AUBURN Bancorp

2020 ANNUAL REPORT

INDEPENDENT AUDITOR'S REPORT

Board of Directors
Auburn Bancorp, Inc. and Subsidiary

We have audited the accompanying consolidated balance sheets of Auburn Bancorp, Inc. and Subsidiary (the Company) as of June 30, 2020 and 2019, and the related consolidated statements of income, comprehensive income, changes in stockholders' equity and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with U.S. generally accepted accounting principles; this includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with U.S. generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Auburn Bancorp, Inc. and Subsidiary as of June 30, 2020 and 2019, and the results of their operations and their cash flows for the years then ended in accordance with U.S. generally accepted accounting principles.

Berry Dunn McNeil & Parker, LLC

Portland, Maine
September 18, 2020

AUBURN BANCORP, INC. AND SUBSIDIARY

Consolidated Balance Sheets

June 30, 2020 and 2019

ASSETS

	2020	2019
Cash and due from banks	**$ 3,254,319**	$ 2,882,015
Interest-earning deposits	**73,660**	11,051
Total cash and cash equivalents	**3,327,979**	2,893,066
Investment securities available for sale, at fair value	**5,925,541**	5,135,603
Federal Home Loan Bank stock, at cost	**431,400**	553,700
Loans receivable, net of allowance for loan losses of $831,953 and $812,599 as of June 30, 2020 and 2019, respectively	**75,793,871**	69,150,105
Property and equipment, net	**1,718,100**	1,544,812
Accrued interest receivable		
Investments	**17,054**	13,105
Loans	**274,654**	259,846
Bank owned life insurance	**816,936**	791,826
Prepaid expenses and other assets	**397,302**	198,718
Total assets	**$ 88,702,837**	$ 80,540,781

LIABILITIES AND STOCKHOLDERS' EQUITY

	2020	2019
Liabilities		
Deposits	**$ 67,224,520**	$ 63,369,272
Borrowings	**13,358,236**	9,525,000
Accrued interest and other liabilities	**298,926**	244,981
Total liabilities	**80,881,682**	73,139,253
Stockholders' equity		
Preferred stock, 1,000,000 shares authorized, no shares issued or outstanding	**-**	-
Common stock, $.01 par value per share, 10,000,000 shares authorized, 503,284 shares issued and outstanding at June 30, 2020 and 2019	**5,033**	5,033
Additional paid-in-capital	**1,454,388**	1,451,967
Retained earnings	**6,268,963**	5,979,050
Accumulated other comprehensive income	**121,661**	5,926
Unearned compensation (ESOP shares)	**(28,890)**	(40,448)
Total stockholders' equity	**7,821,155**	7,401,528
Total liabilities and stockholders' equity	**$ 88,702,837**	$ 80,540,781

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

AUBURN BANCORP, INC. AND SUBSIDIARY

Consolidated Statements of Income

June 30, 2020 and 2019

	2020	2019
Interest and dividend income:		
Interest on loans	**$ 3,524,065**	$ 3,377,331
Interest on investments and other interest-earnings deposits	**154,444**	134,910
Dividends on Federal Home Loan Bank stock	**32,478**	49,264
Total interest and dividend income	**3,710,987**	3,561,505
Interest expense:		
Interest on deposits and escrow accounts	**853,356**	607,093
Interest on Federal Home Loan Bank and Federal Reserve Bank advances	**190,988**	313,881
Total interest expense	**1,044,344**	920,974
Net interest income	**2,666,643**	2,640,531
Provision for loan losses	**30,000**	45,000
Net interest income after provision for loan losses	**2,636,643**	2,595,531
Non-interest income:		
Net gain on sales of loans	**436,336**	64,154
Net loss on sale of foreclosed real estate	**-**	(500)
Other non-interest income	**300,538**	294,304
Total non-interest income	**736,874**	357,958
Non-interest expenses:		
Salaries and employee benefits	**1,705,841**	1,508,265
Occupancy expense	**131,497**	133,501
Depreciation	**137,097**	131,876
Federal deposit insurance premiums	**39,050**	32,000
Computer charges	**339,911**	219,038
Consulting expense	**61,275**	71,081
Other operating expenses	**582,423**	519,308
Total non-interest expenses	**2,997,094**	2,615,069
Income before income taxes	**376,423**	338,420
Income tax expense	**86,510**	92,877
Net income	**$ 289,913**	$ 245,543
Net income per common share	**$ 0.58**	$ 0.49

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

AUBURN BANCORP, INC. AND SUBSIDIARY

Consolidated Statements of Comprehensive Income

Years Ended June 30, 2020 and 2019

	2020	2019
Net income	**$ 289,913**	$ 245,543
Other comprehensive income, net of tax		
Unrealized gains on investment securities available for sale:		
Unrealized holding gains arising during the period	**146,500**	211,019
Tax effect	**(30,765)**	(44,314)
Net unrealized gains on investment securities available for sale	**115,735**	166,705
Total comprehensive income	**$ 405,648**	$ 412,248

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

AUBURN BANCORP, INC. AND SUBSIDIARY

Consolidated Statements of Changes in Stockholders' Equity

Years Ended June 30, 2020 and 2019

	Preferred Stock	Common Stock	Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Unearned Compensation (ESOP Shares)	Total
Balance, June 30, 2018	$ -	$ 5,033	$ 1,449,862	$ 5,733,507	$ (160,779)	$ (52,006)	$ 6,975,617
Net income	-	-	-	245,543	-	-	245,543
Other comprehensive income	-	-	-	-	166,705	-	166,705
Common stock held by ESOP committed to be released (1,156 shares)	-	-	2,105	-	-	11,558	13,663
Balance, June 30, 2019	-	5,033	1,451,967	5,979,050	5,926	(40,448)	7,401,528
Net income	**-**	**-**	**-**	**289,913**	**-**	**-**	**289,913**
Other comprehensive income	**-**	**-**	**-**	**-**	**115,735**	**-**	**115,735**
Common stock held by ESOP committed to be released (1,156 shares)	**-**	**-**	**2,421**	**-**	**-**	**11,558**	**13,979**
Balance, June 30, 2020	$ **-**	$ **5,033**	$ **1,454,388**	$ **6,268,963**	$ **121,661**	$ **(28,890)**	$ **7,821,155**

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

AUBURN BANCORP, INC. AND SUBSIDIARY

Consolidated Statements of Cash Flows

Years Ended June 30, 2020 and 2019

	2020	2019
Cash flows from operating activities:		
Net income	$ 289,913	$ 245,543
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation	137,097	131,876
Net amortization of premiums on investment securities	12,977	17,300
Provision for loan losses	30,000	45,000
Change in net deferred loan fees and costs	223,571	14,772
Deferred income tax expense (benefit)	64,384	(12,976)
Gain on sales of loans	(436,336)	(64,154)
Proceeds from sale of loans	14,054,397	2,647,260
Loans originated for sale	(13,618,060)	(2,042,440)
Loss on sale of foreclosed real estate	-	500
ESOP compensation expense	13,979	13,663
Increase in cash surrender value of bank owned life insurance	(25,110)	(27,068)
Net increase in prepaid expenses and other assets	(293,733)	(25,118)
Net increase in accrued interest receivable	(18,757)	(30,068)
Net increase in accrued interest payable and other liabilities	53,945	17,708
Net cash provided by operating activities	488,267	931,798
Cash flows from investing activities:		
Purchase of investment securities available for sale	(2,091,732)	(499,141)
Proceeds from maturities, calls and principal paydowns on investment securities available for sale	1,435,316	585,639
Proceeds from sale of foreclosed real estate	-	47,500
Net increase in loans to customers	(6,897,337)	(4,003,171)
Net redemption of Federal Home Loan Bank stock	122,300	308,300
Capital expenditures	(310,385)	(49,328)
Net cash used by investing activities	(7,741,838)	(3,610,201)
Cash flows from financing activities:		
Advances from Federal Home Loan Bank and Federal Reserve Bank	10,788,236	5,300,000
Repayment of advances from Federal Home Loan Bank	(6,300,000)	(2,500,000)
Net change in short-term borrowings	(655,000)	(9,955,000)
Net increase in deposits	3,855,248	8,650,208
Net cash provided by financing activities	7,688,484	1,495,208
Net increase (decrease) in cash and cash equivalents	434,913	(1,183,195)
Cash and cash equivalents, beginning of year	2,893,066	4,076,261
Cash and cash equivalents, end of year	$ 3,327,979	$ 2,893,066
Supplementary cash flow information:		
Cash paid during the year for:		
Interest	$ 1,053,774	$ 885,508
Income taxes	49,299	95,399

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

Nature of Business

Auburn Bancorp, Inc. (the Company), through its subsidiary, Auburn Savings Bank, FSB (the Bank), grants residential, consumer and commercial loans to customers primarily throughout the Lewiston/Auburn, Maine area. The Company is subject to competition from other financial institutions. The Company is subject to the regulations of certain federal agencies and undergoes periodic examinations by those regulatory authorities.

The Company is a majority-owned subsidiary of Auburn Bancorp, MHC (the MHC). In 2008, the Company conducted a minority stock offering pursuant to which the Company sold 226,478 shares, or 45% of its common stock, at a price of $10.00 per share to eligible depositors and other members of the Company, an employee stock ownership plan (ESOP) and members of the general public in a subscription and community offering. In addition, the Company issued 276,806 shares, or 55% of its common stock, to the MHC.

