

SALISBURY BANCORP INC  
Form 10-Q  
November 13, 2015

**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, 2015**

**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.)
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5 Bissell Street, Lakeville, CT (Address of principal executive offices)	06039 (Zip code)
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**(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 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 November 13, 2015 is 2,733,576.

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

(in thousands, except share data)	September 30, 2015 (unaudited)	December 31, 2014
<b>ASSETS</b>		
Cash and due from banks	\$ 11,436	\$ 13,280
Interest bearing demand deposits with other banks	70,259	22,825
Total cash and cash equivalents	81,695	36,105
Securities		
Available-for-sale at fair value	80,371	91,312
Federal Home Loan Bank of Boston stock at cost	3,515	3,515
Loans held-for-sale	573	568
Loans receivable, net (allowance for loan losses: \$5,659 and \$5,358)	687,719	673,330
Other real estate owned	167	1,002
Bank premises and equipment, net	14,588	14,431
Goodwill	12,552	12,552
Intangible assets (net of accumulated amortization: \$2,752 and \$2,258)	2,496	2,990
Accrued interest receivable	2,296	2,334
Cash surrender value of life insurance policies	13,591	13,314
Deferred taxes	2,788	2,428
Other assets	1,882	1,546
<b>Total Assets</b>	<b>\$ 904,233</b>	<b>\$ 855,427</b>
<b>LIABILITIES and SHAREHOLDERS' EQUITY</b>		
Deposits		
Demand (non-interest bearing)	\$ 194,618	\$ 161,386
Demand (interest-bearing)	129,779	117,169
Money market	184,409	174,274
Savings and other	123,017	121,387
Certificates of deposit	129,656	141,210
Total deposits	761,479	715,426
Repurchase agreements	4,210	4,163
Federal Home Loan Bank of Boston advances	26,928	28,813
Note payable	380	—
Capital lease liability	422	424
Accrued interest and other liabilities	5,364	4,780
<b>Total Liabilities</b>	<b>798,783</b>	<b>753,606</b>
Shareholders' Equity		
Preferred stock - \$.01 per share par value		
Authorized: 25,000; Issued: 16,000 (Series B);		
Liquidation preference: \$1,000 per share	16,000	16,000
Common stock - \$.10 per share par value		
Authorized: 5,000,000;		
Issued: 2,733,576 and 2,720,766	273	272

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Paid-in capital	41,362	41,077
Retained earnings	46,558	42,677
Unearned compensation - restricted stock awards	(186 )	(313 )
Accumulated other comprehensive income	1,443	2,108
<b>Total Shareholders' Equity</b>	105,450	101,821
<b>Total Liabilities and Shareholders' Equity</b>	\$ 904,233	\$ 855,427

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**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	
	2015	2014	2015	2014
<b>Interest and dividend income</b>				
Interest and fees on loans	\$7,955	\$4,656	\$23,727	\$13,983
Interest on debt securities				
Taxable	286	330	910	1,075
Tax exempt	351	416	1,098	1,294
Other interest and dividends	58	42	132	87
Total interest and dividend income	8,650	5,444	25,867	16,439
<b>Interest expense</b>				
Deposits	463	379	1,359	1,079
Repurchase agreements	2	3	5	5
Capital lease	18	12	53	29
Note payable	1	—	1	—
Federal Home Loan Bank of Boston advances	269	296	832	892
Total interest expense	753	690	2,250	2,005
Net interest and dividend income	7,897	4,754	23,617	14,434
<b>Provision for loan losses</b>	655	318	651	969
Net interest and dividend income after provision for loan losses	7,242	4,436	22,966	13,465
<b>Non-interest income</b>				
Trust and wealth advisory	798	791	2,510	2,509
Service charges and fees	798	639	2,307	1,807
Gains on sales and calls of available-for-sale securities, net	6	—	192	—
Gains on sales of mortgage loans, net	47	—	227	43
Mortgage servicing, net	5	41	(15 )	80
Other	115	82	343	234
Total non-interest income	1,769	1,553	5,564	4,673
<b>Non-interest expense</b>				
Salaries	2,531	1,980	7,520	5,776
Employee benefits	916	697	2,881	2,176
Premises and equipment	863	667	2,683	2,080
Data processing	404	420	1,276	1,166
Professional fees	398	315	1,642	1,025
Collections, OREO and loan related	125	85	594	319
FDIC insurance	163	119	494	340
Marketing and community support	174	115	465	355
Amortization of core deposit intangibles	161	75	494	194
Merger and acquisition related expenses	—	196	—	586
Other	467	439	1,528	1,269
Total non-interest expense	6,202	5,108	19,577	15,286
Income before income taxes	2,809	881	8,953	2,852
<b>Income tax provision</b>	824	113	2,663	567
<b>Net income</b>	\$1,985	\$768	\$6,290	\$2,285
<b>Net income available to common shareholders</b>	\$1,945	\$728	\$6,170	\$2,159

