

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 2023 This Form is Open to Public Inspection
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Part I	Annual Report Identification Information
For calendar plan year 2023 or fiscal plan year beginning 01/01/2023 and ending 12/31/2023	
A	This return/report is for: ☐ a multiemployer plan ☐ a multiple-employer plan (Filers checking this box must provide participating employer information in accordance with the form instructions.) ☒ a single-employer plan ☐ a DFE (specify) _____ ☐ the first return/report ☐ the final return/report ☐ an amended 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 ☐ automatic extension ☐ the DFVC program ☐ special extension (enter description)
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 MAINE SAVINGS FEDERAL CREDIT UNION 401(K) PLAN AND TRUST
1b	Three-digit plan number (PN) ▶ 002
1c	Effective date of plan 01/01/1993
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) MAINE SAVINGS FEDERAL CREDIT UNION 101 WESTERN AVE HAMPDEN, ME 04444-1437
2b	Employer Identification Number (EIN) 01-0267010
2c	Plan Sponsor's telephone number 207-862-7211
2d	Business code (see instructions) 522130

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.	10/01/2024	NICHOLE SJOSTROM
	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

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	5 142
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 a(2) Total number of active participants at the end of the plan year b Retired or separated participants receiving benefits c Other retired or separated participants entitled to future benefits d Subtotal. Add lines 6a(2) , 6b , and 6c e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits f Total. Add lines 6d and 6e g(1) Number of participants with account balances as of the beginning of the plan year (only defined contribution plans complete this item) g(2) Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item) h Number of participants who terminated employment during the plan year with accrued benefits that were less than 100% vested	6a(1) 119 6a(2) 140 6b 1 6c 21 6d 162 6e 0 6f 162 6g(1) 141 6g(2) 160 6h 7
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 2S 2T 3D

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
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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
- (4) ☐ **DCG** (Individual Plan Information) – Number Attached _____
- (5) ☐ **MEP** (Multiple-Employer Retirement Plan Information)

b General Schedules

- (1) ☒ **H** (Financial Information)
- (2) ☐ **I** (Financial Information – Small Plan)
- (3) ☐ **A** (Insurance Information) – Number Attached 0
- (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 2023 Form M-1 annual report. If the plan was not required to file the 2023 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 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
		2023
		This Form is Open to Public Inspection.

For calendar plan year 2023 or fiscal plan year beginning 01/01/2023 and ending 12/31/2023

A Name of plan MAINE SAVINGS FEDERAL CREDIT UNION 401(K) PLAN AND TRUST	B Three-digit plan number (PN) 002
C Plan sponsor's name as shown on line 2a of Form 5500 MAINE SAVINGS FEDERAL CREDIT UNION	D Employer Identification Number (EIN) 01-0267010

Part I

Service Provider Information (see instructions)

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).....

X

YesNo
- 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
	FIDELITY INVESTMENTS INSTITUTIONAL
	04-2647786

(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)

FIDELITY INVESTMENTS INSTITUTIONAL

04-2647786

(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?
37 60 64 65	RECORDKEEPER	2500	Yes ☒ No ☐	Yes ☒ No ☐	0	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
FIDELITY INVESTMENTS INSTITUTIONAL	60	0
(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.	
AS SPL SM CP VAL ADM - SS&C GIDS, 52-2269240	0.35%	
(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
FIDELITY INVESTMENTS INSTITUTIONAL	60	0
(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.	
GS INFL-PRO SECS INV - GOLDMAN SAC 13-5108880	0.25%	
(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
FIDELITY INVESTMENTS INSTITUTIONAL	60	0
(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.	
INVS DIVRS DIVD R5 - INVESCO INVES 11 GREENWAY PLAZA, SUITE 100 HOUSTON, TX 77046	0.35%	

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
FIDELITY INVESTMENTS INSTITUTIONAL	60	0
(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.	
J H ENTERPRISE T - JANUS HENDERSON 151 DETROIT STREET DENVER, CO 80206	0.35%	
(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
(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
(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
		2023
		This Form is Open to Public Inspection

For calendar plan year 2023 or fiscal plan year beginning 01/01/2023 and ending 12/31/2023	
A Name of plan MAINE SAVINGS FEDERAL CREDIT UNION 401(K) PLAN AND TRUST	B Three-digit plan number (PN) ► 002
C Plan sponsor's name as shown on line 2a of Form 5500 MAINE SAVINGS FEDERAL CREDIT UNION	D Employer Identification Number (EIN) 01-0267010

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	0	0
b Receivables (less allowance for doubtful accounts):			
(1) Employer contributions	1b(1)	0	0
(2) Participant contributions	1b(2)	0	0
(3) Other	1b(3)	0	0
c General investments:			
(1) Interest-bearing cash (include money market accounts & certificates of deposit)	1c(1)	776298	457853
(2) U.S. Government securities	1c(2)	0	0
(3) Corporate debt instruments (other than employer securities):			
(A) Preferred	1c(3)(A)	0	0
(B) All other	1c(3)(B)	0	0
(4) Corporate stocks (other than employer securities):			
(A) Preferred	1c(4)(A)	0	0
(B) Common	1c(4)(B)	0	0
(5) Partnership/joint venture interests	1c(5)	0	0
(6) Real estate (other than employer real property)	1c(6)	0	0
(7) Loans (other than to participants)	1c(7)	0	0
(8) Participant loans	1c(8)	136926	180544
(9) Value of interest in common/collective trusts	1c(9)	0	0
(10) Value of interest in pooled separate accounts	1c(10)	0	0
(11) Value of interest in master trust investment accounts	1c(11)	0	0
(12) Value of interest in 103-12 investment entities	1c(12)	0	0
(13) Value of interest in registered investment companies (e.g., mutual funds)	1c(13)	10835760	13187611
(14) Value of funds held in insurance company general account (unallocated contracts)	1c(14)	0	0
(15) Other	1c(15)	0	0

1d Employer-related investments:		(a) Beginning of Year	(b) End of Year
(1) Employer securities	1d(1)	0	0
(2) Employer real property	1d(2)	0	0
e Buildings and other property used in plan operation	1e	0	0
f Total assets (add all amounts in lines 1a through 1e)	1f	11748984	13826008
Liabilities			
g Benefit claims payable	1g	0	0
h Operating payables	1h	0	0
i Acquisition indebtedness	1i	0	0
j Other liabilities	1j	0	0
k Total liabilities (add all amounts in lines 1g through 1j)	1k	0	0
Net Assets			
l Net assets (subtract line 1k from line 1f)	1l	11748984	13826008

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.

Income		(a) Amount	(b) Total
a Contributions:			
(1) Received or receivable in cash from: (A) Employers	2a(1)(A)	524697	
(B) Participants	2a(1)(B)	719387	
(C) Others (including rollovers)	2a(1)(C)	532562	
(2) Noncash contributions	2a(2)	0	
(3) Total contributions. Add lines 2a(1)(A) , (B) , (C) , and line 2a(2)	2a(3)		1776646
b Earnings on investments:			
(1) Interest:			
(A) Interest-bearing cash (including money market accounts and certificates of deposit)	2b(1)(A)	31443	
(B) U.S. Government securities	2b(1)(B)	0	
(C) Corporate debt instruments	2b(1)(C)	0	
(D) Loans (other than to participants)	2b(1)(D)	0	
(E) Participant loans	2b(1)(E)	11992	
(F) Other	2b(1)(F)	0	
(G) Total interest. Add lines 2b(1)(A) through (F)	2b(1)(G)		43435
(2) Dividends: (A) Preferred stock	2b(2)(A)	0	
(B) Common stock	2b(2)(B)	0	
(C) Registered investment company shares (e.g. mutual funds)	2b(2)(C)	304940	
(D) Total dividends. Add lines 2b(2)(A) , (B) , and (C)	2b(2)(D)		304940
(3) Rents	2b(3)		0
(4) Net gain (loss) on sale of assets: (A) Aggregate proceeds	2b(4)(A)	0	
(B) Aggregate carrying amount (see instructions)	2b(4)(B)	0	
(C) Subtract line 2b(4)(B) from line 2b(4)(A) and enter result	2b(4)(C)		
(5) Unrealized appreciation (depreciation) of assets: (A) Real estate	2b(5)(A)	0	
(B) Other	2b(5)(B)	0	
(C) Total unrealized appreciation of assets. Add lines 2b(5)(A) and (B)	2b(5)(C)		

