Equitable Financial Corp.

Independent Auditor's Report and
Consolidated Financial Statements

June 30, 2024 and 2023

Equitable Financial Corp.

June 30, 2024 and 2023

Contents

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Independent Auditor's Report

Audit Committee, Board of Directors and Stockholders
Equitable Financial Corp.
Grand Island, Nebraska

Opinion

We have audited the consolidated financial statements of Equitable Financial Corp. and its subsidiary, which comprise the consolidated balance sheets as of June 30, 2024 and 2023, and the related consolidated statements of income, comprehensive income, stockholders' equity, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of Equitable Financial Corp. and its subsidiary as of June 30, 2024 and 2023, and the results of their operations and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

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 "Auditor's Responsibilities for the Audit of the Consolidated Financial Statements" section of our report. We are required to be independent of Equitable Financial Corp. 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.

Emphasis of Matter

As discussed in Note 1 to the consolidated financial statements, in 2024, Equitable Financial Corp. and subsidiaries adopted new accounting guidance ASU 2016-13, Financial Instruments – Credit Losses (Topic 326). Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with 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 consolidated 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 consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Equitable Financial Corp.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Equitable Financial Corp.'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.

Forvis Mazars, LLP

Omaha, Nebraska
September 27, 2024

Equitable Financial Corp.

Consolidated Balance Sheets

June 30, 2024 and 2023

Assets	2024	2023
Cash and due from financial institutions	$ 10,155,683	$ 6,705,585
Interest-bearing deposits	4,484,312	1,698,970
Federal funds sold	2,407,000	-
	17,046,995	8,404,555
Interest-bearing time deposits in banks	424,000	249,000
Securities available-for-sale	23,997,405	30,233,000
Securities held-to-maturity	3,795	7,979
Federal Home Loan Bank stock, at cost	1,488,600	2,016,900
Federal Reserve stock, at cost	471,550	473,400
Loans, including loans held for sale of $789,500 in 2024 and $162,000 in 2023 and net of allowance for credit losses of $6,027,000 in 2024 and allowance for loan losses of $6,217,000 in 2023	446,168,694	419,720,970
Premises and equipment, net	7,713,383	8,162,359
Foreclosed assets, net	1,467,000	-
Accrued interest receivable	3,780,792	3,038,319
Deferred taxes, net	795,581	905,462
Customer list intangibles	1,101,706	1,274,391
Bank-owned life insurance	4,054,607	3,942,259
Other assets	2,708,137	2,620,129
Total assets	$ 511,222,245	$ 481,048,723

Liabilities and Stockholders' Equity

Liabilities		
Noninterest-bearing deposits	$ 53,054,379	$ 57,448,538
Interest-bearing deposits	396,100,537	354,821,128
	449,154,916	412,269,666
Line of credit	275,000	685,000
Federal funds purchased	-	2,888,000
Federal Home Loan Bank borrowings	8,000,000	15,000,000
Advance payments from borrowers for taxes and insurance	995,822	884,811
Accrued interest payable and other liabilities	3,283,106	2,857,233
Total liabilities	461,708,844	434,584,710
Common stock in ESOP subject to contingent repurchase obligations	1,698,450	1,484,656
Stockholders' Equity		
Common stock, $0.01 par value, 25,000,000 shares authorized 2,624,265 and 2,666,305 shares issued and outstanding at June 30, 2024 and 2023, respectively	26,243	26,663
Additional paid-in capital	16,931,425	17,483,294
Retained earnings	33,291,123	30,535,299
Unearned ESOP shares	(547,432)	(595,096)
Shares reserved for stock compensation	(4,359)	(18,074)
Accumulated other comprehensive loss, net of tax	(183,599)	(968,073)
Reclassification of ESOP shares	(1,698,450)	(1,484,656)
Total stockholders' equity	47,814,951	44,979,357
Total liabilities and stockholders' equity	$ 511,222,245	$ 481,048,723

Equitable Financial Corp.

