2022 ANNUAL REPORT

AUBURN Bancorp

PRESIDENT'S LETTER TO SHAREHOLDERS

In its 135th year of operation, the Bank has been met with challenges. COVID 19 refuses to relent, inflation most notably with a reduction in mortgage activity and increased funding costs are ongoing themes, and most employers in Maine are faced with increased costs in staffing from both salary and benefit perspectives. With these concerns, the Bank wasn't as profitable in the past year as we had hoped and unanticipated shifts in staffing have led to a certain amount of disruption. Nevertheless, the Bank still made money and with each curve or change the staff responded in a positive manner.

We are pleased to note that Michelle Rouleau joined the team as Chief Financial Officer and Robert Michaud was promoted to Senior Lender. Michelle comes to the Bank from a Maine credit union with sound experience and drive to push those around her to do more. Bob has been with the Bank for a long period of time and has been very successful bringing new customers to Auburn Savings. These positions along with the Chief Executive Officer represent the Bank's new senior management team.

From a financial perspective, earnings were $152,017 providing a net income per share of $0.30. The balance sheet shrunk to just over $98 million as the remainder of Payroll Protection Program loans were paid off, and unrealized losses of our investment portfolio increased. The biggest impact to income and growth has been the significant reduction of mortgages originated over the course of the year. A combination of rising rates and lack of housing inventory hinder the Bank's progress. As a result, the Bank has purchased additional securities and is examining the purchase of loans from a third-party as methods to continue growth and increase income.

Success for the Bank has come in the form of accelerating its timetable for implementing new digital services allowing customers to make deposits and complete loan requests online. While it was always the plan to implement electronic delivery of product, COVID moved these efforts to the forefront as customers expect to see ways to Bank digitally followed by having great human intelligence when customers need direct assistance or special help. The Bank implemented a new core processing system over the past two years. We are now learning how to take advantage of what the system offers and add adjunct programming that provides more options for customers to bank when and where they want.

On behalf of the Board of Directors and staff, thank you for your support.

Respectfully submitted,

William C. Tracy
President and Chief Executive Officer

BerryDunn

Auburn Bancorp, Inc. and Subsidiary

CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2022 and 2021

With Independent Auditor's Report

BerryDunn

INDEPENDENT AUDITOR'S REPORT

Board of Directors
Auburn Bancorp, Inc. and Subsidiary

Opinion

We have audited the accompanying consolidated financial statements of Auburn Bancorp, Inc. and Subsidiary (the Company), which comprise the consolidated balance sheets as of June 30, 2022 and 2021, and the related consolidated statements of income, comprehensive (loss) income, changes in stockholders' equity and cash flows for the years then ended, and the related notes to the financial statements.

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, 2022 and 2021, and the results of their operations and their cash flows for the years then ended in accordance with U.S. generally accepted accounting principles.

Basis for Opinion

We conducted our audits in accordance with U.S. generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Company and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with U.S. generally accepted accounting principles, and for 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.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern within one year after the date that the consolidated financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with U.S. generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

Board of Directors
Auburn Bancorp, Inc. and Subsidiary

In performing an audit in accordance with U.S. generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.

- Obtain an understanding of internal control relevant to the audit 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 Company's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Berry Dunn McNeil & Parker, LLC

Portland, Maine
September 21, 2022

AUBURN BANCORP, INC. AND SUBSIDIARY

Consolidated Balance Sheets

June 30, 2022 and 2021

ASSETS

	2022	2021
Cash and due from banks	$ 2,515,051	$ 9,833,219
Interest-earning deposits	107,570	1,562,217
Total cash and cash equivalents	2,622,621	11,395,436
Investment securities available for sale, at fair value	15,378,186	9,230,325
Federal Home Loan Bank stock, at cost	499,400	431,400
Loans receivable, net of allowance for loan losses of $860,322 and $861,671 as of June 30, 2022 and 2021, respectively	76,217,487	76,171,091
Property and equipment, net	1,552,598	1,668,596
Accrued interest receivable		
Investments	34,603	19,818
Loans	233,657	276,621
Bank owned life insurance	862,382	840,398
Prepaid expenses and other assets	770,342	358,230
Total assets	$ 98,171,276	$ 100,391,915

LIABILITIES AND STOCKHOLDERS' EQUITY

	2022	2021
Liabilities		
Deposits	$ 81,139,588	$ 82,699,960
Borrowings	10,000,000	9,372,785
Accrued interest and other liabilities	207,255	211,973
Total liabilities	91,346,843	92,284,718
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, 2022 and 2021	5,033	5,033
Additional paid-in-capital	1,458,334	1,455,580
Retained earnings	6,829,850	6,677,833
Accumulated other comprehensive loss	(1,463,010)	(13,917)
Unearned compensation (ESOP shares)	(5,774)	(17,332)
Total stockholders' equity	6,824,433	8,107,197
Total liabilities and stockholders' equity	$ 98,171,276	$ 100,391,915