		(a) Amount	(b) Total
(6) Net investment gain (loss) from common/collective trusts.....	2b(6)		0
(7) Net investment gain (loss) from pooled separate accounts.....	2b(7)		0
(8) Net investment gain (loss) from master trust investment accounts.....	2b(8)		0
(9) Net investment gain (loss) from 103-12 investment entities.....	2b(9)		0
(10) Net investment gain (loss) from registered investment companies (e.g., mutual funds)	2b(10)		1563524
c Other income	2c		0
d Total income. Add all income amounts in column (b) and enter total	2d		3688545

Expenses

e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	1608855	
(2) To insurance carriers for the provision of benefits.....	2e(2)	0	
(3) Other	2e(3)	0	
(4) Total benefit payments. Add lines 2e(1) through (3)	2e(4)		1608855
f Corrective distributions (see instructions)	2f		0
g Certain deemed distributions of participant loans (see instructions)	2g		0
h Interest expense	2h		0
i Administrative expenses:			
(1) Salaries and allowances	2i(1)	0	
(2) Contract administrator fees.....	2i(2)	0	
(3) Recordkeeping fees.....	2i(3)	2500	
(4) IQPA audit fees.....	2i(4)	0	
(5) Investment advisory and investment management fees	2i(5)	166	
(6) Bank or trust company trustee/custodial fees	2i(6)	0	
(7) Actuarial fees	2i(7)	0	
(8) Legal fees	2i(8)	0	
(9) Valuation/appraisal fees	2i(9)	0	
(10) Other trustee fees and expenses	2i(10)	0	
(11) Other expenses	2i(11)	0	
(12) Total administrative expenses. Add lines 2i(1) through (11)	2i(12)		2666
j Total expenses. Add all expense amounts in column (b) and enter total	2j		1611521

Net Income and Reconciliation

k Net income (loss). Subtract line 2j from line 2d	2k		2077024
l Transfers of assets:			
(1) To this plan	2l(1)		0
(2) From this plan	2l(2)		0

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: **BAKER NEWMAN & NOYES LLC**

(2) EIN: **01-0494526**

d The opinion of an independent qualified public accountant is **not attached** as part of Schedule H because:

(1) ☐ This form is filed for a CCT, PSA, DCG 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. DCGs do not complete lines 4e, 4f, 4k, 4l, and 5, and DCGs generally complete the rest of Part IV collectively for all plans in the DCG, except as otherwise provided (see instructions).

During the plan year:

	Yes	No	Amount
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.)		☒	
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.)		☒	
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.)		☒	
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.)		☒	
e Was this plan covered by a fidelity bond?	☒		5000000
f Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?		☒	
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?		☒	
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?		☒	
i Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.)	☒		
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.)		☒	
k Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?		☒	
l Has the plan failed to provide any benefit when due under the plan?		☒	
m If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.)		☒	
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.			

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 2023 This Form is Open to Public Inspection.	
For calendar plan year 2023 or fiscal plan year beginning 01/01/2023 and ending 12/31/2023					
A Name of plan MAINE SAVINGS FEDERAL CREDIT UNION 401(K) PLAN AND TRUST				B Three-digit plan number (PN) ▶ 002	
C Plan sponsor's name as shown on line 2a of Form 5500 MAINE SAVINGS FEDERAL CREDIT UNION				D Employer Identification Number (EIN) 01-0267010	
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	
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): 04-6568107					
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) 2023 v. 230707	

Part V Additional Information for Multiemployer Defined Benefit Pension Plans

13 Enter the following information for each employer that (1) contributed more than 5% of total contributions to the plan during the plan year or (2) was one of the top-ten highest contributors (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): _____

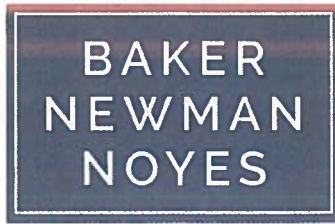
14 Enter the number of deferred vested and retired participants (inactive participants), as of the beginning of the plan year, whose contributing employer is no longer making contributions to the plan for: a The current plan year. Check the box to indicate the counting method used to determine the number of inactive participants: ☐ last contributing employer ☐ alternative ☐ reasonable approximation (see instructions for required attachment) 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) 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)	14a 14b 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 b The corresponding number for the second preceding plan year	15a 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 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	16a 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
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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) and (b): a Enter the percentage of plan assets held as: Public Equity: _____% Private Equity: _____% Investment-Grade Debt and Interest Rate Hedging Assets: _____% High-Yield Debt: _____% Real Assets: _____% Cash or Cash Equivalents: _____% Other: _____% b Provide the average duration of the Investment-Grade Debt and Interest Rate Hedging Assets: ☐ 0-5 years ☐ 5-10 years ☐ 10-15 years ☐ 15 years or more	
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: _____	

Part VII	IRS Compliance Questions
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21a Does the plan satisfy the coverage and nondiscrimination tests of Code sections 410(b) and 401(a)(4) by combining this plan with any other plans under the permissive aggregation rules? ☐ Yes ☒ No 21b If this is a Code section 401(k) plan, check all boxes that apply to indicate how the plan is intended to satisfy the nondiscrimination requirements for employee deferrals and employer matching contributions (as applicable) under Code sections 401(k)(3) and 401(m)(2). ☒ Design-based safe harbor method ☐ "Prior year" ADP test ☒ "Current year" ADP test ☐ N/A	
22 If the plan sponsor is an adopter of a pre-approved plan that received a favorable IRS Opinion Letter, enter the date of the Opinion Letter <u>06 / 30 / 2020</u> (MM/DD/YYYY) and the Opinion Letter serial number <u>Q702438A</u> .	



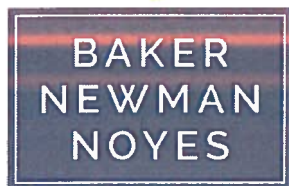
Maine Savings Federal Credit Union and Subsidiaries

Audited Consolidated Financial Statements

*For the Years Ended March 31, 2024 and 2023
With Independent Auditors' Report*

Baker Newman & Noyes LLC
MAINE | MASSACHUSETTS | NEW HAMPSHIRE
800.244.7444 | www.bnn CPA.com





INDEPENDENT AUDITORS' REPORT

Board of Directors
Maine Savings Federal Credit Union and Subsidiaries

Opinion

We have audited the consolidated financial statements of Maine Savings Federal Credit Union and Subsidiaries (the Credit Union), which comprise the consolidated statements of financial condition as of March 31, 2024 and 2023, the related consolidated statements of income, changes in members' equity and cash flows for the years then ended, and the related notes to the consolidated financial statements (collectively, the financial statements).

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Credit Union as of March 31, 2024 and 2023, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Credit Union and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with U.S. GAAP, 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.

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 Credit Union's ability to continue as a going concern within one year after the date that the financial statements are issued or available to be issued.

Auditors' Responsibilities for the Audit of the Financial Statements

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 auditors' 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 GAAS 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 GAAS, 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 Credit Union'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 Credit Union's ability to continue as a going concern for a reasonable period of time.

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

BAKER NEWMAN & NOYES LLC

Portland, Maine
September 5, 2024

MAINE SAVINGS FEDERAL CREDIT UNION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF FINANCIAL CONDITION

March 31, 2024 and 2023

	<u>2024</u>	<u>2023</u>
<u>ASSETS</u>		
Cash and due from banks	\$ 108,131,272	\$ 80,187,165
Interest-bearing deposits in banks and corporate credit unions	20,909,000	33,598,000
Investment securities held-to-maturity, at amortized cost	5,500,000	10,000,000
Loans receivable, net of allowance for credit losses	584,074,829	498,730,005
Accrued interest receivable	2,262,523	1,855,146
Property and equipment, net of accumulated depreciation	13,751,001	11,298,757
Federal Home Loan Bank stock, at cost	1,118,637	356,100
Investment in CUSO Mortgage Corporation	3,943,720	4,029,645
NCUSIF deposit	5,310,253	4,721,406
Other investments	19,704,289	20,519,835
Operating lease right-of-use asset	1,007,651	1,086,340
Other assets	<u>6,421,704</u>	<u>7,551,905</u>
Total assets	<u>\$ 772,134,879</u>	<u>\$ 673,934,304</u>
<u>LIABILITIES AND MEMBERS' EQUITY</u>		
Members' share accounts	\$ 689,269,603	\$ 617,487,176
Borrowings	20,000,000	—
Deferred compensation	1,022,628	529,508
Accrued expenses	2,047,169	899,892
Operating lease liability	<u>1,153,564</u>	<u>1,227,738</u>
Total liabilities	713,492,964	620,144,314
Members' equity:		
Undivided earnings	<u>58,641,915</u>	<u>53,789,990</u>
Total members' equity	<u>58,641,915</u>	<u>53,789,990</u>
Total liabilities and members' equity	<u>\$ 772,134,879</u>	<u>\$ 673,934,304</u>

See accompanying notes.