Consolidated Statements of Income

Years Ended June 30, 2024 and 2023

	2024	2023
Interest Income		
Loans	$ 25,195,275	$ 20,638,672
Securities	478,381	404,851
Other	640,474	269,586
Total interest income	26,314,130	21,313,109
Interest Expense		
Deposits	12,000,650	5,602,119
Federal Home Loan Bank borrowings	550,154	439,030
Other	83,511	180,625
Total interest expense	12,634,315	6,221,774
Net Interest Income	13,679,815	15,091,335
Provision for Credit Losses	(27,237)	466,853
Net Interest Income After Provision for Loan Losses	13,707,052	14,624,482
Noninterest Income		
Service charges on deposit accounts	1,188,811	1,289,063
Brokerage fee income	2,336,924	2,197,116
Gain on sale of loans	211,441	172,863
Other loan fees	778,426	645,356
Other income	499,104	504,990
Total noninterest income	5,014,706	4,809,388
Noninterest Expense		
Salaries and employee benefits	8,534,895	8,180,513
Director and committee fees	171,500	153,104
Data processing fees	1,270,909	1,124,904
Occupancy and equipment	1,342,116	1,385,330
Regulatory fees and deposit insurance premium	336,399	263,118
Advertising and public relations	362,335	436,665
Professional fees	496,816	365,534
Supplies, telephone and postage	98,276	104,267
Other expenses	2,631,228	2,751,742
Total noninterest expense	15,244,474	14,765,177
Income Before Income Taxes	3,477,284	4,668,693
Income Tax Expense	(763,538)	(1,080,767)
Net Income	$ 2,713,746	$ 3,587,926
Basic Earnings Per Share	$ 0.92	$ 1.21
Diluted Earnings Per Share	$ 0.92	$ 1.21

Equitable Financial Corp.
Consolidated Statements of Comprehensive Income
Years Ended June 30, 2024 and 2023

	2024	2023
Net Income	$ 2,713,746	$ 3,587,926
Other Comprehensive Gain (Loss)		
Unrealized gain (loss) on securities available-for-sale, net of tax	784,474	(65,213)
Comprehensive Income	$ 3,498,220	$ 3,522,713

Equitable Financial Corp.

Consolidated Statements of Stockholders' Equity

Years Ended June 30, 2024 and 2023

	Common Stock	Additional Paid-In Capital	Retained Earnings	Unearned ESOP Shares	Shares Reserved for Stock Compensation	Accumulated Other Comprehensive Income (Loss)	Amount Reclassified on ESOP Shares	Total
Balance, June 30, 2022	$ 27,530	$ 18,666,554	$ 26,947,373	$ (642,711)	$ (38,389)	$ (902,860)	$ (1,647,542)	$ 42,409,955
Net income	-	-	3,587,926	-	-	-	-	3,587,926
Other comprehensive loss	-	-	-	-	-	(65,213)	-	(65,213)
Release of 5,952 unearned ESOP shares	-	26,620	-	47,615	-	-	-	74,235
Stock compensation expense	-	10,422	-	-	20,315	-	-	30,737
Equity Incentive Plan stock issued	300	296,700	-	-	-	-	-	297,000
Stock buyback	(1,167)	(1,517,002)	-	-	-	-	-	(1,518,169)
Reclassification due to release and change in fair value of common stock in ESOP subject to contingent repurchase obligation of ESOP	-	-	-	-	-	-	162,886	162,886
Balance, June 30, 2023	26,663	17,483,294	30,535,299	(595,096)	(18,074)	(968,073)	(1,484,656)	44,979,357
Net income	-	-	2,713,746	-	-	-	-	2,713,746
CECL implementation	-	-	42,078	-	-	-	-	42,078
Other comprehensive gain	-	-	-	-	-	784,474	-	784,474
Release of 5,958 unearned ESOP shares	-	23,542	-	47,664	-	-	-	71,206
Stock compensation expense	-	6,591	-	-	13,715	-	-	20,306
Stock buyback	(420)	(497,166)	-	-	-	-	-	(497,586)
Other	-	(84,836)	-	-	-	-	-	(84,836)
Reclassification due to release and change in fair value of common stock in ESOP subject to contingent repurchase obligation of ESOP	-	-	-	-	-	-	(213,794)	(213,794)
Balance, June 30, 2024	$ 26,243	$ 16,931,425	$ 33,291,123	$ (547,432)	$ (4,359)	$ (183,599)	$ (1,698,450)	$ 47,814,951

Equitable Financial Corp.