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

AUBURN BANCORP, INC. AND SUBSIDIARY

Consolidated Statements of Income

Years Ended June 30, 2022 and 2021

	2022	2021
Interest and dividend income:		
Interest on loans	$ 3,277,784	$ 3,511,242
Interest on investments and other interest-earnings deposits	227,144	109,747
Dividends on Federal Home Loan Bank stock	6,713	10,100
Total interest and dividend income	3,511,641	3,631,089
Interest expense:		
Interest on deposits and escrow accounts	299,093	532,301
Interest on Federal Home Loan Bank and Federal Reserve Bank advances	74,376	82,337
Total Interest expense	373,469	614,638
Net interest income	3,138,172	3,016,451
Provisions for loan losses	61,000	67,500
Net interest income after provision for loan losses	3,077,172	2,948,951
Non-interest income:		
Net gain on sales of loans	90,372	470,383
Other non-interest income	392,369	360,895
Total non-interest income	482,741	831,278
Non-interest expenses:		
Salaries and employee benefits	2,033,781	1,830,379
Occupancy expense	134,689	125,104
Depreciation	160,019	150,189
Federal deposit insurance premiums	51,800	42,900
Computer charges	247,327	420,006
Consulting expense	51,814	52,800
Other operating expenses	682,621	629,061
Total non-interest expenses	3,362,051	3,250,439
Income before income taxes	197,862	529,790
Income tax expense	45,845	120,920
Net income	$ 152,017	$ 408,870
Net income per common share	$ 0.30	$ 0.82

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

AUBURN BANCORP, INC. AND SUBSIDIARY

Consolidated Statements of Comprehensive (Loss) Income

Years Ended June 30, 2022 and 2021

	2022	2021
Net income	**$ 152,017**	$ 408,870
Other comprehensive loss, net of tax		
Unrealized losses on investment securities available for sale:		
Unrealized holding losses arising during the period	**(1,834,296)**	(171,618)
Tax effect	**385,203**	36,040
Net unrealized losses on investment securities available for sale	**(1,449,093)**	(135,578)
Total comprehensive (loss) income	**$ (1,297,076)**	$ 273,292

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

AUBURN BANCORP, INC. AND SUBSIDIARY

Consolidated Statements of Changes in Stockholders' Equity

Year Ended June 30, 2022 and 2021

	Preferred Stock	Common Stock	Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Unearned Compensation (ESOP Shares)	Total
Balance, June 30, 2020	$ -	$ 5,033	$ 1,454,388	$ 6,268,963	$ 121,661	$ (28,890)	$ 7,821,155
Net income	-	-	-	408,870	-	-	408,870
Other comprehensive loss	-	-	-	-	(135,578)	-	(135,578)
Common stock held by ESOP committed to be released (1,156 shares)	-	-	1,192	-	-	11,558	12,750
Balance, June 30, 2021	-	5,033	1,455,580	6,677,833	(13,917)	(17,332)	8,107,197
Net income	**-**	**-**	**-**	**152,017**	**-**	**-**	**152,017**
Other comprehensive loss	**-**	**-**	**-**	**-**	**(1,449,093)**	**-**	**(1,449,093)**
Common stock held by ESOP committed to be released (1,156 shares)	**-**	**-**	**2,754**	**-**	**-**	**11,558**	**14,312**
Balance, June 30, 2022	**$ -**	**$ 5,033**	**$ 1,458,334**	**$ 6,829,850**	**$ (1,463,010)**	**$ (5,774)**	**$ 6,824,433**

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

Consolidated Statements of Cash Flows

Years Ended June 30, 2022 and 2021

	2022	2021
Cash flows from operating activities		
Net income	$ 152,017	$ 408,870
Adjustments to reconcile net income to net cash provided by operating activities		
Depreciation	160,019	150,189
Net amortization of premiums on investment securities	9,861	40,478
Provision for loan losses	61,000	67,500
Change in net deferred loan fees and costs	(147,837)	2,678
Deferred income tax (benefit) expense	(28,917)	43,656
Gain on sale of loans	(90,372)	(470,383)
Proceeds from sale of loans	3,976,772	13,659,507
Loans originated for sale	(3,886,400)	(13,189,124)
ESOP compensation expense	14,312	12,750
Increase in cash surrender value of bank owned life insurance	(21,984)	(23,462)
Net (increase) decrease in prepaid expenses and other assets	(47,209)	39,072
Net decrease (increase) in accrued interest receivable	28,179	(4,731)
Net increase (decrease) in accrued interest payable and other liabilities	44,499	(94,569)
Net cash provided by operating activities	223,940	642,431
Cash flows from investing activities		
Purchase of investment securities available for sale	(9,940,162)	(5,964,605)
Proceeds from maturities, calls and principal paydowns on investment securities available for sale	1,948,144	2,447,725
Net decrease (increase) in loans to customers	40,441	(447,398)
Net purchase of Federal Home Loan Bank stock	(68,000)	-
Capital expenditures	(44,021)	(100,685)
Net cash used by investing activities	(8,063,598)	(4,064,963)
Cash flows from financing activities		
Advances from Federal Home Loan Bank and Federal Reserve Bank	-	4,226,145
Repayment of advances from Federal Home Loan Bank and Federal Reserve Bank	(6,372,785)	(6,141,596)
Net change in short-term borrowings	7,000,000	(2,070,000)
Net (decrease) increase in deposits	(1,560,372)	15,475,440
Net cash (used) provided by financing activities	(933,157)	11,489,989
Net (decrease) increase in cash and cash equivalents	(8,772,815)	8,067,457
Cash and cash equivalents, beginning of year	11,395,436	3,327,979
Cash and cash equivalents, end of year	$ 2,622,621	$ 11,395,436
Supplementary cash flow information:		
Cash paid during the year for:		
Interest	$ 375,668	$ 613,362
Income taxes	70,805	7,500

