

Form 5500 Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Annual Return/Report of Employee Benefit Plan This form is required to be filed for employee benefit plans under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and sections 6057(b) and 6058(a) of the Internal Revenue Code (the Code). ▶ Complete all entries in accordance with the instructions to the Form 5500.	OMB Nos. 1210-0110 1210-0089 2021 This Form is Open to Public Inspection
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Part I	Annual Report Identification Information
For calendar plan year 2021 or fiscal plan year beginning <u>01/01/2021</u> and ending <u>12/31/2021</u>	
A	This return/report is for: ☐ a multiemployer plan ☐ a multiple-employer plan (Filers checking this box must attach a list of participating employer information in accordance with the form instructions.)
	☒ a single-employer plan ☐ a DFE (specify) _____
B	This return/report is: ☐ the first return/report ☐ an amended return/report ☐ the final return/report ☐ a short plan year return/report (less than 12 months)
C	If the plan is a collectively-bargained plan, check here. ▶ ☐
D	Check box if filing under: ☒ Form 5558 ☐ special extension (enter description) ☐ automatic extension ☐ the DFVC program
E	If this is a retroactively adopted plan permitted by SECURE Act section 201, check here. ▶ ☐

Part II	Basic Plan Information—enter all requested information
1a	Name of plan <u>FIRST UNITED CORPORATION 401(K) PROFIT SHARING PLAN</u>
1b	Three-digit plan number (PN) ▶ <u>002</u>
1c	Effective date of plan <u>03/01/1972</u>
2a	Plan sponsor's name (employer, if for a single-employer plan) Mailing address (include room, apt., suite no. and street, or P.O. Box) City or town, state or province, country, and ZIP or foreign postal code (if foreign, see instructions) <u>FIRST UNITED CORPORATION</u> <u>19 SOUTH SECOND STREET</u> <u>OAKLAND, MD 21550</u>
2b	Employer Identification Number (EIN) <u>52-1380770</u>
2c	Plan Sponsor's telephone number <u>301-533-2224</u>
2d	Business code (see instructions) <u>522110</u>

Caution: A penalty for the late or incomplete filing of this return/report will be assessed unless reasonable cause is established.

Under penalties of perjury and other penalties set forth in the instructions, I declare that I have examined this return/report, including accompanying schedules, statements and attachments, as well as the electronic version of this return/report, and to the best of my knowledge and belief, it is true, correct, and complete.

SIGN HERE	Filed with authorized/valid electronic signature.	10/12/2022	CHUCK OLSSON
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE			
	Signature of employer/plan sponsor	Date	Enter name of individual signing as employer or plan sponsor
SIGN HERE			
	Signature of DFE	Date	Enter name of individual signing as DFE

For Paperwork Reduction Act Notice, see the Instructions for Form 5500.

Form 5500 (2021)
v. 210624

3a Plan administrator's name and address ☒ Same as Plan Sponsor		3b Administrator's EIN	
		3c Administrator's telephone number	
4 If the name and/or EIN of the plan sponsor or the plan name has changed since the last return/report filed for this plan, enter the plan sponsor's name, EIN, the plan name and the plan number from the last return/report: a Sponsor's name c Plan Name		4b EIN 4d PN	
5 Total number of participants at the beginning of the plan year		5	432
6 Number of participants as of the end of the plan year unless otherwise stated (welfare plans complete only lines 6a(1) , 6a(2) , 6b , 6c , and 6d).			
a(1) Total number of active participants at the beginning of the plan year.....		6a(1)	307
a(2) Total number of active participants at the end of the plan year		6a(2)	289
b Retired or separated participants receiving benefits.....		6b	11
c Other retired or separated participants entitled to future benefits		6c	128
d Subtotal. Add lines 6a(2) , 6b , and 6c		6d	428
e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits.		6e	0
f Total. Add lines 6d and 6e		6f	428
g Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item)		6g	420
h Number of participants who terminated employment during the plan year with accrued benefits that were less than 100% vested		6h	16
7 Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item).....		7	
8a If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristics Codes in the instructions: 2E 2F 2G 2J 2K 2T 3D 2A			
b If the plan provides welfare benefits, enter the applicable welfare feature codes from the List of Plan Characteristics Codes in the instructions:			
9a Plan funding arrangement (check all that apply) (1) ☒ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☒ Trust (4) ☐ General assets of the sponsor		9b Plan benefit arrangement (check all that apply) (1) ☒ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☒ Trust (4) ☐ General assets of the sponsor	
10 Check all applicable boxes in 10a and 10b to indicate which schedules are attached, and, where indicated, enter the number attached. (See instructions)			
a Pension Schedules (1) ☒ R (Retirement Plan Information) (2) ☐ MB (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary (3) ☐ SB (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary		b General Schedules (1) ☒ H (Financial Information) (2) ☐ I (Financial Information – Small Plan) (3) ☒ <u>1</u> A (Insurance Information) (4) ☒ C (Service Provider Information) (5) ☐ D (DFE/Participating Plan Information) (6) ☐ G (Financial Transaction Schedules)	

Part III Form M-1 Compliance Information (to be completed by welfare benefit plans)

11a If the plan provides welfare benefits, was the plan subject to the Form M-1 filing requirements during the plan year? (See instructions and 29 CFR 2520.101-2.) ☐ Yes ☐ No

If "Yes" is checked, complete lines 11b and 11c.

11b Is the plan currently in compliance with the Form M-1 filing requirements? (See instructions and 29 CFR 2520.101-2.) ☐ Yes ☐ No

11c Enter the Receipt Confirmation Code for the 2021 Form M-1 annual report. If the plan was not required to file the 2021 Form M-1 annual report, enter the Receipt Confirmation Code for the most recent Form M-1 that was required to be filed under the Form M-1 filing requirements. (Failure to enter a valid Receipt Confirmation Code will subject the Form 5500 filing to rejection as incomplete.)

Receipt Confirmation Code _____

SCHEDULE A (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Insurance Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA). ▶ File as an attachment to Form 5500. ▶ Insurance companies are required to provide the information pursuant to ERISA section 103(a)(2).	OMB No. 1210-0110 2021 This Form is Open to Public Inspection
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For calendar plan year 2021 or fiscal plan year beginning 01/01/2021 and ending 12/31/2021		
A Name of plan FIRST UNITED CORPORATION 401(K) PROFIT SHARING PLAN	B Three-digit plan number (PN) ▶	002
C Plan sponsor's name as shown on line 2a of Form 5500 FIRST UNITED CORPORATION	D Employer Identification Number (EIN) 52-1380770	

Part I	Information Concerning Insurance Contract Coverage, Fees, and Commissions	Provide information for each contract on a separate Schedule A. Individual contracts grouped as a unit in Parts II and III can be reported on a single Schedule A.
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1 Coverage Information:

(a) Name of insurance carrier
GREAT WEST LIFE & ANNUITY INSURANCE COMPANY

(b) EIN	(c) NAIC code	(d) Contract or identification number	(e) Approximate number of persons covered at end of policy or contract year	Policy or contract year	
				(f) From	(g) To
84-0467907	68322	457368-01	179	01/01/2021	12/31/2021

2 Insurance fee and commission information. Enter the total fees and total commissions paid. List in line 3 the agents, brokers, and other persons in descending order of the amount paid.

(a) Total amount of commissions paid	(b) Total amount of fees paid

3 Persons receiving commissions and fees. (Complete as many entries as needed to report all persons).

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	

Part II Investment and Annuity Contract Information

Where individual contracts are provided, the entire group of such individual contracts with each carrier may be treated as a unit for purposes of this report.

