

SALISBURY BANCORP INC  
Form 10-Q  
November 08, 2018

**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, 2018**

**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)

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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, 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 8, 2018 is 2,804,881.

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

(dollars in thousands, except share data)	September 30, 2018	December 31, 2017
<b>ASSETS</b>	<b>(unaudited)</b>	
Cash and due from banks	\$5,860	\$9,357
Interest bearing demand deposits with other banks	36,360	39,129
Total cash and cash equivalents	42,220	48,486
Securities		
Available-for-sale at fair value	95,780	78,212
CRA mutual fund	823	835
Federal Home Loan Bank of Boston stock at cost	4,988	3,813
Loans held-for-sale	589	669
Loans receivable, net (allowance for loan losses: \$7,745 and \$6,776)	898,625	801,703
Other real estate owned	340	719
Bank premises and equipment, net	18,494	16,401
Goodwill	13,815	13,815
Intangible assets (net of accumulated amortization: \$4,390 and \$4,043)	1,490	1,837
Accrued interest receivable	3,317	2,665
Cash surrender value of life insurance policies	14,627	14,381
Deferred taxes	1,454	677
Other assets	2,153	2,771
Total Assets	\$1,098,715	\$986,984
<b>LIABILITIES and SHAREHOLDERS' EQUITY</b>		
Deposits		
Demand (non-interest bearing)	\$233,935	\$220,536
Demand (interest bearing)	151,830	142,575
Money market	202,308	190,953
Savings and other	176,415	144,600
Certificates of deposit	137,673	116,831
Total deposits	902,161	815,495
Repurchase agreements	6,658	1,668
Federal Home Loan Bank of Boston advances	67,596	54,422
Subordinated debt	9,829	9,811
Note payable	289	313
Capital lease liability	3,114	1,835
Accrued interest and other liabilities	8,301	5,926
Total Liabilities	997,948	889,470
Shareholders' Equity		
Common stock - \$0.10 per share par value		
Authorized: 5,000,000;		
Issued: 2,885,788 and 2,872,578 at September 30, 2018 and December 31, 2017, respectively		
Outstanding: 2,804,881 and 2,785,216	280	279
Unearned compensation - restricted stock awards	(857	) (606

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Paid-in capital	43,757	42,998
Retained earnings	58,561	54,664
Accumulated other comprehensive (loss) income, net	(974	) 179
Total Shareholders' Equity	100,767	97,514
Total Liabilities and Shareholders' Equity	\$1,098,715	\$986,984

The accompanying notes are an integral part of these unaudited consolidated financial statements.

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

Periods ended September 30, (in thousands except per share data)	Three months ended		Nine months ended	
	2018	2017	2018	2017
Interest and dividend income				
Interest and fees on loans	\$9,570	\$8,196	\$27,226	\$24,544
Interest on debt securities				
Taxable	596	443	1,588	1,115
Tax exempt	28	68	89	345
Other interest and dividends	322	175	662	351
Total interest and dividend income	10,516	8,882	29,565	26,355
Interest expense				
Deposits	1,323	682	3,098	1,776
Repurchase agreements	4	2	6	4
Capital lease	48	29	130	66
Note payable	4	6	14	13
Subordinated debt	156	156	468	468
Federal Home Loan Bank of Boston advances	481	241	1,314	769
Total interest expense	2,016	1,116	5,030	3,096
Net interest and dividend income	8,500	7,766	24,535	23,259
Provision for loan losses	378	237	1,171	953
Net interest and dividend income after provision for loan losses	8,122	7,529	23,364	22,306
Non-interest income				
Trust and wealth advisory	936	874	2,779	2,620
Service charges and fees	932	935	2,693	2,799
Gains on sales of mortgage loans, net	21	25	38	104
Mortgage servicing, net	84	104	251	180
Losses on CRA mutual fund	(6 )	—	(26 )	—
Gain(Losses) on available-for-sale securities, net	—	—	16	(14 )
Other	121	142	370	365
Total non-interest income	2,088	2,080	6,121	