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 (U.S. 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 U.S. 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. Debt 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 is subject to adjustments for any observable market transactions on the same or similar instruments of the investee. The investment in FHLB stock is required for membership.

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 non-accrual 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 non-accrual or charged off is reversed against interest income. Cash payments on these loans are generally 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 other operating expenses 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 (Loss) 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 (loss) 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:

	2022	2021
Net income	$ 152,017	$ 408,870
Weighted average common shares outstanding	503,284	503,284
Less: Average unallocated ESOP shares	(1,108)	(2,264)
Adjusted weighted average common shares outstanding	502,176	501,020
Earnings per common share	$ 0.30	$ 0.82

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

Impact of Recent Accounting Standards

In June 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (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. Management has selected a model and is in the process of collecting and evaluating data.

Subsequent Events

For purposes of the preparation of these financial statements in conformity with U.S. GAAP, the Company has considered transactions or events occurring through September 21, 2022, 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, 2022				June 30, 2021			
	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	**$ 16,578,749**	**$ -**	**$ (1,816,378)**	**$ 14,762,371**	$ 8,398,176	$ 59,711	$ (105,880)	$ 8,352,007
Small Business Administration securities	**651,347**	**-**	**(35,532)**	**615,815**	849,763	28,555	-	878,318
Total	**$ 17,230,096**	**$ -**	**$ (1,851,910)**	**$ 15,378,186**	$ 9,247,939	$ 88,266	$ (105,880)	$ 9,230,325

Investments with a fair value of approximately $829,000 and $2,221,000 at June 30, 2022 and 2021, 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, 2022 and 2021, 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	
June 30, 2022	Fair Value	Gross Unrealized Losses	Fair Value	Gross Unrealized Losses	Fair Value	Gross Unrealized Losses
Agency mortgage-backed securities	**$ 10,266,546**	**$ (869,809)**	**$ 4,495,825**	**$ (946,569)**	**$ 14,762,371**	**$ (1,816,378)**
Small Business Administration securities	**615,815**	**(35,532)**	**-**	**-**	**615,815**	**(35,532)**
Total	**$ 10,882,361**	**$ (905,341)**	**$ 4,495,825**	**$ (946,569)**	**$ 15,378,186**	**$ (1,851,910)**

	Less than 12 Months		12 Months or Greater		Total	
June 30, 2021	Fair Value	Gross Unrealized Losses	Fair Value	Gross Unrealized Losses	Fair Value	Gross Unrealized Losses
Agency mortgage-backed securities	$ 6,414,962	$ (105,880)	$ -	$ -	$ 6,414,962	$ (105,880)
Total	$ 6,414,962	$ (105,880)	$ -	$ -	$ 6,414,962	$ (105,880)

At June 30, 2022, thirty-five debt securities with unrealized losses declined 13.7% in total from the amortized cost basis. At June 30, 2021, ten debt securities with unrealized losses declined 1.6% 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, 2022 and 2021, no unrealized losses were deemed by management to be other-than-temporary.

There were no sales of securities for the years ended June 30, 2022 and 2021.

3. Loans

A summary of the balances of loans follows:

	2022	2021
Residential real estate	**$ 60,051,883**	$ 56,845,757
Commercial real estate	**13,034,416**	11,427,941
Commercial non-real estate	**3,472,882**	8,168,414
Consumer	**518,628**	590,650
Subtotal	**77,077,809**	77,032,762
Allowance for loan losses	**(860,322)**	(861,671)
Total loans, net	**$ 76,217,487**	$ 76,171,091

Net deferred loan origination fees included in loans receivable amounted to $46,914 and $194,751, at June 30, 2022 and 2021, 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 coronavirus disease (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. In January 2021, the PPP was reopened under the Consolidated Appropriations Act (CAA). During 2021, the Bank had received approval from the U.S. Small Business Administration (SBA) for 44 applications for PPP loans under the CARES Act and CAA with respect to $4,271,092 in loans. As of June 30, 2022, $32,102 in principal remained outstanding with the remainder of the Bank's PPP loans having been forgiven by the SBA. PPP loans are classified as commercial non-real estate loans.