Basis of Presentation

The consolidated financial statements include the accounts of the Company and its wholly-owned subsidiary, the Bank. All significant intercompany transactions and balances have been eliminated.

1. Summary of Significant Accounting Policies

The accounting policies of the Company are in conformity with U.S generally accepted accounting principles (GAAP) and general practices within the banking industry. The following is a description of the significant accounting policies.

Use of Estimates

In preparing financial statements in conformity with GAAP, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities as of the date of the balance sheet and reported amounts of revenues and expenses during the reporting period. Actual results could differ 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 and foreclosed real estate. In connection with the determination of the allowance for loan losses and foreclosed real estate, management obtains independent appraisals for significant properties.

Significant Group Concentrations of Credit Risk

A substantial portion of loans are secured by real estate in the Lewiston/Auburn, Maine area. Accordingly, the ultimate collectability of a substantial portion of the Company's loan portfolio is susceptible to changes in market conditions in the Lewiston/Auburn, Maine area.

The Company's policy for requiring collateral is to obtain security in excess of the amount borrowed. The amount of collateral obtained is based on management's credit evaluation of the borrower. The Company requires appraisals of real property held as collateral. For consumer loans, collateral varies depending on the purpose of the loan. Collateral held for commercial loans consists primarily of real estate.

Cash and Cash Equivalents

For purposes of the statements of cash flows, cash and cash equivalents include cash and due from banks and interest-earning deposits.

The Company's due from bank accounts, at times, may exceed federally insured limits. The Company has not experienced any losses in such accounts. The Company believes it is not exposed to any significant risk on cash and cash equivalents.

Securities

The Company classifies its debt securities as available for sale or held to maturity. Investment securities available for sale are recorded at fair value, with unrealized gains and losses excluded from earnings and reported in other comprehensive income or loss. Debt securities the Company has the positive intent and ability to hold to maturity are classified as held to maturity and reported at amortized cost.

Purchase premiums and discounts are recognized in interest income using the interest method over the terms of the securities. For individual debt securities where the Company does not intend to sell the security and it is not more likely than not that the Company will be required to sell the security before recovery of its amortized cost basis, the other-than-temporary decline in the fair value of the debt security related to 1) credit loss is recognized in earnings, and 2) other factors are recognized in other comprehensive income or loss. Credit loss is deemed to exist if the present value of expected future cash flows is less than the amortized cost basis of the debt security. For individual debt securities where the Company intends to sell the security or more likely than not will be required to sell the security before recovery of its amortized cost, the other-than-temporary impairment is recognized in earnings equal to the entire difference between the security's cost basis and its fair value at the balance sheet date.

In estimating other-than-temporary impairment losses, management considers (1) the length of time and the extent to which the fair value has been less than cost, (2) the financial condition and near-term prospects of the issuer, and (3) the intent and ability of the Company to retain its investment in the issuer for a period of time sufficient to allow for any anticipated recovery in fair value. Gains and losses on the sale of securities are recorded on the trade date and are determined using the specific identification method.

Federal Home Loan Bank Stock

Federal Home Loan Bank (FHLB) stock is a non-marketable equity security carried at cost and evaluated for impairment.

Loans

Loans that management has the intent and ability to hold for the foreseeable future or until maturity or pay-off generally are reported at their outstanding unpaid principal balances adjusted for charge-offs, the allowance for loan losses, and any deferred fees or costs on originated loans. Interest income is accrued on the unpaid principal balance. Loan origination fees, net of certain direct origination costs, are deferred and recognized as an adjustment of the related loan yield using the interest method over the contractual life of the loans.

Loans past due 30 days or more are considered delinquent. The accrual of interest on mortgage and commercial loans is discontinued at the time the loan is 90 days delinquent unless the credit is well secured and in process of collection. Consumer loans are typically charged off no later than 180 days past due. In all cases, loans are placed on nonaccrual or charged off at an earlier date if collection of principal or interest is considered doubtful.

All interest accrued but not collected for loans that are placed on nonaccrual or charged off is reversed against interest income. Cash payments on these loans are applied to principal balances until qualifying for return to accrual. Generally, loans are returned to accrual status when all the principal and interest amounts contractually due are brought current and future payments are reasonably assured.

Loans Held for Sale

Loans originated and intended for sale in the secondary market are carried at the lower of cost or estimated fair value in the aggregate. Net unrealized losses, if any, are recognized through a valuation allowance by charges to income.

Allowance for Loan Losses

The allowance for loan losses is established as losses are estimated to have occurred through a provision for loan losses charged to earnings. Loan losses are charged against the allowance when management believes the uncollectability of a loan balance is confirmed. Subsequent recoveries, if any, are credited to the allowance.

The allowance for loan losses is evaluated on a regular basis by management and is based upon management's periodic review of the collectability of the loans in light of historical experience, the nature and volume of the loan portfolio, adverse situations that may affect the borrower's ability to repay, estimated value of any underlying collateral, and prevailing economic conditions. This evaluation is inherently subjective, as it requires estimates that are susceptible to significant revision as more information becomes available.

The allowance consists of specific and general components. The specific component relates to loans that are classified as impaired, whereby an allowance is established when the discounted cash flows, collateral value, or observable market price of the impaired loan is lower than the carrying value of that loan. The general component relates to pools of non-impaired loans and is based on historical loss experience adjusted for qualitative factors.

Credit Related Financial Instruments

In the ordinary course of business, the Company has entered into commitments to extend credit. Such financial instruments are recorded in the financial statements when they are funded.

Loan Servicing

The Company capitalizes mortgage servicing rights at their fair value upon sale of the related loans. Capitalized servicing rights are reported in other assets and are amortized into non-interest income in proportion to, and over the period of, the estimated future net servicing income of the underlying financial assets. Servicing assets are evaluated for impairment based upon the fair value of the rights as compared to amortized cost.

Property and Equipment

Land is carried at cost. Buildings, furniture and fixtures, and land improvements are carried at cost, less accumulated depreciation computed on the declining balance and straight-line methods over the estimated useful lives of the assets.

Bank Owned Life Insurance (BOLI)

The Bank purchased life insurance policies insuring the lives of certain officers of the Bank. Consent was obtained from the employees prior to the purchase. The income stream related to the BOLI assets is reported in other non-interest income.

Foreclosed Real Estate

Real estate properties acquired through, or in lieu of, loan foreclosure are held for sale and are initially recorded at fair value at the date of foreclosure, establishing a new cost basis. Subsequent to foreclosure, valuations are periodically performed by management and the assets are carried at the lower of carrying amount or fair value less cost to sell. Revenue and expenses from operations and changes in the valuation allowance are included in net expenses from foreclosed real estate.

Income Taxes

Deferred income tax assets and liabilities are determined using the liability (or balance sheet) method. Under this method, the net deferred tax asset or liability is determined based on the tax effects of the temporary differences between the book and tax bases of the various balance sheet assets and liabilities and gives current recognition to changes in tax rates and laws.

Comprehensive Income

Accounting principles generally require that recognized revenue, expenses, gains and losses be included in net income. Although certain changes in assets and liabilities, such as unrealized gains and losses on investment securities available for sale, are reported as a separate component of the equity section of the balance sheet, such items, along with net income, are components of comprehensive income.

ESOP

Shares of the Company's common stock purchased by the ESOP are held in a suspense account until released for allocation to participants. Shares released are allocated to each eligible participant based on the ratio of each participant's compensation, as defined in the ESOP, to the total compensation of all eligible plan participants. As the unearned shares are released from suspense, the Company recognizes compensation expense equal to the fair value of the ESOP shares committed to be released during the period. To the extent that the fair value of the ESOP shares differs from the cost of such shares, the difference is charged or credited to equity as additional paid-in-capital. Allocated and committed-to-be-released ESOP shares are considered outstanding for earnings per share calculations based on debt service payments. Other ESOP shares are excluded from earnings per share. The cost of unearned shares to be allocated to ESOP participants for future services not yet performed is reflected as a reduction of stockholders' equity.

Advertising

Advertising costs are expensed as incurred.

Earnings Per Share

Basic earnings per share is determined by dividing net income available to common stockholders by the adjusted weighted average number of common shares outstanding during the period. The adjusted outstanding common shares equal the gross number of common shares issued less unallocated shares of the ESOP.

Earnings per share for the fiscal years ended June 30 is based on the following:

	2020	2019
Net income	**$ 289,913**	$ 245,543
Weighted average common shares outstanding	**503,284**	503,284
Less: Average unallocated ESOP shares	**(3,429)**	(4,576)
Adjusted weighted average common shares outstanding	**499,855**	498,708
Earnings per common share	**$ 0.58**	$ 0.49

The Company does not have any potential common shares, therefore diluted earnings per share is not applicable.

Impact of Recent Accounting Standards

In February 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2016-02, *Leases (Topic 842).* The ASU was issued to increase transparency and comparability among organizations by recognizing lease assets and lease liabilities on the balance sheet and disclosing key information about leasing arrangements. The ASU is effective for fiscal years beginning after December 15, 2018, including interim periods within those fiscal years. The Company adopted this ASU on July 1, 2019; however, its implementation did not have a material effect on the Company's consolidated financial statements.