4 Current value of plan's interest under this contract in the general account at year end **4** 4645348**5** Current value of plan's interest under this contract in separate accounts at year end..... **5****6** Contracts With Allocated Funds:**a** State the basis of premium rates ▶**b** Premiums paid to carrier **6b****c** Premiums due but unpaid at the end of the year **6c****d** If the carrier, service, or other organization incurred any specific costs in connection with the acquisition or retention of the contract or policy, enter amount. **6d**
Specify nature of costs ▶**e** Type of contract: (1) ☐ individual policies (2) ☐ group deferred annuity(3) ☐ other (specify) ▶**f** If contract purchased, in whole or in part, to distribute benefits from a terminating plan, check here ▶ ☐**7** Contracts With Unallocated Funds (Do not include portions of these contracts maintained in separate accounts)**a** Type of contract: (1) ☐ deposit administration (2) ☐ immediate participation guarantee
(3) ☐ guaranteed investment (4) ☒ other ▶ **GROUP ANNUITY CONTRACT****b** Balance at the end of the previous year **7b** 5115712**c** Additions: (1) Contributions deposited during the year **7c(1)** 165782
(2) Dividends and credits..... **7c(2)** 0
(3) Interest credited during the year..... **7c(3)** 80898
(4) Transferred from separate account..... **7c(4)** 603456
(5) Other (specify below)..... **7c(5)** 48920▶ **LOAN REPAYMENT, FORFEITURES**(6) Total additions **7c(6)** 899056**d** Total of balance and additions (add lines **7b** and **7c(6)**) **7d** 6014768**e** Deductions:(1) Disbursed from fund to pay benefits or purchase annuities during year **7e(1)** 933611
(2) Administration charge made by carrier..... **7e(2)** 32051
(3) Transferred to separate account..... **7e(3)** 403758
(4) Other (specify below)..... **7e(4)**(5) Total deductions **7e(5)** 1369420**f** Balance at the end of the current year (subtract line **7e(5)** from line **7d**)..... **7f** 4645348

Part III Welfare Benefit Contract Information

If more than one contract covers the same group of employees of the same employer(s) or members of the same employee organizations(s), the information may be combined for reporting purposes if such contracts are experience-rated as a unit. Where contracts cover individual employees, the entire group of such individual contracts with each carrier may be treated as a unit for purposes of this report.

8 Benefit and contract type (check all applicable boxes)

- a** ☐ Health (other than dental or vision)
b ☐ Dental
c ☐ Vision
d ☐ Life insurance
e ☐ Temporary disability (accident and sickness)
f ☐ Long-term disability
g ☐ Supplemental unemployment
h ☐ Prescription drug
i ☐ Stop loss (large deductible)
j ☐ HMO contract
k ☐ PPO contract
l ☐ Indemnity contract
m ☐ Other (specify) ▶

9 Experience-rated contracts:

a Premiums: (1) Amount received	9a(1)		
(2) Increase (decrease) in amount due but unpaid	9a(2)		
(3) Increase (decrease) in unearned premium reserve	9a(3)		
(4) Earned ((1) + (2) - (3))		9a(4)	0
b Benefit charges (1) Claims paid	9b(1)		
(2) Increase (decrease) in claim reserves	9b(2)		
(3) Incurred claims (add (1) and (2))		9b(3)	0
(4) Claims charged		9b(4)	
c Remainder of premium: (1) Retention charges (on an accrual basis) --			
(A) Commissions	9c(1)(A)		
(B) Administrative service or other fees	9c(1)(B)		
(C) Other specific acquisition costs	9c(1)(C)		
(D) Other expenses	9c(1)(D)		
(E) Taxes	9c(1)(E)		
(F) Charges for risks or other contingencies	9c(1)(F)		
(G) Other retention charges	9c(1)(G)		
(H) Total retention		9c(1)(H)	0
(2) Dividends or retroactive rate refunds. (These amounts were ☐ paid in cash, or ☐ credited.)		9c(2)	
d Status of policyholder reserves at end of year: (1) Amount held to provide benefits after retirement		9d(1)	
(2) Claim reserves		9d(2)	
(3) Other reserves		9d(3)	
e Dividends or retroactive rate refunds due. (Do not include amount entered in line 9c(2).)		9e	

10 Nonexperience-rated contracts:

a Total premiums or subscription charges paid to carrier	10a	
b If the carrier, service, or other organization incurred any specific costs in connection with the acquisition or retention of the contract or policy, other than reported in Part I, line 2 above, report amount. Specify nature of costs.	10b	

Part IV Provision of Information

11 Did the insurance company fail to provide any information necessary to complete Schedule A? ☐ Yes ☒ No

12 If the answer to line 11 is "Yes," specify the information not provided. ▶

SCHEDULE C (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Service Provider Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA). ▶ File as an attachment to Form 5500.	OMB No. 1210-0110
		2021
		This Form is Open to Public Inspection.

For calendar plan year 2021 or fiscal plan year beginning 01/01/2021 and ending 12/31/2021		
A Name of plan FIRST UNITED CORPORATION 401(K) PROFIT SHARING PLAN	B Three-digit plan number (PN) ▶	002
C Plan sponsor's name as shown on line 2a of Form 5500 FIRST UNITED CORPORATION	D Employer Identification Number (EIN) 52-1380770	

Part I	Service Provider Information (see instructions)
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You must complete this Part, in accordance with the instructions, to report the information required for **each person** who received, directly or indirectly, \$5,000 or more in total compensation (i.e., money or anything else of monetary value) in connection with services rendered to the plan or the person's position with the plan during the plan year. If a person received **only** eligible indirect compensation for which the plan received the required disclosures, you are required to answer line 1 but are not required to include that person when completing the remainder of this Part.

1 Information on Persons Receiving Only Eligible Indirect Compensation

- a** Check "Yes" or "No" to indicate whether you are excluding a person from the remainder of this Part because they received only eligible indirect compensation for which the plan received the required disclosures (see instructions for definitions and conditions)..... ☐ Yes ☒ No
- b** If you answered line 1a "Yes," enter the name and EIN or address of each person providing the required disclosures for the service providers who received only eligible indirect compensation. Complete as many entries as needed (see instructions).

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation
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2. Information on Other Service Providers Receiving Direct or Indirect Compensation. Except for those persons for whom you answered "Yes" to line 1a above, complete as many entries as needed to list each person receiving, directly or indirectly, \$5,000 or more in total compensation (i.e., money or anything else of value) in connection with services rendered to the plan or their position with the plan during the plan year. (See instructions).

(a) Enter name and EIN or address (see instructions)

GREAT-WEST LIFE & ANNUITY

8515 EAST ORCHARD ROAD
GREENWOOD VILLAGE, CO 80111

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
64	RECORDKEEPER	44430	Yes ☒ No ☐	Yes ☒ No ☐	0	Yes ☒ No ☐

(a) Enter name and EIN or address (see instructions)

CBIZ BENEFITS & INSURANCE SERVICES

P.O.BOX 632886
CINCINNATI, OH 45263-2886

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
13	CONTRACT ADMINISTRATOR	19742	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

CBIZ INVESTMENT ADVISORY

P.O.BOX 645547
CINCINNATI, OH 45264

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
27	INVESTMENT ADVISOR	15000	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

2. Information on Other Service Providers Receiving Direct or Indirect Compensation. Except for those persons for whom you answered "Yes" to line 1a above, complete as many entries as needed to list each person receiving, directly or indirectly, \$5,000 or more in total compensation (i.e., money or anything else of value) in connection with services rendered to the plan or their position with the plan during the plan year. (See instructions).

(a) Enter name and EIN or address (see instructions)

SMITH ELLIOTT KERNS & COMPANY, LLC

804 WAYNE AVENUE
CHAMBERSBURG, PA 17201

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
10	AUDITOR	9300	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

Part I Service Provider Information (continued)

3. If you reported on line 2 receipt of indirect compensation, other than eligible indirect compensation, by a service provider, and the service provider is a fiduciary or provides contract administrator, consulting, custodial, investment advisory, investment management, broker, or recordkeeping services, answer the following questions for (a) each source from whom the service provider received \$1,000 or more in indirect compensation and (b) each source for whom the service provider gave you a formula used to determine the indirect compensation instead of an amount or estimated amount of the indirect compensation. Complete as many entries as needed to report the required information for each source.

(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	
(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	
(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	

Part II Service Providers Who Fail or Refuse to Provide Information

4 Provide, to the extent possible, the following information for each service provider who failed or refused to provide the information necessary to complete this Schedule.

(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
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(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide

Part III Termination Information on Accountants and Enrolled Actuaries (see instructions)
(complete as many entries as needed)

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

SCHEDULE H (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Financial Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA), and section 6058(a) of the Internal Revenue Code (the Code). ► File as an attachment to Form 5500.	OMB No. 1210-0110 2021 This Form is Open to Public Inspection
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For calendar plan year 2021 or fiscal plan year beginning 01/01/2021 and ending 12/31/2021		
A Name of plan FIRST UNITED CORPORATION 401(K) PROFIT SHARING PLAN	B Three-digit plan number (PN) ►	002
C Plan sponsor's name as shown on line 2a of Form 5500 FIRST UNITED CORPORATION	D Employer Identification Number (EIN) 52-1380770	

Part I	Asset and Liability Statement
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1 Current value of plan assets and liabilities at the beginning and end of the plan year. Combine the value of plan assets held in more than one trust. Report the value of the plan's interest in a commingled fund containing the assets of more than one plan on a line-by-line basis unless the value is reportable on lines 1c(9) through 1c(14). Do not enter the value of that portion of an insurance contract which guarantees, during this plan year, to pay a specific dollar benefit at a future date. **Round off amounts to the nearest dollar.** MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 1b(1), 1b(2), 1c(8), 1g, 1h, and 1i. CCTs, PSAs, and 103-12 IEs also do not complete lines 1d and 1e. See instructions.

