages	9,500,497	5,893,737
Construction	8,027,620	6,986,632
Savings Account	855,073	1,002,672
Home Equity	73,316,689	70,515,174
Automobile and other	898,056	811,963
Home Equity Line of Credit	22,395,897	25,499,895
Total	405,955,863	392,891,747
Undisbursed portion of loans in process	(3,679,265)	(4,941,266)
Deferred loan fees	(530,939)	(544,301)
Allowance for loan losses	(1,946,390)	(1,955,805)
Loans Receivable - net	$ 399,799,269	$ 385,450,375

The total amount of loans being serviced for the benefit of others was approximately $3.8 million and $3.9 million at March 31, 2007 and September 30, 2006, respectively.

The following schedule summarizes the changes in the allowance for loan losses:

	Six Months Ended	Year Ended

	March 31, 2007	September 30, 2006
Balance, beginning of period	$ 1,955,805	$ 1,967,607
Amounts charged-off	(12,826)	(20,326)
Loan recoveries	3,411	8,524
Balance, end of period	$ 1,946,390	$ 1,955,805

7. OFFICE PROPERTIES AND EQUIPMENT

Office properties and equipment are summarized by major classification as follows:

	March 31, 2007	September 30, 2006
Land	$ 1,159,031	$ 1,159,031
Buildings	9,657,111	7,543,587
Furniture, fixtures and equipment	3,737,488	3,694,898
Automobiles	24,896	24,896
Total	14,578,526	12,422,412
Less accumulated depreciation	(4,661,515)	(4,408,443)
Net	$ 9,917,011	$ 8,013,969

8. DEPOSITS

Deposits are summarized as follows:

	March 31, 2007	September 30, 2006
Non-interest bearing checking	$ 11,018,271	$ 10,338,951
NOW accounts	17,670,873	15,719,531
Checking accounts	26,779,067	20,410,198
Money Market Demand accounts	57,805,632	58,989,416
Passbook and Club accounts	2,874,568	3,325,151
Certificate accounts	318,322,728	320,470,800
Total deposits	$ 434,471,139	$ 429,254,047

The aggregate amount of certificate accounts in denominations of more than $100,000 at March 31, 2007 and September 30, 2006 amounted to approximately $43.9 million and $47.6 million, respectively. Amounts in excess of $100,000 may not be federally insured.

9. COMMITMENTS

At March 31, 2007, the following commitments were outstanding:

Origination of mortgage loans	$ 17,540,782
Unused line of credit loans	41,804,345
Loans in process	3,679,265
Total	$ 63,024,392

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10. EARNINGS PER SHARE

The following shares were used for the computation of earnings per share:

	For the Three Months Ended March 31,		For the Six Months Ended March 31,	
	2007	2006	2007	2006
Basic	3,864,189	3,893,428	3,859,201	3,898,099
Diluted	3,891,445	3,953,751	3,892,782	3,949,506

The difference between the number of shares used for computation of basic earnings per share and diluted earnings per share represents the dilutive effect of stock options.

11. ADVANCES

Advances consists of the following:

	March 31, 2007		September 30, 2006	
Maturing Period	Amount	Weighted Interest Rate	Amount	Weighted Interest Rate
1 to 12 months	$ 56,458,175	5.12%	$ 79,492,234	4.92%
13 to 24 months	45,055,964	4.58%	46,949,489	4.79%
25 to 36 months	14,693,156	4.48%	25,850,822	4.07%
37 to 48 months	15,000,000	5.26%	8,375,148	3.96%
49 to 60 months	30,428,267	4.44%	39,417,941	5.38%
61 to 72 months	42,518,224	3.84%	59,525,528	4.47%
73 to 84 months	20,000,000	4.26%	5,000,000	3.80%
85 to 120 months	50,000,000	4.61%	30,000,000	4.10%
Total	$ 274,153,786	4.67%	$ 294,611,162	4.67%

The majority of the advances are collateralized by Federal Home Loan Bank ("FHLB") stock and substantially all first mortgage loans. The Company has a line of credit with the FHLB of which $42.3 million out of $75.0 million was used at March 31, 2007 and $58.2 million was used as of September 30, 2006, for general purposes. Included in the table above at March 31, 2007 and September 30, 2006 are convertible advances whereby the FHLB has the option at a predetermined strike rate to convert the fixed interest rate to an adjustable rate tied to London Interbank Offered Rate ("LIBOR"). The Company then has the option to repay these advances if the FHLB converts the interest rate. These advances are included in the periods in which they mature. The Company has a total FHLB borrowing capacity of $535.6 million of which $249.2 million was used as of March 31, 2007. The Company has two advances that are secured by investment and mortgage-backed securities totaling $25.0 million.

