

CHOICEONE FINANCIAL SERVICES INC  
Form 10-Q  
November 13, 2013

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UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 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

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: 000-19202

ChoiceOne Financial Services, Inc.  
(Exact Name of Registrant as Specified in its Charter)

Michigan  
(State or Other Jurisdiction of Incorporation or  
Organization)

38-2659066  
(I.R.S. Employer Identification No.)

109 East Division  
Sparta, Michigan  
(Address of Principal Executive Offices)

49345

(Zip Code)

(616) 887-7366  
(Registrant's Telephone Number, including Area Code)

Indicate by checkmark 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 whether the registrant has submitted electronically and posted on its corporate Website, 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.

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Large accelerated filer	<input type="radio"/>	Accelerated filer	<input type="radio"/>
Non-accelerated filer	<input type="radio"/>	Smaller reporting company	<input checked="" type="radio"/>

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

As of October 31, 2013, the Registrant had outstanding 3,294,438 shares of common stock.

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## PART I. FINANCIAL INFORMATION

## Item 1. Financial Statements.

ChoiceOne Financial Services, Inc.  
CONSOLIDATED BALANCE SHEETS

(Dollars in thousands)	September 30, 2013 (Unaudited)	December 31, 2012 (Audited)
<b>Assets</b>		
Cash and due from banks	\$ 13,694	\$ 19,034
Federal funds sold	-	-
Cash and cash equivalents	13,694	19,034
Securities available for sale	127,442	134,492
Federal Home Loan Bank stock	2,478	2,478
Federal Reserve Bank stock	1,272	1,272
Loans held for sale	973	1,874
Loans	315,692	311,468
Allowance for loan losses	(5,712 )	(5,852 )
Loans, net	309,980	305,616
Premises and equipment, net	12,142	12,121
Other real estate owned, net	965	2,019
Cash value of life insurance policies	10,195	9,970
Intangible assets, net	1,388	1,724
Goodwill	13,728	13,728
Other assets	4,478	4,585
<b>Total assets</b>	<b>\$ 498,735</b>	<b>\$ 508,913</b>
<b>Liabilities</b>		
Deposits – noninterest-bearing	\$ 92,078	\$ 101,861
Deposits – interest-bearing	314,276	322,338
<b>Total deposits</b>	<b>406,354</b>	<b>424,199</b>
Repurchase agreements	19,218	19,572
Advances from Federal Home Loan Bank	9,399	420
Other liabilities	2,963	4,216
<b>Total liabilities</b>	<b>437,934</b>	<b>448,407</b>
<b>Shareholders' Equity</b>		
Preferred stock; shares authorized: 100,000; shares outstanding: none	-	-
Common stock and paid in capital, no par value; shares authorized: 7,000,000; shares outstanding: 3,293,778 at September 30, 2013 and 3,298,081 at December 31, 2012	46,563	46,649
Retained earnings	13,929	11,501

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Accumulated other comprehensive income, net	309	2,356
Total shareholders' equity	60,801	60,506
Total liabilities and shareholders' equity	\$ 498,735	\$508,913

See accompanying notes to consolidated financial statements.

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ChoiceOne Financial Services, Inc.  
 CONSOLIDATED STATEMENTS OF INCOME (Unaudited)

(Dollars in thousands, except per share data)	Three Months Ended September 30,		Nine Months Ended September 30,	
	2013	2012	2013	2012
Interest income				
Loans, including fees	\$ 3,935	\$ 4,272	\$ 11,943	\$ 12,783
Securities:				
Taxable	448	474		