Assets		(a) Beginning of Year	(b) End of Year
a Total noninterest-bearing cash.....	1a		
b Receivables (less allowance for doubtful accounts):			
(1) Employer contributions	1b(1)	1183983	1221171
(2) Participant contributions.....	1b(2)		
(3) Other	1b(3)		
c General investments:			
(1) Interest-bearing cash (include money market accounts & certificates of deposit)	1c(1)		
(2) U.S. Government securities	1c(2)		
(3) Corporate debt instruments (other than employer securities):			
(A) Preferred	1c(3)(A)		
(B) All other	1c(3)(B)		
(4) Corporate stocks (other than employer securities):			
(A) Preferred	1c(4)(A)		
(B) Common	1c(4)(B)		
(5) Partnership/joint venture interests	1c(5)		
(6) Real estate (other than employer real property)	1c(6)		
(7) Loans (other than to participants)	1c(7)		
(8) Participant loans	1c(8)	861608	670560
(9) Value of interest in common/collective trusts	1c(9)		
(10) Value of interest in pooled separate accounts	1c(10)		
(11) Value of interest in master trust investment accounts	1c(11)		
(12) Value of interest in 103-12 investment entities	1c(12)		
(13) Value of interest in registered investment companies (e.g., mutual funds)	1c(13)	30497662	33848723
(14) Value of funds held in insurance company general account (unallocated contracts).....	1c(14)	5115712	4645348
(15) Other.....	1c(15)		

		(a) Beginning of Year	(b) End of Year
1d	Employer-related investments:		
(1)	Employer securities.....	152701	140364
(2)	Employer real property.....		
e	Buildings and other property used in plan operation		
f	Total assets (add all amounts in lines 1a through 1e)	37811666	40526166
Liabilities			
g	Benefit claims payable		
h	Operating payables		
i	Acquisition indebtedness.....		
j	Other liabilities.....		
k	Total liabilities (add all amounts in lines 1g through 1j)	0	0
Net Assets			
l	Net assets (subtract line 1k from line 1f)	37811666	40526166

Part II Income and Expense Statement

2 Plan income, expenses, and changes in net assets for the year. Include all income and expenses of the plan, including any trust(s) or separately maintained fund(s) and any payments/receipts to/from insurance carriers. Round off amounts to the nearest dollar. MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 2a, 2b(1)(E), 2e, 2f, and 2g.

		(a) Amount	(b) Total
a	Contributions:		
(1)	Received or receivable in cash from: (A) Employers	1185490	
	(B) Participants	1253383	
	(C) Others (including rollovers).....	15349	
(2)	Noncash contributions.....		
(3)	Total contributions. Add lines 2a(1)(A) , (B) , (C) , and line 2a(2)		2454222
b	Earnings on investments:		
(1)	Interest:		
	(A) Interest-bearing cash (including money market accounts and certificates of deposit).....		
	(B) U.S. Government securities		
	(C) Corporate debt instruments		
	(D) Loans (other than to participants)		
	(E) Participant loans.....	45633	
	(F) Other	80898	
	(G) Total interest. Add lines 2b(1)(A) through (F)		126531
(2)	Dividends: (A) Preferred stock.....		
	(B) Common stock		
	(C) Registered investment company shares (e.g. mutual funds).....	2127353	
	(D) Total dividends. Add lines 2b(2)(A) , (B) , and (C)		2127353
(3)	Rents		
(4)	Net gain (loss) on sale of assets: (A) Aggregate proceeds	44432	
	(B) Aggregate carrying amount (see instructions).....	38497	
	(C) Subtract line 2b(4)(B) from line 2b(4)(A) and enter result		5935
(5)	Unrealized appreciation (depreciation) of assets: (A) Real estate		
	(B) Other	26160	
	(C) Total unrealized appreciation of assets. Add lines 2b(5)(A) and (B)		26160

		(a) Amount	(b) Total
(6) Net investment gain (loss) from common/collective trusts.....	2b(6)		
(7) Net investment gain (loss) from pooled separate accounts.....	2b(7)		
(8) Net investment gain (loss) from master trust investment accounts.....	2b(8)		
(9) Net investment gain (loss) from 103-12 investment entities.....	2b(9)		
(10) Net investment gain (loss) from registered investment companies (e.g., mutual funds).....	2b(10)		2311975
c Other income.....	2c		1401
d Total income. Add all income amounts in column (b) and enter total.....	2d		7053577
Expenses			
e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers.....	2e(1)	4258122	
(2) To insurance carriers for the provision of benefits.....	2e(2)		
(3) Other.....	2e(3)		
(4) Total benefit payments. Add lines 2e(1) through (3).....	2e(4)		4258122
f Corrective distributions (see instructions).....	2f		
g Certain deemed distributions of participant loans (see instructions).....	2g		1774
h Interest expense.....	2h		
i Administrative expenses: (1) Professional fees.....	2i(1)		
(2) Contract administrator fees.....	2i(2)	64181	
(3) Investment advisory and management fees.....	2i(3)	15000	
(4) Other.....	2i(4)		
(5) Total administrative expenses. Add lines 2i(1) through (4).....	2i(5)		79181
j Total expenses. Add all expense amounts in column (b) and enter total.....	2j		4339077
Net Income and Reconciliation			
k Net income (loss). Subtract line 2j from line 2d.....	2k		2714500
l Transfers of assets:			
(1) To this plan.....	2l(1)		
(2) From this plan.....	2l(2)		

Part III Accountant's Opinion

3 Complete lines 3a through 3c if the opinion of an independent qualified public accountant is attached to this Form 5500. Complete line 3d if an opinion is not attached.

a The attached opinion of an independent qualified public accountant for this plan is (see instructions):

(1) ☒ Unmodified (2) ☐ Qualified (3) ☐ Disclaimer (4) ☐ Adverse

b Check the appropriate box(es) to indicate whether the IQPA performed an ERISA section 103(a)(3)(C) audit. Check both boxes (1) and (2) if the audit was performed pursuant to both 29 CFR 2520.103-8 and 29 CFR 2520.103-12(d). Check box (3) if pursuant to neither.

(1) ☒ DOL Regulation 2520.103-8 (2) ☐ DOL Regulation 2520.103-12(d) (3) ☐ neither DOL Regulation 2520.103-8 nor DOL Regulation 2520.103-12(d).

c Enter the name and EIN of the accountant (or accounting firm) below:

(1) Name: SMITH, ELLIOTT, KEARNS & CO., LLC

(2) EIN: 52-0783935

d The opinion of an independent qualified public accountant is **not attached** because:

(1) ☐ This form is filed for a CCT, PSA, or MTIA. (2) ☐ It will be attached to the next Form 5500 pursuant to 29 CFR 2520.104-50.

Part IV Compliance Questions

4 CCTs and PSAs do not complete Part IV. MTIAs, 103-12 IEs, and GIAs do not complete lines 4a, 4e, 4f, 4g, 4h, 4k, 4m, 4n, or 5. 103-12 IEs also do not complete lines 4j and 4l. MTIAs also do not complete line 4l.

During the plan year:

a Was there a failure to transmit to the plan any participant contributions within the time period described in 29 CFR 2510.3-102? Continue to answer "Yes" for any prior year failures until fully corrected. (See instructions and DOL's Voluntary Fiduciary Correction Program.).....