Consolidated Statements of Cash Flows

Years Ended June 30, 2024 and 2023

	2024	2023
Operating Activities		
Net income	$ 2,713,746	$ 3,587,926
Items not requiring (providing) cash		
Depreciation	632,012	714,078
Federal Home Loan Bank stock dividends	(137,900)	(127,700)
ESOP expense	71,206	74,235
Stock compensation expense	20,306	30,737
Bank Owned Life Insurance Value Adjustments	(112,348)	(107,868)
Amortization of deferred loan origination costs and fees, net	(366,163)	432,487
Amortization of intangibles	172,685	172,686
Amortization of premiums and discounts	25,441	320,439
Equity securities adjustment	(18,540)	(23,045)
Gain on sale of loans	(211,441)	(172,863)
Loss (Gain) on disposal of premises and equipment	17,574	134,033
Provision for credit losses	(27,237)	466,853
Deferred taxes	(98,650)	(168,672)
Loans originated for sale	(10,390,731)	(8,041,184)
Proceeds from sale of loans	10,602,172	8,214,047
Equity Incentive Plan stock issued	-	297,000
Other	(84,836)	-
Changes in		
Accrued interest receivable	(742,473)	(728,130)
Other assets	(69,468)	406,016
Accrued interest payable and other liabilities	322,873	445,217
Net cash provided by operating activities	2,318,228	5,926,292
Investing Activities		
Net change in loans	(27,376,247)	(30,863,600)
Proceeds from sale of foreclosed assets, net	-	-
Purchase of certificates of deposit	(175,000)	(249,000)
Securities available-for-sale		
Proceeds from calls and principal repayments	21,868,943	1,348,475
Purchases	(14,665,784)	-
Securities held-to-maturity		
Proceeds from calls and principal repayments	4,184	4,984
Redemption of Federal Home Loan Bank stock	666,200	1,235,600
Purchases of Federal Home Loan Bank stock	-	(1,626,200)
Purchases of Federal Reserve stock	(450)	(850)
Redemption of Federal Reserve stock	2,300	-
Proceeds from sale of premises and equipment	-	40,369
Purchase of premises and equipment	(200,609)	(323,565)
Net cash used in investing activities	(19,876,463)	(30,433,787)
Financing Activities		
Net change in deposits	36,885,250	16,111,663
Net change in line of credit	(410,000)	(1,139,817)
Net federal funds purchased	(2,888,000)	(640,000)
Proceeds from Federal Home Loan Bank borrowings	10,000,000	15,000,000
Repayments of Federal Home Loan Bank borrowings	(17,000,000)	(6,000,000)
Net change in advance payments from borrowers for taxes and insurance	111,011	162,365
Repayment of customer list payable	-	(125,000)
Stock buyback	(497,586)	(1,518,169)
Net cash provided by financing activities	26,200,675	21,851,042

Equitable Financial Corp.

Consolidated Statements of Cash Flows - Continued

Years Ended June 30, 2024 and 2023

	2024	2023
Increase (Decrease) in Cash and Cash Equivalents	$ 8,642,440	$ (2,656,453)
Cash and Cash Equivalents		
Beginning	8,404,555	11,061,008
Ending	$ 17,046,995	$ 8,404,555
Supplemental Cash Flows Information		
Interest paid on deposits and borrowings	$ 12,183,758	$ 5,807,324
Income taxes paid	$ 862,940	$ 1,426,216
Supplemental Noncash Disclosure		
Transfer of loans to foreclosed assets	$ 1,488,600	$ -

Note 1: Nature of Operations and Summary of Significant Accounting Policies

Principles of Consolidation

The accompanying consolidated financial statements include the accounts of Equitable Financial Corp. (the "Company") and its wholly-owned subsidiary, Equitable Bank (the "Bank"). All significant intercompany transactions and balances are eliminated in consolidation.