MAINE SAVINGS FEDERAL CREDIT UNION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF INCOME

Years Ended March 31, 2024 and 2023

	<u>2024</u>	<u>2023</u>
Interest income:		
Interest and fees on loans receivable	\$32,068,031	\$21,852,509
Interest on interest-bearing deposits and investments	<u>4,018,817</u>	<u>2,648,716</u>
	36,086,848	24,501,225
Interest expense:		
Interest expense on members' share accounts	9,222,767	3,738,572
Interest expense on borrowings	<u>1,803,268</u>	<u>681,171</u>
	<u>11,026,035</u>	<u>4,419,743</u>
Net interest income	25,060,813	20,081,482
Provision for credit losses	<u>1,800,842</u>	<u>390,000</u>
Net interest income after provision for credit losses	23,259,971	19,691,482
Noninterest income:		
Service charges and fees	2,632,818	2,428,213
Gain (loss) on other investments	1,026,665	(1,259,493)
Interchange income	3,904,961	3,832,709
Referral and incentive income	98,484	108,402
Other income	<u>2,469,740</u>	<u>1,400,222</u>
	10,132,668	6,510,053
Noninterest expenses:		
Compensation and benefits	15,684,405	11,242,971
Occupancy	1,702,998	1,524,909
Office operations	1,525,216	1,395,288
Other	<u>8,792,094</u>	<u>7,468,543</u>
Total noninterest expenses	27,704,713	21,631,711
Equity in loss of CUSO Mortgage Corporation	<u>(85,925)</u>	<u>(266,436)</u>
Net income	\$ <u>5,602,001</u>	\$ <u>4,303,388</u>

See accompanying notes.

MAINE SAVINGS FEDERAL CREDIT UNION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN MEMBERS' EQUITY

Years Ended March 31, 2024 and 2023

	<u>Undivided Earnings</u>
Balance, March 31, 2022	\$49,486,602
Net income	<u>4,303,388</u>
Balance, March 31, 2023	53,789,990
Cumulative effect of change in accounting principle (note 1)	(750,076)
Net income	<u>5,602,001</u>
Balance, March 31, 2024	<u>\$58,641,915</u>

See accompanying notes.

MAINE SAVINGS FEDERAL CREDIT UNION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

Years Ended March 31, 2024 and 2023

	<u>2024</u>	<u>2023</u>
Cash flows from operating activities:		
Net income	\$ 5,602,001	\$ 4,303,388
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation	861,563	797,959
Loss on sale of property and equipment	295	—
Provision for credit losses	1,800,842	390,000
Loss in income of CUSO Mortgage Corporation	85,925	266,436
(Gain) loss on other investments	(1,026,665)	1,259,493
Change in accrued interest receivable	(407,377)	(807,301)
Change in other assets	1,130,201	(435,478)
Change in deferred compensation liability	493,120	(761,009)
Change in accrued expenses	825,709	(254,198)
Change in deferred loan costs/fees	(520,000)	(278,810)
Net change in operating lease right-of-use asset and liabilities	<u>4,515</u>	<u>12,776</u>
Net cash provided by operating activities	8,850,129	4,493,256
Cash flows from investing activities:		
Net change in interest-bearing deposits in banks and corporate credit union	12,689,000	(12,727,000)
Proceeds from the sale of other real estate owned	—	59,574
Purchase of property and equipment	(3,314,102)	(756,636)
Purchase of held-to-maturity investments	—	(6,000,000)
Purchase of other investments	—	(1,000,000)
Proceeds from sale of other investments	1,842,211	1,344,521
Proceeds from maturity of held-to-maturity investments	4,500,000	1,000,000
Net change in FHLB stock	(762,537)	—
Net change in NCUSIF deposit	(588,847)	(285,668)
Net change in loans receivable	<u>(87,054,174)</u>	<u>(115,867,928)</u>
Net cash used in investing activities	(72,688,449)	(134,233,137)
Cash flows from financing activities:		
Advances from the FHLB	20,000,000	—
Net increase in members' share accounts	<u>71,782,427</u>	<u>100,270,606</u>
Net cash provided by financing activities	<u>91,782,427</u>	<u>100,270,606</u>
Net increase (decrease) in cash and cash equivalents	27,944,107	(29,469,275)
Cash and cash equivalents, beginning of year	<u>80,187,165</u>	<u>109,656,440</u>
Cash and cash equivalents, end of year	<u>\$ 108,131,272</u>	<u>\$ 80,187,165</u>

MAINE SAVINGS FEDERAL CREDIT UNION AND SUBSIDIARIES**CONSOLIDATED STATEMENTS OF CASH FLOWS (CONTINUED)**

Years Ended March 31, 2024 and 2023

	<u>2024</u>	<u>2023</u>
Supplemental disclosure of cash flow information:		
Interest paid	\$ 11,026,035	\$ 4,419,743
Non-cash operating activities:		
Initial recognition of operating lease right-of-use asset	\$ —	\$ 1,163,425
Initial recognition of operating lease liabilities	—	1,292,047
Elimination of deferred rent liability	—	128,622
Non-cash changes as a result of adoption of Topic 326:		
Allowance for credit losses on loans	\$ 492,000	\$ —
Allowance for off-balance sheet credit losses	258,076	—
Undivided earnings	(750,076)	—

See accompanying notes.

MAINE SAVINGS FEDERAL CREDIT UNION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2024 and 2023

1. Summary of Significant Accounting Policies

Principles of Consolidation

The consolidated financial statements include the accounts of Maine Savings Federal Credit Union (the Credit Union) and its wholly owned subsidiaries, One Maine Insurance, LLC and One Maine Financial, LLC. All significant intercompany balances and transactions are eliminated in consolidation.

Field of Membership

The Credit Union's field of membership includes a number of employee groups, church groups and other associations that are located in or near the service offices in the towns of Hampden, Bar Harbor, Ellsworth, Milo, Corinth, Brewer, Vassalboro, Old Town, Portland and Bangor, Maine. The Credit Union's primary source of revenue is providing commercial and residential real estate and consumer loans to individual members in its service area. Most of the Credit Union's members are located in the State of Maine, particularly in the area surrounding Bangor.

Use of Estimates

The consolidated financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP). In preparing the consolidated financial statements, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as of the date of the consolidated statements of financial condition and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Material estimates that are particularly susceptible to significant change in the near term relate to the determination of the allowance for credit losses.

Reclassification

Certain prior year balances have been reclassified to conform to the current year presentation.

Cash and Cash Equivalents

For the consolidated statement of cash flows, cash and cash equivalents include cash and due from banks. The Credit Union maintains cash balances at a financial institution which, at times, may exceed federally insured limits. The Credit Union has not experienced any losses in such accounts. The Credit Union believes it is not exposed to any significant risk of loss on cash and cash equivalents.

Interest-Bearing Deposits in Banks and Corporate Credit Unions

Interest-bearing time deposits in banks and corporate credit unions consist of certificates of deposit with initial maturities of 30 days or more. These balances are carried at cost.

MAINE SAVINGS FEDERAL CREDIT UNION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2024 and 2023

1. Summary of Significant Accounting Policies (Continued)

Investment Securities Held-to-Maturity

The Credit Union invests in debt securities with the positive intent and ability to hold to maturity which are classified as held-to-maturity and are carried at amortized cost. The securities are explicitly or implicitly guaranteed by the U.S. government and have no history of credit losses. The Credit Union has not recorded an allowance for credit losses on these securities at March 31, 2024.

Loans Receivable and Allowance for Credit Losses

Loans are stated at the amount of unpaid principal plus net deferred origination costs, reduced by an allowance for credit losses. The allowance for credit losses is established through a provision for credit losses charged to expense. Loans are charged off against the allowance for credit losses when management believes that the collectibility of the principal is unlikely. The allowance is an amount that management believes will be adequate to absorb expected losses on existing loans that may become uncollectible, based on evaluations of the collectibility of loans and prior loan loss experience.

While management uses available information to recognize losses on loans, future additions to the allowance may be necessary. In addition, various regulatory agencies, as an integral part of their examination process, periodically review the Credit Union's allowance for credit losses. Such agencies may require the Credit Union to recognize additions to the allowance based on judgments different from those of management.

Accounting Standards Update (ASU) 2016-13, *Financial Instruments – Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments*, requires an estimate of the credit losses expected over the life of a loan exposure (or pool of loan exposures). The Credit Union adopted Topic 326 effective April 1, 2023. Topic 326 replaces the incurred loss approach that was used prior to April 1, 2023.