In June 2016, the FASB issued ASU No. 2016-13, *Financial Instruments-Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments*. Under the new guidance, which will replace the existing incurred loss model for recognizing credit losses, banks and other lending institutions will be required to recognize the full amount of expected credit losses. The new guidance, which is referred to as the current expected credit loss model, requires that expected credit losses for financial assets held at the reporting date that are accounted for at amortized cost be measured and recognized based on historical experience and current and reasonably supportable forecasted conditions to reflect the full amount of expected credit losses. A modified version of these requirements also applies to debt securities classified as available for sale. In November 2019, the FASB issued ASU No. 2019-10, which delays the effective date of this ASU to fiscal years beginning after December 31, 2022, and interim periods within those fiscal years. The Company is evaluating the potential impact of the ASU on its consolidated financial statements which could be material. Management has started to collect and evaluate data and review potential software.

In August 2018, the FASB issued ASU 2018-13, *Fair Value Measurement (Topic 820): Disclosure Framework—Changes to the Disclosure Requirements for Fair Value Measurement.* This ASU eliminates, adds and modifies certain disclosure requirements for fair value measurements as part of its disclosure framework project. The standard is effective for all entities for fiscal years beginning after December 15, 2019, including interim periods within those fiscal years. Early adoption is permitted. The Company is evaluating the impact of adoption of this ASU on its consolidated financial statements, but does not anticipate any material impact at this time.

Risks and Uncertainties

As of June 30, 2020, local, U.S., and world governments have encouraged self-isolation to curtail the spread of the global pandemic, coronavirus disease (COVID-19), by mandating the temporary shut-down of business in many sectors and imposing limitations on travel and size and duration of group meetings. These conditions have continued to exist subsequent to June 30, 2020. Most industries are experiencing disruption to business operations and the impact of reduced consumer spending. There is unprecedented uncertainty surrounding the duration of the pandemic, its potential economic ramifications, and any government actions to mitigate them. Accordingly, while management expects this matter may have a financial impact on the Company's financial position and results of future operations, such potential impact cannot be reasonably estimated.

Subsequent Events

For purposes of the preparation of these financial statements in conformity with GAAP, the Company has considered transactions or events occurring through September 18, 2020, which was the date the financial statements were available to be issued. Management has not evaluated subsequent events after that date for inclusion in the financial statements.

2. Securities

The amortized cost and fair value of investment securities available for sale, with gross unrealized gains and losses, are as follows:

	June 30, 2020				June 30, 2019			
	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
Securities available for sale								
Agency mortgage-backed securities	**$ 4,745,240**	**$127,210**	**$ (701)**	**$ 4,871,749**	$ 3,902,378	$34,933	$ (18,177)	$ 3,919,134
Small Business Administration securities	**1,026,299**	**27,493**	**-**	**1,053,792**	1,225,721	-	(14,549)	1,211,172
U.S. Government sponsored enterprise securities	**-**	**-**	**-**	**-**	2	5,295	-	5,297
Total	**$ 5,771,539**	**$154,703**	**$ (701)**	**$ 5,925,541**	$ 5,128,101	$40,228	$ (32,726)	$ 5,135,603

Investments with a fair value of approximately $1,732,000 and $1,186,000 at June 30, 2020 and 2019, respectively, are held in a custody account to secure certain deposits.

The amortized cost and fair value of debt securities by contractual maturity are not presented because the individual securities are not due at a single maturity date. Actual maturities will differ from contractual maturities since borrowers may have the right to call or prepay obligations with or without call or prepayment penalties.

Information pertaining to securities with gross unrealized losses at June 30, 2020 and 2019, aggregated by investment category and length of time that individual securities have been in a continuous loss position, follows:

	Less Than 12 Months		12 Months or Greater		Total	
	Fair Value	Gross Unrealized Losses	Fair Value	Gross Unrealized Losses	Fair Value	Gross Unrealized Losses
June 30, 2020						
Agency mortgage-backed securities	**$ 715,878**	**$ (701)**	**$ -**	**$ -**	**$ 715,878**	**$ (701)**
Total	**$ 715,878**	**$ (701)**	**$ -**	**$ -**	**$ 715,878**	**$ (701)**

	Less Than 12 Months		12 Months or Greater		Total	
	Fair Value	Gross Unrealized Losses	Fair Value	Gross Unrealized Losses	Fair Value	Gross Unrealized Losses
June 30, 2019						
Agency mortgage-backed securities	$ -	$ -	$ 972,816	$ (18,177)	$ 972,816	$ (18,177)
Small Business Administration securities	-	-	1,211,172	(14,549)	1,211,172	(14,549)
Total	$ -	$ -	$ 2,183,988	$ (32,726)	$ 2,183,988	$ (32,726)

At June 30, 2020, one debt security with an unrealized loss has declined 0.1% in total from the amortized cost basis. At June 30, 2019, six debt securities with unrealized losses have declined 1.5% in total from the amortized cost basis. These unrealized losses related principally to current interest rates for similar types of securities compared to the underlying yields on these securities.

At June 30, 2020 and 2019, no unrealized losses were deemed by management to be other-than-temporary.

There were no sales of securities for the years ended June 30, 2020 and 2019.

3. Loans

A summary of the balances of loans follows:

	2020	2019
Residential real estate	**$ 52,475,714**	$ 52,817,332
Commercial real estate	**12,874,248**	11,162,192
Commercial non-real estate	**10,533,342**	5,373,306
Consumer	**742,520**	609,874
Subtotal	**76,625,824**	69,962,704
Allowance for loan losses	**(831,953)**	(812,599)
Total loans, net	**$ 75,793,871**	$ 69,150,105

Net deferred loan (fees) and costs included in total loans receivable amounted to ($192,073) and $31,498, respectively at June 30, 2020 and 2019, respectively.

On March 27, 2020, the Coronavirus Aid, Relief and Economic Security Act (CARES Act) was enacted to provide emergency assistance for individuals, families and businesses affected by the COVID-19 pandemic. Amongst other programs, the CARES Act created the Paycheck Protection Program (PPP) designed to incentivize small businesses to keep their workers on the payroll. As of June 30, 2020, the Bank had received approval from the U.S. Small Business Administration for 91 applications for PPP loans under the CARES Act with respect to $5,788,236 in loans. PPP loans are classified as commercial non-real estate loans.

Credit Quality and Allowance for Loan Losses

Management uses a number of strategies to maintain a high level of asset quality including maintaining sound credit standards in loan originations, monitoring the loan portfolio through internal and third-party loan reviews, and employing active collection and workout processes for delinquent or problem loans.

Credit risk arises from the inability of a borrower to meet its obligations. The Bank attempts to manage the risk characteristics of the loan portfolio through various control processes defined in part through the Loan Policy, such as credit evaluation of borrowers, establishment of lending limits, and application of lending procedures, including the holding of adequate collateral and the maintenance of compensating balances. Loan origination processes include evaluation of the risk profile of the borrower, repayment sources, the nature of the underlying collateral, and other support given current events, conditions, and expectations. The Bank seeks to rely primarily on the cash flow of borrowers as the principal source of repayment.

Although credit policies and evaluation processes are designed to minimize risk, management recognizes that loan losses will occur and the amount of these losses will fluctuate depending on the risk characteristics of the loan portfolio, as well as general and regional economic conditions.

The Bank provides for loan losses through the establishment of an allowance for loan losses which represents an estimated reserve for existing losses in the loan portfolio. On an on-going basis, loans are monitored by loan officers and are subject to periodic independent outsourced loan reviews, and delinquency and watch lists are regularly reviewed. At the end of each quarter, the Bank deploys a systematic methodology for determining credit quality that includes formalization and documentation of this review process. Management also classifies the loan portfolio specifically by loan type and monitors credit risk separately as discussed under *Credit Quality Indicators* below.

Management evaluates the adequacy of the allowance continually based on a review of all significant loans, via delinquency reports and a watch list that strives to identify, track and monitor credit risk, historical losses and current economic conditions.

The allowance calculation includes general reserves as well as specific reserves and valuation allowances for individual credits. The specific component relates to loans that are classified as impaired, whereby an allowance is established when the discounted cash flows, collateral value or observable market price of the impaired loan is lower than the carrying value of that loan. The general component relates to pools of non-impaired loans. On a quarterly basis, management assesses the adequacy of the general reserve allowances based on 1) national, state and local economic factors; 2) interest rate environment and trends; 3) delinquency metrics, including the Bank's five-year historical loss experience; 4) Bank-specific factors such as changes in lending personnel; 5) changes in the loan review system and related ratings; 6) the Bank's current underwriting standards; 7) peer statistics; and 8) concentrations of commercial credits.

There were no changes in the allowance for loan losses methodology during the years ended June 30, 2020 and 2019.

The following tables provide information relative to credit quality and allowance for loan losses as of and for the years ended June 30, 2020 and 2019.