	Yes	No	Amount
4a		X	

	Yes	No	Amount
b Were any loans by the plan or fixed income obligations due the plan in default as of the close of the plan year or classified during the year as uncollectible? Disregard participant loans secured by participant's account balance. (Attach Schedule G (Form 5500) Part I if "Yes" is checked.)			
4b		X	
c Were any leases to which the plan was a party in default or classified during the year as uncollectible? (Attach Schedule G (Form 5500) Part II if "Yes" is checked.)			
4c		X	
d Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 4a. Attach Schedule G (Form 5500) Part III if "Yes" is checked.)			
4d		X	
e Was this plan covered by a fidelity bond?	X		1000000
f Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?		X	
4f		X	
g Did the plan hold any assets whose current value was neither readily determinable on an established market nor set by an independent third party appraiser?			
4g		X	
h Did the plan receive any noncash contributions whose value was neither readily determinable on an established market nor set by an independent third party appraiser?			
4h		X	
i Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.)	X		
4i	X		
j Were any plan transactions or series of transactions in excess of 5% of the current value of plan assets? (Attach schedule of transactions if "Yes" is checked and see instructions for format requirements.)			
4j		X	
k Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?			
4k		X	
l Has the plan failed to provide any benefit when due under the plan?			
4l		X	
m If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.)			
4m		X	
n If 4m was answered "Yes," check the "Yes" box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3.			
4n			
5a Has a resolution to terminate the plan been adopted during the plan year or any prior plan year?..... ☐ Yes ☒ No If "Yes," enter the amount of any plan assets that reverted to the employer this year _____.			
5b If, during this plan year, any assets or liabilities were transferred from this plan to another plan(s), identify the plan(s) to which assets or liabilities were transferred. (See instructions.)			
5b(1) Name of plan(s)	5b(2) EIN(s)	5b(3) PN(s)	
5c Was the plan a defined benefit plan covered under the PBGC insurance program at any time during this plan year? (See ERISA section 4021 and instructions.) ☐ Yes ☐ No ☐ Not determined If "Yes" is checked, enter the My PAA confirmation number from the PBGC premium filing for this plan year _____.			

SCHEDULE R (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Retirement Plan Information This schedule is required to be filed under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6058(a) of the Internal Revenue Code (the Code). ► File as an attachment to Form 5500.	OMB No. 1210-0110 2021 This Form is Open to Public Inspection.
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For calendar plan year 2021 or fiscal plan year beginning 01/01/2021 and ending 12/31/2021

A Name of plan FIRST UNITED CORPORATION 401(K) PROFIT SHARING PLAN	B Three-digit plan number (PN) ► 002
C Plan sponsor's name as shown on line 2a of Form 5500 FIRST UNITED CORPORATION	D Employer Identification Number (EIN) 52-1380770

Part I	Distributions
---------------	----------------------

All references to distributions relate only to payments of benefits during the plan year.

1 Total value of distributions paid in property other than in cash or the forms of property specified in the instructions.....	1	0
2 Enter the EIN(s) of payor(s) who paid benefits on behalf of the plan to participants or beneficiaries during the year (if more than two, enter EINs of the two payors who paid the greatest dollar amounts of benefits): EIN(s): 84-0467907		
Profit-sharing plans, ESOPs, and stock bonus plans, skip line 3.		
3 Number of participants (living or deceased) whose benefits were distributed in a single sum, during the plan year	3	

Part II	Funding Information (If the plan is not subject to the minimum funding requirements of section 412 of the Internal Revenue Code or ERISA section 302, skip this Part.)
----------------	---

4 Is the plan administrator making an election under Code section 412(d)(2) or ERISA section 302(d)(2)?	☐ Yes	☐ No	☐ N/A
If the plan is a defined benefit plan, go to line 8.			
5 If a waiver of the minimum funding standard for a prior year is being amortized in this plan year, see instructions and enter the date of the ruling letter granting the waiver. Date: Month _____ Day _____ Year _____ If you completed line 5, complete lines 3, 9, and 10 of Schedule MB and do not complete the remainder of this schedule.			
6 a Enter the minimum required contribution for this plan year (include any prior year accumulated funding deficiency not waived)	6a		
b Enter the amount contributed by the employer to the plan for this plan year	6b		
c Subtract the amount in line 6b from the amount in line 6a. Enter the result (enter a minus sign to the left of a negative amount)	6c		
If you completed line 6c, skip lines 8 and 9.			
7 Will the minimum funding amount reported on line 6c be met by the funding deadline?	☐ Yes	☐ No	☐ N/A
8 If a change in actuarial cost method was made for this plan year pursuant to a revenue procedure or other authority providing automatic approval for the change or a class ruling letter, does the plan sponsor or plan administrator agree with the change?	☐ Yes	☐ No	☐ N/A

Part III	Amendments
-----------------	-------------------

9 If this is a defined benefit pension plan, were any amendments adopted during this plan year that increased or decreased the value of benefits? If yes, check the appropriate box. If no, check the "No" box.....	☐ Increase	☐ Decrease	☐ Both	☐ No
--	-----------------------------------	-----------------------------------	-------------------------------	-----------------------------

Part IV	ESOPs (see instructions). If this is not a plan described under section 409(a) or 4975(e)(7) of the Internal Revenue Code, skip this Part.
----------------	---

10 Were unallocated employer securities or proceeds from the sale of unallocated securities used to repay any exempt loan?	☐ Yes	☐ No
11 a Does the ESOP hold any preferred stock?	☐ Yes	☐ No
b If the ESOP has an outstanding exempt loan with the employer as lender, is such loan part of a "back-to-back" loan? (See instructions for definition of "back-to-back" loan.)	☐ Yes	☐ No
12 Does the ESOP hold any stock that is not readily tradable on an established securities market?	☐ Yes	☐ No

For Paperwork Reduction Act Notice, see the Instructions for Form 5500.

Schedule R (Form 5500) 2021
v. 201209

Part V Additional Information for Multiemployer Defined Benefit Pension Plans

13 Enter the following information for each employer that contributed more than 5% of total contributions to the plan during the plan year (measured in dollars). See instructions. *Complete as many entries as needed to report all applicable employers.*

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

- 14** Enter the number of deferred vested and retired participants (inactive participants), as of the beginning of the plan year, whose contributing employer is no longer making contributions to the plan for:

a The current plan year. Check the box to indicate the counting method used to determine the number of inactive participants: ☐ last contributing employer ☐ alternative ☐ reasonable approximation (see instructions for required attachment).....

14a

b The plan year immediately preceding the current plan year. ☐ Check the box if the number reported is a change from what was previously reported (see instructions for required attachment).....

14b

c The second preceding plan year. ☐ Check the box if the number reported is a change from what was previously reported (see instructions for required attachment).....

14c

- 15** Enter the ratio of the number of participants under the plan on whose behalf no employer had an obligation to make an employer contribution during the current plan year to:

a The corresponding number for the plan year immediately preceding the current plan year.....

15a

b The corresponding number for the second preceding plan year.....

15b

- 16** Information with respect to any employers who withdrew from the plan during the preceding plan year:

a Enter the number of employers who withdrew during the preceding plan year.....

16a

b If line 16a is greater than 0, enter the aggregate amount of withdrawal liability assessed or estimated to be assessed against such withdrawn employers.....

16b

- 17** If assets and liabilities from another plan have been transferred to or merged with this plan during the plan year, check box and see instructions regarding supplemental information to be included as an attachment..... ☐

Part VI Additional Information for Single-Employer and Multiemployer Defined Benefit Pension Plans

- 18** If any liabilities to participants or their beneficiaries under the plan as of the end of the plan year consist (in whole or in part) of liabilities to such participants and beneficiaries under two or more pension plans as of immediately before such plan year, check box and see instructions regarding supplemental information to be included as an attachment..... ☐

- 19** If the total number of participants is 1,000 or more, complete lines (a) through (c)

a Enter the percentage of plan assets held as:

Stock: _____% Investment-Grade Debt: _____% High-Yield Debt: _____% Real Estate: _____% Other: _____%

b Provide the average duration of the combined investment-grade and high-yield debt:

☐ 0-3 years ☐ 3-6 years ☐ 6-9 years ☐ 9-12 years ☐ 12-15 years ☐ 15-18 years ☐ 18-21 years ☐ 21 years or more

c What duration measure was used to calculate line 19(b)?

☐ Effective duration ☐ Macaulay duration ☐ Modified duration ☐ Other (specify): _____

- 20 PBGC missed contribution reporting requirements.** If this is a multiemployer plan or a single-employer plan that is not covered by PBGC, skip line 20.

a Is the amount of unpaid minimum required contributions for all years from Schedule SB (Form 5500) line 40 greater than zero? ☐ Yes ☐ No

b If line 20a is "Yes," has PBGC been notified as required by ERISA sections 4043(c)(5) and/or 303(k)(4)? Check the applicable box:

☐ Yes.

☐ No. Reporting was waived under 29 CFR 4043.25(c)(2) because contributions equal to or exceeding the unpaid minimum required contribution were made by the 30th day after the due date.