The estimate of expected credit losses is based on relevant information about past events, current conditions, and reasonable and supportable forecasts that affect the collectability of the reported amounts. Historical loss experience is generally the starting point for estimating expected credit losses. The Credit Union then considers whether the historical loss experience should be adjusted for asset-specific risk characteristics or current conditions at the reporting date that did not exist over the historical period used. The Credit Union also considers future economic conditions and portfolio performance as part of a reasonable and supportable forecast period.

The historical loss experience for the segments are primarily determined using a weighted average remaining maturity (WARM) method. The WARM method multiplies an average annual loss rate by the expected remaining life of the loan pool to arrive at the quantitative baseline portion of the allowance for credit losses for the respective loan portfolio class.

The Credit Union utilizes loan segments to determine its allowance for credit losses. The Credit Union uses the following loan segments: residential mortgages and home equity, automobile, commercial mortgage, other consumer, and credit cards. Management generally uses average historical losses based on a timeframe appropriate to capture relevant loss data for each loan segment. This historical loss factor is then adjusted for the following qualitative factors (where appropriate): changes in local and national economic and business conditions; levels/trends in delinquencies; and effects of changes in risk selection and underwriting standards and other changes in lending policies.

MAINE SAVINGS FEDERAL CREDIT UNION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2024 and 2023

1. Summary of Significant Accounting Policies (Continued)

The qualitative factors are determined based on the various risk characteristics of each loan segment. Risk characteristics relevant to each portfolio segment are as follows:

Residential real estate & home equity loans: The Credit Union generally does not originate residential mortgage loans with a loan-to-value ratio greater than 80 percent (with the exception of CU Promise Loans) without requiring Private Mortgage Insurance and does not grant subprime loans. The Credit Union generally does not originate home equity loans with a loan-to-value greater than 90%. Loans in this segment are mostly secured by one-to-four family owner occupied residential real estate and repayment is dependent on the credit quality of the individual borrower. The overall health of the economy, including unemployment rates and housing prices, may have an effect on the credit quality in this loan segment.

Automobile loans: Loans in this segment are secured by new and used automobiles and recreational vehicles. These loans are made primarily to individuals and repayment is dependent on the credit quality of the individual borrower.

Commercial mortgages: Loans in this segment are primarily income-producing properties throughout Maine. The underlying cash flows generated by the properties are adversely impacted by a downturn in the economy as evidenced by increased vacancy rates which, in turn, will have an effect on the credit quality in this segment. Management periodically obtains rent rolls and continually monitors the cash flows of these loans.

Other consumer loans and credit card: Loans in these segments consist of unsecured loans, share secured loans, and lines of credit and repayment is dependent on the credit quality of the individual borrower.

Loans are considered for individual evaluation when they do not share similar risk characteristics with the same loans evaluated on a pooled basis. These individually evaluated loans include non-accrual loans and other loans as deemed appropriate by management.

The Credit Union also incorporates a reasonable and supportable loss forecast period, which is currently two years, to account for the effect of forecasted economic conditions and other factors on the performance of the loan portfolio, which could differ from historical loss experience. After the two-year forecast period, the Credit Union uses an immediate reversion to historical loss rates for the remaining expected life of the loan.

Expected credit losses are estimated over the contractual term of the loans, adjusted for expected prepayments when appropriate. The contractual term excludes expected extensions, renewals, and modifications unless either of the following applies: the Credit Union has a reasonable expectation at the reporting date that a modification will be executed with an individual borrower, or the extension or renewal options are included in the original or modified contract at the reporting date and are not unconditionally cancellable by the Credit Union.

MAINE SAVINGS FEDERAL CREDIT UNION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2024 and 2023

1. Summary of Significant Accounting Policies (Continued)

During the year ended March 31, 2024, the Credit Union adopted ASU 2022-02, *Financial Instruments – Credit Losses (Topic 326): Troubled Debt Restructurings and Vintage Disclosures*, which eliminated the accounting guidance for troubled debt restructurings (TDRs) by creditors while enhancing disclosure requirements for certain loan refinancing and restructuring by creditors when a borrower is experiencing financial difficulty. Modifications to borrowers experiencing financial difficulty may include interest rate reductions, principal or interest forgiveness, forbearances, term extensions, and other actions intended to minimize economic loss and to avoid foreclosure or repossession of collateral.

Prior to April 1, 2023, when a loan was modified and a concession was made to a borrower experiencing financial difficulty, the modification was considered a TDR. An allowance for credit losses for loans that had been modified in a TDR was measured based on the present value of the expected future cash flows discounted at the loan's effective interest rate, the loan's observable market price, or the estimated fair value of the collateral, less any selling costs, if the loan was collateral dependent. Management exercised significant judgment in developing these estimates.

Interest Income on Loans

Interest on loans is accrued and credited to income based on the principal amounts outstanding. The accrual of interest on loans is discontinued when, in the opinion of management, the payment of interest or principal is in doubt, the loan is individually evaluated, or when interest or principal is 90 days past due unless the loan is well-secured and in process of collection. If there is doubt as to the collectibility of the interest, all previously accrued interest is reversed from current income. Nonaccrual loans, which include individually evaluated loans, are returned to accrual status when principal and interest become current and payment of the loan is expected in accordance with its contractual terms, generally after a period of six months.

Origination Fees and Costs

Loan origination fees and direct loan origination costs are deferred and amortized over the contractual life of the related loan. Prepayments are accounted for in the year of prepayment.

Property and Equipment

Property and equipment are stated at cost less accumulated depreciation. Depreciation is computed on the straight-line method over the estimated useful lives of the assets. Expenditures for normal repairs and maintenance are expensed as incurred.

Federal Home Loan Bank Stock

Federal Home Loan Bank (FHLB) stock is carried at cost and can only be sold back to the FHLB based on its current redemption policies.

Investment in CUSO Mortgage Corporation

The investment in CUSO Mortgage Corporation (CUSO) is carried based on the equity method of accounting and the Credit Union records its share of CUSO's income (loss).

MAINE SAVINGS FEDERAL CREDIT UNION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2024 and 2023

1. Summary of Significant Accounting Policies (Continued)

NCUSIF Deposit

The deposit in the National Credit Union Share Insurance Fund (NCUSIF) is in accordance with National Credit Union Administration (NCUA) regulations, which require the maintenance of a deposit by each insured credit union in an amount equal to one percent of its insured shares. The deposit would be refunded to the Credit Union if its insurance coverage is terminated, it converts to insurance coverage from another source, or the operations of the fund are transferred from the NCUA Board. The Federal Credit Union Act requires the NCUA Board to set a target equity ratio of at least 1.20 percent and no more than 1.50 percent of total insured deposits. It is NCUA Board policy that the normal operating equity ratio is 1.30 percent. In the event that the equity ratio of the fund falls below 1.20 percent, the Federal Credit Union Act requires the NCUA Board to charge credit unions a premium or to develop and implement a restoration plan for the fund. The NCUA Board has discretion whether to charge a premium when the equity ratio is between 1.20 percent and 1.30 percent.

Other Investments

Other investments consist of investments made by the Credit Union that are invested in a variety of mutual funds and annuity contracts and in part are used to fund the deferred compensation plan. The mutual funds are carried at fair value with both realized and unrealized gains and losses being credited or charged to income. The annuity contracts are carried at cost with interest earned but not received recorded within accrued interest receivable. The Credit Union monitors the credit rating of the annuity contract providers and they are considered highly rated with minimal credit risk. There was no allowance for credit losses on the annuity contracts as of March 31, 2024.

Members' Share Accounts

Members' shares are subordinated to all other liabilities of the Credit Union upon liquidation. Interest on members' share accounts is based on available earnings at the end of an interest period and is not guaranteed by the Credit Union. Interest rates on members' share accounts are set by the Board of Directors, based on an evaluation of current and future market conditions.

Advertising

Advertising costs are expensed as incurred. For the years ended March 31, 2024 and 2023, advertising expense was approximately \$572,000 and \$350,000, respectively.

Income Taxes

The Credit Union is exempt, by statute, from federal and state income taxes.

MAINE SAVINGS FEDERAL CREDIT UNION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2024 and 2023

1. Summary of Significant Accounting Policies (Continued)

Revenue Recognition

The majority of the Credit Union's revenues come from interest income and other sources, including loans and investments which are outside the scope of Topic 606. Those revenues that are within scope of Topic 606 are presented within Non-Interest Income and include service charges and fees and other income. Revenue on these services is recognized as the Credit Union satisfies its performance obligations to the member.