	Commercial Non-Real Estate	Commercial Real Estate	Residential Real Estate	Consumer	Unallocated	Total
Year Ended June 30, 2020						
Allowance for loan losses:						
Beginning balance	**$ 60,083**	**$ 94,395**	**$ 531,495**	**$ 14,552**	**$ 112,074**	**$ 812,599**
Charge-offs	**(15,013)**	**-**	**-**	**-**	**-**	**(15,013)**
Recoveries	**-**	**3,247**	**1,120**	**-**	**-**	**4,367**
Provision (recovery)	**11,854**	**10,953**	**17,631**	**6,907**	**(17,345)**	**30,000**
Ending balance	**$ 56,924**	**$ 108,595**	**$ 550,246**	**$ 21,459**	**$ 94,729**	**$ 831,953**

	Commercial Non-Real Estate	Commercial Real Estate	Residential Real Estate	Consumer	Unallocated	Total
As of June 30, 2020						
Allowance for loan losses:						
Ending balance	**$ 56,924**	**$ 108,595**	**$ 550,246**	**$ 21,459**	**$ 94,729**	**$ 831,953**
Individually evaluated for impairment	**2,573**	**-**	**69,441**	**-**	**-**	**72,014**
Collectively evaluated for impairment	**54,351**	**108,595**	**480,805**	**21,459**	**94,729**	**759,939**
Loans:						
Ending balance	**$ 10,533,342**	**$ 12,874,248**	**$ 52,475,714**	**$ 742,520**	**-**	**$ 76,625,824**
Individually evaluated for impairment	**256,713**	**440,188**	**1,231,664**	**24,078**	**-**	**1,952,643**
Collectively evaluated for impairment	**10,276,629**	**12,434,060**	**51,244,050**	**718,442**	**-**	**74,673,181**
Year Ended June 30, 2019						
Allowance for loan losses:						
Beginning balance	$ 45,512	$ 127,053	$ 449,546	$ 50,952	$ 122,269	$ 795,332
Charge-offs	-	-	(1,515)	(41,621)	-	(43,136)
Recoveries	-	3,117	12,286	-	-	15,403
Provision (recovery)	14,571	(35,775)	71,178	5,221	(10,195)	45,000
Ending balance	$ 60,083	$ 94,395	$ 531,495	$ 14,552	$ 112,074	$ 812,599
As of June 30, 2019						
Allowance for loan losses:						
Ending balance	$ 60,083	$ 94,395	$ 531,495	$ 14,552	$ 112,074	$ 812,599
Individually evaluated for impairment	-	-	78,288	-	-	78,288
Collectively evaluated for impairment	60,083	94,395	453,207	14,552	112,074	734,311
Loans:						
Ending balance	$ 5,373,306	$ 11,162,192	$ 52,817,332	$ 609,874	-	$ 69,962,704
Individually evaluated for impairment	-	160,269	1,453,843	25,296	-	1,639,408
Collectively evaluated for impairment	5,373,306	11,001,923	51,363,489	584,578	-	68,323,296

Risk by Portfolio Segment

Residential Real Estate

One- to Four-Family Residential Loans. The Bank's primary lending activity consists of the origination of one- to four-family residential mortgage loans, substantially all of which are secured by properties located in its primary market area. The Bank offers fixed-rate mortgage loans, which generally have terms of 15, 20 or 30 years. The Bank no longer originates adjustable-rate mortgage loans.

Home Equity Loans. Home equity lines of credit and loans are secured by a mixture of first and second mortgages on one- to four-family owner-occupied properties. The procedures for underwriting home equity lines of credit and loans include a determination of the applicant's credit history, an assessment of the applicant's ability to meet existing obligations and payments on the proposed loan and the value of the collateral securing the loan. All properties securing second mortgage loans are generally required to be appraised by a Board-approved independent appraiser unless the first mortgage is also held by the Bank. Home equity lines of credit and loans are made in amounts such that the combined first and second mortgage balances generally do not exceed 85% of value.

Construction Loans. The Bank offers construction loans for the development of one- to four-family residential properties located in the Bank's primary market area. Residential construction loans are generally offered to individuals for construction of their personal residences.

Residential construction loans can be made with a maximum loan-to-value ratio of 95%, provided that the borrower obtains private mortgage insurance on the loan if the loan balance exceeds 80% of the appraised value of the secured property.

Construction and development financing is generally considered to involve a higher degree of credit risk than long-term financing on improved, owner-occupied real estate. Risk of loss on a construction loan depends largely upon the accuracy of the initial estimate of the value of the property at completion of construction compared to the estimated cost (including interest) of construction and other assumptions. If the estimate of construction cost proves to be inaccurate, the Bank may be required to advance funds beyond the amount originally committed in order to protect the value of the property. Additionally, if the estimate of value proves to be inaccurate, the Bank may be confronted with a project, when completed, having a value which is insufficient to assure full repayment.

Commercial Real Estate

The Bank offers commercial real estate loans, including commercial business, and multi-family real estate loans that are generally secured by five or more unit apartment buildings and properties used for business purposes such as small office buildings or retail facilities substantially all of which are located in its primary market area.

Commercial and multi-family real estate loan amounts generally do not exceed 80% of the lesser of the property's appraised value or sales price.

The Bank generally requires title insurance for commercial and multi-family real estate loans, an appraisal on all such loans if the total amount of loans with that borrower is in excess of $250,000, and an evaluation of the property by an approved appraiser for loans between $100,000 and $250,000. The Bank may require a full appraisal on property securing any loan less than $250,000.

Loans secured by commercial real estate, including multi-family properties, generally involve larger principal amounts and a greater degree of risk than one- to four-family residential mortgage loans. Because payments on loans secured by commercial real estate, including multi-family properties, are often dependent on successful operation or management of the properties, repayment of such loans may be affected by adverse conditions in the real estate market or the economy.

Commercial Non-Real Estate

The Bank makes commercial business loans primarily in its market area to a variety of small businesses, professionals and sole proprietorships. Commercial lending products include term loans and revolving lines of credit. Commercial business loans are generally used for longer-term working capital purposes such as purchasing equipment or furniture. When making commercial loans, the Bank considers the financial statements of the borrower, its lending history with the borrower, the debt service capabilities of the borrower, the projected cash flows of the business and the value of the collateral. Commercial loans are generally secured by a variety of collateral, primarily accounts receivable, inventory and equipment, and the Bank also requires the business principals to execute such loans in their individual capacities. Depending on the amount of the loan and the collateral used to secure the loan, commercial loans are made in amounts of up to 50-80% of the value of the collateral securing the loan, or up to 100% of the value of the collateral securing the loan if the collateral consists of cash or cash equivalents. The Bank generally does not make unsecured commercial loans. The Bank requires adequate insurance coverage including, where applicable, title insurance, flood insurance, builder's risk insurance and environmental insurance.

Commercial loans generally have greater credit risk than residential mortgage loans. Unlike residential mortgage loans, which generally are made on the basis of the borrower's ability to make repayment from his or her employment or other income, and which are secured by real property whose value tends to be more easily ascertainable, commercial loans generally are made on the basis of the borrower's ability to repay the loan from the cash flow of the borrower's business. As a result, the availability of funds for the repayment of commercial loans may depend substantially on the success of the business itself. Further, any collateral securing the loans may depreciate over time, may be difficult to appraise and may fluctuate in value. The Bank seeks to minimize these risks through its underwriting standards.

Consumer

The Bank offers a limited range of consumer loans, primarily to customers residing in its primary market area. Consumer loans generally consist of loans on new and used automobiles, loans secured by deposit accounts and unsecured personal loans.

Consumer loans may entail greater risk than do residential mortgage loans, particularly in the case of consumer loans that are unsecured or secured by assets that depreciate rapidly, such as motor vehicles. In the latter case, repossessed collateral for a defaulted consumer loan may not provide an adequate source of repayment for the outstanding loan and a small remaining deficiency often does not warrant further substantial collection efforts against the borrower. Consumer loan collections depend on the borrower's continuing financial stability, and, therefore, are likely to be adversely affected by various factors, including job loss, divorce, illness or personal bankruptcy. Furthermore, the application of various federal and state laws, including federal and state bankruptcy and insolvency laws, may limit the amount that can be recovered on such loans.

Credit Quality Indicators – Loan Rating Methodology

The Bank's Loan Review Policy contains a rating system for credit risk. Loans reviewed are graded based on both risk of default as well as risk of loss. The policy defines risk of default as the risk that the borrower will not be able to make timely payments. This risk is assessed based on the capacity to service debt as structured, repayment history, and current status. The policy defines risk of loss as the assessment of the probability that the Bank will incur a loss of capital on a loan due to repayment default. This risk is assessed based on collateral position and net worth of the borrowing and supporting entities. Credit quality indicators are subject to ongoing monitoring by lending and credit personnel with such ratings updated annually or more frequently, if warranted.

The rating system is based on the following categories:

1. Excellent – well established national company, industry in favorable condition, business compares favorably to its industry, capable management team with sufficient depth, loans secured by cash collateral and strong financial condition.

2. Good – well established local company, favorable industry conditions, company compares favorably to its industry, capable management team with sufficient depth, unqualified opinion on audited financial statements from a reputable CPA firm, loans secured by marketable securities, longstanding Bank customer, financial statement fully supported.

3. Pass/Watch – High – well to recently established business, industry conditions fair to good, above-average to average performance comparisons relative to industry, capable management team, and financial statement evidences ability to service debt.