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Basic earnings per common share	\$0.71	\$0.43	\$2.26	\$1.26
Diluted earnings per common share	0.71	0.43	2.25	1.26
Common dividends per share	0.28	0.28	0.84	0.84

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

Periods ended September 30, (in thousands)	Three months ended		Nine months ended	
	2015	2014	2015	2014
Net income	\$1,985	\$768	\$6,290	\$2,285
Other comprehensive income (loss)				
Net unrealized gains (losses) on securities available-for-sale	116	342	(816 )	2,771
Reclassification of net realized gains in net income <sup>(1)</sup>	(6 )	—	(192 )	—
Unrealized gains (losses) on securities available-for-sale	110	342	(1,008)	2,771
Income tax (expense) benefit	(37 )	(116 )	343	(942 )
Other comprehensive income (loss), net of tax	73	226	(665 )	1,829
Comprehensive income	\$2,058	\$994	\$5,625	\$4,114

(1) Reclassification adjustments include realized security gains and losses. The gains and losses have been reclassified out of other comprehensive income (loss) and have affected certain lines in the consolidated statements of income as follows: The pre-tax amount is reflected as gains on sales of available-for-sale securities, net, the tax effect is included in the income tax provision and the after tax amount is included in net income.

**Salisbury Bancorp, Inc. and Subsidiary****CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY (unaudited)**

(dollars in thousands) (unaudited)	Common Stock		Preferred stock	Paid-in capital	Retained earnings	Unearned compensation – restricted stock awards	Accumulated other comprehensive income	Total share-holders' equity
	Shares	Amount						
Balances at December 31, 2013	1,710,121	\$ 171	\$16,000	\$13,668	\$42,240	\$ (335 )	\$ 1,046	\$72,790
Net income for period	—	—	—	—	2,285	—	—	2,285
Other comprehensive income, net of tax	—	—	—	—	—	—	1,829	1,829
Common stock dividends declared	—	—	—	—	(1,439 )	—	—	(1,439 )
Preferred stock dividends declared	—	—	—	—	(126 )	—	—	(126 )
Issuance of restricted common stock	3,000	—	—	81	—	(81 )	—	—
Forfeiture of restricted common stock	(2,000 )	—	—	(50 )	—	50	—	—
Stock based compensation-restricted stock awards	—	—	—	—	—	112	—	112
Issuance of common stock for directors	2,160	—	—	65	—	—	—	65
Balances at September 30, 2014	1,713,281	\$ 171	\$16,000	\$13,764	\$42,960	\$ (254 )	\$ 2,875	\$75,516