New Accounting Pronouncements

In June 2016, the Financial Accounting Standards Board (FASB) issued ASU No. 2016-13, *Financial Instruments – Credit Losses (Topic 326)*. The main objective of this update, along with subsequent ASUs issued to provide transition relief, narrow technical improvements, and certain codification improvements, is to provide financial statement users with more decision-useful information about the expected credit losses on financial instruments, including loans, held-to-maturity debt securities and commitments to extend credit held by a reporting entity at each reporting date. To achieve this objective, the amendments in this update replace the existing incurred loss and impairment methodology in current GAAP with a methodology referred to as Current Expected Credit Losses (CECL) that reflects expected credit losses and requires consideration of historical experience, current conditions, and reasonable and supportable forecasts of future economic conditions. Financial institutions will now use forward-looking information to estimate the expected credit loss on a loan at the time of origination. This update is effective for all entities for annual periods beginning after December 15, 2022 and interim reporting periods within those fiscal years. The measurement of expected credit losses under the CECL methodology is applicable to financial assets measured at amortized cost, including loans and held-to-maturity debt securities. It also applies to off-balance sheet credit exposures such as loan commitments, standby letters of credit, financial guarantees, and other similar instruments. Additionally, this ASU amends the accounting for credit losses on available-for-sale debt securities and purchased financial assets with credit deterioration.

The Credit Union adopted Topic 326 using the modified retrospective method for all financial assets measured at amortized cost. Accordingly, a cumulative effect transition adjustment was applied to the opening balance of undivided earnings, effective April 1, 2023. Prior periods have not been restated and continue to be presented under the incurred loss model.

A summary of the financial statement impact upon adoption of Topic 326 is as follows:

	<u>Financial Statement Impact of Adoption</u>		
	<u>Balance</u>	<u>Transition</u>	<u>Balance</u>
	<u>March 31, 2023</u>	<u>Adjustment</u>	<u>April 1, 2023</u>
Allowance for credit losses on loans	\$ 1,305,157	\$ 492,000	\$ 1,797,157
Allowance for off-balance sheet exposures	—	258,076	258,076
Decrease to undivided profits	—	(750,076)	—

MAINE SAVINGS FEDERAL CREDIT UNION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2024 and 2023

1. Summary of Significant Accounting Policies (Continued)

Subsequent Events

Events occurring after the consolidated statement of financial condition date are evaluated by management to determine whether such events should be recognized or disclosed in the consolidated financial statements. For the purposes of recognition and disclosure in these consolidated financial statements, management of the Credit Union has evaluated subsequent events through September 5, 2024, which is the date these consolidated financial statements were available to be issued.

2. Interest-Bearing Deposits in Banks and Corporate Credit Unions

At March 31, 2024, the Credit Union's interest-bearing deposits in banks and corporate credit unions mature as follows:

Due in one year or less	\$12,449,000
Due in one year through three years	8,216,000
Due in three years through five years	<u>244,000</u>
	<u>\$20,909,000</u>

Balances in interest-bearing deposits in banks and corporate credit unions are fully insured at March 31, 2024.

3. Investment Securities Held-To-Maturity

At March 31, 2024, the Credit Union holds U.S. Government-sponsored entity bonds with a cost of \$5,500,000 and a fair value of \$5,258,700 for a net unrealized loss of \$241,300 from 9 securities. All 9 of these securities have been in an unrealized loss position for more than 12 months. These investments all mature within five years.

At March 31, 2023, the Credit Union holds U.S. Government-sponsored entity bonds with a cost of \$10,000,000 and a fair value of \$9,660,170 for a net unrealized loss of \$339,830 from 19 securities. Seven of these securities have been in an unrealized loss position for less than 12 months with a fair value of \$4,467,085 and an unrealized loss of \$35,675. Ten of these securities have been in an unrealized loss position for more than 12 months with a fair value of \$4,692,180 and an unrealized loss of \$307,820. These investments all mature within five years.

Expected maturities may differ from contractual maturities as borrowers may have the right to call or prepay obligations with or without call or prepayment penalties. Management of the Credit Union, in addition to considering current trends and economic conditions that may affect the quality of individual securities within the Credit Union's investment portfolio, also considers the Credit Union's ability and intent to hold such securities to maturity. The primary cause for the unrealized losses is the impact movements in market interest rates have had in comparison to the underlying yields on these securities. Management does not believe that any of its investments require an allowance for credit losses at March 31, 2024.

MAINE SAVINGS FEDERAL CREDIT UNION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2024 and 2023

4. Loans and Allowance for Credit Losses

The composition of loans receivable as of March 31, 2024 and 2023 is as follows:

	<u>2024</u>	<u>2023</u>
Residential mortgage	\$ 179,658,798	\$ 165,222,011
Home equity	83,615,127	72,699,708
Automobile	128,480,555	108,347,776
Commercial mortgage	70,935,439	57,897,123
Other consumer	112,203,072	85,770,993
Credit cards	<u>9,504,765</u>	<u>8,850,478</u>
	584,397,756	498,788,089
Net deferred costs	1,767,073	1,247,073
Less allowance for credit losses	<u>(2,090,000)</u>	<u>(1,305,157)</u>
Total loans receivable, net	<u>\$ 584,074,829</u>	<u>\$ 498,730,005</u>

The following is an aged analysis of past due status by loan portfolio as of March 31, 2024:

	<u>30-59 Days</u>	<u>60-89 Days</u>	<u>90 Days or More</u>	<u>Total Past Due</u>	<u>Current</u>	<u>Total Loans</u>
Residential mortgage	\$3,139,168	\$ —	\$ 634,584	\$3,773,752	\$ 175,885,046	\$ 179,658,798
Home equity	405,864	—	197,185	603,049	83,012,078	83,615,127
Automobile	1,533,710	471,525	219,526	2,224,761	126,255,794	128,480,555
Commercial mortgage	—	—	861,645	861,645	70,073,794	70,935,439
Other consumer	970,819	394,632	169,863	1,535,314	110,667,758	112,203,072
Credit cards	<u>118,820</u>	<u>39,173</u>	<u>33,290</u>	<u>191,283</u>	<u>9,313,482</u>	<u>9,504,765</u>
Total loans	<u>\$6,168,381</u>	<u>\$ 905,330</u>	<u>\$2,116,093</u>	<u>\$9,189,804</u>	<u>\$ 575,207,952</u>	<u>\$ 584,397,756</u>

The following is an aged analysis of past due status by loan portfolio as of March 31, 2023:

	<u>30-59 Days</u>	<u>60-89 Days</u>	<u>90 Days or More</u>	<u>Total Past Due</u>	<u>Current</u>	<u>Total Loans</u>
Residential mortgage	\$1,198,841	\$ 9,223	\$ 222,848	\$1,430,912	\$ 163,791,099	\$ 165,222,011
Home equity	215,791	129,305	421	345,517	72,354,191	72,699,708
Automobile	1,176,211	242,107	285,032	1,703,350	106,644,426	108,347,776
Commercial mortgage	216,033	—	—	216,033	57,681,090	57,897,123
Other consumer	124,785	22,499	55,393	202,677	85,568,316	85,770,993
Credit cards	<u>19,100</u>	<u>33,343</u>	<u>5,994</u>	<u>58,437</u>	<u>8,792,041</u>	<u>8,850,478</u>
Total loans	<u>\$2,950,761</u>	<u>\$ 436,477</u>	<u>\$ 569,688</u>	<u>\$3,956,926</u>	<u>\$ 494,831,163</u>	<u>\$ 498,788,089</u>

MAINE SAVINGS FEDERAL CREDIT UNION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2024 and 2023

4. Loans and Allowance for Credit Losses (Continued)

The following tables present the amortized cost basis of loans on nonaccrual status and loans past due over 90 days still accruing as of March 31:

	2024			2023	
	Nonaccrual with a Related Allowance For Credit Losses	Nonaccrual with No Related Allowance For Credit Losses	Loans Past Due 90 Days and Over Still Accruing	Loans Past Due 90 Days and Over Still Accruing	Total Nonaccrual Loans
Residential mortgage	\$ —	\$ 634,584	\$ —	\$ —	\$222,848
Home equity loans	—	197,185	—	—	421
Automobile	—	219,526	—	—	285,032
Commercial mortgage	—	—	861,645	—	—
Other consumer	—	169,863	—	—	55,393
Credit cards	—	33,290	—	—	5,994
Total loans	\$ —	\$ 1,254,448	\$ 861,645	\$ —	\$ 569,688

Interest income recognized on nonaccrual loans was not material for the years ended March 31, 2024 and 2023.

There were no modifications to borrowers experiencing financial difficulty during 2024.