12. REGULATORY CAPITAL REQUIREMENTS

Harleysville Savings Bank (the "Bank") is subject to various regulatory capital requirements administered by the federal banking agencies. Failure to meet minimum capital requirements can initiate certain mandatory - and possibly additional discretionary - actions by regulators that, if undertaken, could have a direct material effect on the Bank's consolidated financial statements. Under capital adequacy guidelines and the regulatory framework for prompt corrective action, the Bank must meet specific capital guidelines that involve quantitative measures of the Bank's assets, liabilities and certain off-balance-sheet items as calculated under regulatory accounting practices. The Bank's capital amounts and classification are also subject to qualitative judgments by the regulators about components, risk weightings, and other factors. Quantitative measures established by regulation to ensure capital adequacy require the Bank to maintain minimum amounts and ratios (set forth in the table below) of total Tier 1 capital (as defined in the regulations) to risk weighted assets (as defined), and of Tier 1 capital (as defined) to assets (as defined). Management believes, as of March 31, 2007, that the Bank meets all capital adequacy requirements to which it is subject.

As of March 31, 2007, the most recent notification from the Federal Deposit Insurance Corporation categorized the Bank as well capitalized under the regulatory framework for prompt corrective action. To be categorized as well capitalized, the Bank must maintain minimum total risk-based, Tier 1 risk-based, and Tier 1 leverage ratios as set forth in the table. There are no conditions or events since that notification that management believes have changed the Bank's category.

The Bank's actual capital amounts and ratios are also presented in the table.

		Actual		For Capital Adequacy Purpo
		Amount	Ratio	Amount
As of March 31, 2007				
	Tier 1 Capital (to assets)	$49,019,555	6.55%	$29,957,960
	Tier 1 Capital (to risk weighted assets)	49,019,555	12.92%	29,957,960
	Total Capital (to risk weighted assets)	50,965,899	13.43%	30,354,640
As of September 30, 2006				
	Tier 1 Capital (to assets)	$48,182,567	6.24%	$30,868,800
	Tier 1 Capital (to risk weighted assets)	48,182,567	13.02%	14,800,960
	Total Capital (to risk weighted assets)	50,138,888	13.55%	29,601,920

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

This report contains certain forward-looking statements and information relating to the Company that are based on the beliefs of management as well as assumptions made by and information currently available to management. In addition, in those and other portions of this document, the words "anticipate," "believe," "estimate," "intend," "should" and similar expressions, or the negative thereof, as they relate to the Company or the Company's management, are intended to identify forward-looking statements. Such statements reflect the current views of the Company with respect to future-looking events and are subject to certain risks, uncertainties and assumptions. Should one or more of these risks or uncertainties materialize or should underlying assumptions prove incorrect, actual results may vary materially from those described herein as anticipated, believed, estimated, expected or intended. The Company does not intend to update these forward-looking statements.

The Company's primary business consists of attracting deposits from the general public through a variety of deposit programs and investing such deposits principally in first mortgage loans secured by residential properties in the Company's primary market area. The Company also originates a variety of consumer loans, predominately home equity loans and lines of credit also secured by residential properties in the Company's primary lending area. The Company serves its customers through its full-service branch network as well as through remote ATM locations, the internet and telephone banking.

Critical Accounting Policies and Judgments

The Company's consolidated financial statements are prepared based on the application of certain accounting policies. Certain of these policies require numerous estimates and strategic or economic assumptions that may prove inaccurate or subject to variations and may significantly affect the Company's reported results and financial position for the period or in future periods. Changes in underlying factors, assumptions, or estimates in any of these areas could have a material impact on the Company's future financial condition and results of operations.

Analysis and Determination of the Allowance for Loan Losses - The allowance for loan losses is a valuation allowance for probable losses inherent in the loan portfolio. The Company evaluates the need to establish allowances against losses on loans on a monthly basis. When additional allowances are necessary, a provision for loan losses is charged to earnings.

Our methodology for assessing the appropriateness of the allowance for loan losses consists of three key elements: (1) specific allowances for certain impaired or collateral-dependent loans; (2) a general valuation allowance on certain identified problem loans; and (3) a general valuation allowance on the remainder of the loan portfolio. Although we determine the amount of each element of the allowance separately, the entire allowance for loan losses is available for the entire portfolio.