3a. Pass/Watch – Marginal – well to recently established business, industry conditions fair to good, business or individuals in this category are generally local operations, average to marginal performance comparisons relative to industry, company's financial condition may not be fully detailed; however, performance to loan terms has and continues to be achieved; loans in this group are typically well secured when financial capacity is not documented with current and comprehensive financial data.

4. Special Mention – loan is currently protected, but is potentially weak, borrower is affected by unfavorable economic conditions, adverse operating trends or an unbalanced financial position in the balance sheet which has not yet reached a point of jeopardizing loan payment.

5. Substandard – loan is inadequately protected by sound worth and paying capacity of the borrower, repayment has become increasingly reliant on collateral or other secondary sources of repayment, credit weaknesses are well defined; orderly debt liquidation from primary repayment sources is in jeopardy, distinct possibility that the Bank will sustain some loss if the deficiencies are not corrected.

6. Doubtful – A loan classified in this category has all the weaknesses inherent in a substandard rated loan with the added characteristic that the weaknesses make collection or liquidation in full, on the basis of currently existing facts, conditions and values, highly questionable and improbable.

7. Loss – Asset that is considered uncollectible and is not warranted as a Bank asset.

Credit Quality Indicators

Commercial Credit Risk Exposure
Credit Risk Profile by Internally Assigned Grade

Grade:	As of June 30, 2020 Commercial Non-Real Estate	As of June 30, 2020 Commercial Real Estate	As of June 30, 2019 Commercial Non-Real Estate	As of June 30, 2019 Commercial Real Estate
Acceptable	**$ 10,457,612**	**$ 11,581,723**	$ 5,358,293	$ 10,132,892
Pass/Watch – Marginal	**28,075**	**532,268**	-	726,160
Special mention	**-**	**426,483**	-	-
Substandard	**47,655**	**333,774**	15,013	303,140
Doubtful	**-**	**-**	-	-
Loss	**-**	**-**	-	-
Total	**$ 10,533,342**	**$ 12,874,248**	$ 5,373,306	$ 11,162,192

Residential/Consumer Credit Exposure
Credit Risk Profile by Internally Assigned Grade

Grade:	As of June 30, 2020 Residential Real Estate	As of June 30, 2020 Consumer	As of June 30, 2019 Residential Real Estate	As of June 30, 2019 Consumer
Acceptable	**$ 51,786,243**	**$ 736,030**	$ 51,527,943	$ 601,432
Pass/Watch – Marginal	**629,604**	**6,490**	1,227,511	8,442
Special mention	**-**	**-**	-	-
Substandard	**59,867**	**-**	61,878	-
Doubtful	**-**	**-**	-	-
Loss	**-**	**-**	-	-
Total	**$ 52,475,714**	**$ 742,520**	$ 52,817,332	$ 609,874

Impaired Loans

A loan is considered impaired when, based on current information and events, it is probable that the Bank will be unable to collect the scheduled payments of principal or interest when due according to the contractual terms of the loan agreement. Management considers factors including payment status, collateral value, and the probability of collecting scheduled principal and interest payments when due when determining impairment. Loans that experience insignificant payment delays and payment shortfalls generally are not classified as impaired. Management determines the significance of payment delays and payment shortfalls on a case-by-case basis, taking into consideration all of the circumstances surrounding the loan and the borrower, including the length of the delay, the reasons for the delay, the borrower's prior payment record, and the amount of the shortfall in relation to the principal and interest owed. Impairment is measured on a loan-by-loan basis by either the present value of expected future cash flows discounted at the loan's effective interest rate, the loan's obtainable market price, or the fair value of the collateral if the loan is collateral dependent. Large groups of smaller balance homogeneous loans are collectively evaluated for impairment.

The following tables provide information pertaining to impaired loans by class:

	As of and for the Year Ended June 30, 2020				
	Recorded Investment	Unpaid Principal Balance	Related Allowance	Average Recorded Investment	Interest Income Recognized
With no related allowance recorded:					
Commercial non-real estate	**$ 47,655**	**$ 47,655**	**$ -**	**$ 15,667**	**$ 258**
Commercial real estate	**440,188**	**440,188**	**-**	**254,030**	**25,606**
Residential real estate	**515,833**	**518,625**	**-**	**640,933**	**10,127**
Consumer	**24,078**	**26,087**	**-**	**24,500**	**1,189**
With related allowance recorded:					
Commercial non-real estate	**$ 209,058**	**$ 209,058**	**$ 2,573**	**$ 67,211**	**$ 5,544**
Commercial real estate	**-**	**-**	**-**	**-**	**-**
Residential real estate	**715,831**	**715,831**	**69,441**	**719,040**	**17,588**
Consumer	**-**	**-**	**-**	**-**	**-**
Total:					
Commercial non-real estate	**$ 256,713**	**$ 256,713**	**$ 2,573**	**$ 82,878**	**$ 5,802**
Commercial real estate	**440,188**	**440,188**	**-**	**254,030**	**25,606**
Residential real estate	**1,231,664**	**1,234,456**	**69,441**	**1,359,973**	**27,715**
Consumer	**24,078**	**26,087**	**-**	**24,500**	**1,189**
	$ 1,952,643	**$ 1,957,444**	**$ 72,014**	**$ 1,721,381**	**$ 60,312**

	As of and for the Year Ended June 30, 2019				
	Recorded Investment	Unpaid Principal Balance	Related Allowance	Average Recorded Investment	Interest Income Recognized
With no related allowance recorded:					
Commercial non-real estate	$ -	$ -	$ -	$ -	$ -
Commercial real estate	160,269	160,269	-	163,303	6,448
Residential real estate	711,288	711,288	-	649,229	18,613
Consumer	25,296	25,296	-	25,671	1,239
With related allowance recorded:					
Commercial non-real estate	$ -	$ -	$ -	$ -	$ -
Commercial real estate	-	-	-	-	-
Residential real estate	742,555	742,555	78,288	743,098	18,283
Consumer	-	-	-	-	-
Total:					
Commercial non-real estate	$ -	$ -	$ -	$ -	$ -
Commercial real estate	160,269	160,269	-	163,303	6,448
Residential real estate	1,453,843	1,453,843	78,288	1,392,327	36,896
Consumer	25,296	25,296	-	25,671	1,239
	$ 1,639,408	$ 1,639,408	$ 78,288	$ 1,581,301	$ 44,583

All interest income recognized on impaired loans is on the cash basis.

Non-Performing Loans

Loans are placed on non-accrual status when reasonable doubt exists as to the full timely collection of interest and principal or when a loan becomes 90 days past due, unless an evaluation clearly indicates that the loan is well-secured and in the process of collection. When a loan is placed on non-accrual status, unpaid interest credited to income is reversed. Interest received on nonaccrual loans generally is applied against principal. Generally, loans are restored to accrual status when the obligation is brought current, has performed in accordance with the contractual terms for a reasonable period of time, and the ultimate collectability of the total contractual principal and interest is no longer in doubt. These policies apply to all classes of loans, including commercial and residential/consumer.

Real estate acquired as a result of foreclosure or by deed-in-lieu of foreclosure is classified as real estate owned until it is sold. When property is acquired, it is recorded at fair value at the date of foreclosure. Holding costs and declines in fair value after acquisition of the property result in charges against income. The Bank held no other real estate owned at June 30, 2020 and 2019.The Bank had no consumer mortgage loans secured by residential real estate properties where formal foreclosure procedures were in process as of June 30, 2020 and 2019.

Age Analysis of Past Due Loans

As of June 30, 2020

	30-59 Days Past Due	60-89 Days Past Due	90 Days and Greater	Total Past Due	Current	Total Loans	Recorded Investment Loans > 90 Days and Accruing	Recorded Investment Loans on Non-Accrual Status
Commercial non-real estate	**$ -**	**$ 47,655**	**$ -**	**$ 47,655**	**$ 10,485,687**	**$ 10,533,342**	**$ -**	**$ -**
Commercial real estate	**-**	**-**	**-**	**-**	**12,874,248**	**12,874,248**	**-**	**57,610**
Residential real estate	**481,683**	**320,402**	**424,044**	**1,226,129**	**51,249,585**	**52,475,714**	**-**	**760,150**
Consumer	**981**	**-**	**-**	**981**	**741,539**	**742,520**	**-**	**182**
	$ 482,664	**$ 368,057**	**$ 424,044**	**$ 1,274,765**	**$ 75,351,059**	**$ 76,625,824**	**$ -**	**$ 817,942**

Age Analysis of Past Due Loans

As of June 30, 2019

	30-59 Days Past Due	60-89 Days Past Due	90 Days and Greater	Total Past Due	Current	Total Loans	Recorded Investment Loans > 90 Days and Accruing	Recorded Investment Loans on Non-Accrual Status
Commercial non-real estate	$ -	$ -	$ 61,066	$ 61,066	$ 5,312,240	$ 5,373,306	$ -	$ 76,079
Commercial real estate	-	-	-	-	11,162,192	11,162,192	-	-
Residential real estate	15,768	353,697	-	369,465	52,447,867	52,817,332	-	390,257
Consumer	-	-	-	-	609,874	609,874	-	25,456
	$ 15,768	$ 353,697	$ 61,066	$ 450,531	$ 69,532,173	$ 69,962,704	$ -	$ 491,792

Interest income on non-accrual loans of $9,029 and $4,452 would have been recognized on these loans if interest had been accrued at June 30, 2020 and 2019, respectively.