The SBA paid the Bank a 1% to 5% origination fee on the principal balance of PPP loans depending on the size of the loan. As of June 30, 2022 and 2021, the Bank had PPP deferred loan origination fees of approximately $2,000 and $187,000, respectively, recorded in loans receivable on the consolidated balance sheets.

Credit Quality and Allowance for Loan Losses

Management uses various 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. Delinquency and watch lists are regularly reviewed to identify, track and monitor credit risk. 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, 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, 2022 and 2021.

The following tables provide information relative to credit quality and allowance for loan losses as of and for the years ended June 30, 2022 and 2021:

Year Ended June 30, 2022	Commercial Non-Real Estate	Commercial Real Estate	Residential Real Estate	Consumer	Unallocated	Total
Allowance for loan losses:						
Beginning balance	**$ 46,035**	**$ 125,527**	**$ 612,558**	**$ 9,524**	**$ 68,027**	**$ 861,671**
Charge-offs	**(84,800)**	**-**	**-**	**-**	**-**	**(84,800)**
Recoveries	**18,137**	**4,314**	**-**	**-**	**-**	**22,451**
Provision (recovery)	**65,524**	**(1,798)**	**2,026**	**(1,893)**	**(2,859)**	**61,000**
Ending Balance	**$ 44,896**	**$ 128,043**	**$ 614,584**	**$ 7,631**	**$ 65,168**	**$ 860,322**

As of June 30, 2022	Commercial Non-Real Estate	Commercial Real Estate	Residential Real Estate	Consumer	Unallocated	Total
Allowance for loan losses:						
Ending Balance	**$ 44,896**	**$ 128,043**	**$ 614,584**	**$ 7,631**	**$ 65,168**	**$ 860,322**
Individually evaluated for impairment	**-**	**-**	**82,115**	**-**	**-**	**82,115**
Collectively evaluated for impairment	**44,896**	**128,043**	**532,469**	**7,631**	**65,168**	**778,207**
Loans:						
Ending balance	**$ 3,472,882**	**$ 13,034,416**	**$ 60,051,883**	**$ 518,628**		**$ 77,077,809**
Individually evaluated for impairment	**-**	**-**	**1,102,622**	**18,679**		**1,121,301**
Collectively evaluated for impairment	**3,472,882**	**13,034,416**	**58,949,261**	**499,949**		**75,956,508**

Year Ended June 30, 2021	Commercial Non-Real Estate	Commercial Real Estate	Residential Real Estate	Consumer	Unallocated	Total
Allowance for loan losses:						
Beginning balance	$ 56,924	$ 108,595	$ 550,246	$ 21,459	$ 94,729	$ 831,953
Charge-offs	(45,704)	-	-	(1,966)	-	(47,670)
Recoveries	1,000	3,888	5,000	-	-	9,888
Provision (recovery)	33,815	13,044	57,312	(9,969)	(26,702)	67,500
Ending Balance	$ 46,035	$ 125,527	$ 612,558	$ 9,524	$ 68,027	$ 861,671

As of June 30, 2021	Commercial Non-Real Estate	Commercial Real Estate	Residential Real Estate	Consumer	Unallocated	Total
Allowance for loan losses:						
Ending balance	$ 46,035	$ 125,527	$ 612,558	$ 9,524	$ 68,027	$ 861,671
Individually evaluated for impairment	-	1,011	61,978	-	-	62,989
Collectively evaluated for impairment	46,035	124,516	550,580	9,524	68,027	798,682
Loans:						
Ending balance	$ 8,168,414	$ 11,427,941	$ 56,845,757	$ 590,650		$ 77,032,762
Individually evaluated for impairment	-	194,757	1,094,135	20,630		1,309,522
Collectively evaluated for impairment	8,168,414	11,233,184	55,751,622	570,020		75,723,240

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

	As of June 30, 2022		As of June 30, 2021	
Grade:	Commercial Non-Real Estate	Commercial Real Estate	Commercial Non-Real Estate	Commercial Real Estate
Acceptable	**$ 3,444,090**	**$ 11,603,299**	$ 8,168,414	$ 9,575,534
Pass/Watch - Marginal	**28,792**	**1,163,500**	-	1,357,650
Special mention	**-**	**131,743**	-	300,000
Substandard	**-**	**135,874**	-	194,757
Doubtful	**-**	**-**	-	-
Loss	**-**	**-**	-	-
Total	**$ 3,472,882**	**$ 13,034,416**	$ 8,168,414	$ 11,427,941