Specific Allowance Required for Certain Impaired or Collateral-Dependent Loans: We establish an allowance for certain impaired loans for the amounts by which the collateral value or observable market price are lower than the carrying value of the loan. Under current accounting guidelines, a loan is defined as impaired when, based on current information and events, it is probable that a creditor will be unable to collect all amounts due under the contractual terms of the loan agreement. At March 31, 2007, no loans were considered impaired.

General Valuation Allowance on Certain Identified Problem Loans - We also establish a general allowance for classified loans that do not have an individual allowance. We segregate these loans by loan category and assign allowance percentages to each category based on inherent losses associated with each type of lending and consideration that these loans, in the aggregate, represent an above-average credit risk and that more of these loans will prove to be uncollectible compared to loans in the general portfolio.

General Valuation Allowance on the Remainder of the Loan Portfolio - We establish another general allowance for loans that are not classified to recognize the inherent losses associated with lending activities, but which, unlike specific allowances, has not been allocated to particular problem assets. This general valuation allowance is determined by segregating the loans by loan category and assigning allowance percentages based on our historical loss experience, delinquency trends and management's evaluation of the collectibility of the loan portfolio. The allowance may be adjusted for significant factors that, in management's judgment, affect the collectibility of the portfolio as of the evaluation date. These significant factors may include changes in lending policies and procedures,

changes in existing general economic and business conditions affecting our primary lending areas, credit quality trends, collateral value, loan volumes and concentrations, seasoning of the loan portfolio, recent loss experience in particular segments of the portfolio, duration of the current business cycle and bank regulatory examination results. The applied loss factors are reevaluated monthly to ensure their relevance in the current economic environment.

Changes in Financial Position for the Six-Month Period Ended March 31, 2007

Total assets at March 31, 2007 were $763.6 million, a decrease of $12.0 million for the six-month period then ended. The decrease was primarily the result of a decrease in mortgage-backed securities held to maturity of $21.1 million and investment securities held to maturity of $4.3 million. These decreases were partially offset by an increase in loans receivable of $14.3 million. As of March 31, 2007, total deposits increased by $5.2 million to $434.5 million. Advances from borrowers for taxes and insurance also increased by $2.6 million. There was also a decrease in advances of $20.5 million due to the growth of deposits and normal cash flows.

Comparisons of Results of Operations for the Three and Six Month Period Ended March 31, 2007 with the Three and Six Month Period Ended March 31, 2006.

Net Interest Income

Net interest income was $2.94 million for the three-month period ended March 31, 2007 compared to $3.3 million for the comparable period in 2006. The decrease in the net interest income for the three-month period ended March 31, 2007 when compared to the same period in 2006 is attributed to the decrease in interest rate spread to 1.40% in 2007 from 1.57% in 2006. The decrease in the net interest income for the six-month period ended March 31, 2007 when compared to the same period in 2006 can be attributed to the decrease in interest rate spread to 1.36% in 2007 from 1.51% in 2006. Net interest income was $5.7 million for the six-month periods ended March 31, 2007 compared to $6.3 million for the same period in 2006.

Total interest income was $9.9 million for the three-month period ended March 31, 2007 compared to $9.6 million for the comparable period in 2006. For the six month period ended March 31, 2007, total interest income was $19.7 million compared to $19.1 million for the comparable period in 2006. The increase is the result of the increased average yield for the interest-earning assets to 5.53% and 5.44% for the three and six-month periods ended March 31, 2007, respectively, from 5.18% and 5.14% for the comparable periods in 2006.

Total interest expense increased to $7.0 million for the three-month period ended March 31, 2007 from $6.4 million for the comparable period in 2006. For the six-month period ended March 31, 2007, total interest expense increased to $14.0 million from $12.8 million for the comparable period in 2006. These increases occurred as a result of a increase in the average rate paid on interest-bearing liabilities to 4.13% and 4.10% for the three and six month periods ended March 31, 2007, respectively, from 3.62% and 3.63% for the comparable period ended March 31, 2006.

Other Income

Non-interest income increased to $546,000 for the three-month period ended March 31, 2007 from $282,000 for the comparable period in 2006. The increase is due to the fact that the Company sold investments classified as held to maturity for a gain of approximately $160,000 and had approximately $48,000, $22,000 and $10,000 of additional income from fees associated with transaction accounts, fees associated with loans and additional Bank Owned Life Insurance ("BOLI") income. The Company sold securities held to maturity in accordance with provisions of SFAS No. 115 allowing such securities to be sold if principal reductions on such securities were at least 85%. Non-interest income increased to $938,000 for the six-month period ended March 31, 2007 from $604,000 for the comparable period in 2006. The increase is due to the fact that the Company sold investments for a gain of approximately $160,000 and had approximately $101,000, $35,000 and $15,000 of additional income from fees associated with transaction accounts, fees associated with loans and additional BOLI income.

