

COMMERCIAL NATIONAL FINANCIAL CORP /PA
Form 10-K
March 30, 2001

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D. C. 20549
FORM 10-K
Annual Report Pursuant to Section 13 or 15(d) of the
Securities Exchange Act of 1934

For the fiscal year ended **December 31, 2000**

Commission file number **0-18676**

COMMERCIAL NATIONAL FINANCIAL CORPORATION

(Exact name of registrant as specified in its charter)

PENNSYLVANIA

(State or other jurisdiction
of incorporation or organization)

25-1623213

(I.R.S. Employer Identification No.)

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900 Ligonier Street, Latrobe, PA 15650

(Address of principal executive offices)

15650

(Zip Code)

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

TITLE OF EACH CLASS

NAME OF EACH EXCHANGE ON WHICH REGISTERED

NONE

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

TITLE OF CLASS

COMMON STOCK, \$2 PAR VALUE

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 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. (x)

Aggregate market value of common stock held by

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non-affiliates of registrant based on closing sale price
based on the NASDAQ National Market System on March 23, 2001.

\$37,580,076 \$38,100,000

Number of shares of common stock outstanding at March 23, 2001.

3,434,296

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the registrant's Annual Report to shareholders for the fiscal year ended December 31, 2000 are incorporated by reference into Parts I, II, and IV of this report. Portions of the definitive Proxy Statement related to the annual meeting of shareholders to be held May 15, 2001 are incorporated by reference into Part III.

Commercial National Financial Corporation		
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Part I

Item 1. BUSINESS

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Description of Business

Commercial National Financial Corporation (the corporation) is a Pennsylvania corporation and is registered as a bank holding company under the Bank Holding Company Act of 1956, as amended and as a financial holding company under the Gramm Leach Bliley Act. The corporation is owner of 100% of the outstanding shares of common stock of Commercial National Bank of Pennsylvania. This subsidiary bank and has been providing banking services since 1934. At the present time, two (2) banking offices are in operation in Latrobe, two (2) in Unity Township and one (1) each in Ligonier, West Newton, Greensburg, Murrys ville and Hempfield Township. An asset management/trust department was established in 1994 and is located in the building that houses the Greensburg banking office. All of these offices are within the boundaries of Westmoreland County, Pennsylvania. In addition, the building which houses the downtown Latrobe banking office is the location of the corporation's and the bank's executive and administrative offices. The institution's operations center is located at the Latrobe Plaza in downtown Latrobe. This operations center also houses an in-house data processing system.

Each of the banking offices, except for downtown Latrobe and Greensburg, is equipped with twenty-four-hour-a-day automatic teller machines and ATM units are located on the campus of Saint Vincent College in Unity Township, the terminal of the Westmoreland County Airport in Unity Township, the reception lobby of the Latrobe Area Hospital in Latrobe, an in-store machine in each the Norvelt Open Pantry and New Alexandria Qwik Mart and the lobby of the Kirk S. Nevin Arena located in Greensburg. A separate freestanding drive-up teller staffed banking facility is attached to the Lincoln Road office in downtown Latrobe. This facility also provides ATM service.

The corporation's business activities involve holding the stock of its subsidiary bank and Commercial National Investment Corporation, which is a 50% owner of Commercial National Insurance Services together with the Gooder Agency, Inc., of Ligonier, Pennsylvania. Commercial National Insurance Services offers a full array of insurance products and services to consumer and commercial markets surrounding the Ligonier area.

The subsidiary bank offers the full range of banking services normally associated with the general commercial banking business. Services include extending credit, providing deposit services, marketing non-deposit investments and offering financial counseling. The ATM system described earlier is a part of the MAC and Cirrus networks which permits the bank's customers access to an extensive regional and national network. The bank also has implemented a comprehensive electronic online banking system. By using a personal computer with internet access, customers can access their Commercial National Bank accounts, perform common banking tasks and pay bills 24 hours a day, seven days a week, 365 days a year .