Accounting Standard Adopted in Current Period

Effective July 1, 2023, the Company adopted ASU 2016-13, Financial Instrument – Credit Losses (Topic 326), Measurement of Credit Losses on Financial Instruments related to the impairment of financial instruments using modified retrospective method. This guidance, commonly referred to as Current Expected Credit Loss ("CECL"), changes impairment recognition to a model that is based on expected losses rather than incurred losses. The measurement of expected credit losses under the CECL methodology is applicable to financial assets measured at amortized cost, including loan receivables, held-to-maturity debt securities, available-for-sale debt securities, and off-balance sheet credit exposures. Periods prior to this change are presented as described in the Company's 2023 Audited Financial Statements.

Upon adoption of the guidance, the Company recognized a net increase in retained earnings of $42,078 as a result of a decrease in their allowance for credit loss on loans of $190,000 and an increase of $147,922 to record the reserve for unfunded loan commitments. The Company does not intend to opt into the initial capital decrease offered by the Federal Banking Regulatory Agencies as the impact of adoption was not significant to the Company's regulatory capital.

The allowance for credit losses (ACL) is established for current expected credit losses on the Company's loan portfolio, which includes unfunded credit commitments. Prior to adoption, the ACL was established based on an incurred loss model. Upon adoption, certain loan classification and segmentation categories were analyzed by management.

The adoption of this guidance did not have a material impact on the Company's available-for-sale securities as most of this portfolio consists of U.S. treasury and highly rated residential agency mortgage-backed securities. However, any subsequent estimated credit losses are required to be recognized through an allowance for credit losses associated with the applicable securities.

As of July 1, 2023, the Company also adopted ASU 2022-02, Financial Instruments – Credit Losses (Topic 326), Troubled Debt Restructurings and Vintage Disclosures. The standard enhances disclosure requirements and modifies the criteria for identification of troubled debt restructurings while also requiring applicable vintage tables (if required). The implementation of the standard did not have a material impact on the identification of troubled debt restructurings and the vintage disclosures are not applicable to the Company as they are not a public business entity.

Note 1: Nature of Operations and Summary of Significant Accounting Policies - Continued

Stock Conversion

On July 8, 2015, Equitable Financial, MHC, the Company's former federally chartered mutual holding company, consummated its "second step" mutual-to-stock conversion, and the Company consummated its initial stock offering. In the offering, the Company sold 1,983,160 shares of its common stock, par value $0.01 per share, at $8.00 per share in a subscription offering and community offering, including 118,989 shares, equal to 6.0% of the shares sold in the offering, to the Equitable Bank employee stock ownership plan.

In accordance with applicable federal conversion regulations, at the time of the completion of our mutual-to-stock conversion, we established a liquidation account in an amount equal to the Company's total equity as of the latest balance sheet date in the final prospectus used in the Conversion. Each eligible account holder or supplemental account holder is entitled to a proportionate share of this liquidation account in the event of a complete liquidation of the Bank, and only in such event. This share will be reduced if the eligible account holder's or supplemental account holder's deposit balance falls below the amounts on the date of record as of any June 30 and will cease to exist if the account is closed. The liquidation account will never be increased despite any increase after Conversion in the related deposit balance.

Following completion of the Conversion, the Bank may not declare, pay a dividend on, or repurchase any of its capital stock of the Bank if the effect thereof would cause retained earnings to be reduced below the liquidation account amount or regulatory capital requirements.

Nature of Business

The primary business of the Company is the ownership of the Bank. Through the Bank, the Company is engaged in the business of retail banking, with operations conducted through its main office and branches, which are located in Grand Island, North Platte, Omaha, and Elkhorn, Nebraska. The Bank's primary services include accepting deposits, making loans, and investing in securities.

Use of Estimates

In preparing the accompanying 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 at the date of the consolidated financial statements and the reported amounts of revenue and expenses for the reporting period. Estimates significant to the consolidated financial statement include the allowance for credit losses, mortgage servicing rights, foreclosed

Note 1: Nature of Operations and Summary of Significant Accounting Policies - Continued

Use of Estimates - Continued

assets, and fair values of financial instruments. Actual results could differ from those estimates. The allowance for credit losses is inherently subjective as it requires material estimates that are susceptible to significant change. The fair value disclosure of investments and other financial instruments is an estimate that can be computed within a range.