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

	As of June 30, 2022		As of June 30, 2021	
Grade:	Residential Real Estate	Consumer	Residential Real Estate	Consumer
Acceptable	**$ 59,031,078**	**$ 518,628**	$ 55,427,583	$ 585,455
Pass/Watch - Marginal	**457,734**	**-**	878,367	5,195
Special mention	**91,087**	**-**	379,815	-
Substandard	**471,984**	**-**	159,992	-
Doubtful	**-**	**-**	-	-
Loss	**-**	**-**	-	-
Total	**$ 60,051,883**	**$ 518,628**	$ 56,845,757	$ 590,650

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, 2022				
	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	-	-	-	-	-
Residential real estate	**389,716**	**392,508**	-	**483,309**	**12,051**
Consumer	**18,679**	**20,688**	-	**19,419**	**1,971**
With related allowance recorded:					
Commercial non-real estate	$ -	$ -	$ -	$ -	$ -
Commercial real estate	-	-	-	**117,251**	-
Residential real estate	**712,906**	**712,906**	**82,115**	**589,579**	**28,629**
Consumer	-	-	-	-	-
Total:					
Commercial non-real estate	$ -	$ -	$ -	$ -	$ -
Commercial real estate	-	-	-	**117,251**	-
Residential real estate	**1,102,622**	**1,105,414**	**82,115**	**1,072,888**	**40,680**
Consumer	**18,679**	**20,688**	-	**19,419**	**1,971**
	$ **1,121,301**	$ **1,126,102**	$ **82,115**	$ **1,209,558**	$ **42,651**

	As of and for the Year Ended June 30, 2021				
	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	-	-	-	-	-
Residential real estate	527,738	530,530	-	529,529	16,142
Consumer	20,630	22,639	-	21,784	2,137
With related allowance recorded:					
Commercial non-real estate	$ -	$ -	$ -	$ -	$ 8,174
Commercial real estate	194,757	194,757	1,011	187,702	-
Residential real estate	566,397	566,397	61,978	650,206	22,460
Consumer	-	-	-	-	-
Total:					
Commercial non-real estate	$ -	$ -	$ -	$ -	$ 8,174
Commercial real estate	194,757	194,757	1,011	187,702	-
Residential real estate	1,094,135	1,096,927	61,978	1,179,735	38,602
Consumer	20,630	22,639	-	21,784	2,137
	$ 1,309,522	$ 1,314,323	$ 62,989	$ 1,389,221	$ 48,913

Interest income on performing impaired loans is recognized on the accrual basis. Cash payments on non-performing impaired loans are generally applied to principal balances until qualifying for return to accrual. No additional funds are committed to be advanced in connection with impaired loans.

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 non-accrual 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, 2022 and 2021. The Bank had no consumer mortgage loans secured by residential real estate properties where formal foreclosure procedures were in process as of June 30, 2022 and 2021.

Age Analysis of Past Due Loans
As of June 30, 2022

	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	**$ -**	**$ -**	**$ -**	**$ -**	**$ 3,472,882**	**$ 3,472,882**	**$ -**	**$ -**
Commercial real estate	**-**	**-**	**-**	**-**	**13,034,416**	**13,034,416**	**-**	**-**
Residential real estate	**19,260**	**144,770**	**106,296**	**270,326**	**59,781,557**	**60,051,883**	**-**	**407,902**
Consumer	**-**	**-**	**-**	**-**	**518,628**	**518,628**	**-**	**-**
	$ 19,260	**$ 144,770**	**$ 106,296**	**$ 270,326**	**$ 76,807,483**	**$ 77,077,809**	**$ -**	**$ 407,902**

Age Analysis of Past Due Loans
As of June 30, 2021

	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	$ -	$ -	$ -	$ -	$ 8,168,414	$ 8,168,414	$ -	$ -
Commercial real estate	50,223	-	-	50,223	11,377,718	11,427,941	-	50,223
Residential real estate	360,518	153,408	106,296	620,222	56,225,535	56,845,757	-	824,310
Consumer	4,676	-	-	4,676	585,974	590,650	-	-
	$ 415,417	$ 153,408	$ 106,296	$ 675,121	$ 76,357,641	$ 77,032,762	$ -	$ 874,533

Interest income on non-accrual loans of $7,999 and $20,570 would have been recognized on these loans if interest had been accrued at June 30, 2022 and 2021, 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, 2022 and 2021, there were no commitments to lend additional amounts to customers with outstanding loans that are classified as troubled debt restructurings.

During the year ended June 30, 2022, certain loan modifications were executed which constituted troubled debt restructurings. There were no troubled debt restructurings that occurred during the year ended June 30, 2021. 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 year ended June 30, 2022:

	Number of Loans	Pre-Modification Outstanding Recorded Investment	Post-Modification Outstanding Recorded Investment
Residential real estate	1	$ 201,980	$ 214,974
Total	1	$ 201,980	$ 214,974

The troubled debt restructuring described above required a net allocation of the allowance for loan losses of $31,753 as of June 30, 2022. 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 restructuring that occurred during the year ended June 30, 2022.

