

FEDERAL DEPOSIT INSURANCE CORPORATION

Washington, D.C. 20429

FORM 10-Q/A

(Amendment No. 1)

(Mark one)

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

For the quarterly period ended September 30, 2024

OR

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

For the transition period _____ to _____.

FDIC Certificate No. 19690

NORTHEAST BANK

(Exact name of registrant as specified in its charter)

Maine

(State or other jurisdiction of
incorporation or organization)

01-0029040

(I.R.S. Employer
Identification No.)

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

04101
(Zip Code)

(207) 786-3245

(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

Voting Common Stock, \$1.00 par value
(Title of each class)

NBN
(Trading Symbol)

The NASDAQ Stock Market LLC
(Name of each exchange on which registered)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15 (d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subjected to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer

Accelerated filer

Non-accelerated filer

Smaller reporting company

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.

Indicate by check mark whether the registrant is a shell company (as defined by Rule 12b-2 of the Exchange Act). Yes No

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date. As of November 1, 2024, the registrant had outstanding 8,206,294 shares of voting common stock, \$1.00 par value per share and zero shares of non-voting common stock, \$1.00 par value per share.

EXPLANATORY NOTE

This Amendment No. 1 on Form 10-Q/A (this “Amendment”) amends the Quarterly Report on Form 10-Q for the fiscal quarter ended September 30, 2024 (the “Original Form 10-Q”), filed by Northeast Bank (the “Bank”) with the Federal Deposit Insurance Corporation (the “FDIC”) on November 7, 2024. Unless otherwise indicated or unless the context requires otherwise, all references herein to this “Quarterly Report on Form 10-Q”, this “Form 10-Q”, this “Quarterly Report” and similar names refer to the Original Form 10-Q, as amended by this Amendment.

Subsequent to the filing of our Annual Report on Form 10-K for the year ended June 30, 2024 and the Original Form 10-Q, management identified two sub-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.

Subsequently, on February 6, 2025, the Bank determined, and RSM US LLP concurred, that the foregoing deficiencies constituted a material weakness in the Bank’s internal control over financial reporting as of June 30, 2024 and through the period covered by the Original Form 10-Q and that the Bank’s disclosure controls and procedures were not effective as of September 30, 2024. For a more detailed description of this material weakness and its remediation, refer to Part I, Item. 4, “Controls and Procedures.”

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

This Amendment is being filed 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. Part II, Item 6, “Exhibits” also has been amended to include currently dated certifications from our Chief Executive Officer and Chief Financial Officer as required by Sections 302 and 906 of the Sarbanes-Oxley Act of 2002. The certifications are attached to this Amendment as Exhibits 31.1, 31.2, 32.1 and 32.2.

This Amendment is limited in scope to the portions of this Amendment set forth above, and does not modify, amend, or update in any way any other items or disclosures contained in the Original Form 10-Q, including the unaudited financial statements set forth in the Original Form 10-Q.

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PART I – FINANCIAL INFORMATION

Item 4. Controls and Procedures

The Bank maintains controls and procedures designed to ensure that information required to be disclosed in the reports the Bank files or submits under the Securities Exchange Act of 1934 (“Exchange Act”) is recorded, processed, summarized and reported within the time periods specified in the rules and forms of the FDIC, and that such information is accumulated and communicated to the Bank’s management, including the Chief Executive Officer and Chief Financial Officer (the Bank’s principal executive officer and principal financial officer, respectively), as appropriate to allow for timely decisions regarding timely disclosure. In designing and evaluating disclosure controls and procedures, management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives, and management is required to apply its judgment in evaluating the cost/benefit relationship of possible controls and procedures.

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 September 30, 2024. There were no changes in the Bank’s internal control over financial reporting that have materially affected, or are reasonable likely to materially affect, the Bank’s internal control over financial reporting during the three months ended September 30, 2024.

Notwithstanding the newly identified material weakness referred to above, management, including our Chief Executive Officer and Chief Financial Officer, believe that the unaudited financial statements contained in the originally-filed Quarterly Report on Form 10-Q for the quarter ended September 30, 2024 fairly present, in all material respects, the financial condition, results of operations and cash flows of the Bank for all periods presented in accordance with accounting principles generally accepted in the United States of America.