Other Expenses

For the three-month period ended March 31, 2007, non-interest expenses increased by $284,000 or 14.0% to $2.3 million compared to $2.0 million for the same period in 2006. For the six month period ended March 31, 2007, non-interest expenses increased by $570,000 or 14.24% to $4.6 million compared to $4.0 million for the same period in 2006. Management believes that these are reasonable increases in the cost of operations after considering the impact of opening a new branch location in June of 2006 and additional expenses related to the Company's new commercial loan department. The annualized ratio of non-interest expenses to average assets for the three and six

month periods ended March 31, 2007 and 2006 were 1.23%, 1.21% and 1.06%, 1.04%, respectively.

Income Taxes

The Company made provisions for income taxes of $268,500 and $449,500 for the three and six-month periods ended March 31, 2007, respectively, compared to $354,000 and $670,000 for the comparable periods in 2006. These provisions are based on the levels of taxable income, adjusted for tax-exempt income on investments. The Company's effective tax rate was 22.9% and 21.3% for the three and six-month periods ended March 21, 2007 compared to 23.4% and 23.0% for the three and six-month periods ended March 31, 2006.

Liquidity and Capital Resources

As of March 31, 2007, the Company had $63.0 million in commitments to fund loan originations, disburse loans in process and meet other obligations. Management anticipates that the majority of these commitments will be funded within the next six months by means of normal cash flows, FHLB borrowings and new deposits. The amount of certificate accounts, which are scheduled to mature during the 12 months ending March 31, 2008, is $276.4 million. Management expects that a substantial portion of these maturing deposits will remain as accounts in the Company. The Company invests excess funds in overnight deposits and other short-term interest-earning assets, which provide liquidity to meet lending requirements. The Company also has available borrowings with the Federal Home Loan Bank of Pittsburgh up to the Company's maximum borrowing capacity, which was $535.6 million at March 31, 2007 of which $249.2 million was outstanding at March 31, 2007.

The Bank's net income for the six months ended March 31, 2007 of $1.7 million increased the Bank's stockholders' equity to $49.2 million or 6.6% of total assets. This amount is well in excess of the Bank's minimum regulatory capital requirement.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

The Company has instituted programs designed to decrease the sensitivity of its earnings to material and prolonged increases in interest rates. The principal determinant of the exposure of the Company's earnings to interest rate risk is the timing difference between the repricing or maturity of the Company's interest-earning assets and the repricing or maturity of its interest-bearing liabilities. If the maturities of such assets and liabilities were perfectly matched, and if the interest rates borne by its assets and liabilities were equally flexible and moved concurrently, neither of which is the case, the impact on net interest income of rapid increases or decreases in interest rates would be minimized. The Company's asset and liability management policies seek to increase the interest rate sensitivity by shortening the repricing intervals and the maturities of the Company's interest-earning assets. Although management of the Company believes that the steps taken have reduced the Company's overall vulnerability to increases in interest rates, the Company remains vulnerable to material and prolonged increases in interest rates during periods in which its interest rate sensitive liabilities exceed its interest rate sensitive assets.

The authority and responsibility for interest rate management is vested in the Company's Board of Directors. The Chief Executive Officer implements the Board of Directors' policies during the day-to-day operations of the Company. Each month, the Chief Financial Officer ("CFO") presents the Board of Directors with a report, which outlines the Company's asset and liability "gap" position in various time periods. The "gap" is the difference between interest- earning assets and interest-bearing liabilities which mature or reprice over a given time period.

The CFO also meets weekly with the Company's other senior officers to review and establish policies and strategies designed to regulate the Company's flow of funds and coordinate the sources, uses and pricing of such funds. The first priority in structuring and pricing the Company's assets and liabilities is to maintain an acceptable interest rate spread while reducing the effects of changes in interest rates and maintaining the quality of the Company's assets.