A loan is considered to be in payment default once it is greater than 30 days contractually past due under the modified terms. There were no troubled debt restructurings with payment defaults during the years ended June 30, 2022 and 2021 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 interpreted current accounting standards and indicated that a lender could conclude that a borrower was not experiencing financial difficulty if short-term (that is, six months or less) modifications were 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 were not troubled debt restructurings under U.S. GAAP.

Additionally, a provision of the CARES Act enacted in March 2020 provided that COVID-19 related loan modifications (including modifications that are not short-term) made to a loan between March 1, 2020 and the earlier of December 31, 2020 or the sixtieth day after the end of the COVID-19 emergency declared by the President would not require the loan to be treated as a troubled debt restructuring under U.S. GAAP, so long as the modified loan was not past due as of December 31, 2019. On December 27, 2020, the CAA amended section 4013 of the CARES Act to extend the date for loan modifications from December 31, 2020 to January 1, 2022.

The Company had adopted the troubled debt restructuring guidance issued by the federal banking agencies and section 4013 of the CARES Act. During 2021, the Bank had granted loan concessions and/or modifications within the terms of this guidance on 6 loans having an aggregate principal amount of $363,637. As of June 30, 2021, all of these loans had returned to making scheduled payments. These loans may bear a higher risk of default in future periods. There were no loan concessions and/or modifications granted within the terms of this guidance during 2022.

The Bank was servicing for others, mortgage loans of approximately $30,195,000 and $31,138,000 at June 30, 2022 and 2021, respectively.

The balance of mortgage servicing rights included in other assets at June 30, 2022 was $228,186. Mortgage servicing rights of $44,298 were capitalized and mortgage servicing rights of $65,467 were amortized during 2022. Mortgage servicing rights included in other assets at June 30, 2021 was $249,355. Mortgage servicing rights of $149,941 were capitalized and mortgage servicing rights of $76,773 were amortized during 2021.

4. Property and Equipment

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

	2022	2021
Land and land improvements	**$ 424,963**	$ 424,963
Buildings	**2,153,520**	2,153,518
Furniture and fixtures	**641,625**	597,605
	3,220,108	3,176,086
Less accumulated depreciation	**1,667,510**	1,507,490
Net property and equipment	**$ 1,552,598**	$ 1,668,596

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:

	2022	2021
Demand accounts	**$ 11,189,759**	$ 12,573,209
Money market accounts	**19,447,951**	13,578,312
NOW accounts	**8,556,385**	8,161,657
Savings accounts	**14,836,596**	10,599,327
Certificates of deposit	**19,576,738**	25,273,735
Certificates of deposit, $250,000 and over	**3,548,930**	8,536,647
Brokered certificates of deposit	**3,983,229**	3,977,073
Total deposits	**$ 81,139,588**	$ 82,699,960

The scheduled maturities of time deposits are as follows:

	2022	2021
2022	**$ -**	$ 30,234,692
2023	**18,913,325**	1,830,525
2024	**5,073,589**	2,909,900
2025	**348,762**	324,315
2026	**2,521,782**	2,488,023
2027	**251,439**	-
	$ 27,108,897	$ 37,787,455

A summary of interest expense on deposits is as follows:

	2022	2021
Demand accounts	**$ 15,200**	$ 16,315
Money market accounts	**60,676**	40,499
NOW accounts	**5,418**	5,144
Savings accounts	**15,561**	11,695
Certificates of deposit	**182,791**	453,767
Brokered certificates of deposit	**19,447**	4,881
Total interest expense on deposits	**$ 299,093**	$ 532,301

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, 2022 and 2021, the value of the collateral in the custodial account was approximately $829,000 and $2,221,000, respectively, and the portion of these certain deposits in excess of the federal insured limit was approximately $2,099,000 and $2,111,000, 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 $10,000,000 and $3,000,000 at June 30, 2022 and 2021, respectively, mature through 2025. At June 30, 2022 and 2021, the interest rates on fixed rate FHLB advances ranged from 0.61% to 1.64% and 0.61% to 0.99%, respectively. The Bank had a variable rate FHLB advance of $2,000,000 at June 30, 2021, which was set to mature in 2025. At June 30, 2021, the interest rate on the variable rate FHLB advance was 0.98%. The Bank paid off this advance in 2022.

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 were $4,372,785 at June 30, 2021 and were set to mature through 2026. At June 30, 2021, the interest rate on fixed rate FRB advances was 0.35%. The Bank paid off these advances in 2022. FRB advances were collateralized by PPP loans.

At June 30, 2022 and 2021, 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, 2022 and 2021.