☐ No. The 30-day period referenced in 29 CFR 4043.25(c)(2) has not yet ended, and the sponsor intends to make a contribution equal to or exceeding the unpaid minimum required contribution by the 30th day after the due date.

☐ No. Other. Provide explanation _____

Audited
Financial
Statements

December 31,
2021

First United Corporation
401(k) Profit Sharing Plan

CONTENTS

	PAGE
INDEPENDENT AUDITOR'S REPORT	1-4
FINANCIAL STATEMENTS	
Statements of Net Assets Available for Plan Benefits (Modified Cash Basis)	5
Statement of Changes in Net Assets Available for Plan Benefits (Modified Cash Basis)	6
Notes to Financial Statements	7-15
SUPPLEMENTAL INFORMATION	
Schedule of Assets Held for Investment Purposes at Year End	16

INDEPENDENT AUDITOR'S REPORT

To the Plan Administrator
the First United Corporation 401(k) Profit Sharing Plan

Scope and Nature of the ERISA Section 103(a)(3)(C) Audit for the 2021 Financial Statements

We have performed an audit of the accompanying financial statements of the First United Corporation 401(k) Profit Sharing Plan, an employee benefit plan subject to the Employee Retirement Income Security Act of 1974 (ERISA), as permitted by ERISA Section 103(a)(3)(C) (ERISA Section 103(a)(3)(C) audit). The financial statements comprise the statement of net assets available for plan benefits (modified cash basis) as of December 31, 2021, and the related statement of changes in net assets available for plan benefits (modified cash basis) for the year then ended, and the related notes to the financial statements (2021 Financial Statements).

Management, having determined it is permissible in the circumstances, has elected to have the audit of the 2021 financial statements performed in accordance with ERISA Section 103(a)(3)(C) pursuant to 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA. As permitted by ERISA Section 103(a)(3)(C), our audit need not extend to any statements or information related to assets held for investment of the plan (investment information) by a bank or similar institution or insurance carrier that is regulated, supervised, and subject to periodic examination by a state or federal agency, provided that the statements or information regarding assets so held are prepared and certified to by the bank or similar institution or insurance carrier in accordance with 29 CFR 2520.103-5 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA (qualified institution).

Management has obtained a certification from Great-West Life & Annuity Insurance Company and Great-West Trust Company, LLC, qualified institutions as of and for the year ended December 31, 2021, stating that the certified investment information, as described in Note 3 to the financial statements, is complete and accurate.

Opinion on the 2021 Financial Statements

In our opinion, based on our audit and on the procedures performed as described in the Auditor's Responsibilities for the Audit of the 2021 Financial Statements section—

- the amounts and disclosures in the accompanying 2021 financial statements referred to above, other than those agreed to or derived from the certified investment information, are presented fairly, in all material respects, in accordance with the modified cash basis of accounting.

- the information in the accompanying 2021 financial statements referred to above related to assets held by and certified to by a qualified institution agrees to, or is derived from, in all material respects, the information prepared and certified by an institution that management determined meets the requirements of ERISA Section 103(a)(3)(C).

Basis for Opinion on the 2021 Financial Statements

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. 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 First United Corporation 401(k) Profit Sharing Plan and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our ERISA Section 103(a)(3)(C) audit opinion.

Responsibilities of Management for the 2021 Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the modified cash basis of accounting, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error. Management's election of the ERISA Section 103(a)(3)(C) audit does not affect management's responsibility for the financial statements.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the First United Corporation 401(k) Profit Sharing Plan's ability to continue as a going concern for one year after the date the financial statements are available to be issued.

Management is also responsible for maintaining a current plan instrument, including all plan amendments; administering the plan; and determining that the plan's transactions that are presented and disclosed in the financial statements are in conformity with the plan's provisions, including maintaining sufficient records with respect to each of the participants, to determine the benefits due or which may become due to such participants.

Auditor's Responsibilities for the Audit of the 2021 Financial Statements

Except as described in the Scope and Nature of the ERISA Section 103(a)(3)(C) Audit of the 2021 Financial Statements section of our report, our objectives are to obtain reasonable assurance about whether the 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 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 financial statements.

In performing an audit in accordance with 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 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 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 First United Corporation 401(k) Profit Sharing Plan'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 financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the First United Corporation 401(k) Profit Sharing Plan's ability to continue as a going concern for a reasonable period of time.

Our audit did not extend to the certified investment information, except for obtaining and reading the certification, comparing the certified investment information with the related information presented and disclosed in the 2021 financial statements, and reading the disclosures relating to the certified investment information to assess whether they are in accordance with the presentation and disclosure requirements of the modified cash basis of accounting.

Accordingly, the objective of an ERISA Section 103(a)(3)(C) audit is not to express an opinion about whether the financial statements as a whole are presented fairly, in all material respects, in accordance with the modified cash basis of accounting.

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.

Other Matters

2021 Supplemental Schedules Required by ERISA

The supplemental Schedule H, Part IV, line 4i – Schedule of Assets (Held at Year End) as of December 31, 2021 is presented for purposes of additional analysis and is not a required part of the financial statements but is supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information included in the supplemental schedule, other than that agreed to or derived from the certified investment information, has been subjected to auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with generally accepted auditing standards. For information

included in the supplemental schedule that agreed to or is derived from the certified investment information, we compared such information to the related certified investment information.

In forming our opinion on the supplemental schedule, we evaluated whether the supplemental schedule, other than the information agreed to or derived from the certified investment information, including its form and content, is presented in conformity with the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA.

In our opinion—

- the form and content of the supplemental schedule, other than the information in the supplemental schedule that agreed to or is derived from the certified investment information, is presented, in all material respects, in conformity with the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA.
- the information in the supplemental schedule related to assets held by and certified to by a qualified institution agrees to, or is derived from, in all material respects, the information prepared and certified by an institution that management determined meets the requirements of ERISA Section 103(a)(3)(C).

Auditor's Report on the 2020 Financial Statements

We were engaged to audit the 2020 financial statements of the First United Corporation 401(k) Profit Sharing Plan. As permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA, the plan administrator instructed us not to perform and we did not perform any auditing procedures with respect to the information certified by a qualified institution. In our report dated October 11, 2021, we indicated that (a) because of the significance of the information that we did not audit, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an opinion and accordingly, we did not express an opinion on the 2020 financial statements, and (b) the form and content of the information included in the 2020 financial statements other than that derived from the certified information were presented in compliance with the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA.

Smith Elliott Kearns + Company, LLC

Hagerstown, Maryland
October 5, 2022

FIRST UNITED CORPORATION 401(K) PROFIT SHARING PLAN
Statements of Net Assets Available for Plan Benefits (Modified Cash Basis)
December 31, 2021 and 2020

	2021	2020
ASSETS		
Investments, at Fair Value		
Stock and bond mutual funds	\$ 33,848,723	\$ 30,497,662
First United Corporation common stock	140,364	152,701
Group Annuity Contract - Key Guaranteed Portfolio Fund	<u>4,645,348</u>	<u>5,115,712</u>
	<u>38,634,435</u>	<u>35,766,075</u>
Receivables		
Employer contribution	1,221,171	1,183,983
Notes receivable from participants	<u>743,350</u>	<u>932,624</u>
	<u>1,964,521</u>	<u>2,116,607</u>
TOTAL ASSETS/NET ASSETS AVAILABLE FOR PLAN BENEFITS	<u><u>\$ 40,598,956</u></u>	<u><u>\$ 37,882,682</u></u>

FIRST UNITED CORPORATION 401(K) PROFIT SHARING PLAN
Statement of Changes in Net Assets Available for Plan Benefits (Modified Cash Basis)
Year Ended December 31, 2021

	2021
ADDITIONS	
Investment Income	
Net appreciation in fair value of investments (including realized gains and losses)	\$ 2,383,479
Interest and dividend income	2,170,243
	<u>4,553,722</u>
 Interest income on notes receivable from participants	 <u>45,633</u>
 Contributions	
Employer	1,185,490
Participants	1,253,383
Rollover	15,349
	<u>2,454,222</u>
 Total Additions	 <u>7,053,577</u>
DEDUCTIONS	
Benefits paid to participants	4,258,122
Administrative expenses	79,181
	<u></u>
 Total Deductions	 <u>4,337,303</u>
 Net Increase	 2,716,274
 NET ASSETS AVAILABLE FOR PLAN BENEFITS, BEGINNING OF YEAR	 <u>37,882,682</u>
 NET ASSETS AVAILABLE FOR PLAN BENEFITS, END OF YEAR	 <u><u>\$ 40,598,956</u></u>

FIRST UNITED CORPORATION 401(K) PROFIT SHARING PLAN

Notes to Financial Statements

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The financial statements of the First United Corporation 401(k) Profit Sharing Plan (the Plan) are prepared on the modified cash basis of accounting. Under the modified cash basis of accounting, certain revenues, including interest (excluding interest earned on notes receivables from participants) and dividends but excluding employer contributions and unrealized appreciation in the fair value of investments, are recognized when received rather than when earned, and expenses are recognized when paid rather than when the obligation is incurred. Employer contributions are recorded by the Plan when accrued by First United Corporation (the Plan Sponsor or Company) and do not include consideration of forfeitures. Accordingly, the accompanying financial statements are not intended to present net assets available for plan benefits and changes in net assets available for plan benefits in conformity with generally accepted accounting principles.