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Balances at December 31, 2014	2,720,766	\$ 272	\$16,000	\$41,077	\$42,677	\$ (313 )	\$ 2,108	\$101,821
Net income for period	—	—	—	—	6,290	—	—	6,290
Other comprehensive loss, net of tax	—	—	—	—	—	—	(665 )	(665 )
Common stock dividends declared	—	—	—	—	(2,289 )	—	—	(2,289 )
Preferred stock dividends declared	—	—	—	—	(120 )	—	—	(120 )
Stock options exercised	9,450	1	—	182	—	—	—	183
Issuance of common stock for executives	1,000	—	—	29	—	—	—	29
Forfeiture of restricted common stock	(300 )	—	—	(7 )	—	7	—	—
Issuance of common stock for directors	2,660	—	—	81	—	—	—	81
Stock based compensation-restricted stock awards	—	—	—	—	—	120	—	120
Balances at September 30, 2015	2,733,576	\$ 273	\$16,000	\$41,362	\$46,558	\$ (186 )	\$ 1,443	\$105,450

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

Nine months ended September 30, (in thousands)	2015	2014
<b>Operating Activities</b>		
Net income	\$6,290	\$2,285
Adjustments to reconcile net income to net cash provided by operating activities: (Accretion), amortization and depreciation:		
Securities	178	163
Bank premises and equipment	917	737
Core deposit intangible	494	193
Mortgage servicing rights	282	220
(Increase) decrease fair value adjustment on loans	(2,031 )	24
(Increase) decrease fair value adjustment on deposits (Gains) and losses, including write-downs	(355 )	53
Gain on calls of securities available-for-sale, net	(40 )	(39 )
Gain on sales of securities available-for-sale, net	(152 )	—
Gain on sales of loans, excluding capitalized servicing rights	(102 )	—
Write-downs of other real estate owned	238	4
Loss on sale/disposals of premises and equipment	45	5
Provision for loan losses	651	969
Proceeds from loans sold	4,897	3,536
Loans originated for sale	(4,800 )	(3,324 )
Decrease (increase) in deferred loan origination fees and costs, net	25	(21 )
Mortgage servicing rights originated	(125 )	(6 )
Increase (decrease) in mortgage servicing rights impairment reserve	3	(14 )
Decrease (increase) in interest receivable	38	(74 )
Deferred tax benefit	(17 )	(39 )
Increase in prepaid expenses	(409 )	(81 )
Increase in cash surrender value of life insurance policies	(277 )	(173 )
Increase in income tax receivable	—	(329 )
Increase in income tax payable	271	—
Increase in other assets	(87 )	(76 )
Decrease in accrued expenses	(11 )	(144 )
Decrease in interest payable	(45 )	(5 )
Increase in other liabilities	369	82
Stock based compensation-restricted stock awards	120	112
Net cash provided by operating activities	6,367	4,058
<b>Investing Activities</b>		
Maturity of interest-bearing time deposits with other banks	—	738
Redemption of Federal Home Loan Bank of Boston stock	—	1,825
Purchases of securities available-for-sale	(9,322 )	—
Proceeds from sales of securities available-for-sale	3,861	—
Proceeds from calls of securities available-for-sale	7,995	4,115
Proceeds from maturities of securities available-for-sale	7,413	7,539
Loan originations and principal collections, net	(13,748)	(24,694)
Recoveries of loans previously charged off	613	50
Proceeds from sales of other real estate owned	698	40
Premiums paid on bank-owned life insurance	—	(1,100 )

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Cash and cash equivalents acquired from Sharon, CT branch office of another institution	—	17,462
Capital expenditures	(739 )	(1,872 )
Net cash (utilized) provided by investing activities	(3,229 )	4,103

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**Salisbury Bancorp, Inc. and Subsidiary****CONSOLIDATED STATEMENTS OF CASH FLOWS (Continued)****Financing Activities**