The following table presents the activity in the allowance for credit losses as of and for the year ended March 31, 2024:

	Residential Mortgages and Home Equity	Automobile	Commercial Mortgage	Other Consumer	Credit Cards	Un- allocated	Total
Balance March 31, 2023	\$ 484,507	\$ 87,495	\$ 319,782	\$ 291,577	\$ 94,942	\$ 26,854	\$ 1,305,157
Impact of adopting Topic 326	(91,350)	152,505	(167,782)	468,423	157,058	(26,854)	492,000
Charge-offs	(3,252)	(463,977)	—	(1,023,146)	(225,073)	—	(1,715,448)
Recoveries	—	22,800	—	196,615	51,526	—	270,941
(Benefit) provision	(2,905)	497,177	(106,000)	1,148,531	200,547	—	1,737,350
Balance, March 31, 2024	\$ 387,000	\$ 296,000	\$ 46,000	\$ 1,082,000	\$ 279,000	\$ —	\$ 2,090,000

MAINE SAVINGS FEDERAL CREDIT UNION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2024 and 2023

4. Loans and Allowance for Credit Losses (Continued)

The following table presents the activity in the allowance for loan losses and select loan information by portfolio segment as of and for the year ended March 31, 2023:

	Residential Mortgages and Home Equity	Automobile	Commercial Mortgage	Other Consumer	Credit Cards	Un- allocated	Total
Balance, March 31, 2022	\$ 379,524	\$ 78,497	\$ 313,917	\$ 219,725	\$ 55,562	\$ 273,752	\$ 1,320,977
Charge-offs	—	(111,787)	—	(359,579)	(195,922)	—	(667,288)
Recoveries	15,338	21,631	—	168,397	56,102	—	261,468
(Benefit) provision	<u>89,645</u>	<u>99,154</u>	<u>5,865</u>	<u>263,034</u>	<u>179,200</u>	<u>(246,898)</u>	<u>390,000</u>
Balance, March 31, 2023	<u>\$ 484,507</u>	<u>\$ 87,495</u>	<u>\$ 319,782</u>	<u>\$ 291,577</u>	<u>\$ 94,942</u>	<u>\$ 26,854</u>	<u>\$ 1,305,157</u>
Allowance for loan losses individually evaluated for impairment	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Allowance for loan losses collectively evaluated for impairment	<u>484,507</u>	<u>87,495</u>	<u>319,782</u>	<u>291,577</u>	<u>94,942</u>	<u>26,854</u>	<u>1,305,157</u>
Balance, March 31, 2023	<u>\$ 484,507</u>	<u>\$ 87,495</u>	<u>\$ 319,782</u>	<u>\$ 291,577</u>	<u>\$ 94,942</u>	<u>\$ 26,854</u>	<u>\$ 1,305,157</u>
<u>Loans</u>							
Loans individually evaluated for impairment	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Loans collectively evaluated for impairment	<u>237,921,719</u>	<u>108,347,776</u>	<u>57,897,123</u>	<u>85,770,993</u>	<u>8,850,478</u>	<u>—</u>	<u>498,788,089</u>
Balance, March 31, 2023	<u>\$237,921,719</u>	<u>\$108,347,776</u>	<u>\$57,897,123</u>	<u>\$85,770,993</u>	<u>\$ 8,850,478</u>	<u>\$ —</u>	<u>\$498,788,089</u>

The Credit Union elected to exclude accrued interest receivable from the amortized cost basis of loans disclosed throughout this footnote. As of March 31, 2024 and 2023, accrued interest receivable for loans totaled \$2,186,703 and \$1,462,502, respectively, and is included in the “accrued interest receivable” line item on the statements of financial condition.

The Credit Union has a member privilege program, which is an overdraft protection program for its members. Charge-offs under this program during the years ended March 31, 2024 and 2023 were \$186,682 and \$183,072, respectively, and recoveries were \$137,737 and \$137,814, respectively. This activity is included in other consumer loans.

There were no individually evaluated loans at March 31, 2024 and 2023, or during the fiscal year ended March 31, 2024 and 2023.

Despite the above allocations, the allowance for credit losses is general in nature and therefore available to absorb losses from any loan type.

MAINE SAVINGS FEDERAL CREDIT UNION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2024 and 2023

4. Loans and Allowance for Credit Losses (Continued)

The Credit Union utilizes an internal risk rating system for commercial loans, which is updated on an ongoing basis. A description of the Credit Union's internal risk rating system as it relates to credit quality is as follows:

Pass – Acceptable debt capacity and liquidity with a proven track record of success and the ability to withstand adverse economic circumstances.

Watch – These credits are bankable but require more attention and more conservative structuring. These borrowers will display limited capacity, marginal liquidity and lower than average credit scores. Based on information provided by the borrowers, these concerns will be temporary and the borrower will have a plan in place to remedy the credit deficiencies in a 12-month period.

Special Mention – Credits of clearly unacceptable risk based on seriously deficient credit strength and/or repayment sources. A special mention asset has potential weaknesses that deserve management's close attention. If left uncorrected, these potential weaknesses may result in deterioration of the repayment prospects for the asset or in the institution's credit position at some future date. Special mention assets are not adversely classified and do not expose an institution to sufficient risk to warrant adverse classification. All available actions to prevent or minimize loss to the Credit Union must be taken.

Substandard – A substandard asset is inadequately protected by the current sound worth and paying capacity of the obligor or of the collateral pledged, if any. Assets so classified must have a well-defined weakness or weaknesses that jeopardize the liquidation of the debt. They are characterized by the distinct possibility that the institution will sustain some loss if the deficiencies are not corrected. Contingent or remedial plans to improve the Credit Union's risk exposure should be established.

Doubtful – An asset classified doubtful has all the weaknesses inherent in one classified substandard with the added characteristic that the weaknesses make collection or liquidation in full, on the basis of currently existing facts, conditions, and values, highly questionable and improbable. All available actions to prevent or minimize loss to the Credit Union must be taken.

Loss – Assets in this category will be considered uncollectible or possess such little value they will be written off as a loss. This classification does not mean that the asset has absolutely no recovery or salvage value, but rather it is not practical or desirable to defer writing off this basically worthless asset even though partial recovery may be affected in the future.

The commercial mortgage risk rated loan portfolio as of March 31, 2024 and 2023 consisted of the following:

	<u>2024</u>	<u>2023</u>
Pass	\$70,935,439	\$53,646,196
Watch	–	3,985,817
Special mention	–	265,110
	<u>\$70,935,439</u>	<u>\$57,897,123</u>

Loans other than commercial are evaluated based on their delinquency status.

MAINE SAVINGS FEDERAL CREDIT UNION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2024 and 2023

4. Loans and Allowance for Credit Losses (Continued)

The Credit Union considers non-risk rated loans to be non-performing when they are 90 days or more past due. The non-risk rated loan portfolio as of March 31, 2024 consisted of the following:

	<u>Residential Mortgage</u>	<u>Home Equity</u>	<u>Automobile</u>	<u>Consumer</u>	<u>Credit Cards</u>	<u>Total</u>
Performing	\$ 179,027,054	\$83,417,942	\$ 128,261,029	\$ 112,203,072	\$9,471,475	\$ 512,380,572
Non-performing	<u>631,744</u>	<u>197,185</u>	<u>219,526</u>	<u>—</u>	<u>33,290</u>	<u>1,081,745</u>
	<u>\$ 179,658,798</u>	<u>\$83,615,127</u>	<u>\$ 128,480,555</u>	<u>\$ 112,203,072</u>	<u>\$9,504,765</u>	<u>\$ 513,462,317</u>

The non-risk rated loan portfolio as of March 31, 2023 consisted of the following:

	<u>Residential Mortgage</u>	<u>Home Equity</u>	<u>Automobile</u>	<u>Consumer</u>	<u>Credit Cards</u>	<u>Total</u>
Performing	\$ 164,999,163	\$72,699,287	\$ 108,062,744	\$ 85,715,600	\$8,844,484	\$ 440,321,278
Non-performing	<u>222,848</u>	<u>421</u>	<u>285,032</u>	<u>55,393</u>	<u>5,994</u>	<u>569,688</u>
	<u>\$ 165,222,011</u>	<u>\$72,699,708</u>	<u>\$ 108,347,776</u>	<u>\$ 85,770,993</u>	<u>\$8,850,478</u>	<u>\$ 440,890,966</u>

The Credit Union makes loans to its officers and directors. Loans to officers and directors totaled approximately \$2,730,000 and \$2,873,000 at March 31, 2024 and 2023, respectively.

The Credit Union participates in the CU Promise program, whereby the Credit Union owns a participating interest in residential mortgage loans originated by CUSO. These loans totaled \$108,627,014 and \$100,842,566 at March 31, 2024 and 2023, respectively, and are considered to be residential mortgages. Other credit unions in Maine also own a participating interest in the residential mortgages.