Competition

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Throughout the subsidiary bank's service area, substantial competition exists both for deposit and loan products. The competitors range from branches of major banks headquartered in Cleveland Ohio, Pittsburgh, Johnstown and Indiana, Pennsylvania, several independent banks headquartered in Westmoreland County, a variety of thrift institutions and a number of credit unions. Even though some portions of the thrift industry have experienced fairly extensive restructuring, the level of competitive activity in our service area remains strong. Competition for certificates of deposit and money market deposits remains vigorous with the representatives of insurance companies and securities brokers soliciting customers in our market area. In addition, out-of-area institutions including retailers continue to solicit business for credit cards, residential mortgages and automobile financing.

Supervision and Regulation

The corporation and the subsidiary bank are subject to the supervision of the following regulatory bodies: The Federal Reserve Board, the Office of the Comptroller of the Currency, the Securities and Exchange Commission, the Commonwealth of Pennsylvania Department of Banking and the Federal Deposit Insurance Corporation. The nature of the supervision extends to such areas as safety and soundness, truth-in-lending, truth-in-savings, rate restrictions, consumer protection, permissible loan and securities activities, merger and acquisition limitations, reserve requirements, dividend payments and regulations concerning activities by corporate officers and directors. The Federal Reserve Board monitors holding company activity while the Office of the Comptroller of the Currency is the corporation's primary banking regulator. No restrictions or actions are currently pending against the corporation or the bank.

The GLB, enacted by Congress in November 1999, now permits bank holding companies with subsidiary banks meeting certain capital and man holding companies may engage in a full range of financial activities, including not only banking, insurance and securities activities, but also merc that the list of permissible activities will be expanded as necessary for a financial holding company to keep abreast of competitive and technologi Board.

Although it preserves the Federal Reserve Board as the umbrella supervisor of financial holding companies, GLB adopts an administrative appro insurers and insurance agents, broker-dealers, investment companies, and banks. Thus, the various state and federal regulators of a financial holdi

entities. As the umbrella supervisor, however, the Federal Reserve Board has the potential to affect the operations and activities of financial holding companies. Numerous trigger points related to legal noncompliance and other serious problems affecting bank affiliates that could lead to direct Federal Reserve action exist for financial holding companies and their affiliated operating companies.

Effects of Governmental Policies

In addition to the regulatory requirements, the corporation and its subsidiary bank are affected by the national economy and the influence on that economy exerted by governmental bodies through monetary and fiscal policies and their efforts to implement such policies. In particular, the impact of the open market operations on interest rates, the establishment of reserve requirements and the setting of the discount rate will continue to affect business volumes and earnings. The exact nature or the full extent of this impact is almost impossible to predict; however, management continues to monitor these activities on a regular basis and seeks to modify its policies and procedures accordingly.

EMPLOYEES

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As of December 31, 2001, the corporation, the subsidiary bank and other subsidiaries of the corporation had a total of 122 full-time-equivalent employees.

CONSOLIDATED FINANCIAL AND STATISTICAL PROFILE

The data presented on the following pages provides additional information to assist in reviewing the corporation's business activities and must be read with the understanding that it is a supplement to Management's Discussion and Analysis of Financial Condition and Results of Operations in the annual report to shareholders for the year ended December 31, 2000 which is incorporated herein by reference.

Securities Portfolio

The following table presents the composition of the securities portfolio at year end for the years indicated:

	Amortized Cost at December 31		
	<u>2000</u>	<u>1999</u>	<u>1998</u>
U. S. Treasury securities and other			
U. S. Government agencies and corporations	\$ 81,225,195	\$ 72,567,628	\$ 77,481,622
Obligations of states and political subdivisions	18,450,654	51,542,799	36,454,587
Other securities	<u>3,369,612</u>	<u>3,371,638</u>	<u>2,396,600</u>
Total	<u>\$103,045,461</u>	<u>\$127,482,065</u>	<u>\$116,332,809</u>

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Loans

Final loan maturities excluding consumer installment and mortgage loans and before unearned income at December 31, 2000: (in thousands)

	<u>Within One Year</u>	<u>One-Five Years</u>	<u>After Five Years</u>	<u>Total</u>
Commercial and Industrial	\$ 11,905	\$ 11,997	\$1,901	\$25,803
Real estate-construction	1,999	-	381	2,380
Other	<u>3,338*</u>	<u>1,678</u>	<u>4,990</u>	<u>\$10,006</u>
Totals	<u>\$17,242</u>	<u>\$13,675</u>	<u>\$ 7,272</u>	<u>\$38,189</u>
Loans at fixed interest rates		\$ 7,744	\$6,949	\$14,693
Loans at variable interest rates		<u>5,931</u>	<u>323</u>	<u>6,254</u>
		<u>\$13,675</u>	<u>\$7,272</u>	<u>\$20,947</u>

*Includes \$2.0 million PHEAA loans with no fixed maturity date.