Risks and Uncertainties

Changes in economic conditions in the United States, and more specifically Nebraska, could impact the credit worthiness of the Company's borrowers and the borrowers' ability to service their outstanding loans with the Company. Additionally, the Company is subject to interest rate risk in which changes in the interest rate environment could negatively impact the Company's net interest margin.

Cash Flows

Cash and cash equivalents include cash, deposits with other financial institutions with maturities under 90 days when purchased, and federal funds sold, if any. Net cash flows are reported for customer loan and deposit transactions, and advance payments from borrowers for taxes and insurance.

At June 30, 2024, the Company's cash accounts exceeded federally insured limits by approximately $1,242,904.

Interest-Bearing Time Deposits Banks

Interest-bearing deposits in banks mature within one year and are carried at cost.

Securities

Securities are classified as held-to-maturity and carried at amortized cost when management has the positive intent and ability to hold them to maturity. Securities are classified as available-for-sale when they might be sold before maturity. Securities classified as available-for-sale are carried at fair value with unrealized holding gains and losses reported in other comprehensive income or loss, net of tax.

Interest income is recognized under the interest method and includes amortization of purchase premium and discount. Gains and losses on sales are recorded on the trade date based on the amortized cost of the security sold and determined using the specific identification method.

Note 1: Nature of Operations and Summary of Significant Accounting Policies - Continued

Securities - Continued

For available-for-sale securities in an unrealized loss position, the Company first assesses whether it intends to sell, or it is more likely than not, that it will be required to sell the security before recovery of its amortized cost basis. If either case is met, any previously recognized allowances are charged-off and the security's amortized cost is written down to fair value through income. If the aforementioned criteria are not met, the security is evaluated to determine whether the decline in fair value has resulted from credit losses or other factors. In making this assessment, management considers the extent to which fair value is less than amortized cost, any adverse conditions specifically related to the security, and any changes to the rating of the security by a rating agency, among other factors. If this assessment indicates a credit loss exists, the present value of cash flows expected to be collected from the security are compared to the amortized cost basis of the security. If the present value of cash flows expected to be collected is less than the amortized cost basis, a potential credit loss exists and an ACL is recorded for the credit loss, limited by the amount that the fair value is less than the amortized cost basis. Any estimated credit losses that have not been recorded through an ACL are recognized in other comprehensive income. Adjustments to the allowance are reported in our income statement as a component of credit loss expense. Management has elected to exclude accrued interest receivable on available-for-sale securities from the estimate of credit losses.

Prior to the adoption of ASU 2016-13, declines in the fair value of individual available-for sale securities below their cost that are other than temporary resulted in write-downs of the individual securities to their fair value. The Company monitored the investment security portfolio for impairment on an individual security basis and had a process in place to identify securities that could potentially have a credit impairment that was other than temporary. This process involved analyzing the length of time and the extent to which the fair value had been less than the amortized cost basis, the market liquidity for the security, the financial condition and near-term prospects of the issuer, expected cash flows, and the Company's intent and ability to hold the investment for a period of time sufficient to recover the temporary loss. The ability to hold was determined whether it is more likely than not that the Company would be required to sell the security before its anticipated recovery. A decline in value due to a credit event that was considered other than temporary was recorded as a loss in noninterest income.

Federal Home Loan Bank and Federal Reserve Stock

The Bank is a member of the Federal Home Loan Bank (FHLB) system. Members are required to own a certain amount of stock based on the level of borrowings and other factors and may invest in additional amounts. The Bank is regulated by the Federal Reserve. Those regulated by the Federal Reserve are required to own a certain amount of stock based on the level of assets. The stock does not have a readily determinable fair value and as such is classified as restricted stock, carried at cost, and evaluated for impairment. In accordance with the applicable accounting guidance, the stock's value is determined by the ultimate recoverability of the par value rather than by recognizing

Note 1: Nature of Operations and Summary of Significant Accounting Policies - Continued

Federal Home Loan Bank and Federal Reserve Stock - Continued

temporary declines. The determination of whether the par value will ultimately be recovered is influenced by criteria such as the following: (a) the significance of the decline in net assets of the FHLB or Federal Reserve as compared to the capital stock amount and the length of time this situation has persisted (b) commitments by the FHLB or Federal Reserve to make payments required by law or regulation and the level of such payments in relation to the operating performance (c) the impact of legislative and regulatory changes on the customer base of the FHLB or Federal Reserve and (d) the liquidity position of the FHLB or Federal Reserve. With consideration given to the previous criteria, management concluded that the stock was not impaired at June 30, 2024 and June 30, 2023.