Troubled Debt Restructurings

A loan modification constitutes a troubled debt restructuring if the Bank, for economic or legal reasons related to the borrower's financial difficulties, grants a concession to the borrower that it would not otherwise consider. To determine whether or not a loan should be classified as a troubled debt restructuring, management evaluates a loan based upon the following criteria:

- The borrower demonstrates financial difficulty; common indicators include past due status with bank obligations, substandard credit bureau reports, or an inability to refinance with another lender, and

- The Bank has granted a concession; common concessions include maturity date extension, interest rate adjustments to below market pricing, reduction of principal and deferment of payments.

Troubled debt restructured loans are considered impaired. As of June 30, 2020 and 2019, there were no commitments to lend additional amounts to customers with outstanding loans that are classified as troubled debt restructurings.

During the years ended June 30, 2020 and 2019, certain loan modifications were executed which constituted troubled debt restructurings. Loans are classified as troubled debt restructurings due to payment deferrals, extensions of maturity, or capitalization of past due interest.

The following table summarizes troubled debt restructurings that occurred during the years ended June 30:

2020	Number of Loans	Pre-Modification Outstanding Recorded Investment	Post-Modification Outstanding Recorded Investment
Commercial non-real estate	**1**	**$ 60,637**	**$ 60,637**
Total	**1**	**$ 60,637**	**$ 60,637**

2019	Number of Loans	Pre-Modification Outstanding Recorded Investment	Post-Modification Outstanding Recorded Investment
Residential real estate	1	$ 14,506	$ 14,506
Total	1	$ 14,506	$ 14,506

The troubled debt restructurings described above required a net allocation of the allowance for loan losses of $2,352 and $3,107 as of June 30, 2020 and 2019, respectively. The impairment carried as a specific reserve in the allowance for loan losses is calculated by discounting the total expected future cash flows on the loan, or, for collateral-dependent loans, using the fair value of the collateral less costs to sell. There were no charge-offs on the troubled debt restructurings that occurred during the years ended June 30, 2020 and 2019.

A loan is considered to be in payment default once it is greater than 30 days contractually past due under the modified terms. The troubled debt restructuring described above, with a recorded investment of $60,637, subsequently experienced a payment default during the year ended June 30, 2020. There were no troubled debt restructurings with payment defaults during the year ended June 30, 2019 that were modified within the previous twelve months.

On March 22, 2020, federal banking regulators issued an interagency statement providing guidance on accounting for loan modifications in light of the economic impact of the COVID-19 pandemic. The guidance interprets current accounting standards and indicates that a lender can conclude that a borrower is not experiencing financial difficulty if short-term (that is, six months or less) modifications are made in response to COVID-19, such as payment deferrals, fee waivers, extensions of repayment terms, or other delays in payment that are insignificant, provided that the loan is less than 30 days past due at the time a modification program is implemented. The banking agencies confirmed with the staff of the FASB that short-term modifications made on a good faith basis in response to COVID-19 to borrowers who were current prior to any relief are not troubled debt restructurings under GAAP.

The Company has adopted the troubled debt restructuring guidance issued by the federal banking agencies. As of June 30, 2020, the Bank had granted short-term loan concessions and/or modifications within the terms of this guidance to 53 borrowers having an aggregate principal amount of $5,991,853. These loans may bear a higher risk of default in future periods.

The Bank was servicing for others, mortgage loans of approximately $25,950,000 and $15,825,000 at June 30, 2020 and 2019, respectively.

The balance of mortgage servicing rights included in other assets at June 30, 2020 was $176,187. Mortgage servicing rights of $158,078 were capitalized and mortgage servicing rights of $36,188 were amortized during 2020. Mortgage servicing rights included in other assets at June 30, 2019 was $54,297. Mortgage servicing rights of $33,304 were capitalized and mortgage servicing rights of $20,543 were amortized during 2019.

4. Property and Equipment

A summary of the cost and accumulated depreciation of property and equipment is as follows:

	2020	2019
Land and land improvements	**$ 432,774**	$ 413,130
Buildings	**2,146,670**	2,035,513
Furniture and fixtures	**770,234**	992,974
	3,349,678	3,441,617
Less accumulated depreciation	**1,631,578**	1,896,805
Net property and equipment	**$ 1,718,100**	$ 1,544,812

Following is a summary of estimated useful lives by asset category:

Estimated Useful Lives (Years)	
Land improvements	15
Buildings	5 - 40
Furniture and fixtures	1 - 10

5. Deposits

A summary of deposit balances, by type, follows:

	2020	2019
Demand accounts	**$ 9,594,965**	$ 7,153,871
Money market accounts	**8,012,752**	8,200,522
NOW accounts	**6,159,837**	5,002,877
Savings accounts	**8,476,030**	7,723,891
Certificates of deposit	**28,161,756**	29,212,299
Certificates of deposit, $250,000 and over	**6,819,180**	4,076,812
Brokered certificates of deposit	**-**	1,999,000
Total deposits	**$ 67,224,520**	$ 63,369,272

The scheduled maturities of time deposits are as follows:

	2020	2019
2020	**$ -**	$ 23,389,284
2021	**26,016,015**	6,391,785
2022	**7,743,344**	4,975,555
2023	**449,909**	73,148
2024	**443,768**	458,339
2025	**327,900**	-
	$ 34,980,936	$ 35,288,111

A summary of interest expense on deposits is as follows:

	2020	2019
Demand accounts	**$ 21,776**	$ 6,372
Money market accounts	**53,154**	46,065
NOW accounts	**4,802**	6,114
Savings accounts	**9,192**	8,425
Certificates of deposit	**764,432**	540,117
Total interest expense on deposits	**$ 853,356**	$ 607,093

The Bank maintains collateralization agreements with certain depositors whose aggregate deposits exceed the federally insured limit. Excess amounts are secured under these agreements by an interest in the Bank's investment instruments, as well as certain guaranteed loans, maintained in a separate third-party custodial account. As part of the collateralization agreement, the Bank agrees to maintain annually the value of the collateral in the custodial account at a minimum level at least equal to 100% of the uninsured portion of these deposits. At June 30, 2020 and 2019, the value of the collateral in the custodial account was approximately $1,732,000 and $1,186,000, respectively, and the portion of these certain deposits in excess of the federal insured limit was approximately $1,957,000 and $1,262,000, respectively.

6. Borrowings

Pursuant to collateral agreements with the FHLB, advances are collateralized by all stock in the FHLB and qualifying first mortgages.

The Bank's fixed rate FHLB advances of $5,570,000 and $7,525,000 at June 30, 2020 and 2019, respectively, mature through 2025. At June 30, 2020 and 2019, the interest rates on fixed rate FHLB advances ranged from 0.46% to 2.15% and 2.15% to 2.59%, respectively. The Bank's variable rate FHLB advance of $2,000,000 at June 30, 2020 and 2019 matures in 2025. At June 30, 2020 and 2019, the interest rate on the variable rate FHLB advance was 0.98% and 2.07%, respectively.

In April 2020, the Company qualified to obtain loan advances through the Federal Reserve Board's PPP Liquidity Facility to fund its PPP lending activities. The Bank's fixed rate Federal Reserve Bank (FRB) advances of $5,788,236 at June 30, 2020 mature through 2025. At June 30, 2020, the interest rate on fixed rate FRB advances was 0.35%. FRB advances are collateralized by PPP loans.

At June 30, 2020 and 2019, the Bank also had $2,000,000 available under a long-term line of credit from the FHLB. There were no amounts drawn under this line at June 30, 2020 and 2019.

In March 2020, the Bank established a line of credit with the FRB Borrower-in-Custody Program (the Program). The Program offers overnight collateralized advances secured by certain loan assets. At June 30, 2020, the amount of available borrowing was approximately $3,200,000. There were no amounts drawn under this line at June 30, 2020.

The contractual maturities of advances are as follows:

	2020	2019
2020	**$ -**	$ 7,025,000
2021	**2,570,000**	500,000
2022	**5,767,457**	2,000,000
2023	**1,000,000**	-
2024	**-**	-
2025	**4,020,779**	-
	$ 13,358,236	$ 9,525,000

7. Income Taxes

Allocation of federal and state income taxes between current and deferred portions is as follows:

	2020	2019
Current tax expense		
Federal	**$ 12,125**	$ 96,998
State	**10,001**	8,855
	22,126	105,853
Deferred federal tax expense (benefit)	**64,384**	(12,976)
Income tax expense	**$ 86,510**	$ 92,877

The income tax expense differs from the expense that would result from applying federal statutory rates to income before income taxes, as follows:

	2020	2019
Expected income tax expense at federal tax rate	**$ 79,049**	$ 71,068
Increase (reduction) in income taxes resulting from:		
State tax, net of federal tax benefit	**7,901**	6,996
Bank owned life insurance	**(5,273)**	(5,684)
Other	**4,833**	20,497
Income tax expense	**$ 86,510**	$ 92,877
Effective income tax rate	**23.0%**	27.4%

The components of the net deferred tax (liability) asset, included in other assets, are as follows:

	2020	2019
Deferred tax assets:		
Allowance for loan losses	**$ 174,710**	$ 172,373
Impairment loss on investments	**18,912**	18,912
Expense accruals	**6,055**	5,001
Other	**4,112**	4,558
Total deferred tax assets	**203,789**	200,844
Valuation reserve against capital losses	**(18,912)**	(18,912)
Total deferred tax assets, net of valuation reserve	**184,877**	181,932
Deferred tax liabilities:		
Difference between tax and book bases of property and equipment	**(106,704)**	(93,494)
Deferred loan fees	**(53,780)**	(31,792)
Unrealized gain on investment securities available for sale	**(32,340)**	(1,575)
Mortgage servicing rights	**(34,639)**	(1,388)
Other	**-**	(1,121)
Total deferred tax liabilities	**(227,463)**	(129,370)
Net deferred tax (liability) asset	**$ (42,586)**	$ 52,562

Management assesses the available positive and negative evidence to estimate whether sufficient future taxable income will be generated to permit the use of the existing deferred tax assets. On the basis of this evaluation, as of June 30, 2020 and 2019, a valuation allowance of $18,912 was recorded for capital losses.