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CONSOLIDATED FINANCIAL AND STATISTICAL PROFILE (continued)

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Non-performing Loans

The following table details, for each of the most recent five years, the year end amounts which were accounted for on a non-accrual basis or were past due 90 days or more:

Dec. 31, 2000	
Loans on non-accrual basis	\$ 358,429
Loans past due 90 days or more	207,834
Renegotiated loans	<u>170,572</u>
Total	<u>\$ 736,835</u>
Dec. 31, 1999	
Loans on non-accrual basis	\$ 517,644
Loans past due 90 days or more	187,259
Renegotiated loans	<u>493,215</u>
Total	<u>\$ 1,198,118</u>
Dec. 31, 1998	
Loans on non-accrual basis	\$ 95,032
Loans past due 90 days or more	320,438
Renegotiated loans	<u>572,352</u>
Total	<u>\$ 987,822</u>
Dec. 31, 1997	
Loans on non-accrual basis	\$ 23,172
Loans past due 90 days or more	659,078
Renegotiated loans	<u>948,128</u>
Total	<u>\$ 1,630,378</u>
Dec. 31, 1996	
Loans on non-accrual basis	\$ 23,172
Loans past due 90 days or more	100,293
Renegotiated loans	<u>1,024,550</u>
Total	<u>\$ 1,148,015</u>

At present no other loans which are outstanding present a serious doubt in regard to the borrower's ability to comply with the current loan repayment terms. As of December 31, 2000 the corporation had \$80,792 in other real estate owned and no in-substance foreclosures.

Effect of non-accrual loans on interest income during 2000 is as follows:

	Non-accrual <u>Loans</u>
Gross amount of interest that would have	
Total	

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been recorded at original rates	\$ 40,167
Less: Interest that was reflected in income	=
Net reduction to interest income	<u>\$ 40,167</u>

CONSOLIDATED FINANCIAL AND STATISTICAL PROFILE (continued)

Summary of Loan Loss Experience

The table below provides an analysis of the allowance for loan losses for the five years ended December 31, 2000:

<u>December 31,</u>	<u>2000</u>	<u>1999</u>	<u>1998</u>	<u>1997</u>	<u>1996</u>
Loans outstanding at beginning of year, net of unearned income	<u>\$204,839,335</u>	<u>\$192,115,160</u>	<u>\$183,481,157</u>	<u>\$159,935,523</u>	<u>\$144,288,002</u>
Average loans outstanding	<u>\$207,343,068</u>	<u>\$194,664,755</u>	<u>\$186,418,665</u>	<u>\$169,849,234</u>	<u>\$151,056,637</u>
Allowance for loan losses:					
Balance, beginning of year	<u>\$ 1,919,453</u>	<u>\$ 1,914,174</u>	<u>\$ 1,882,251</u>	<u>\$ 2,035,818</u>	<u>\$ 2,081,700</u>
Loans charged off:					
Commercial, industrial & other	70,342	2,678,266	24,306	4,859	-
Installment and charge card	232,915	616,786	377,353	437,003	170,719
Real estate	<u>92,019</u>	<u>12,971</u>	<u>11,208</u>	<u>6,446</u>	<u>3,233</u>
Total loans charged off	<u>395,276</u>	<u>3,308,023</u>	<u>412,867</u>	<u>448,308</u>	<u>173,952</u>
Recoveries:					
Commercial, industrial & other	2,000	-	300	-	-
Installment and charge card	34,045	23,596	9,490	22,669	23,070
Real estate	<u>490</u>	<u>-</u>	<u>-</u>	<u>2,072</u>	<u>-</u>
Total recoveries	<u>36,535</u>	<u>23,596</u>	<u>9,790</u>	<u>24,741</u>	<u>23,070</u>
Net loans charged off	358,741	3,284,427	403,077	423,567	150,882
Provision charged to expense	<u>1,176,000</u>	<u>3,289,706</u>	<u>435,000</u>	<u>270,000</u>	<u>105,000</u>
Balance, end of year	<u>\$ 2,736,712</u>	<u>\$ 1,919,453</u>	<u>\$ 1,914,174</u>	<u>\$ 1,882,251</u>	<u>\$ 2,035,818</u>
Ratios:					
Net charge-offs as a percentage of average loans outstanding	.17%	1.69%	.22%	.25%	.10%
Allowance for loan losses as a percentage of average loans outstanding	1.32	.99	1.03	1.11	1.35