Loans, Net

Loans that management has the intent and ability to hold for the foreseeable future or until maturity or payoff are stated at their outstanding unpaid principal balances, less an allowance for credit losses, premiums and discounts on loans purchased, and net deferred loan fees/costs. Interest income on loans is recognized over the term of the loan and is calculated using the simple interest method on principal amounts outstanding. Direct loan origination fees and costs are generally being deferred and the net amounts amortized as an adjustment of the related loan’s yield. The Company generally amortizes these amounts over the contractual life. Direct loan origination fees and costs related to loans sold to unrelated third parties are recognized as income or expense in the current consolidated statements of income.

The Company’s portfolio segments are as follows:

- Commercial
- Agricultural
- Residential real estate
- Other

The Company’s classes of loans are as follows:

- Commercial – operating
- Commercial – real estate
- Agricultural – operating
- Agricultural – real estate
- Residential real estate – 1-4 family
- Residential real estate – home equity
- Other – construction and land
- Other – consumer

Note 1: Nature of Operations and Summary of Significant Accounting Policies - Continued

Loans, Net - Continued

Generally, for all classes of loans, loans are considered past due when contractual payments are delinquent for 31 days or greater.

For all classes of loans, loans will generally be placed on nonaccrual status when the loan has become greater than 90 days past due; or when management believes, after considering collection efforts and other factors, that the borrower's financial condition is such that collection of interest is doubtful.

When a loan is placed on nonaccrual status, payments received will be applied to the principal balance. However, interest may be taken on a cash basis in the event the loan is fully secured and the risk of loss is minimal. Previously recorded but uncollected interest on a loan placed in nonaccrual status is accounted for as follows: if the previously accrued but uncollected interest and the principal amount of the loan is protected by sound collateral value based upon a current, independent qualified appraisal, such interest may remain on the Company's books. If such interest is not so protected, it is considered a loss with the amount thereof recorded in the current year being reversed against current interest income, and the amount recorded in the prior year being charged against the allowance for credit losses.

For all classes of loans, nonaccrual loans may be restored to accrual status provided the following criteria are met:

- The loan is current, and all principal and interest amounts contractually due have been made,
- The loan is well secured and in the process of collection, and
- Future principal and interest payments are not in doubt.

Allowance for credit losses on loans: On July 1, 2023, the Company adopted ASC 326 and additional related guidance using the Open Pool method. This method estimates expected credit losses based on charge-offs over time as a percentage of the balance of assets originated in various years that are outstanding as of a base year. The segmentation of loans considered to have similar credit characteristics will be organized by Call Report code, with certain subsets of loans possibly added as needed. Loan losses are charged against the allowance when management believes the loan balance to be uncollectible. Management has elected to exclude accrued interest receivable on loans from the estimate of credit losses.

Subsequent recoveries, if any, are credited to the allowance. Determining the adequacy of the allowance is complex and requires a high degree of judgement by management about the effect of matters that are inherently uncertain. While management is frequently monitoring the allowance, significant changes to the then-existing loan portfolio may be necessary in future periods based on prevailing factors.

Note 1: Nature of Operations and Summary of Significant Accounting Policies - Continued

Loans, Net - Continued

Groups of loans with similar risk characteristics are collectively evaluated and referred to as the general component. Loans that do not share risk characteristics are evaluated on an individual basis. Loans with similar risk characteristics are grouped into homogenous segments, or pools, for analysis.

For those loans that are individually evaluated, an allowance is established when the discounted cash flows or collateral value of the loan is lower than the carrying value of that loan. The general component covers nonclassified loans and estimated using relevant available information from internal and external sources, related to past events, current conditions, and reasonable and supportable forecasts. Historical credit loss experience provides the basis for the estimation of expected credit losses. Adjustments to historical loss information are made for differences in current loan-specific risk characteristics and are applied as a qualitative factor.

