

SALISBURY BANCORP INC
Form 10-Q
November 14, 2011

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, 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

06-1514263

(State or other jurisdiction
of incorporation or organization)

(I.R.S. Employer
Identification No.)

5 Bissell Street, Lakeville, CT

06039

(Address of principal executive offices)

(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 X 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 [X]

The number of shares of Common Stock outstanding as of November 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)	September 30, 2011 Unaudited	December 31, 2010
ASSETS		
Cash and due from banks	\$ 6,019	\$ 6,694
Interest bearing demand deposits with other banks	59,498	20,214
Total cash and cash equivalents	65,517	26,908
Interest bearing time deposits with other banks	-	5,000
Securities		
Available-for-sale at fair value	151,078	147,422
Held-to-maturity at amortized cost (fair value: \$54 and \$58)	52	56
Federal Home Loan Bank of Boston stock at cost	6,032	6,032
Loans held-for-sale	1,057	1,184
Loans receivable, net (allowance for loan losses: \$4,027 and \$3,920)	362,879	352,449
Investment in real estate	75	75
Other real estate owned	37	610
Bank premises and equipment, net	12,126	12,190
Goodwill	9,829	9,829
Intangible assets (net of accumulated amortization: \$1,468 and \$1,301)	1,075	1,242
Accrued interest receivable	2,042	2,132
Cash surrender value of life insurance policies	3,974	3,854
Deferred taxes	472	2,540
Other assets	2,713	3,947
Total Assets	\$ 618,958	\$ 575,470
LIABILITIES and SHAREHOLDERS' EQUITY		
Deposits		
Demand (non-interest bearing)	\$ 82,425	\$ 71,565
Demand (interest bearing)	71,303	63,258
Money market	122,184	77,089
Savings and other	97,405	93,324
Certificates of deposit	105,274	125,053
Total deposits	478,591	430,289
Repurchase agreements	14,787	13,190
Federal Home Loan Bank of Boston advances	55,033	72,812
Accrued interest and other liabilities	3,160	4,163
Total Liabilities	551,571	520,454
Commitments and contingencies		
	-	-
Shareholders' Equity		
Preferred stock - \$.01 per share par value		
Authorized: 25,000; Issued: 16,000 (Series B) and 8,816 (Series A);		
Liquidation preference: \$1,000 per share	16,000	8,738
Common stock - \$.10 per share par value		
Authorized: 3,000,000;		

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Issued: 1,688,731 and 1,687,661	169	168
Common stock warrants outstanding	112	112
Paid-in capital	13,227	13,200
Retained earnings	37,553	36,567
Accumulated other comprehensive loss, net	326	(3,769)
Total Shareholders' Equity	67,387	55,016
Total Liabilities and Shareholders' Equity	\$ 618,958	\$ 575,470

Salisbury Bancorp, Inc. and Subsidiary
CONSOLIDATED STATEMENTS OF INCOME

Periods ended September 30, (in thousands except per share amounts) unaudited	Three months ended		Nine months ended	
	2011	2010	2011	2010
Interest and dividend income				
Interest and fees on loans	\$4,630	\$4,693	\$13,989	\$13,780
Interest on debt securities				
Taxable	743	913	2,268	2,872
Tax exempt	553	558	1,661	1,678
Other interest and dividends	30	42	96	126
Total interest and dividend income				