

SALISBURY BANCORP INC  
Form 10-Q  
November 14, 2017

**SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

**FORM 10-Q**

(Mark One)

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

**For the quarterly period ended September 30, 2017**

**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 0-24751

**SALISBURY BANCORP, INC.**

(Exact name of registrant as specified in its charter)

**Connecticut**  
(State or other jurisdiction  
of incorporation or organization)

**06-1514263**  
(I.R.S. Employer  
Identification No.)

**5 Bissell Street, Lakeville, CT**  
(Address of principal executive offices)

**06039**  
(Zip code)

**(860) 435-9801**

(Registrant's telephone number, including area code)

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 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) 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, or an emerging growth company. See the definitions of “large accelerated filer”, “accelerated filer”, “smaller reporting company”, and “emerging growth company” in Rule 12b-2 of the Exchange Act.

Large accelerated filer Accelerated filer Non-accelerated filer Smaller reporting company Emerging growth company If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

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

Yes No

The number of shares of Common Stock outstanding as of November 14, 2017 is 2,785,916.

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**PART I - FINANCIAL INFORMATION****Salisbury Bancorp, Inc. and Subsidiary****CONSOLIDATED BALANCE SHEETS (unaudited)**

(in thousands, except share data)	<b>September 30, 2017</b>	<b>December 31, 2016</b>
<b>ASSETS</b>		
Cash and due from banks	\$ 6,833	\$ 5,434
Interest bearing demand deposits with other banks	42,570	30,051
Total cash and cash equivalents	49,403	35,485
Securities		
Available-for-sale at fair value	85,508	79,623
Federal Home Loan Bank of Boston stock at cost	3,038	3,211
Loans held-for-sale	561	—
Loans receivable, net (allowance for loan losses: \$6,494 and \$6,127)	784,136	763,184
Other real estate owned	3,944	3,773
Bank premises and equipment, net	16,329	14,398
Goodwill	13,815	12,552
Intangible assets (net of accumulated amortization: \$3,906 and \$3,511)	1,974	1,737
Accrued interest receivable	2,520	2,424
Cash surrender value of life insurance policies	14,297	14,038
Deferred taxes	1,326	1,367
Other assets	2,618	3,574
Total Assets	\$ 979,469	\$ 935,366
<b>LIABILITIES and SHAREHOLDERS' EQUITY</b>		
<b>Deposits</b>		
Demand (non-interest bearing)	\$ 225,496	\$ 218,420
Demand (interest bearing)	139,521	127,854
Money market	196,745	182,476
Savings and other	152,570	135,435
Certificates of deposit	117,657	117,585
Total deposits	831,989	781,770
Repurchase agreements	4,529	5,535
Federal Home Loan Bank of Boston advances	27,364	37,188
Subordinated debt	9,805	9,788
Note payable	321	344
Capital lease liability	1,859	418
Accrued interest and other liabilities	6,076	6,316
Total Liabilities	881,943	841,359
<b>Shareholders' Equity</b>		
Common stock - \$.10 per share par value		
Authorized: 5,000,000;		
Issued: 2,785,916 and 2,758,086	279	276
Paid-in capital	42,983	42,085
Retained earnings	54,368	51,521
Unearned compensation - restricted stock awards	(660)	(352)
Accumulated other comprehensive income	556	477

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Total Shareholders' Equity	97,526	94,007
Total Liabilities and Shareholders' Equity	\$ 979,469	\$ 935,366

**Salisbury Bancorp, Inc. and Subsidiary****CONSOLIDATED STATEMENTS OF INCOME (unaudited)**

Periods ended September 30, (in thousands, except per share amounts)	Three months ended		Nine months ended	
	2017	2016	2017	2016
Interest and dividend income				
Interest and fees on loans	\$8,196	\$8,067	\$24,544	\$23,935
Interest on debt securities				
Taxable	443	310	1,115	889
Tax exempt	68	202	345	725
Other interest and dividends	175	91	351	226
Total interest and dividend income	8,882	8,670	26,355	25,775
Interest expense				
Deposits	682	565	1,776	1,603
Repurchase agreements	2	2	4	4
Capital lease	29	17	66	53
Note payable	6	6	13	15
Subordinated debt	156	156	468	468
Federal Home Loan Bank of Boston advances	241	237	769	714
Total interest expense	1,116	983	3,096	2,857
Net interest and dividend income	7,766	7,687	23,259	22,918
Provision for loan losses	237	344	953	1,332
Net interest and dividend income after provision for loan losses	7,529	7,343	22,306	21,586
Non-interest income				
Trust and wealth advisory	874	849	2,620	2,517
Service charges and fees	935	822	2,799	2,277
Gains on sales of mortgage loans, net	25	55	104	151
Mortgage servicing, net	104	40	180	119
Gains (losses) on sales and calls of available-for-sale securities, net	—	9	(14 )	157
Other	142	113	365	343
Total non-interest income	2,080	1,888	6,054	5,564
Non-interest expense				
Salaries	2,829	2,757	8,266	8,018
Employee benefits	1,004	924	2,923	2,922
Premises and equipment	995	809	2,797	2,546
Data processing	545	473	1,521	