5. Leases

A lease is defined as a contract, or part of a contract that conveys the right to control the use of identified property, plant or equipment for a period of time in exchange for consideration. The Credit Union's leases are operating leases.

The calculated amount of the Right-of-Use (ROU) assets and lease liabilities are impacted by the length of the lease term and the discount rate used to present value the minimum lease payments. The Credit Union's lease agreements often include one or more options to renew at the Credit Union's discretion. If at lease inception, the Credit Union considers the exercising of a renewal option to be reasonably certain, the Credit Union will include the extended term in the calculation of the ROU asset and lease liability. Regarding the discount rate, Topic 842 requires the use of the rate implicit in the lease whenever this rate is readily determinable. As this rate is rarely determinable, the Credit Union utilizes a risk-free rate at lease inception, over a similar term. See below for information on lease terms and rates:

	<u>As of March 31, 2024</u>	<u>As of March 31, 2023</u>
Weighted-average remaining lease term		
Operating leases	12.7 years	13.6 years

MAINE SAVINGS FEDERAL CREDIT UNION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2024 and 2023

5. Leases (Continued)

	As of <u>March 31, 2024</u>	As of <u>March 31, 2023</u>
Weighted-average discount rate		
Operating leases	2.32%	2.32%

Future minimum payments for leases with initial terms of one year or more as of March 31, 2024 are as follows:

2025	\$ 106,000
2026	108,000
2027	108,000
2028	108,000
2029	118,000
Thereafter	<u>806,000</u>

Total future minimum lease payments	1,354,000
Amounts representing interest	<u>(200,436)</u>

Present value of net future minimum lease payments \$1,153,564

The Credit Union recognized lease expense of approximately \$115,000 and \$114,000, including common area maintenance charges, in the years ended March 31, 2024 and 2023, respectively.

6. Property and Equipment

Property and equipment at March 31, 2024 and 2023 are summarized as follows:

	<u>2024</u>	<u>2023</u>
Land	\$ 2,846,774	\$ 2,846,774
Buildings and improvements	15,575,517	13,464,857
Land improvements	749,461	749,461
Furniture and equipment	3,410,464	2,799,662
Computer equipment and software	754,823	626,750
Leasehold improvements	44,222	44,222
Construction in process	<u>288,734</u>	<u>235,538</u>
	23,669,995	20,767,264
Less accumulated depreciation	<u>(9,918,994)</u>	<u>(9,468,507)</u>
	<u>\$13,751,001</u>	<u>\$11,298,757</u>

MAINE SAVINGS FEDERAL CREDIT UNION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2024 and 2023

7. Transactions with CUSO Mortgage Corporation

Investment in CUSO Mortgage Corporation

The Credit Union owns approximately 24% of the outstanding common stock of CUSO Mortgage Corporation (CUSO) at March 31, 2024 and 2023. CUSO's primary purpose is to originate and service one-to-four family properties and, through its wholly owned subsidiary, Business Lending Solutions, LLC (BLS), to originate and service commercial loans. CUSO engages in normal loan servicing activities, mortgage loan origination, processing and underwriting, and sales of mortgage loans to the secondary market. Net amounts paid to CUSO for these services totaled \$472,917 and \$432,419 in the years ended March 31, 2024 and 2023, respectively. Amounts paid relating to loan originations are recorded as net deferred loan origination costs.

The Credit Union recorded income of \$98,484 and \$108,402 from CUSO for the years ended March 31, 2024 and 2023, respectively, for referrals on loans sold; these amounts are included in other income.

Summarized financial information of CUSO at March 31, 2024 and 2023 and for the years then ended is presented below:

	<u>2024</u>	<u>2023</u>
Assets	\$57,484,089	\$57,754,311
Liabilities	40,758,458	40,664,263
Equity	16,725,631	17,090,048
Revenues	7,281,429	7,083,494
Net income (loss)	(364,412)	(1,129,979)

The investment in CUSO is in accordance with applicable regulations, which allow the Credit Union to invest up to 1% of members' shares and undivided earnings in credit union service organizations.

Management and Other Agreements

The Credit Union rents office space to CUSO in the Credit Union's operations center. The Credit Union received \$190,660 and \$195,986 in the years ended March 31, 2024 and 2023, respectively, which is included in other income on the consolidated statements of income.

CUSO and BLS service loans for the Credit Union. At March 31, 2024 and 2023, they were holding loan payments for the Credit Union totaling \$2,066,214 and \$2,331,322, respectively, which were remitted shortly after year end. These amounts are included in other assets on the consolidated statements of financial condition.

Loans to CUSO Mortgage Corporation

Certain owners of CUSO have extended a line of credit to CUSO in the amount of \$4,300,000. Of this total, the Credit Union has participated in an amount not to exceed \$1,000,000. At March 31, 2024 and 2023, there were no advances under the line. Interest is charged monthly at the prevailing federal funds rate. No interest income was earned by the Credit Union for the years ended March 31, 2024 and 2023 as the line of credit was unused.

MAINE SAVINGS FEDERAL CREDIT UNION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2024 and 2023

7. Transactions with CUSO Mortgage Corporation (Continued)

This line is collateralized by all loans and indebtedness, all take-out commitments and other agreements for the sale of mortgage loans, all rights to deliver loans to investors and proceeds resulting from the disposition of such loans, all accounts maintained in CUSO's name, all pledged negotiable instruments and nonnegotiable certificates of deposit, and all contracts for the servicing of mortgage loans by CUSO.

Upon written demand from the Credit Union, CUSO may be required to pay principal on the line of credit in the amount the underlying borrowing base exceeds the value of the eligible collateral.

This line of credit is in accordance with applicable regulations, which allow the Credit Union to lend up to 1% of members' shares and undivided earnings to credit union service organizations.

Share Accounts

CUSO has share accounts with the Credit Union totaling \$28,144,982 and \$26,361,734 at March 31, 2024 and 2023, respectively. Approximately half of CUSO's balances is transferred regularly, and at least monthly, to another institution.

8. Other Investments

The table below summarizes the composition of other investments at March 31, 2024 and 2023:

	<u>2024</u>	<u>2023</u>
Mutual funds	\$11,481,280	\$11,864,357
Annuity contracts	<u>8,223,009</u>	<u>8,655,478</u>
	<u>\$19,704,289</u>	<u>\$20,519,835</u>

The annuity contracts were entered into in June 2021 and include guaranteed interest rates for the first five years at 2.25% for Reliance Standard and 2.50% for Delaware Life. Interest of \$192,878 and \$221,016 was earned in the years ended March 31, 2024 and 2023, respectively. Accrued interest will be received upon withdrawal from the contracts. Each contract is subject to withdrawal charges based on a surrender schedule. Reliance Standard charges decline from 8% during the first contract year to 0% after the fifth contract year. Delaware Life charges decline from 7% during the first contract year to 0% after the fifth contract year. However, 10% of each contract value can be withdrawn each year after year 1 without any withdrawal charges. During the years ending March 31, 2024 and 2023, approximately \$898,000 and \$1,344,000, respectively, was withdrawn from these contracts.

For the years ended March 31, 2024 and 2023, \$1,026,665 and (\$1,259,493), respectively, of the investment gains (losses) related to mutual funds still owned at year end.

MAINE SAVINGS FEDERAL CREDIT UNION AND SUBSIDIARIES

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March 31, 2024 and 2023

9. Members' Share Accounts

Members' share accounts at March 31, 2024 and 2023 are summarized as follows:

	<u>2024</u>	<u>2023</u>
Members' share accounts (including certificates) greater than or equal to \$250,000	\$ 126,944,022	\$ 118,379,443
Brokered share certificates greater than or equal to \$250,000	50,238,000	22,951,000
Accounts under \$250,000:		
Regular savings	166,771,815	184,176,827
Share drafts	101,885,747	106,842,944
Money market	11,086,416	14,018,122
Club accounts	15,511,901	17,425,790
Share certificates	168,288,369	110,620,743
Individual retirement accounts, certificates	46,189,038	40,441,306
Individual retirement accounts, savings	<u>2,354,295</u>	<u>2,631,001</u>
	<u>\$ 689,269,603</u>	<u>\$ 617,487,176</u>

Noninterest-bearing accounts at March 31, 2024 and 2023 totaled \$100,773,945 and \$122,131,667, respectively.