The Bank also has 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, 2022 and 2021, the amount of available borrowing was approximately $2,909,000 and $3,057,000, respectively. There were no amounts drawn under this line at June 30, 2022 and 2021.

The contractual maturities of advances are as follows:

	2022	2021
2022	**$ -**	$ 146,640
2023	**8,000,000**	1,000,000
2024	**-**	-
2025	**2,000,000**	4,000,000
2026	**-**	4,226,145
2027	**-**	-
	$ 10,000,000	$ 9,372,785

7. Income Taxes

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

	2022	2021
Current tax expense		
Federal	**$ 65,348**	$ 65,140
State	**9,414**	12,124
	74,762	77,264
Deferred federal tax (benefit) expense	**(28,917)**	43,656
Income tax expense	**$ 45,845**	$ 120,920

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

	2022	2021
Expected income tax expense at federal tax rate	**$ 41,552**	$ 111,256
Increase (reduction) in income taxes resulting from:		
State tax, net of federal tax benefit	**7,437**	9,578
Bank owned life insurance	**(4,617)**	(4,927)
Other	**1,473**	5,013
Income tax expense	**$ 45,845**	$ 120,920
Effective income tax rate	**23.2 %**	22.8 %

The components of the net deferred tax liability, included in accrued interest and other liabilities, are as follows:

	2022	2021
Deferred tax assets:		
Allowance for loan losses	**$ 180,668**	$ 180,951
Impairment loss on investments	**18,912**	18,912
Expense accruals	**2,757**	483
Unrealized loss on investment securities available for sale	**388,902**	3,699
Other	**1,569**	2,310
Total deferred tax assets	**592,808**	206,355
Valuation reserve against capital losses	**(18,912)**	(18,912)
Total deferred tax assets, net of valuation reserve	**573,896**	187,443
Deferred tax liabilities:		
Difference between tax and book bases of property and equipment	**(118,350)**	**(135,792)**
Deferred loan fees	**(43,709)**	**(49,489)**
Mortgage servicing rights	**(47,919)**	**(52,365)**
Total deferred tax liabilities	**(209,978)**	**(237,646)**
Net deferred tax asset (liability)	**$ 363,918**	**$ (50,203)**

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, 2022 and 2021, 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, 2019 through 2022. 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, 2022 and 2021, the following financial instruments were outstanding whose contract amounts represent credit risk:

	2022	2021
Commitments to originate loans	**$ 1,473,000**	$ 2,641,000
Unadvanced portions of construction loans	**279,000**	1,078,000
Unadvanced portions of home equity loans	**7,234,000**	6,939,000
Unadvanced portions of commercial lines of credit	**2,628,000**	3,119,000

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, 2022 were fixed and variable rate commitments to grant loans of approximately $1,158,000 and $315,000, respectively, which generally expire in 30 days. Interest rates on the fixed rate commitments range from 4.50% to 6.125%. Interest rates on the variable rate commitments range from 4.00% to 4.75%.

Included in the above commitments to extend credit at June 30, 2021 were fixed and variable rate commitments to grant loans of approximately $2,476,000 and $165,000, respectively, which generally expire in 30 days. Interest rates on the fixed rate commitments range from 2.50% to 4.00%. The interest rate on the variable rate commitments was the prime rate.

The Bank has sold mortgage loans to the FHLB with a total outstanding balance of approximately $30,195,000 and $31,138,000 at June 30, 2022 and 2021, 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 $127,000 and $262,000 at June 30, 2022 and 2021, 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.

		2022		2021
Other non-interest income:				
Servicing fees collected on sold loans	**$**	**76,000**	$	66,000
Interchange income		**111,000**		102,000
Deposit fee income		**37,000**		46,000
Loan fee income		**60,000**		96,000
Recovery of legal expenses		**60,000**		*
Other operating expenses:				
Audit and examinations	**$**	**135,000**	$	129,000
ATM and debit card costs		**79,000**		78,000
Marketing		**118,000**		122,000
Amortization of mortgage servicing rights		**65,000**		77,000
Other loan expenses		**51,000**		*

* 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, 2022, the Bank had a capital conservation buffer of 5.44% 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	
June 30, 2022	Amount	Ratio	Amount	Ratio	Amount	Ratio
Total capital to risk weighted assets	**$ 8,847,000**	**13.44 %**	**$ 5,267,000**	**8.00 %**	**$ 6,584,000**	**10.00 %**
Tier 1 capital to risk weighted assets	**8,024,000**	**12.19 %**	**3,951,000**	**6.00 %**	**5,267,000**	**8.00 %**
Common equity Tier 1 capital to risk weighted assets	**8,024,000**	**12.19 %**	**2,963,000**	**4.50 %**	**4,280,000**	**6.50 %**
Tier 1 capital to total assets	**8,024,000**	**8.68 %**	**3,699,000**	**4.00 %**	**4,623,000**	**5.00 %**