A loan is individually evaluated for allowance for credit loss when the scheduled payments of principal or interest when due according to the contractual terms of the loan agreement. Factors considered by management in determining impairment include payment status, collateral value, and the probability of collecting scheduled principal and interest payments when due. The Company evaluated all individually analyzed loans using collateral values for the years ending June 30, 2024 and 2023, respectively.

In determining the proper level of the ACL, management has determined that the loss experience of the Company provides the best basis for its assessment of expected credit losses. The Company therefore used its own historical credit loss experience by each loan segment over an economic cycle.

Management qualitatively adjusts model results for risk factors that are not considered within our modeling processes but are nonetheless relevant in assessing the expected credit losses within our loan pools. These qualitative factors (“Q-Factors”) and other qualitative adjustments may increase or decrease management's estimate of expected credit losses by a calculated percentage or amount based upon the estimated level of risk. The various risks that may be considered in making Q-Factors and other qualitative adjustments include, among other things, changes in economic conditions and projected future economic changes; trends in volume and terms of loans; effects of any changes in risk selection and underwriting standards; other changes in lending policies, procedures, and practices; the impact of peer experience; the experience, ability, and depth of lending management and other relevant staff; and loan underwriting volume, quality, and any significant loan concentrations.

Although management believes the allowance to be adequate, ultimate losses may vary from its estimates. At least quarterly, the board of directors reviews the adequacy of the allowance, including consideration of the relevant risks in the portfolio, current economic conditions, and other factors. If the board of directors and management determine changes are warranted based on those reviews, the allowance is adjusted. In addition, the Company’s primary regulator reviews the adequacy of the allowance. The regulatory agencies may require additions to the allowance based on their judgment about information available at the time of their examinations.

Note 1: Nature of Operations and Summary of Significant Accounting Policies - Continued

Loans, Net - Continued

Prior to the adoption of ASC 326, the allowance for loan losses was based on risk inherent in the loan portfolio and followed guidance established by Generally Accepted Accounting Principles (GAAP). The actual allocations were based on allowances for specific loans identified as probably losses. In addition, the Company used historical loss experience and current environmental factors to determine the amount of risk associated with each portfolio segment.

A discussion of the risk characteristics and the allowance for credit losses by each portfolio segment follows:

For commercial loans, the Company focuses on small and mid-sized businesses in their geographical footprint. The Company provides a wide range of commercial loans, including lines of credit for working capital and operational purposes, and term loans for the acquisition of real estate, facilities, equipment, and other purposes. Approval is generally based on the following factors:

- Sufficient cash flow to support debt repayment;
- Ability and stability of current management of the borrower;
- Positive earnings and financial trends;
- Earnings projections based on reasonable assumptions;
- Financial strength of the industry and business;
- Value and marketability of collateral.

Collateral for commercial loans generally includes accounts receivable, inventory, equipment and real estate. The lending policy specifies approved collateral types and corresponding maximum advance percentages. The value of collateral pledged on loans typically exceeds the loan amount by a margin sufficient to absorb potential erosion of its value in the event of foreclosure and cover the loan amount plus costs incurred to convert it to cash.

The lending policy specifies maximum term limits for commercial loans. For term loans, the typical maximum term is 10 years. The lending policy includes guidelines for real estate appraisals, including minimum appraisal standards based on certain transactions. Where the purpose of the loan is to finance depreciable equipment, the term loan generally does not exceed the estimated useful life of the asset. For lines of credit, the typical maximum term is 1 year. However, longer maturities may be approved if the loan is secured by readily marketable collateral.

In addition, the Company often takes personal guarantees to help assure repayment. Loans may be made on an unsecured basis if warranted by the overall financial condition of the borrower.

Agricultural loans are subject to underwriting standards and processes similar to commercial loans. The Company provides a wide range of agriculture loans, including lines of credit for working capital and operational purposes, and term loans for the acquisition of real estate, facilities, equipment, and other purposes.

Note 1: Nature of Operations and Summary of Significant Accounting Policies - Continued

Loans, Net - Continued

Approval is generally based on the following factors:

- Sufficient cash flow to support debt repayment;
- Ability and stability of current management of the borrower;
- Positive earnings and financial trends;
- Earnings projections based on reasonable assumptions;
- Financial strength of the industry and business; and
- Value and marketability of collateral.