Increase in deposit transaction accounts, net	57,607	24,527
(Decrease) increase in time deposits, net	(11,199)	2,174
Increase in securities sold under agreements to repurchase, net	47	3,946
Principal payments on Federal Home Loan Bank of Boston advances	(786 )	(1,193 )
Modification payment on Federal Home Loan Bank of Boston advances	(1,099 )	
Decrease in capital lease obligation	(2 )	(1 )
Stock options exercised	183	—
Issuance of shares for director fees	81	65
Issuance of shares for executives	29	—
Common stock dividends paid	(2,289 )	(1,439 )
Series B preferred stock dividends paid	(120 )	(126 )
Net cash provided by financing activities	42,452	27,953
Net increase in cash and cash equivalents	45,590	36,114
Cash and cash equivalents, beginning of period	36,105	12,711
Cash and cash equivalents, end of period	\$81,695	\$48,825
Cash paid during period		
Interest	\$2,650	\$2,010
Income taxes	2,409	935
Non-cash investing and financing activities		
Transfer from loans to other real estate owned	101	—
Note payable to finance building purchase	380	—
Sharon branch acquisition		
Cash and cash equivalents acquired	—	17,462
Net loans acquired	—	63
Fixed assets acquired	—	158
Core deposit intangible	—	489
Deposits assumed	—	18,171
Accrued interest payable assumed	—	1

## Salisbury Bancorp, Inc. and Subsidiary

### NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS

#### NOTE 1 - BASIS OF PRESENTATION

The interim (unaudited) consolidated financial statements of Salisbury Bancorp, Inc. ("Salisbury") include those of Salisbury and its wholly owned subsidiary, Salisbury Bank and Trust Company (the "Bank"). In the opinion of management, the interim unaudited consolidated financial statements include all adjustments (consisting of normal recurring adjustments) necessary to present fairly the financial position of Salisbury and the statements of income, comprehensive income, shareholders' equity and cash flows for the interim periods presented.

The financial statements have been prepared in accordance with U.S. generally accepted accounting principles (GAAP). In preparing the financial statements, management is required to make extensive use of estimates and assumptions that affect the reported amounts of assets and liabilities as of the date of the balance sheet, and revenues and expenses for the period. Actual results could differ significantly from those estimates. Material estimates that are particularly susceptible to significant change in the near term relate to the determination of the allowance for loan losses, expected cash flows from loans acquired in a business combination, other-than-temporary impairment of securities, impairment of goodwill and intangibles and the valuation of real estate acquired in connection with foreclosures or in satisfaction of loans.

Certain financial information, which is normally included in financial statements prepared in accordance with generally accepted accounting principles, but which is not required for interim reporting purposes, has been condensed or omitted. Operating results for the interim period ended September 30, 2015 are not necessarily indicative of the results that may be expected for the year ending December 31, 2015. The accompanying condensed financial statements should be read in conjunction with the financial statements and notes thereto included in Salisbury's 2014 Annual Report on Form 10-K for the year ended December 31, 2014.

The allowance for loan losses is a significant accounting policy and is presented in the Notes to Consolidated Financial Statements and in Management's Discussion and Analysis, which provides information on how significant assets are valued in the financial statements and how those values are determined. Based on the valuation techniques used and the sensitivity of financial statement amounts to the methods, assumptions and estimates underlying those amounts, management has identified the determination of the allowance for loan losses to be the accounting area that requires the most subjective judgments, and as such could be most subject to revision as new information becomes available.

#### Impact of New Accounting Pronouncements Issued

In May 2014, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2014-09, "Revenue from Contracts with Customers (Topic 606)." The objective of this ASU is to clarify principles for recognizing revenue and to develop a common revenue standard for GAAP and International Financial Reporting Standards. The guidance in this ASU affects any entity that either enters into contracts with customers to transfer goods or services or enters into contracts for the transfer of nonfinancial assets unless those contracts are within the scope of other standards. The core principal of the guidance is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. For public entities, the amendments in this update are effective for annual reporting periods beginning after December 15, 2016, including interim periods within that reporting period. However, in July 2015, the FASB voted to approve deferring the effective date by one year (i.e. interim and annual reporting periods beginning after December 15, 2017). Early adoption is permitted, but not before the original effective date (i.e. interim and annual reporting periods beginning after December 15, 2016). Salisbury is

currently reviewing this ASU to determine if it will have an impact on its consolidated financial statements.