The Bank used the percentage of taxable income bad debt deduction to calculate its bad debt expense for tax purposes as was permitted by the Internal Revenue Code. The cumulative effect of this deduction of approximately $421,000 is subject to recapture, if used for purposes other than to absorb loan losses. Deferred taxes of $88,000 have not been provided on this amount because the Bank does not intend to use the tax reserve other than to absorb loan losses.

FASB Accounting Standards Codification Topic 740, *Income Taxes,* defines the criteria that an individual tax position must satisfy for some or all of the benefits of that position to be recognized in a company's financial statements. Topic 740 prescribes a recognition threshold of more-likely-than-not, and a measurement attribute for all tax positions taken or expected to be taken on a tax return, in order for those tax positions to be recognized in the financial statements.

The Company is currently open to audit under the statute of limitations by the Internal Revenue Service for the years ended June 30, 2017 through 2020. If the Company, as a result of an audit, was assessed interest and penalties, the amounts would be recorded through income tax expense.

8. Financial Instruments with Off-Balance-Sheet Risk

The Company is a party to credit related financial instruments with off-balance-sheet risk in the normal course of business to meet the financing needs of its customers. These financial instruments include commitments to extend credit and lines of credit. Such commitments involve, to varying degrees, elements of credit and interest rate risk in excess of the amount recognized in the consolidated balance sheets.

The Company's exposure to credit loss is represented by the contractual amount of these commitments. The Company follows the same credit policies in making commitments as it does for on-balance-sheet instruments.

At June 30, 2020 and 2019, the following financial instruments were outstanding whose contract amounts represent credit risk:

	2020	2019
Commitments to originate loans	**$ 2,472,000**	$ 1,488,000
Unadvanced portions of construction loans	**1,046,000**	527,000
Unadvanced portions of home equity loans	**6,522,000**	5,633,000
Unadvanced portions of commercial lines of credit	**3,308,000**	2,980,000

Commitments to extend credit are agreements to lend to a customer as long as there is no violation of any condition established in the contract. Commitments generally have fixed expiration dates or other termination clauses and may require payment of a fee. The commitments for equity lines of credit may expire without being drawn upon. Unfunded commitments under commercial lines of credit are commitments for possible future extensions of credit to existing customers. These lines of credit are uncollateralized and usually do not contain a specified maturity date and may not be drawn upon to the total extent to which the Company is committed. Therefore, the total commitment amounts do not necessarily represent future cash requirements. The amount of collateral obtained, if it is deemed necessary by the Company, is based on management's credit evaluation of the customer.

Included in the above commitments to extend credit at June 30, 2020 were fixed and variable rate commitments to grant loans of approximately $2,150,000 and $322,000, respectively, which generally expire in 30 days. Interest rates on the fixed rate commitments range from 2.75% to 5.00%. The interest rate on the variable rate commitments was the prime rate.

Included in the above commitments to extend credit at June 30, 2019 were fixed and variable rate commitments to grant loans of approximately $1,188,000 and $300,000, respectively, which generally expire in 30 days. Interest rates on the fixed rate commitments range from 4.13% to 6.00%. The interest rate on the variable rate commitment was the prime rate plus 1.00%.

The Bank has sold mortgage loans to the FHLB with a total outstanding balance of approximately $25,950,000 and $15,825,000 at June 30, 2020 and 2019, respectively. Under the terms of the agreement with the FHLB, the Bank has a limited recourse obligation to the FHLB in the event the borrower defaults. The maximum recourse obligation totaled approximately $395,000 and $412,000 at June 30, 2020 and 2019, respectively.

9. Legal Contingencies

Various legal claims arise from time-to-time in the normal course of business which, in the opinion of management, will have no material effect on the Company's consolidated financial statements.

10. Other Non-Interest Income and Other Operating Expenses

Other non-interest income and other operating expenses include the following items greater than 1% of revenues.

	2020	2019
Other non-interest income:		
Servicing fees collected on sold loans	**$ 48,000**	$ 43,000
Interchange income	**82,000**	70,000
Deposit fee income	*****	46,000
Loan fee income	**68,000**	80,000
Other operating expenses:		
Audit and examinations	**$ 141,000**	$ 122,000
ATM and debit card costs	**59,000**	66,000
Marketing	**118,000**	113,000

***** Amount did not exceed 1% of total revenues.

11. Minimum Regulatory Capital Requirements

The Bank is subject to various regulatory capital requirements administered by the federal banking agencies. Failure to meet minimum capital requirements can initiate certain mandatory and possible additional discretionary actions by regulators that, if undertaken, could have a direct material effect on the consolidated financial statements. Under capital adequacy guidelines and the regulatory framework for prompt corrective action, the Bank must meet specific capital guidelines that involve quantitative measures of its assets, liabilities, and certain off-balance-sheet items as calculated under regulatory accounting practices. The capital amounts and classification are also subject to qualitative judgments by the regulators about components, risk weightings, and other factors.

Quantitative measures established by regulation to ensure capital adequacy requires the Bank to maintain minimum amounts and ratios (set forth in the following table) of total, Tier 1 and common equity Tier 1 capital (as defined in the regulations) to risk-weighted assets (as defined) and of Tier 1 capital (as defined) to total assets (as defined).

Regulatory capital rules limit a banking organization's capital distributions and certain discretionary bonus payments if the banking organization does not hold a “capital conservation buffer” consisting of 2.5% above its minimum risk-based capital requirements. As of June 30, 2020, the Bank had a capital conservation buffer of 6.6% of risk-weighted assets, which was in excess of the regulatory requirement of 2.5%.

The actual and minimum capital amounts and ratios for the Bank are presented in the following table:

	Actual		Standard Minimum Capital Requirement		Minimum to be Adequately Capitalized under Prompt Corrective Action Provisions	
	Amount	Ratio	Amount	Ratio	Amount	Ratio
June 30, 2020						
Total capital to risk weighted assets	**$ 8,162,000**	**14.62%**	**$ 4,465,000**	**8.00%**	**$ 5,582,000**	**10.00%**
Tier 1 capital to risk weighted assets	**$ 7,463,000**	**13.37%**	**$ 3,349,000**	**6.00%**	**$ 4,465,000**	**8.00%**
Common equity Tier 1 capital to risk weighted assets	**$ 7,463,000**	**13.37%**	**$ 2,512,000**	**4.50%**	**$ 3,628,000**	**6.50%**
Tier 1 capital to total assets	**$ 7,463,000**	**9.11%**	**$ 3,278,000**	**4.00%**	**$ 4,097,000**	**5.00%**

	Actual		Standard Minimum Capital Requirement		Minimum to be Adequately Capitalized under Prompt Corrective Action Provisions	
	Amount	Ratio	Amount	Ratio	Amount	Ratio
June 30, 2019						
Total capital to risk weighted assets	$ 7,848,000	14.56%	$ 4,311,000	8.00%	$ 5,388,000	10.00%
Tier 1 capital to risk weighted assets	$ 7,173,000	13.31%	$ 3,233,000	6.00%	$ 4,311,000	8.00%
Common equity Tier 1 capital to risk weighted assets	$ 7,173,000	13.31%	$ 2,425,000	4.50%	$ 3,502,000	6.50%
Tier 1 capital to total assets	$ 7,173,000	9.26%	$ 3,099,000	4.00%	$ 3,873,000	5.00%

The actual and minimum capital amounts and ratios for the Company do not materially differ from those presented for the Bank in the table above.

The following table presents a reconciliation of Bank capital determined using GAAP and regulatory capital amounts:

	2020	2019
GAAP and Tier 1 capital	**$ 7,463,000**	$ 7,173,000
Allowance for loan losses includable in Tier 2 capital using the direct reduction method	**699,000**	675,000
Total Risk-Based Capital	**$ 8,162,000**	$ 7,848,000

12. Employee Benefit Plans

401(k) Plan

The Bank has a 401(k) Plan whereby substantially all employees participate in the Plan. Prior to January 1, 2020, employees could contribute up to 15% of their compensation subject to certain limits based on federal tax laws. The Bank made matching contributions equal to 50% of the employee's contribution, up to a maximum of 3% of an employee's compensation contributed to the Plan. Matching contributions vested to the employee equally over a five-year period. Effective January 1, 2020, employees may contribute up to 100% of their compensation subject to certain limits based on federal tax laws, and the Bank makes matching contributions equal to 100% of the employee’s contribution up to 1%, and 50% on the next 5% of the employee’s contribution. Matching contributions are 100% vested. For the years ended June 30, 2020 and 2019, expense attributable to the Plan amounted to $34,783 and $29,549, respectively.