At March 31, 2024, scheduled maturities of members' share accounts are as follows:

No contractual maturity	\$ 365,113,970
Maturity within one year	123,770,837
One to two years	47,995,030
Two to three years	145,875,429
Three to four years	3,793,451
Four to five years	2,656,612
Over five years	<u>64,274</u>
Total members' share accounts	<u>\$ 689,269,603</u>

Member shares from principal officers and directors held by the Credit Union at March 31, 2024 and 2023 amounted to \$1,640,427 and \$1,282,183, respectively.

10. Borrowings

The Credit Union is required to own shares of capital stock in the FHLB of Boston in order to borrow from the FHLB. At March 31, 2024, the Credit Union has an unused borrowing capacity of approximately \$7,540,000, as well as a line of credit under which it can borrow up to \$1,392,000 from the FHLB of Boston. There were no amounts drawn under this line at March 31, 2024 and 2023. Borrowings from the FHLB are secured by a blanket lien on the Credit Union's qualified mortgages and its FHLB capital stock.

MAINE SAVINGS FEDERAL CREDIT UNION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2024 and 2023

10. Borrowings (Continued)

The Credit Union is able to borrow from the Federal Reserve Bank of Boston through the Borrower-In-Custody program. The program allows the Credit Union to borrow money based upon a percentage of eligible collateral. The Credit Union had pledged approximately \$0 and \$2,226,000 in share certificates at March 31, 2024 and 2023, respectively, in conjunction with the program, but had not borrowed any funds in either year.

Federal Home Loan Bank Advances

At March 31, 2024, the scheduled maturities of FHLB advances are as follows:

2025	\$	—
2026		—
2027		—
2028		<u>20,000,000</u>
		<u>\$20,000,000</u>

The advance at March 31, 2024 bears an interest rate of 3.86% and is callable in August 2024 and then quarterly thereafter.

The Credit Union did not have any FHLB advances as of March 31, 2023.

11. Regulatory Matters

Net Worth Levels

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

Quantitative measures established by regulation to ensure capital adequacy require the Credit Union to maintain minimum amounts and ratios (set forth in the table below) of net worth (as defined) to total assets (as defined). Effective January 1, 2022, Credit Unions are considered complex if total assets exceed \$500 million which also requires a risk-based capital ratio (as defined) to be calculated. As of March 31, 2024 and 2023, the Credit Union's total assets exceed \$500 million and it is considered complex. Management believes, as of March 31, 2024, that the Credit Union meets all capital adequacy requirements to which it is subject.

MAINE SAVINGS FEDERAL CREDIT UNION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2024 and 2023

11. Regulatory Matters (Continued)

The most recent notification from the NCUA categorized the Credit Union as “well capitalized” under the regulatory framework for prompt corrective action. To be categorized as “well capitalized” the Credit Union must maintain a minimum net worth ratio of 7.0% of assets and maintain a risk-based capital ratio of 10% or greater. There are no conditions or events since that notification that management believes have changed the institution’s category.

The Credit Union’s regulatory capital amounts and ratios at March 31, 2024 and 2023 are presented in the table below:

	<u>Actual</u>		<u>To Be Adequately Capitalized Under Prompt Corrective Action Provisions</u>		<u>To Be Well Capitalized Under Prompt Corrective Action Provisions</u>	
	<u>Amount</u>	<u>Ratio</u>	<u>Amount</u>	<u>Ratio</u>	<u>Amount</u>	<u>Ratio</u>
March 31, 2024:						
Net worth	\$58,641,915	7.62%	\$46,180,075	6.0%	\$53,876,754	7.0%
Risk-based capital	55,743,235	11.22	39,743,605	8.0	49,679,506	10.0
March 31, 2023:						
Net worth	\$53,789,990	8.02%	\$40,220,560	6.0%	\$46,923,986	7.0%
Risk-based capital	50,373,844	11.84	34,027,526	8.0	42,534,408	10.0

12. Employee Benefits

Defined Contribution Plan

The Credit Union has a defined contribution pension plan which covers substantially all employees. Contributions are made annually, up to a maximum of 6% of eligible wages, and amounted to \$572,085 and \$426,498 for the years ended March 31, 2024 and 2023, respectively.

Deferred Compensation Plan

The Credit Union has a deferred compensation plan covering certain officers of the Credit Union. The assets related to this plan are included in other investments on the consolidated statement of financial condition. Participants in the plan accrue benefits to the extent the assets earmarked for the participants exceed certain amounts based on investment performance. The deferred compensation liability represents the amounts owed to plan participants. The accrued benefit at March 31, 2024 and 2023 was \$1,022,628 and \$529,508, respectively. For the year ended March 31, 2024, the amount recognized as a gain related to these investments was \$1,004,659 and the amount recognized as benefit expense was \$552,837. For the year ended March 31, 2023, the amount recognized as a loss on other investments was \$1,259,493 and the amount recognized as a reduction of benefit expense was \$761,008.

MAINE SAVINGS FEDERAL CREDIT UNION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2024 and 2023

13. Contingent Liabilities and Commitments

Financial Instruments

The Credit Union is a party to financial instruments with off-balance-sheet risk. These instruments, which arise in the normal course of business, are commitments to extend credit to members in the form of residential loans, credit card loans and home equity loans. The commitments involve varying degrees of credit and interest rate risk in excess of the amount recognized in the statement of financial condition. The Credit Union follows the same credit policies in making commitments and conditional obligations as it does for on-balance-sheet instruments, including requiring similar collateral or other security to support financial instruments with credit risk. The Credit Union's exposure to credit loss in the event of nonperformance by the member is represented by the contractual notional amount of those instruments.

Financial instruments whose contract amounts represent credit risk total approximately the following amounts at March 31, 2024 and 2023:

	<u>2024</u>	<u>2023</u>
Undisbursed lines of credit	\$57,006,591	\$53,875,555
Mortgage loans approved	8,607,000	10,956,000
Member privilege program (overdraft protection)	9,707,793	9,510,000
Credit card available credit	48,320,545	37,888,230

Commitments generally have fixed expiration dates or other termination clauses. Since a portion of the commitments are expected to expire without being drawn upon, the total commitment amounts do not necessarily represent future cash requirements.

The Credit Union recognizes an allowance for credit losses related to off-balance sheet loan commitments using risk factors similar to those used to estimate the allowance for credit losses on loans. The Credit Union has recorded a liability of \$321,568 as of March 31, 2024, which is included in accrued expenses in the consolidated statement of financial condition.

14. Fair Value of Financial Instruments

Fair Value Measurements

The Credit Union is required to use certain fair value measurements for all financial instruments that are being measured and reported on a fair value basis.

MAINE SAVINGS FEDERAL CREDIT UNION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2024 and 2023

14. Fair Value of Financial Instruments (Continued)

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. In determining fair value, the Credit Union uses various methods, including market, income and cost approaches. Based on these approaches, the Credit Union often utilizes certain assumptions that market participants would use in pricing the asset or liability, including assumptions about risk and or the risks inherent in the inputs to the valuation technique. These inputs can be readily observable, market corroborated, or generally unobservable inputs. The Credit Union utilizes valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs. Based on the observability of the observable inputs used in the valuation techniques, the Credit Union is required to provide the following information according to the fair value hierarchy. The fair value hierarchy ranks the quality and reliability of the information used to determine fair values. Financial assets and liabilities carried at fair value will be classified and disclosed in one of the following three categories:

Level 1 – Valuations based on quoted prices in active markets for identical assets or liabilities. Valuations are obtained from readily available pricing sources for market transactions involving identical assets or liabilities.

Level 2 – Valuations for assets and liabilities not traded in active dealer markets. Valuations are based on inputs other than quoted prices that are observable or corroborated by observable data.

Level 3 – Valuations for assets and liabilities that are derived from other valuation methodologies, including option pricing models, discounted cash flow models and similar techniques, and not based on market exchange, dealer, or broker traded transactions. Level 3 valuations incorporate certain assumptions and projections in determining the fair value assigned to such assets or liabilities.

In determining the appropriate levels, the Credit Union performs a detailed analysis of the assets and liabilities that are subject to fair value measurement. At each reporting period, all assets and liabilities for which the fair value measurement is based on significant unobservable inputs are classified as Level 3.

The Credit Union's mutual fund investments are classified within Level 1 of the fair value hierarchy based on quoted market prices in an active exchange for identical securities.

Fair Value on a Recurring Basis

The table below presents the balances of assets included in other investments measured at fair value on a recurring basis as of March 31, 2024 and 2023.

	<u>Total</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
<u>2024</u>				
Mutual funds	<u>\$11,481,280</u>	<u>\$11,481,280</u>	<u>\$ —</u>	<u>\$ —</u>
<u>2023</u>				
Mutual funds	<u>\$11,864,357</u>	<u>\$11,864,357</u>	<u>\$ —</u>	<u>\$ —</u>