The following table summarizes the amount of interest-earning assets and interest-bearing liabilities outstanding as of March 31, 2007, which are expected to mature, prepay or reprice in each of the future time periods shown. Except as stated below, the amounts of assets or liabilities shown which mature or reprice during a particular period were determined in accordance with the contractual terms of the asset or liability. Adjustable and floating-rate assets are included in the period in which interest rates are next scheduled to adjust rather than in the period in which they are due, and fixed-rate loans and mortgage-backed securities are included in the periods in which they are anticipated to be repaid. The passbook accounts, negotiable order of withdrawal ("NOW") accounts, interest bearing accounts, and money market deposit accounts, are included in the "Over 5 Years" categories based on management's beliefs that these funds are core deposits having significantly longer effective maturities based on the Company's retention of such deposits in changing interest rate environments.

Generally, during a period of rising interest rates, a positive gap would result in an increase in net interest income while a negative gap would adversely affect net interest income. Conversely, during a period of falling interest rates, a positive gap would result in a decrease in net interest income while a negative gap would positively affect net interest income. However, the following table does not necessarily indicate the impact of general interest rate movements on the Company's' net interest income because the repricing of certain categories of assets and liabilities is discretionary and is subject to competitive and other pressures. As a result, certain assets and liabilities indicated as repricing within a stated period may in fact reprice at different rate levels.

	1 Year or less	1 to 3 Years	3 to 5 Years	Over 5 Years
Interest-earning assets:				
Mortgage loans	$ 34,159	$ 54,663	$ 42,658	$ 161,4
Commercial loans	5,873	766	328	2,5
Mortgage-backed securities	68,086	66,855	32,760	31,4
Consumer and other loans	48,445	27,056	12,825	9,1
Investment securities and other investments	42,549	22,265	15,470	67,9
Total interest-earning assets	199,112	171,605	104,041	272,5
Interest-bearing liabilities:				
Passbook and Club accounts	--	--	--	2,8
NOW accounts	--	--	--	44,4
Money Market Deposit accounts	16,663	--	--	35,1
Choice Savings	1,499	--	--	4,4
Certificate accounts	199,758	112,099	6,466	
Borrowed money	75,146	47,494	44,131	107,3
Total interest-bearing liabilities	293,066	159,593	50,597	194,3
Repricing GAP during the period	$ (93,954)	$ 12,012	$ 53,444	$ 78,1
Cumulative GAP	$ (93,954)	$ (81,942)	$ (28,498)	$ 49,6
Ratio of GAP during the period to total assets	-12.30%	1.57%	7.00%	10.
Ratio of cumulative GAP to total assets	-12.30%	-10.73%	-3.73%	6.

Item 4. Controls and Procedures

Our management evaluated, with the participation of our Chief Executive Officer and Chief Financial Officer, the effectiveness of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934) as of the end of the period covered by this report. Based on such evaluation, our Chief Executive Officer and Chief Financial Officer have concluded that our disclosure controls and procedures are designed to ensure that information required to be disclosed by us in the reports that we file or submit under the Securities Exchange Act of 1934 is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and regulations and are operating in an effective manner.

No change in our internal control over financial reporting (as defined in Rules 13a-15(f) and 15(d)-15(f) under the Securities Exchange Act of 1934) occurred during the most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

Part II OTHER INFORMATION

Item 1. Legal Proceedings
Not applicable.

Item 1A. Risk Factors
There are no material changes to the risk factors set forth in Part 1, Item 1A, "Risk Factors" of the Company's Form 10-K for the year ended September 30, 2006. Please refer to that section for disclosures regarding the risk and uncertainties related to the Company's business.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

The following table presents the repurchasing activity of the stock repurchase program during the quarter ended March 31, 2007:

Period	Total Number of Shares Purchased	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Maximum Number of Shares that May Yet Be Purchased Under the Plans or Programs (a)
January 1 - 31, 2007				39,787
Febuary1 - 28, 2007				39,787
March 1 - 31, 2007				39,787
Total				39,787

Notes to this table:

(a) On June 18, 2003, the Company announced its current program to repurchase up to 5.0% of the outstanding shares of Common Stock of the Company, or

191,667 shares. The program does not have an expiration date and all shares have been purchased in the open market.

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.
Not applicable.

Item 6. Exhibits

31.1 Certification of Chief Executive Officer

31.2 Certification of Chief Financial Officer

32.0 Section 1350 Certification of Chief Executive Officer and Chief Financial Officer

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Signatures

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.

HARLEYSVILLE SAVINGS FINANCIAL CORPORATION

Date: May 14, 2007 By: /s/ Ronald B. Geib

Ronald B. Geib
Chief Executive Officer

Date: May 14, 2007 By: /s/ Brendan J. McGill

Brendan J. McGill
Senior Vice President
Treasurer and Chief Financial Officer