Employee Stock Ownership Plan

All Bank employees meeting certain age and service requirements are eligible to participate in the ESOP. In August 2008, the Bank's ESOP purchased 17,262 shares of common stock for $172,620. The Auburn Savings Bank ESOP Trust (the ESOP Trust) borrowed the loan amount of $172,620 from the Company, and the loan is repayable annually with a fixed interest rate of 5% for the term of fifteen years. The loan is secured by the shares purchased by the ESOP Trust. Participants’ benefits become fully vested after five years of service. The Bank’s contributions are the primary source of funds for the ESOP's repayment of the loan. Principal and interest payments for the years ended June 30, 2020 and 2019 totaled $16,631 for each year.

As of June 30, 2020, the remaining principal balance is payable as follows:

2021	$ 14,367
2022	15,085
2023	15,837
	$ 45,289

Shares held by the ESOP include the following at June 30:

	2020	2019
Allocated	**13,795**	12,639
Unallocated	**3,467**	4,623
	17,262	17,262

The fair value of the unallocated shares as of June 30, 2020 and 2019 was approximately $32,000 and $55,000, respectively.

13. Related Party Transactions

In the ordinary course of business, the Bank has granted loans to principal officers and directors and their affiliates amounting to $331,000 and $389,000 at June 30, 2020 and 2019, respectively. There were no principal additions during the year ended June 30, 2020. During the year ended June 30, 2019, total principal additions were $3,000. During the years ended June 30, 2020 and 2019, total principal payments and loans removed from related party status were $58,000 and $41,000, respectively.

Deposits from related parties held by the Bank at June 30, 2020 and 2019 amounted to $990,000 and $1,698,000, respectively.

14. Fair Value

GAAP defines fair value as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. GAAP establishes a fair value hierarchy which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The standard describes three levels of inputs that may be used to measure fair value:

Level 1: Quoted prices (unadjusted) for identical assets or liabilities in active markets that the entity has the ability to access as of the measurement date.

Level 2: Significant other observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities, quoted prices in markets that are not active, and other inputs that are observable or can be corroborated by observable market data.

Level 3: Significant unobservable inputs that reflect a company's own assumptions about the assumptions that market participants would use in pricing an asset or liability.

The balances of assets measured at fair value on a recurring basis are as follows:

	Total	Fair Value Measurements Using: Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
June 30, 2020				
Investment securities available for sale				
Agency mortgage-backed securities	**$4,871,749**	**$ -**	**$ 4,871,749**	**$ -**
Small Business Administration securities	**1,053,792**	**-**	**1,053,792**	**-**
U.S. Government sponsored enterprise securities	**-**	**-**	**-**	**-**

	Total	Fair Value Measurements Using: Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
June 30, 2019				
Investment securities available for sale				
Agency mortgage-backed securities	$3,919,134	$ -	$ 3,919,134	$ -
Small Business Administration securities	1,211,172	-	1,211,172	-
U.S. Government sponsored enterprise securities	5,297	-	5,297	-

The fair values of investment securities available for sale are determined using observable inputs by obtaining quoted prices on nationally recognized securities exchanges or matrix pricing, which is a mathematical technique used widely in the industry to value debt securities without relying exclusively on quoted prices for the specific securities, but rather by relying on the securities' relationship to other benchmark quoted securities.

GAAP requires disclosure of assets measured at fair value on a nonrecurring basis that have had a fair value adjustment since their initial recognition. There were no assets measured at fair value on a nonrecurring basis at June 30, 2020 and 2019.

GAAP also requires disclosure of estimated fair values of all financial instruments where it is practicable to estimate such values. In cases where quoted market prices are not available, fair values are based on estimates using present value or other valuation techniques. Those techniques are significantly affected by the assumptions used, including the discount rate and estimates of future cash flows. Accordingly, the derived fair value estimates cannot be substantiated by comparison to independent markets and, in many cases, could not be realized in immediate settlement of the instrument. The disclosure requirements exclude certain financial instruments and all nonfinancial instruments. Accordingly, the aggregate fair value amounts presented do not represent the underlying value of the Company.

The estimated fair values, and related carrying or notional amounts, of the Company's financial instruments are as follows at June 30, 2020 and 2019:

	Carrying Amount	Fair Value	Fair Value Measurements at June 30, 2020 Using: Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
			(dollars in thousands)		
Financial assets					
Cash and cash equivalents	**$ 3,328**	**$ 3,328**	**$ 3,328**	**$ -**	**$ -**
Investment securities available for sale	**5,926**	**5,926**	**-**	**5,926**	**-**
Federal Home Loan Bank stock	**431**	**431**	**-**	**431**	**-**
Loans, net					
Residential	**51,831**	**52,512**	**-**	**-**	**52,512**
Commercial real estate	**12,765**	**13,050**	**-**	**-**	**13,050**
Commercial non-real estate	**10,476**	**10,447**	**-**	**-**	**10,447**
Consumer	**722**	**694**	**-**	**-**	**694**
Accrued interest receivable	**292**	**292**	**292**	**-**	**-**
Financial liabilities					
Deposits	**67,225**	**67,568**	**-**	**67,568**	**-**
Federal Home Loan Bank and Federal Reserve Bank advances	**13,358**	**13,534**	**-**	**13,534**	**-**

	Carrying Amount	Fair Value	Fair Value Measurements at June 30, 2019 Using: Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
			(dollars in thousands)		
Financial assets					
Cash and cash equivalents	$ 2,893	$ 2,893	$ 2,893	$ -	$ -
Investment securities available for sale	5,136	5,136	-	5,136	-
Federal Home Loan Bank stock	554	554	-	554	-
Loans, net					
Residential	52,174	52,351	-	-	52,351
Commercial real estate	11,068	11,275	-	-	11,275
Commercial non-real estate	5,313	5,312	-	-	5,312
Consumer	595	580	-	-	580
Accrued interest receivable	273	273	-	273	-
Financial liabilities					
Deposits	63,369	63,452	-	63,452	-
Federal Home Loan Bank advances	9,525	9,620	-	9,620	-

The Company’s off-balance-sheet instruments consist of loan commitments. Fair values for loan commitments have not been presented as the future revenue derived from such financial instruments is not significant.

DIRECTORS OF AUBURN BANCORP, INC.
AND
OFFICERS OF AUBURN SAVINGS BANK, FSB

Directors

Heather A. Hunter, Chair
Finance Director, City of Lewiston

D. Wesley Haire
Owner, CyberSOLUTIONS

Claire D. Thompson
CPA and Partner, Austin Associates, PA

Debra Morin-Ouellette
Associate Real Estate Broker, Berkshire Hathaway HomeServices

Thomas J. Dean, Vice Chair
Chief Financial Officer, Futureguard Building Products, Inc.

Anne M. Torregrossa
Associate Corporate Counsel, City of Portland

William C. Tracy
President & CEO Auburn Savings Bank, FSB

Officers

William C. Tracy, *President, Chief Executive Officer*
Martha L. Adams, *Executive Vice President & Chief Operating Officer*
David J. Krause, *Senior Vice President, Chief Financial Officer*
Melissa M. Record, *Vice President & BSA/Compliance Officer*
Robert A. Michaud, *Vice President & Loan Officer*
Brian M. Judkins*, Vice President & Business Development Officer*
Catherine G. Dorion, *Vice President & Loan Officer*

BANKING LOCATIONS

Main Office
256 Court Street
Auburn, ME 04210
Phone (207) 782-6871
Fax (207) 782-7055

Lewiston Branch
325 Sabattus Street
Lewiston, ME 04240
Phone (207) 782-0400
Fax (207) 782-5444

CORPORATE INFORMATION

Corporate Headquarters
256 Court Street
Auburn, ME 04210
Phone (207) 782-6871
Fax (207) 782-7055

Independent Auditors
BerryDunn
100 Middle Street, P.O. Box 1100
Portland, ME 04104-1100
Phone (207) 775-2387
Fax (207) 774-2375

General Counsel
Luse Gorman
5335 Wisconsin Ave N.W. Suite 780
Washington, DC 20015-2054
Phone (202) 274-2000
Fax (202) 362-2902

Transfer Agent/Registrar
Computershare, Inc.
P.O. Box 30170
College Station, TX 77842
Phone (800) 368-5948
Fax (908) 497-2314

Investor and Shareholder Information
Requests for information by shareholders and investors interested in Auburn Bancorp may contact:
William C Tracy, President &CEO
Investor Relations
256 Court Street, PO Box 3157
Auburn, ME 04210
Phone (207) 782-26871
Fax (207) 782-7055
Email: billtracy@auburnsavings.com

Corporate Website and Internet Banking
www.auburnsavings.com

Annual Meeting
The Annual Meeting of Shareholders will be held Tuesday, November 24, 2020 at 3:45 p.m., local time, at the Hilton Garden Inn at 14 Great Falls Plaza in Auburn, Maine.