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In February 2015, the FASB issued ASU 2015-02, "Consolidation (Topic 810): Amendments to the Consolidation Analysis." The amendments in this ASU affect reporting entities that are required to evaluate whether they should consolidate certain legal entities. Specifically, the amendments: (1) Modify the evaluation of whether limited partnerships and similar legal entities are variable interest entities ("VIEs") or voting interest entities; (2) Eliminate the presumption that a general partner should consolidate a limited partnership; (3) Affect the consolidation analysis of reporting entities that are involved with VIEs, particularly those that have fee arrangements and related party relationships; and (4) Provide a scope exception from consolidation guidance for reporting entities with interests in legal entities that are required to comply with or operate in accordance with requirements that are similar to those in Rule 2a-7 of the Investment Company Act of 1940 for registered money market funds. ASU 2015-02 is effective for interim and annual reporting periods beginning after December 15, 2015. Salisbury anticipates that the adoption of this ASU will not have a material impact on its consolidated financial statements.

In April 2015, the FASB issued ASU 2015-03, "Interest - Imputation of Interest (Subtopic 835-30): Simplifying the Presentation of Debt Issuance Costs." The amendments in this ASU require that debt issuance costs related to a recognized debt liability be presented in the balance sheet as a direct deduction from the carrying amount of that debt liability, consistent with debt discounts. The recognition and measurement guidance for debt issuance costs are not affected by the amendments in this ASU. The standard is effective for interim and annual reporting periods beginning after December 15, 2015, with early adoption permitted. The guidance should be applied on a retrospective basis. Salisbury anticipates that the adoption of this ASU will not have a material impact on its consolidated financial statements.

In April 2015, the FASB issued ASU 2015-05, "Intangibles – Goodwill and Other - Internal-Use Software (Subtopic 350-40): Customer's Accounting for Fees Paid in a Cloud Computing Arrangement." This ASU provides guidance to customers about whether a cloud computing arrangement includes a software license. If a cloud computing arrangement includes a software license, the customer should account for the software license element of the arrangement consistent with the acquisition of other software licenses. If a cloud computing arrangement does not include a software license, the customer should account for the arrangement as a service contract. The new guidance does not change the accounting for a customer's accounting for service contracts. ASU 2015-05 is effective for interim and annual reporting periods beginning after December 15, 2015. Salisbury anticipates that the adoption of this ASU will not have a material impact on its consolidated financial statements.

In May 2015, the FASB issued ASU 2015-07: "Fair Value Measurement (Topic 820) - Disclosures for Investments in Certain Entities That Calculate Net Asset Value per Share (or Its Equivalent)." The objective of this update is to address the diversity in practice related to how certain investments measured at net asset value with redemption dates in the future are categorized within the fair value hierarchy. The amendments in this update remove the requirement to categorize within the fair value hierarchy all investments for which fair value is measured using the net asset value per share practical expedient. The amendments also remove the requirement to make certain disclosures for all investments that are eligible to be measured at fair value using the net asset value per share practical expedient. Rather, those disclosures are limited to investments for which the entity has elected to measure the fair value using that practical expedient. The amendments in this update are effective for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2015. Early adoption is permitted. Salisbury anticipates that the adoption of this ASU will not have a material impact on its consolidated financial statements.

In September 2015, the FASB issued ASU 2015-16: "Simplifying the Accounting for Measurement-Period Adjustments." Under the ASU, an acquirer must recognize adjustments to provisional amounts that are identified during the measurement period in the reporting period in which the adjustment amounts are determined. The effect on earnings of changes in depreciation or amortization, or other income effects (if any) as a result of the change to the provisional amounts, calculated as if the accounting had been completed as of the acquisition date, must be recorded in the reporting period in which the adjustment amounts are determined rather than retrospectively. The ASU also requires that the acquirer present separately on the face of the income statement, or disclose in the notes, the portion of

the amount recorded in current-period earnings by line item that would have been recorded in previous reporting periods if the adjustment to the provisional amounts had been recognized as of the acquisition date. ASU 2015-16 is effective for fiscal years beginning after December 15, 2015, including interim periods within those fiscal years. Early application is permitted for financial statements that have not been issued. Salisbury anticipates that the adoption of this ASU will not have a material impact on its consolidated financial statements.



