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**FEDERAL DEPOSIT INSURANCE CORPORATION  
WASHINGTON, D.C. 20429**

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**FORM 8-K**

**CURRENT REPORT PURSUANT TO  
SECTION 13 OR 15(d) OF THE  
SECURITIES EXCHANGE ACT OF 1934**

Date of report (Date of earliest event reported): February 6, 2025

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**NORTHEAST BANK**

(Exact name of registrant as specified in its charter)

**Maine**  
\_\_\_\_\_  
(State or other jurisdiction of  
incorporation)

**01-0029040**  
\_\_\_\_\_  
(IRS Employer Identification  
No.)

**27 Pearl Street  
Portland, Maine**  
\_\_\_\_\_  
(Address of principal executive  
offices)

**04101**  
\_\_\_\_\_  
(Zip Code)

Registrant's telephone number, including area code **(207) 786-3245**

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (17 CFR §230.405) or Rule 12b-2 of the Securities Exchange Act of 1934 (17 CFR §240.12b-2). Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

## **Item 8.01 Other Events**

Subsequent to the filing of the Annual Report on Form 10-K for the year ended June 30, 2024 and the Quarterly Report on Form 10-Q for the period ended September 30, 2024, management identified two components within two existing internal controls over financial reporting that were deficient. The controls in question are specific to the calculation of the Allowance for Credit Losses.

The Bank determined that the foregoing deficiencies constituted a material weakness<sup>1</sup> in the Bank's internal control over financial reporting as of June 30, 2024 and September 30, 2024, which is described in more detail below.

This material weakness did not result in any material misstatement of the Bank's financial statements for the year ended June 30, 2024 included in our Form 10-K or for the period ended September 30, 2024 included in our Form 10-Q, and accordingly, we have concluded that the financial statements and other financial information included in our Form 10-K and Form 10-Q present fairly, in all material respects, our financial position, results of operations, and cash flows for the periods presented.

### **Controls Summary**

The Bank has designed and implemented a significant number of internal controls over financial reporting relating to the Allowance for Credit Losses. In performing procedures for the period ended December 31, 2024, management identified deficiencies in both the design and operation of certain elements within the following two controls, impacting the periods ending June 30, 2024 and September 30, 2024:

- (1) the review of the accuracy of certain inputs to the amortized cost basis used to calculate the Allowance for Credit Losses for purchased loans which are evaluated using a discounted cash flow methodology; and
- (2) the review of the sufficiency of the collective Allowance for Credit Losses for the purchased loan portfolio in relation to both supportable expectations of the future and recent performance of the loan portfolio.

These reviews were designed to detect errors at an aggregate level but were not designed to operate at a sufficient level of precision to detect potential errors in individual components of the Allowance for Credit Losses that do not aggregate to a material net amount. These deficiencies create a possibility that material misstatements in financial reporting processes and financial statement accounts in the Bank's audited financial statements will not be prevented or detected on a timely basis and, therefore, based on the assessment, management has concluded that they represent a material weakness in the Bank's internal control over financial reporting and it must therefore be concluded that the Bank's internal control over financial reporting was not effective as of June 30, 2024 and September 30, 2024.

### **Remediation**

We are committed to remediating deficiencies in a timely manner. The remediations already implemented include, but are not limited to, a more granular review of the inputs used in the discounted cash flow calculations and a more precise review of the components that aggregate to the total Allowance for Credit Losses.

The Audit Committee of our Board of Directors and Bank's management will closely monitor the effectiveness of remediation already in place as well as any additional remediation that our management identifies as necessary. We expect that the testing of not only the design but also the operation of these remediations will be completed prior to the end of fiscal year 2025.

<sup>1</sup> A material weakness is a deficiency, or a combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of the Bank's annual or interim financial statements will not be prevented or detected on a timely basis.

A Form 10-K/A for the year ended June 30, 2024 will be filed to (i) amend Part I, Item 1A “Risk Factors” to disclose additional risk factors; (ii) amend Part II, Item 9A “Controls and Procedures” to address management’s re-evaluation of disclosure controls and procedures and reflect the identification of material weaknesses in internal control over financial reporting, (iii) amend RSM’s opinion on the Bank’s internal control over financial reporting, and (iv) amend RSM’s opinion on the consolidated financial statements included in Part II, Item 8 “Financial Statements and Supplementary Data” of the Original Form 10-K solely to include a reference to RSM’s updated report on internal control over financial reporting. In addition, a Form 10-Q/A for the period ended September 30, 2024 will be filed solely to amend Part I, Item. 4 “Controls and Procedures” to address management’s re-evaluation of disclosure controls and procedures and reflect the identification of a material weaknesses in internal control over financial reporting.

**SIGNATURE**

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

NORTHEAST BANK

By: /s/ Richard Wayne  
Name: Richard Wayne  
Title: President and Chief Executive Officer

Date: February 6, 2025