Total

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Management review and evaluation of loan loss experience and loan loss potential on outstanding loans occurs on a quarterly basis and is considered in conjunction with current economic conditions and the current requirements of the appropriate regulatory agencies.

As a result of this on-going study, management believes that the reserve amount shown for December 31, 2000 is adequate to offset the losses which may exist as a result of under collateralization or uncollectibility.

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CONSOLIDATED FINANCIAL AND STATISTICAL PROFILE (continued)

Deposits

The following table presents average deposits by type and the average interest rates paid as of 2000, 1999 and 1998:

	December 31,					
	<u>2000</u>		<u>1999</u>		<u>1998</u>	
	<u>Average</u> <u>Balance</u>	<u>Average</u> <u>Rate Paid</u>	<u>Average</u> <u>Balance</u>	<u>Average</u> <u>Rate Paid</u>	<u>Average</u> <u>Balance</u>	<u>Average</u> <u>Rate Paid</u>
Non-interest bearing demand	\$ 45,127,383	- %	\$ 41,744,536	- %	\$ 37,565,870	- %
Interest bearing demand	20,552,997	.68	21,376,716	.72	20,709,992	1.69
Money market	43,301,728	3.53	43,545,503	3.51	41,921,741	3.89
Savings	45,405,821	2.54	46,836,966	2.52	45,672,055	2.93
Time	<u>118,235,702</u>	5.51	<u>115,189,889</u>	5.11	<u>112,647,588</u>	5.40
Total	<u>\$272,623,631</u>	3.42%	<u>\$268,693,610</u>	3.26%	<u>\$258,517,246</u>	3.64%

Remaining maturities of certificates of deposit \$100,000 or more:

	December 31,					
	<u>2000</u>		<u>1999</u>		<u>1998</u>	
	<u>Amount</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>
Remaining maturity:						
3 months or less	\$19,910,828	59%	\$26,559,928	72%	\$16,943,373	57%
Over 3 through 6 months	2,999,206	9	4,159,920	11	2,965,786	10
Over 6 months through 12 months	7,145,067	21	3,166,384	8	6,109,446	20
Over 12 months	<u>3,920,347</u>	<u>11</u>	<u>3,429,108</u>	<u>9</u>	<u>3,997,620</u>	<u>13</u>
Total	<u>\$ 33,975,448</u>	<u>100%</u>	<u>\$37,315,340</u>	<u>100%</u>	<u>\$30,016,225</u>	<u>100%</u>

Item 2. Properties

All of the corporation's banking and support facilities are owned and free of liens and encumbrances with the exception of one(1) banking office and an adjacent drive-up facility, both of which are leased. All of the properties are used in their entirety for banking purposes. In each case, the properties have been maintained in good repair, are well suited for their present use and appear to be adequate for the immediate needs of the corporation and the bank. Physical locations can be found on page 31 of the Annual Report to Shareholders.

Item 3. Legal Proceedings

Other than proceedings which occur in the normal conduct of business, there are no legal proceedings to which either the corporation or the subsidiaries is a party which will have any material effect on the financial position of the corporation and its subsidiaries.

Item 4. Submission of Matters to a Vote of Security Holders

Not applicable.

EXECUTIVE OFFICERS OF THE REGISTRANT

The following table shows the names and ages of the current executive officers and the present and previous positions held by them for at least the past five years.