Use of Estimates

The preparation of financial statements in accordance with the modified cash basis of accounting requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and changes in those assets and liabilities, and disclosure of contingent assets and liabilities. Actual results could differ from those estimates.

Investment Valuation and Income Recognition

Investments are reported at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Plan's Sponsor determines the Plan's valuation policies utilizing information provided by the investment advisers, trustee and insurance company. See Note 5 for discussion of fair value measurements.

Purchases and sales of securities are recorded on a trade-date basis. Interest and dividend income is recorded on the modified cash basis of accounting. Net appreciation includes the Plan's gains and losses on investments purchased and sold as well as held during the year.

Notes Receivable from Participants

Notes receivable from participants are measured at their unpaid principal balance plus any accrued but unpaid interest. Interest income is recorded on the accrual basis of accounting. Related fees are recorded as administrative expenses and are expensed when they are incurred. No allowance for credit losses has been recorded as of December 31, 2021 or 2020.

Payment of Benefits

Benefits are recorded when paid.

FIRST UNITED CORPORATION 401(K) PROFIT SHARING PLAN

Notes to Financial Statements

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Expenses

Certain expenses incurred maintaining the Plan are paid by the Plan, unless otherwise paid by the Company. Expenses that are paid by the Company are excluded from these financial statements. Fees related to the general administration of the plan are charged directly to the participant's account and are included in administrative expenses. Investment-related expenses are included in net appreciation in fair value of investments.

NOTE 2 DESCRIPTION OF THE PLAN

The following description of First United Corporation 401(k) Profit Sharing Plan (the Plan) provides only general information. Participants should refer to the plan agreement for a more complete description of the Plan's provisions.

General

The Plan is a defined contribution plan covering substantially all employees of the Company, except for leased employees. The Plan is subject to the provisions of ERISA. Participants are able to direct their own investments into various investment options designated by the Plan Administrator, which include mutual funds and a key guaranteed portfolio fund.

In connection with the amendment and restatement effective July 1, 2000, the First United Corporation Employee Stock Ownership Plan (ESOP) was merged into the First United Corporation 401(k) Profit Sharing Plan. Assets of the ESOP, comprised of participants' account balances, were transferred to the Plan on August 16, 2000. All of the employer stock held in the Plan as of December 31, 2021 and 2020 is a result of this transfer. Employees who have employer stock allocated to their account may elect to have the stock sold and reinvested in another investment option, however participants cannot choose to purchase employer stock.

Effective January 1, 2013, the Plan was amended to add employee stock ownership provisions which will enable participating employees to share in the growth and prosperity through both employer and employee contributions. As of December 31, 2021 the option to purchase employer stock under this amendment has not been utilized.

Eligibility and Contributions

Employees are automatically enrolled in the plan and can contribute through payroll deductions on the first day of the month coincident with or next following the day they meet the eligibility requirements (employees are eligible after one month of service). Employees have the option to opt out of the plan if they so desire. Participants are permitted to contribute up to 100% of their base salary. Additional contributions are allowed for participants age 50 or older. Participants may also contribute amounts representing distributions from other qualified defined benefit or defined contribution plans (rollovers). The amounts under this arrangement are limited by certain provisions of the Internal Revenue Code. Participants are initially eligible for Company matching contributions after one hour of service.

FIRST UNITED CORPORATION 401(K) PROFIT SHARING PLAN

Notes to Financial Statements

NOTE 2 DESCRIPTION OF THE PLAN (CONTINUED)

The Company matches 100% of the participant's contributions up to 1% of their base salary and 50% of the next 5% of their base salary. In addition, the Company may make an additional discretionary contribution to certain eligible participants annually or more often as determined by its Board of Directors. The additional employer contribution is allocated to each eligible participant's account based on the participant's compensation in relation to the aggregate of all participants' compensation. In 2021, Company matching contributions were \$548,193. The total of employee and employer contributions are subject to certain maximum limitations under the Internal Revenue Code and the Plan Agreement. In 2021, the Company made an additional discretionary contribution to the Plan totaling \$672,978 for all participants who were still employed at the end of the year and not included in the Supplemental Executive Retirement Plan (SERP Plan).

Participant Accounts

Each participant's account is credited with the participant's contribution and Company matching and non-elective contributions, as well as allocations of the Company's profit sharing contribution and Plan earnings. Participant accounts are charged with an allocation of administrative expenses that are paid by the plan. Allocations are based on participant earnings, account balances, or specific participant transactions, as defined. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account.

Plan Expense Account

An account has been established under the Plan and funded by Great-West Life & Annuity Insurance Company and Great-West Trust Company, LLC. The funds held in the account may only be disbursed at the direction of the Plan or its named fiduciaries to pay plan expenses or to be allocated as earnings to participants. Plan expenses of \$34,742 were paid from this account during 2021. At December 31, 2021 and 2020, there was \$98,297 and \$95,112 respectively, in this account available to pay plan expenses or to be allocated to participants.

Vesting

Participants are vested immediately in their contributions plus actual earnings on the contributions. Participants are vested in employer matching and discretionary contributions made to the Plan based on their years of service. Participants are fully vested after two years of service. Participants automatically become fully vested upon reaching normal retirement age or in the event of disability or death.

Notes Receivable from Participants

Participants may borrow from their fund accounts a minimum of \$1,000 up to a maximum equal to the lesser of \$50,000 or 50 percent of their account balance. The loans are secured by the balance in the participant's account. The loan interest rate, determined quarterly, is set at 2 percent above the prime rate, as defined. Principal and interest are paid ratably through deductions from the participant's compensation.

FIRST UNITED CORPORATION 401(K) PROFIT SHARING PLAN

Notes to Financial Statements

NOTE 2 DESCRIPTION OF THE PLAN (CONTINUED)

Payment of Benefits and Forfeited Accounts

On termination of service due to death, disability, retirement, or other reasons employees receive distributions by rollover or a cash lump sum. A terminating participant of the Plan is paid the value of their contributions to the Plan plus any vested employer contributions as valued on the latest valuation date coincident with or immediately preceding the termination date. Distributions of account balances of \$1,000 or less that meet the provisions for a mandatory distribution will automatically be paid to participants in a cash distribution if the participant does not elect the distribution method.

Unless terminating by reason of retirement, disability or death, the terminating participant will forfeit the nonvested portion of his account attributable to contributions made by the Company. At December 31, 2021 and 2020, forfeited nonvested accounts totaled \$10,304 and \$34,726, respectively. During 2021, \$35,681 was used to reduce employer contributions for 2020 deposited in 2021.

CARES Act & SECURE Act

The Plan has implemented certain requirements by the Coronavirus Aid, Relief, and Economic Security Act (the CARES Act) and the Setting Every Community Up for Retirement Enhancement Act of 2019 (the SECURE Act), which laws change the Plan to, among others, allow certain eligible individuals to receive coronavirus-related relief for loan repayments through December 31, 2020, borrow up to the lesser of \$100,000 or 100% of their vested balance through September 22, 2020, and take COVID-19 related distributions up to \$100,000 from the Plan beginning on or after January 1, 2020 and before December 31, 2020. The laws also allow for the suspension of required minimum distributions and delay the commencement date for required minimum distributions. Written amendments to the Plan to reflect these operational changes will be adopted at a later date in accordance with the applicable law and IRS guidance.

NOTE 3 CERTIFICATION BY TRUSTEES

The financial statements as of December 31, 2021 and 2020 and for the year ended December 31, 2021 were prepared from information provided by Great-West Life & Annuity Insurance Company and Great-West Trust Company, LLC, which they certified to be complete and accurate to the best of their knowledge. Following is a summary of the financial information regarding the investment assets held by the trustees included in the accompanying financial statements and supplemental schedule based on information provided by the trustee to the Plan Administrator and certified as accurate and complete as of December 31, 2021 and 2020.

