

COMMUNITY BANCORP /VT  
Form 10-Q  
November 12, 2013

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UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, DC 20549

FORM 10-Q

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

For the Quarterly Period Ended September 30, 2013

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 000-16435

Vermont  
(State of Incorporation)

03-0284070  
(IRS Employer Identification Number)

4811 US Route 5, Derby, Vermont  
(Address of Principal Executive Offices)

05829  
(zip code)

Registrant's Telephone Number: (802) 334-7915

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 for such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes  No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). YES  NO

Indicate by check mark whether the Registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer", "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer

Accelerated filer

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Non-accelerated filer  (Do not check if a smaller reporting company)  Smaller reporting company

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).  
YES  NO

At November 7, 2013, there were 4,854,509 shares outstanding of the Corporation's common stock.

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## FORM 10-Q

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## PART I. FINANCIAL INFORMATION

## ITEM 1. Financial Statements (Unaudited)

The following are the unaudited consolidated financial statements for Community Bancorp. and Subsidiary, "the Company".

Community Bancorp. and Subsidiary  
Consolidated Balance Sheets

	September 30, 2013 (Unaudited)	December 31, 2012	September 30, 2012 (Unaudited)
<b>Assets</b>			
Cash and due from banks	\$ 13,106,861	\$ 11,273,575	\$ 9,519,193
Federal funds sold and overnight deposits	275,130	18,608,265	5,000
Total cash and cash equivalents	13,381,991	29,881,840	9,524,193
Securities held-to-maturity (fair value \$39,610,000 at 09/30/13 \$42,291,000 at 12/31/12 and \$50,631,000 at 09/30/12)	39,218,785	41,865,555	50,065,653
Securities available-for-sale	35,452,071	40,886,059	47,008,818
Restricted equity securities, at cost	3,632,850	4,021,350	4,021,350
Loans held-for-sale	1,229,490	1,501,706	1,483,940
Loans	431,981,787	416,375,448	407,610,705
Allowance for loan losses	(4,799,431 )	(4,312,080 )	(4,115,230 )
Deferred net loan costs	281,747	169,501	101,742
Net loans	427,464,103	412,232,869	403,597,217
Bank premises and equipment, net	11,913,170	12,243,320	12,351,925
Accrued interest receivable	1,632,971	1,751,085	1,810,063
Bank owned life insurance	4,274,307	4,187,644	4,156,201
Core deposit intangible	1,158,951	1,363,476	1,448,694
Goodwill	11,574,269	11,574,269	11,574,269
Other real estate owned (OREO)	1,125,105	1,074,705	1,150,198
Prepaid expense - Federal Deposit Insurance Corporation (FDIC)	0	775,595	855,513
Other assets	12,036,436	12,378,772	12,613,921
Total assets	\$ 564,094,499	\$ 575,738,245	\$ 561,661,955
<b>Liabilities and Shareholders' Equity</b>			
<b>Liabilities</b>			
<b>Deposits:</b>			
Demand, non-interest bearing	\$ 80,465,454	\$ 72,956,097	\$ 68,580,510
NOW	113,732,525	128,824,165	109,271,808
Money market funds	83,547,315	86,973,835	84,057,492
Savings	70,668,274	65,216,698	66,204,831
Time deposits, \$100,000 and over	46,573,680	44,229,470	49,474,950
Other time deposits	75,562,336	77,296,594	79,511,981
Total deposits	470,549,584	475,496,859	457,101,572
Federal funds purchased and other borrowed funds	8,325,000	6,000,000	16,850,000
Repurchase agreements	23,685,762	34,149,608	28,076,308

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Capital lease obligations	727,437	774,701	789,836
Junior subordinated debentures	12,887,000	12,887,000	12,887,000
Accrued interest and other liabilities	2,666,402	3,077,502	3,078,347
Total liabilities	518,841,185	532,385,670	518,783,063
Shareholders' Equity			
Preferred stock, 1,000,000 shares authorized, 25 shares issued and outstanding (\$100,000 liquidation value)	2,500,000	2,500,000	2,500,000
Common stock - \$2.50 par value; 10,000,000 shares authorized, 5,064,718 shares issued at 09/30/13, 5,023,026 shares issued at 12/31/12, and 5,007,099 shares issued at 09/30/12	12,661,795	12,557,565	12,517,748
Additional paid-in capital	28,467,277	&#16	