**NOTE 2 - SECURITIES**

The composition of securities is as follows:

(in thousands)	Amortized cost (1)	Gross un- realized gains	Gross un- realized losses	Fair value
September 30, 2015				
<b>Available-for-sale</b>				
U.S. Treasury notes	\$ 7,498	\$ 67	\$ —	\$ 7,565
U.S. Government agency notes	498	2	—	500
Municipal bonds	32,691	690	(64 )	33,317
Mortgage-backed securities				
U.S. Government agencies and U.S. Government-sponsored enterprises	26,449	575	(18 )	27,006
Collateralized mortgage obligations				
U.S. Government agencies	2,136	21	—	2,157
Non-agency	4,834	505	(7 )	5,332
SBA bonds	3,297	53	—	3,350
CRA mutual funds	762	7	—	769
Preferred stock	20	355	—	375
Total securities available-for-sale	\$ 78,185	\$ 2,275	\$ (89 )	\$ 80,371
<b>Non-marketable securities</b>				
Federal Home Loan Bank of Boston stock	\$ 3,515	\$ —	\$ —	\$ 3,515
(in thousands)	Amortized cost (1)	Gross un- realized gains	Gross un- realized losses	Fair value
December 31, 2014				
<b>Available-for-sale</b>				
U.S. Treasury notes	\$ 2,699	\$ 107	\$ —	\$ 2,806
U.S. Government agency notes	5,850	24	—	5,874
Municipal bonds	38,962	1,455	(65 )	40,352
Mortgage-backed securities				
U.S. Government agencies and U.S. Government-sponsored enterprises	27,036	688	(15 )	27,709
Collateralized mortgage obligations				
U.S. Government agencies	2,657	22	—	2,679
Non-agency	6,056	552	(12 )	6,596
SBA bonds	4,336	129	—	4,465
CRA mutual funds	502	2	—	504
Preferred stock	20	307	—	327
Total securities available-for-sale	\$ 88,118	\$ 3,286	\$ (92 )	\$ 91,312
<b>Non-marketable securities</b>				
Federal Home Loan Bank of Boston stock	\$ 3,515	\$ —	\$ —	\$ 3,515

(1) Net of other-than-temporary impairment write-downs recognized in earnings.

Salisbury sold \$3.7 million in securities available-for-sale during the nine month period ended September 30, 2015, and did not sell any securities available-for-sale during the nine month period ended September 30, 2014. Realized gains on sales of securities sold in 2015 are \$153,000.



The following table summarizes, for all securities in an unrealized loss position, the aggregate fair value and gross unrealized loss of securities that have been in a continuous unrealized loss position as of the date presented:

(in thousands)	Less than 12 Months		12 Months or Longer		Total	
	Fair value	Unrealized losses	Fair value	Unrealized losses	Fair value	Unrealized losses
September 30, 2015						
<b>Available-for-sale</b>						
Municipal bonds	\$1,267	\$ (64 )	\$ —	\$ —	\$1,267	\$ (64 )
Mortgage-backed securities	1,828	(18 )	—	—	1,828	(18 )
Collateralized mortgage obligations:						
Non-agency	244	(7 )	—	—	244	(7 )
Total temporarily impaired securities	3,339	(89 )	—	—	3,339	(89 )

(in thousands)	Less than 12 Months		12 Months or Longer		Total	
	Fair value	Unrealized losses	Fair value	Unrealized losses	Fair value	Unrealized losses
December 31, 2014						
<b>Available-for-sale</b>						
Municipal bonds	\$177	\$ 1	\$1,589	\$ 64	\$1,766	\$ 65
Mortgage-backed securities	56					