<u>Name</u>	<u>Age</u>	<u>Present and Previous Positions</u>
Louis A. Steiner	70	Chairman of the board (1977 to present) Chief executive officer (1977 to 1997)
Louis T. Steiner	39	President (April 1998 to present), chief executive officer (November 1997 to present), vice chairman (December 1995 to present), vice president (January 1994 to November 1995),
Gregg E. Hunter	42	Vice chairman and chief financial officer (December 1995 to present), vice president and chief financial officer (January 1994 to November 1995)
Wendy S. Schmucker	32	Secretary/treasurer and vice president, manager corporate administration (November 1997 to present), assistant vice president and managing corporate officer (December 1996 to October 1997), assistant secretary/treasurer and corporate and financial administrative officer (December 1995 to November 1996), corporate administrator (January 1995 to November 1995)
Ryan M. Glista	33	Vice president/comptroller (December 1997 to present), assistant vice president/ controller(December 1995 to November 1997),

corporate accountant (June 1994 to November 1994)

Susan F. Robb

26 Assistant secretary (April 1998 to present), corporate administrator (September 1997 to present), customer service representative (September 1996 to September 1997)

Part II

Item 5. Market for Registrant's Common Stock and Related Security Holder

Matters

Information appearing in the annual report to shareholders for the fiscal year ended December 31, 2000 on page 20 is incorporated herein by reference in response to this item. As of March 23, 2001 there were 517 shareholders of record of the registrant's common stock. The number of beneficial shareholders is approximately 767.

Item 6. Selected Financial Data

Information appearing in the annual report to shareholders for the fiscal year ended December 31, 2000 on page 21 is incorporated herein by reference in response to this item.

Item 7. Management's Discussion and Analysis of Financial Condition and

Results of Operations

Information appearing in the annual report to shareholders for the fiscal year ended December 31, 2000 on page 22 is incorporated herein by reference in response to this item.

Item 7.a Quantitative and Qualitative Disclosures of Market Risk

The corporation's interest rate risk management is the responsibility of the Asset/Liability Management Committee, which reports to the Board of Directors and pricing of funds. The committee is also involved with management in the corporation's planning and budgeting process.

The corporation regularly reviews its exposure to changes in interest rates. Among the factors considered are changes in the mix of earning assets and liabilities. The corporation reviews on at least a quarterly basis the bank subsidiary's relative ratio of rate sensitive assets to rate sensitive liabilities and the related cumulative duration model in assessing the corporation's interest rate sensitivity.

This simulation modeling process projects a baseline net interest income (assuming no changes in interest rate levels) and estimates changes to the results of this model in evaluating its interest rate risk. This model incorporates a number of additional factors. These factors include: (1) the expected changes in interest rates on various rate sensitive assets and liabilities will reprice, (2) the expected relative movements in different interest rate indexes which are used as the benchmark rates on interest-bearing transaction, savings, money market and time deposit accounts and the expected impact of competition on the pricing of new products, (3) the model accurately project the corporation's changes in net interest income resulting from an immediate and sustained parallel shift in interest rates of up to 250 basis points. While the model provides a useful projection of its interest rate risk, the model includes a number of assumptions and predictions which may or may not be realized. Interest rates, competition and a variety of other factors that are difficult to accurately predict. Accordingly, there can be no assurance the simulation model will accurately predict the results of the simulation.

The following table presents the simulation model's projected impact of an immediate and sustained parallel shift in interest rates on the projected

	\$ Change in Projected		% Change in Projected	
Change in Interest	Baseline		Baseline	
Rates	Net Interest Income		Net Interest Income	

(dollar amounts in thousands)

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+200 basis points	\$ (134)	-0.9%
+100 basis points	\$ 17	0.1%
-100 basis points	\$ (71)	-0.5%
-200 basis points	\$ (153)	-1.0%

In the event of a shift in interest rates, management may take certain actions intended to mitigate the negative impact to net interest income or to restructuring of earning assets and interest-bearing liabilities, seeking alternative funding sources or investment opportunities and modifying the p

Item 8. Financial Statements and Supplementary Data

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The following information appearing in the annual report to shareholders for the fiscal year ended December 31, 2000 is incorporated herein by reference in response to this item.