FIRST UNITED CORPORATION 401(K) PROFIT SHARING PLAN

Notes to Financial Statements

NOTE 3 CERTIFICATION BY TRUSTEES (CONTINUED)

	2021	2020
Investments, at fair value	<u>\$ 38,634,435</u>	<u>\$ 35,766,075</u>
Notes receivable from participants	<u>\$ 670,560 #</u>	<u>\$ 861,608 #</u>
Net appreciation in fair value of investments (including realized gains and losses)	<u>\$ 2,383,479</u>	
Interest and dividend income	<u>\$ 2,170,243</u>	
Interest income on notes receivable from participants	<u>\$ 45,633</u>	

The differences of \$72,790 and \$71,016 compared to the balances on the statements of net assets available for plan benefits as of December 31, 2021 and 2020, respectively, are due to defaulted loans deemed distributed for 5500 purposes only.

NOTE 4 CONCENTRATIONS OF INVESTMENTS

The following table represents the Plan's investments that are considered to be significant concentrations as of December 31, 2021.

Key Guaranteed Portfolio Fund	12%
T. Rowe Price Retirement I 2020 - I Class	12%
T. Rowe Price Retirement I 2030 - I Class	10%
T. Rowe Price Retirement I 2040 - I Class	13%

NOTE 5 FAIR VALUE MEASUREMENTS

The framework for measuring fair value provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1) and the lowest priority to unobservable inputs (level 3). The three levels of the fair value hierarchy under FASB ASC 820 are described as follows:

Level 1 – Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Plan has the ability to access.

Level 2 – Inputs to the valuation methodology include

- quoted prices for similar assets or liabilities in active markets;
- quoted prices for identical or similar assets or liabilities in inactive markets;
- inputs other than quoted prices that are observable for the asset or liability;
- inputs that are derived principally from or corroborated by observable market data by correlation or other means.

FIRST UNITED CORPORATION 401(K) PROFIT SHARING PLAN

Notes to Financial Statements

NOTE 5 FAIR VALUE MEASUREMENTS (CONTINUED)

If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 – Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques maximize the use of relevant observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes to methodologies used at December 31, 2021 and 2020.

Stock and Bond Mutual Funds

Valued at the daily closing price as reported by the fund. Mutual funds held by the Plan are open-end mutual funds that are registered with the SEC. These funds are required to publish their daily net asset value (NAV) and to transact at that price. The mutual funds held by the Plan are deemed to be actively traded.

First United Corporation Common Stock

Valued based on the last reported sales price on the last business day of the Plan year.

Group Annuity Contract – Key Guaranteed Portfolio Fund

The reported values for fixed annuity options are reported daily based on the valuation method disclosed in the annuity contract, as calculated by the annuity provider. The method utilizes a discounted cash flow valuation methodology where the interest rate for the portfolio investment contract is reset at least as frequently as annually. Fair value of the investment contract, prior to contract termination, equals the contract value.

The following table sets forth by level, within the fair value hierarchy, the Plan's assets at fair value as of December 31, 2021 and 2020.

	Assets at Fair Value			
	Level 1	Level 2	Level 3	Total
December 31, 2021				
Stock and Bond Mutual Funds	\$33,848,723	\$ -	\$ -	\$33,848,723
First United Corporation Common Stock	140,364	-	-	140,364
Group Annuity Contract - Key Guaranteed Portfolio Fun	-	4,645,348	-	4,645,348
Total Investments at Fair Value	<u>\$33,989,087</u>	<u>\$ 4,645,348</u>	<u>\$ -</u>	<u>\$38,634,435</u>
December 31, 2020				
Stock and Bond Mutual Funds	\$30,497,662	\$ -	\$ -	\$30,497,662
First United Corporation Common Stock	152,701	-	-	152,701
Group Annuity Contract - Key Guaranteed Portfolio Fun	-	5,115,712	-	5,115,712
Total Investments at Fair Value	<u>\$30,650,363</u>	<u>\$ 5,115,712</u>	<u>\$ -</u>	<u>\$35,766,075</u>

FIRST UNITED CORPORATION 401(K) PROFIT SHARING PLAN

Notes to Financial Statements

NOTE 6 RELATED-PARTY TRANSACTIONS AND PARTY IN INTEREST TRANSACTIONS

Certain Plan investments are managed by Great-West Life & Annuity Insurance Company and Great-West Trust Company, LLC. Great-West Life & Annuity Insurance Company and Great-West Trust Company, LLC are the Trustees as defined by the Plan and therefore, these transactions qualify as party-in-interest transactions. Fees incurred by the Plan for the investment management services are included in net appreciation in fair value of investments, as they are paid through revenue sharing, rather than a direct payment.

Great-West Life & Annuity Insurance Company and Great-West Trust Company, LLC provide certain administrative services to the Plan pursuant to a service agreement between the Company and Great-West Life & Annuity Insurance Company and Great-West Trust Company, LLC. Great-West Life & Annuity Insurance Company and Great-West Trust Company, LLC receive revenue from mutual fund service providers for services Great-West Life & Annuity Insurance Company and Great-West Trust Company, LLC provides to the funds. The revenue is used to offset certain amounts owed to Great-West Life & Annuity Insurance Company and Great-West Trust Company, LLC for its administrative services to the Plan.

If the revenue received by Great-West Life & Annuity Insurance Company and Great-West Trust Company, LLC from such mutual fund service providers exceeds the amount owed under the service agreement, Great-West Life & Annuity Insurance Company and Great-West Trust Company, LLC remits the excess to the Plan's "Plan Expense Account" on a quarterly basis. The revenue received during the plan year is included in the net appreciation in fair value of investments on the statement of changes in net assets available for plan benefits. Such amounts may be applied to pay administrative expenses or allocated to the accounts of participants. During 2021, \$34,742 was used to pay for administrative expenses.

During 2021, the Plan made a direct payment for recordkeeping services to Great-West Life & Annuity Insurance Company of \$32,662. The Plan also made direct payments to CBIZ Benefits & Insurance Services of \$19,742 for administration services, to CBIZ Investment Advisory Services, LLC of \$15,000 for investment advisory services, \$2,477 to Advised Assets Group for investment management services, and \$9,300 to Smith Elliott Kearns & Company, LLC, the Plan auditor. The Plan Sponsor pays directly any other fees related to the plan's operations.

During 2021, the Plan earned dividends of approximately \$5,000 on its investment in the Company's common stock. At December 31, 2021 and 2020, the fair value of the Plan's investment in the Company's common stock amounted to \$140,364 and \$152,701, respectively.

NOTE 7 PLAN TERMINATION

Although it has not expressed any intent to do so, the Company has the right under the Plan to discontinue contributions at any time and terminate the Plan. In the event of a termination, participants would become 100 percent vested in their employer contributions. The value of the interests of all participants shall be determined and then, at the Company's option, distributed immediately to the participants on a pro-rata basis or retained in trust and distributed in accordance with the original terms of the Plan.

FIRST UNITED CORPORATION 401(K) PROFIT SHARING PLAN

Notes to Financial Statements

NOTE 8 TAX STATUS

The Plan is a prototype non-standardized plan that was deemed acceptable under Section 401(a) of the Internal Revenue Code in a letter dated August 23, 2017. The prototype plan sponsor has obtained an opinion letter dated June 30, 2020, in which the IRS stated that the restated prototype plan document was in compliance with applicable requirements of the IRC. The Plan Administrator adopted the restated prototype plan effective January 1, 2022. The Plan Administrator believes that the Plan is designed, and is currently being operated, in compliance with the applicable requirements of the IRC and, therefore, believes that the Plan is qualified, and the related trust is tax-exempt.

Accounting principles generally accepted in the United States of America require plan management to evaluate tax positions taken by the Plan and recognize a tax liability if the organization has taken an uncertain position that more likely than not would not be sustained upon examination by a government authority. The Plan is subject to routine audits by taxing jurisdictions; generally for a period of three years after the returns are filed; however, there are currently no audits for any tax periods in progress.

NOTE 9 RISKS AND UNCERTAINTIES

The Plan invests in various investment securities. Investment securities are exposed to various risks, such as interest rate, market, and credit risks. Market risks include global events which could impact the value of investment securities, such as a pandemic or international conflict. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect participants' account balances and the amounts reported in the statements of net assets available for plan benefits.