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 efforts 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.

PART II – OTHER INFORMATION

Item 6. Exhibits

<u>Exhibits No.</u>	<u>Description</u>
31.1	Certification of the Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 (Rule 13a-14(a)). *
31.2	Certification of the Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 (Rule 13a-14(a)). *
32.1	Certificate of the Chief Executive Officer Pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (Rule 13a-14(b)). **
32.2	Certificate of the Chief Financial Officer Pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (Rule 13a-14(b)). **

* Filed herewith

** Furnished herewith

SIGNATURES

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

Date: February 6, 2025

NORTHEAST BANK

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

By: /s/ Richard Cohen
Richard Cohen
Chief Financial Officer

Exhibit 31.1 Certification of the Chief Executive Officer

**Chief Executive Officer Certification
Pursuant To Section 302 Of
The Sarbanes-Oxley Act Of 2002**

I, Richard Wayne, certify that:

1. I have reviewed Amendment No.1 to the Quarterly Report on Form 10-Q of Northeast Bank for the quarterly period ended September 30, 2024 (the "Report");
2. Based on my knowledge, this Report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this Report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this Report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this Report based on such evaluation; and
 - (d) Disclosed in this Report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

February 6, 2025

/s/ Richard Wayne
Richard Wayne
Chief Executive Officer

Exhibit 31.2 Certification of the Chief Financial Officer

**Chief Financial Officer Certification
Pursuant To Section 302 Of
The Sarbanes-Oxley Act Of 2002**

I, Richard Cohen, certify that:

1. I have reviewed Amendment No.1 to the Quarterly Report on Form 10-Q of Northeast Bank for the quarterly period ended September 30, 2024 (the "Report");
2. Based on my knowledge, this Report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this Report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this Report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this Report based on such evaluation; and
 - (d) Disclosed in this Report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

February 6, 2025

/s/ Richard Cohen
Richard Cohen
Chief Financial Officer

Exhibit 32.1. Certificate of the Chief Executive Officer

**Certification of the Chief Executive Officer Pursuant to
18 U.S.C. Section 1350,
As Adopted Pursuant to
Section 906 of the Sarbanes-Oxley Act of 2002**

In connection with Amendment No.1 to the Quarterly Report of Northeast Bank (the "Bank") on Form 10-Q for the quarterly period ended September 30, 2024 (the "Report"), I, Richard Wayne, as Chief Executive Officer of the Bank, hereby certify pursuant to 18 U.S.C. 1350, as adopted pursuant to 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d), as applicable, of the Securities Exchange Act of 1934, as amended; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Bank for the dates and the periods covered by the Report.

This certification shall not be deemed "filed" for any purpose, nor shall it be deemed to be incorporated by reference into any filing under the Securities Act of 1933 or the Securities Exchange Act of 1934 regardless of any general incorporation language in such filing.

February 6, 2025

/s/ Richard Wayne
Richard Wayne
Chief Executive Officer

Exhibit 32.2. Certificate of the Chief Financial Officer

**Certification of the Chief Financial Officer Pursuant to
18 U.S.C. Section 1350,
As Adopted Pursuant to
Section 906 of the Sarbanes-Oxley Act of 2002**

In connection with Amendment No.1 to the Quarterly Report of Northeast Bank (the "Bank") on Form 10-Q for the quarterly period ended September 30, 2024 (the "Report"), I, Richard Cohen, as Chief Financial Officer of the Bank, hereby certify pursuant to 18 U.S.C. 1350, as adopted pursuant to 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d), as applicable, of the Securities Exchange Act of 1934, as amended; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Bank for the dates and the periods covered by the Report.

This certification shall not be deemed "filed" for any purpose, nor shall it be deemed to be incorporated by reference into any filing under the Securities Act of 1933 or the Securities Exchange Act of 1934 regardless of any general incorporation language in such filing.

February 6, 2025

/s/ Richard Cohen
Richard Cohen
Chief Financial Officer