	Actual		Standard Minimum Capital Requirement		Minimum to be Adequately Capitalized under Prompt Corrective Action Provisions	
June 30, 2021	Amount	Ratio	Amount	Ratio	Amount	Ratio
Total capital to risk weighted assets	$ 8,600,000	14.79 %	$ 4,651,000	8.00 %	$ 5,813,000	10.00 %
Tier 1 capital to risk weighted assets	7,872,000	13.54 %	3,488,000	6.00 %	4,651,000	8.00 %
Common equity Tier 1 capital to risk weighted assets	7,872,000	13.54 %	2,616,000	4.50 %	3,779,000	6.50 %
Tier 1 capital to total assets	7,872,000	8.24 %	3,822,000	4.00 %	4,778,000	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 U.S. GAAP and regulatory capital amounts:

	2022	2021
U.S. GAAP and Tier 1 Capital	**$ 8,024,000**	$ 7,872,000
Allowance for loan losses includable in Tier 2 capital using the direct reduction method	**823,000**	728,000
Total Risk-Based Capital	**$ 8,847,000**	$ 8,600,000

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, 2022 and 2021, expense attributable to the Plan amounted to $39,918 and $41,179, 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, 2022 and 2021 totaled $16,631 for each year. The remaining principal balance on the payable as of June 30, 2022 is $15,837 and will be repaid in 2023.

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

	2022	2021
Allocated	**16,106**	14,951
Unallocated	**1,156**	2,311
	17,262	17,262

The fair value of the unallocated shares as of June 30, 2022 and 2021 was approximately $13,000 and $29,000, 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 $206,000 and $90,000 at June 30, 2022 and 2021, respectively. During the years ended June 30, 2022 and 2021, total principal additions were $316,000 and $11,000, respectively. During the years ended June 30, 2022 and 2021, total principal payments and loans removed from related party status were $200,000 and $252,000, respectively.

Deposits from related parties held by the Bank at June 30, 2022 and 2021 amounted to $1,446,000 and $1,393,000, respectively.

14. Fair Value

U.S. 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. U.S 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:

		Fair Value Measurements Using		
June 30, 2022	Total	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investment securities available for sale				
Agency mortgage-backed securities	**$ 14,762,371**	**$ -**	**$ 14,762,371**	**$ -**
Small Business Administration securities	**615,815**	**-**	**615,815**	**-**

June 30, 2021	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)
Investment securities available for sale				
Agency mortgage-backed securities	$ 8,352,007	$ -	$ 8,352,007	$ -
Small Business Administration securities	878,318	-	878,318	-

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.

U.S. 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, 2022 and 2021.

U.S. 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, 2022 and 2021:

	Carrying Amount	Fair Value	Fair Value Measurements at June 30, 2022 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	**$ 2,623**	**$ 2,623**	**$ 2,623**	**$ -**	**$ -**
Investment securities available for sale	**15,378**	**15,378**	**-**	**15,378**	**-**
Federal Home Loan Bank stock	**499**	**499**	**-**	**499**	**-**
Loans, net					
Residential	**59,372**	**57,121**	**-**	**-**	**57,121**
Commercial real estate	**12,906**	**13,231**	**-**	**-**	**13,231**
Commercial non-real estate	**3,428**	**3,518**	**-**	**-**	**3,518**
Consumer	**511**	**492**	**-**	**-**	**492**
Accrued interest receivable	**268**	**268**	**268**	**-**	**-**
Financial liabilities					
Deposits	**81,140**	**80,532**	**-**	**80,532**	**-**
Federal Home Loan Bank advances	**10,000**	**9,901**	**-**	**9,901**	**-**

	Carrying Amount	Fair Value	Fair Value Measurements at June 30, 2021 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	$ 11,395	$ 11,395	$ 11,395	$ -	$ -
Investment securities available for sale	9,230	9,230	-	9,230	-
Federal Home Loan Bank stock	431	431	-	431	-
Loans, net					
Residential	56,166	57,193	-	-	57,193
Commercial real estate	11,302	11,625	-	-	11,625
Commercial non-real estate	8,122	8,140	-	-	8,140
Consumer	581	563	-	-	563
Accrued interest receivable	296	296	296	-	-
Financial liabilities					
Deposits	82,700	82,817	-	82,817	-
Federal Home Loan Bank and Federal Reserve Bank advances	9,373	9,484	-	9,484	-

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
City Administrator, City of Lewiston

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Chief Financial Officer, Futureguard Building Products, Inc.

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Cara J. Dyer, *Vice President & Senior Loan Officer*
Brian N. Casey, *Vice President & Credit Analyst*
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Annual Meeting
The Annual Meeting of Shareholders will be held Tuesday, November 22, 2022 at 3:45 p.m., local time, at the Hilton Garden Inn at 14 Great Falls Plaza in Auburn, Maine.