

SALISBURY BANCORP INC  
Form 10-Q  
August 15, 2011

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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 June 30, 2011

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

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. See the definitions of "large accelerated filer, accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act). (Check one):

Large accelerated filer  Accelerated filer  Non-accelerated filer  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

The number of shares of Common Stock outstanding as of August 1, 2011, is 1,688,731.

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## PART I - FINANCIAL INFORMATION

Salisbury Bancorp, Inc. and Subsidiary  
CONSOLIDATED BALANCE SHEETS

in thousands (except share data)	June 30, 2011 Unaudited	December 31, 2010
<b>ASSETS</b>		
Cash and due from banks	\$7,570	\$6,694
Interest bearing demand deposits with other banks	36,374	20,214
Total cash and cash equivalents	43,944	26,908
Interest bearing time deposits with other banks	-	5,000
Securities		
Available-for-sale at fair value	139,407	147,422
Held-to-maturity at amortized cost (fair value: \$54 and \$58)	53	56
Federal Home Loan Bank of Boston stock at cost	6,032	6,032
Loans held-for-sale	146	1,184
Loans receivable, net (allowance for loan losses: \$3,979 and \$3,920)	364,854	352,449
Investment in real estate	75	75
Other real estate owned	452	610
Bank premises and equipment, net	12,307	12,190
Goodwill	9,829	9,829
Intangible assets (net of accumulated amortization: \$1,412 and \$1,301)	1,131	1,242
Accrued interest receivable	2,086	2,132
Cash surrender value of life insurance policies	3,934	3,854
Deferred taxes	1,328	2,540
Other assets	2,737	3,947
<b>Total Assets</b>	<b>\$588,315</b>	<b>\$575,470</b>
<b>LIABILITIES and SHAREHOLDERS' EQUITY</b>		
<b>Deposits</b>		
Demand (non-interest bearing)	\$78,985	\$71,565
Demand (interest bearing)	63,651	63,258
Money market	113,316	77,089
Savings and other	93,341	93,324
Certificates of deposit	109,736	125,053
<b>Total deposits</b>	<b>459,029</b>	<b>430,289</b>
Repurchase agreements	12,359	13,190
Federal Home Loan Bank of Boston advances	55,460	72,812
Accrued interest and other liabilities	3,358	4,163
<b>Total Liabilities</b>	<b>530,206</b>	<b>520,454</b>
Commitments and contingencies	-	-
<b>Shareholders' Equity</b>		
Preferred stock - \$.01 per share par value Authorized: 25,000; Shares issued: 8,816;		
Liquidation preference: \$1,000 per share	8,749	8,738
Common stock - \$.10 per share par value Authorized: 3,000,000; Issued: 1,688,731 and 1,687,661	169	168

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Common stock warrants outstanding	112	112
Paid-in capital	13,227	13,200
Retained earnings	37,216	36,567
Accumulated other comprehensive loss, net	(1,364 )	(3,769 )
Total Shareholders' Equity	58,109	55,016
Total Liabilities and Shareholders' Equity	\$588,315	\$575,470

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CONSOLIDATED STATEMENTS OF INCOME

Periods ended June 30, (in thousands except per share amounts) unaudited	Three months ended		Six months ended	
	2011	2010	2011	2010
<b>Interest and dividend income</b>				
Interest and fees on loans	\$4,695	\$4,601	\$9,359	\$9,088
<b>Interest on debt securities</b>				
Taxable	733	1,033	1,516	1,959
Tax exempt	554	559	1,108	1,119
Other interest and dividends	3			