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Financial Statements:	
Consolidated Statements of Financial Condition as of December 31, 2000 and 1999	6
Consolidated Statements of Income for the Years Ended December 31, 2000, 1999, and 1998.	7
Consolidated Statements of Changes in Shareholders' Equity for the Years Ended December 31, 2000, 1999 and 1998	8
Consolidated Statements of Cash Flows for the Years Ended December 31, 2000, 1999 and 1998	9
Notes to Consolidated Financial Statements	10
Quarterly Summary of Financial Data (Unaudited)	20
 Prior Years Opinion Letter from previous Certifying Accountant	

INDEPENDENT AUDITOR'S REPORT

Board of Directors and Shareholders

Commercial National Financial Corporation

and Subsidiaries

Latrobe, Pennsylvania

We have audited the accompanying consolidated statement of financial condition of Commercial National Financial Corporation and subsidiaries as of December 31, 1999 and the related consolidated statements of income, changes in shareholders' equity, and cash flows for each of the two years in the period ended December 31, 1999. These consolidated financial statements are the responsibility of the corporation's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated 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 consolidated financial statements referred to above present fairly, in all material respects, the financial position of Commercial National Financial Corporation and subsidiaries as of December 31, 1999, and the results of their operations and their cash flows for each of the two years in the period ended December 31, 1999, in conformity with generally accepted accounting principles.

/s/ Stokes & Hinds, LLC

Stokes & Hinds, LLC

Pittsburgh, Pennsylvania

January 28, 2000

Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

On October 23, 2000, the corporation filed Form 8-K with the Securities and Exchange Commission reporting its change in the corporation's certifying accountant from Stokes Kelly & Hinds LLC to Beard Miller Company LLP.

Part III

Item 10. Directors and Executive Officers of the Registrant

Information appearing in the definitive proxy statement related to the annual meeting of shareholders to be held May 15, 2001 on pages 4 and 5 and from part I of this report on Form 10-K is incorporated herein by reference in response to this item.

Based on a review of the applicable forms, there was no director, officer or beneficial owner of more than 10 percent of common stock who failed to file on a timely basis reports required by Section 16(a) of the 1934 Act during the most recent fiscal year or prior years.

Item 11. Executive Compensation

Information appearing in the definitive proxy statement related to the annual meeting of shareholders to be held May 15, 2001 on page 11 is incorporated herein by reference in response to this item.

Item 12. Security Ownership of Certain Beneficial Owners and Management

Information appearing in the definitive proxy statement related to the annual meeting of shareholders to be held May 15, 2001 on page 7 is incorporated herein by reference in response to this item.

Item 13. Certain Relationships and Related Transactions

Information appearing in the definitive proxy statement related to the annual meeting of shareholders to be held May 15, 2001 on page 14 is incorporated herein by reference to this item.

Part IV

Item 14. Exhibits, Financial Statement Schedules and Reports on Form 8-K

(a)(1) Financial statements

All financial statements of the registrant as set forth under Item 8 of this report on Form 10-K.

(2) Financial statement schedules are omitted as they are not applicable.

<u>(3) Exhibit Number</u>	<u>Description</u>	<u>Page Number or Incorporated by Reference to</u>
3.1	Articles of Incorporation	Exhibit C to Form S-4 Registration Statement Filed April 9, 1990
3.2	By-laws of Registrant	Exhibit D to Form S-4 Registration Statement Filed April 9, 1990
3.3	Amendment to Articles of Incorporation	Exhibit A to definitive Proxy Statement filed for the special meeting of shareholders held September 18, 1990
3.4	Amendment to Articles of Incorporation	Exhibit A to definitive Proxy Statement filed for the meeting of shareholders held on April 15, 1997
16	Letter regarding Change in Certifying Accountant	Exhibit A to Form 8-K filed on October 23, 2000
13	Annual Report to Shareholders for the Fiscal Year Ended December 31, 2000	Filed on March 30, 2001

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21	Subsidiaries of the Registrant	
22	Commercial National Financial Corporation 2001 Annual Proxy Statement to Shareholders	Filed on March 23, 2001

(b) Report on Form 8-K filed in the fourth quarter of 2000:

October 23, 2000 - Commercial National Financial Corporation notifies the Securities and Exchange Commission of its change in the Registrants Certifying Accountant from Stokes Kelly & Hinds, LLC to Beard Miller Company LLP effective on October 17, 2000.

<u>SIGNATURES</u>	
Pursuant to the requirements of Section 13 or 15(d) 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.	
	COMMERCIAL NATIONAL FINANCIAL CORPORATION
	(Registrant)