NOTE 10 RECONCILIATION OF FINANCIAL STATEMENTS TO FORM 5500

The following is a reconciliation of the investment income listed on the financial statements to the Form 5500:

Form 5500 Presentation	
Other interest	\$ 80,898
Dividends	2,127,353
Net (loss) on sale of assets	5,935
Unrealized appreciation of assets	26,160
Net investment gain from registered investment companies	2,311,975
Other (loss)	1,401
	<u>\$ 4,553,722</u>
Financial Statement Presentation	
Net appreciation in fair value of investments	\$ 2,383,479
Interest and dividend income	2,170,243
	<u>\$ 4,553,722</u>

FIRST UNITED CORPORATION 401(K) PROFIT SHARING PLAN

Notes to Financial Statements

NOTE 10 RECONCILIATION OF FINANCIAL STATEMENTS TO FORM 5500 (CONTINUED)

The following is a reconciliation of net assets available for plan benefits listed on the Form 5500 to the financial statements.

	2021	2020
Net Assets Available for Plan Benefits, per the Form 5500	\$ 40,526,166	\$ 37,811,666
Add: Loans in default	72,790	71,016
Net Assets Available for Plan Benefits, per the Financial Statements	<u>\$ 40,598,956</u>	<u>\$ 37,882,682</u>

The following is a reconciliation of net income on the Form 5500 to the net increase in net assets per the financial statements for the year ended December 31:

	2021
Net Income (Loss) in Net Assets, per Form 5500	\$ 2,714,500
Certain deemed distributions of participant loans in 2021	<u>1,774</u>
Net Increase, per the Financial Statements	<u>\$ 2,716,274</u>

NOTE 11 SUBSEQUENT EVENTS

The Plan Administrator has evaluated events and transactions subsequent to December 31, 2021 through October 5, 2022, the date these financial statements were available to be issued. Management has not identified any events that have occurred subsequent to December 31, 2021 and through October 5, 2022, that require recognition or disclosure in the financial statements, except as disclosed in Note 8 related to the Plan's restated document and updated opinion letter.

FIRST UNITED CORPORATION 401(K) PROFIT SHARING PLAN
Form 5500 Schedule H Part IV Question 4i
As of December 31, 2021
Employer Identification Number 52-1380770; Plan No. 002

Schedule of Assets Held for Investment Purposes at Year End

(a)	(b) ID of issue, borrower, lessor, or similar party	(c) Description of investment including maturity date, rate of interest, collateral, par or maturity value	(d) Cost	(e) Current Value
*	Great West Life & Annuity Insurance Company	Key Guaranteed Portfolio Fund	**	\$ 4,645,348
Stock and Bond Mutual Funds				
	American Century	Strategic Allocation: Conservative R6 Fund	**	55,401
	American Funds	American Europacific Growth R6 Fund	**	1,079,868
	Baron Funds	Baron Global Advantage R6	**	2,446
	Dodge & Cox	Dodge & Cox Global Bond	**	64,447
	Federated Investors Trust Company	Federated Hermes Institutional High Yield Bond R6	**	439,215
	Federated Investors Trust Company	Federated Hermes Mid Cap Index R6	**	931,041
	Federated Investors Trust Company	Federated Hermes Total Return Bond Fund R6	**	865,616
	Fidelity Investments	Fidelity International Index	**	346,108
*	Great-West Funds	Great-West T. Rowe Price Mid Cap Growth Institutional	**	416,598
	Invesco	Invesco Oppenheimer Developing Markets R6	**	540,285
	JP Morgan	JP Morgan Small Cap Equity R6	**	1,051,681
	MFS	MFS Value R6	**	2,020,055
	T. Rowe Price	T. Rowe Price Mid Cap Value	**	383,622
	T. Rowe Price	T. Rowe Price All-Cap Opportunities I	**	3,513,374
	T. Rowe Price	T. Rowe Price Retirement I 2010 - I Class	**	1,567,197
	T. Rowe Price	T. Rowe Price Retirement I 2020 - I Class	**	4,756,270
	T. Rowe Price	T. Rowe Price Retirement I 2030 - I Class	**	3,921,919
	T. Rowe Price	T. Rowe Price Retirement I 2040 - I Class	**	5,036,683
	T. Rowe Price	T. Rowe Price Retirement I 2050 - I Class	**	2,945,784
	T. Rowe Price	T. Rowe Price Retirement I 2060 - I Class	**	332,344
	Vanguard	Vanguard 500 Index Fund - Admiral	**	1,817,427
	Vanguard	Vanguard Balanced Index Fund - Admiral	**	742,898
	Vanguard	Vanguard GNMA Adm	**	365,555
	Vanguard	Vanguard Small Cap Growth Index Admiral	**	310,969
	Vanguard	Vanguard Small Cap Value Index Admiral	**	341,920
Total Stock and Bond Mutual Funds				33,848,723
*	First United Corporation	First United Corporation Employer Stock	**	140,364
*	Notes Receivable from Participants	Interest ranging from 5.25% - 7.50%	0	670,560 #
Total				\$ 39,304,995

* Party-in-interest as defined by ERISA

** Cost is not to be reported as the plan is an individual account plan that a participant or beneficiary directed with respect to assets allocated to his or her account.

Balance does not include defaulted loans of \$72,790 which represent loans not distributed from the plan.

FIRST UNITED CORPORATION 401(K) PROFIT SHARING PLAN
Form 5500 Schedule H Part IV Question 4i
As of December 31, 2021
Employer Identification Number 52-1380770; Plan No. 002

Schedule of Assets Held for Investment Purposes at Year End

(a)	(b) ID of issue, borrower, lessor, or similar party	(c) Description of investment including maturity date, rate of interest, collateral, par or maturity value	(d) Cost	(e) Current Value
*	Great West Life & Annuity Insurance Company	Key Guaranteed Portfolio Fund	**	\$ 4,645,348
Stock and Bond Mutual Funds				
	American Century	Strategic Allocation: Conservative R6 Fund	**	55,401
	American Funds	American Europacific Growth R6 Fund	**	1,079,868
	Baron Funds	Baron Global Advantage R6	**	2,446
	Dodge & Cox	Dodge & Cox Global Bond	**	64,447
	Federated Investors Trust Company	Federated Hermes Institutional High Yield Bond R6	**	439,215
	Federated Investors Trust Company	Federated Hermes Mid Cap Index R6	**	931,041
	Federated Investors Trust Company	Federated Hermes Total Return Bond Fund R6	**	865,616
	Fidelity Investments	Fidelity International Index	**	346,108
*	Great-West Funds	Great-West T. Rowe Price Mid Cap Growth Institutional	**	416,598
	Invesco	Invesco Oppenheimer Developing Markets R6	**	540,285
	JP Morgan	JP Morgan Small Cap Equity R6	**	1,051,681
	MFS	MFS Value R6	**	2,020,055
	T. Rowe Price	T. Rowe Price Mid Cap Value	**	383,622
	T. Rowe Price	T. Rowe Price All-Cap Opportunities I	**	3,513,374
	T. Rowe Price	T. Rowe Price Retirement I 2010 - I Class	**	1,567,197
	T. Rowe Price	T. Rowe Price Retirement I 2020 - I Class	**	4,756,270
	T. Rowe Price	T. Rowe Price Retirement I 2030 - I Class	**	3,921,919
	T. Rowe Price	T. Rowe Price Retirement I 2040 - I Class	**	5,036,683
	T. Rowe Price	T. Rowe Price Retirement I 2050 - I Class	**	2,945,784
	T. Rowe Price	T. Rowe Price Retirement I 2060 - I Class	**	332,344
	Vanguard	Vanguard 500 Index Fund - Admiral	**	1,817,427
	Vanguard	Vanguard Balanced Index Fund - Admiral	**	742,898
	Vanguard	Vanguard GNMA Adm	**	365,555
	Vanguard	Vanguard Small Cap Growth Index Admiral	**	310,969
	Vanguard	Vanguard Small Cap Value Index Admiral	**	341,920
Total Stock and Bond Mutual Funds				33,848,723
*	First United Corporation	First United Corporation Employer Stock	**	140,364
*	Notes Receivable from Participants	Interest ranging from 5.25% - 7.50%	0	670,560 #
Total				\$ 39,304,995

* Party-in-interest as defined by ERISA

** Cost is not to be reported as the plan is an individual account plan that a participant or beneficiary directed with respect to assets allocated to his or her account.

Balance does not include defaulted loans of \$72,790 which represent loans not distributed from the plan.