Collateral for agricultural loans generally includes accounts receivable, inventory (typically grain or livestock), equipment and real estate. The lending policy specifies approved collateral types and corresponding maximum advance percentages. The value of collateral pledged on loans typically exceeds the loan amount by a margin sufficient to absorb potential erosion of its value in the event of foreclosure and cover the loan amount plus costs incurred to convert it to cash.

The lending policy specifies maximum term limits for agricultural loans. For term loans, the typical maximum term is 10 years. The lending policy includes guidelines for real estate appraisals, including minimum appraisal standards based on certain transactions. Where the purpose of the loan is to finance depreciable equipment, the term loan generally does not exceed the estimated useful life of the asset. For lines of credit, the typical maximum term is 1 year. However, longer maturities may be approved if the loan is secured by readily marketable collateral.

In addition, the Company often takes personal guarantees to help assure repayment. Loans may be made on an unsecured basis if warranted by the overall financial condition of the borrower.

In some instances, for all loans, it may be appropriate to originate or purchase loans that are exceptions to the guidelines and limits established within the lending policy described above and below. In general, exceptions to the lending policy do not significantly deviate from the guidelines and limits established within the lending policy and, if there are exceptions, they are clearly noted as such and specifically identified in loan approval documents.

For commercial, agriculture and construction and land loans, the Company utilizes the following internal risk rating scale:

(1) Highest Quality – Loans represent a credit extension of the highest quality. Excellent liquidity, management and character in an industry with favorable conditions. High quality financial information, history of strong cash flows and superior collateral including readily marketable assets, prime real estate, U.S. government securities, U.S. government agencies, highly rated municipal bonds, insured savings accounts, and insured certificates of deposit drawn on high-quality financial institutions.

Note 1: Nature of Operations and Summary of Significant Accounting Policies - Continued

Loans, Net - Continued

(2) Good Quality – Loans which have a sound primary and secondary source of repayment. Strong to good liquidity, management and character in an industry with favorable conditions. Good quality financial information and margins of cash flow coverage is consistently good. Loans may be unsecured, secured by quality (but less readily marketable) assets, high quality real estate or traded stocks, lower grade municipal bonds (which must still be investment grade), and uninsured certificates of deposit on other financial institutions may also be included in this grade.

(3) Acceptable Quality – Loans where the borrower is a reasonable credit risk and demonstrates the ability to repay the debt from normal business operations. Good liquidity, management and character in an industry that is more sensitive to external factors. Alternative sources of refinancing may be less available in periods of uncertain economic conditions. Term debt is moderate but cash flow margins fall within bank policy guidelines. Quality of financial information is adequate but is not as detailed and sophisticated as information found on higher-grade loans. Secured by business assets that conform to usual lending parameters for margin and eligibility or real estate that is deemed to be of satisfactory quality in an area that may not be prime but still within viable economic centers.

(4) Fair Quality – Loans where the borrower is a reasonable credit risk but shows a more erratic earnings history (a loss may have been realized in the past four years). Liquidity is limited and primary repayment is susceptible to unfavorable external factors. Industry characteristics are generally stable. Borrower is more highly leveraged with increased levels of term debt. Cash flow margins remain adequate but may not fall within the policy guidelines. Quality of financial information is adequate and interim reporting may be required. Secured by business assets with an adequate collateral margin or real estate that is of fair quality and location. Property may have limited alternative uses and may be considered a "special use" facility.

(5) Watch – A watch asset warrants increased monitoring and could have potential weaknesses that require further downgrading. Loans in this category exhibit a lower degree of liquidity and a higher degree of leverage relative to norms of its industry. Primary repayment is susceptible to unfavorable external factors and deteriorating based on financial trends. Secured by business assets with an adequate collateral margin and/or real estate that is of fair quality and location. Loans in this category require close attention by the assigned account manager and Senior Loan Committee. Interim financial reporting is required, as alternative sources of funding are limited. If financial trends do not improve within a reasonable time period, the loan should be considered for classified status.

Note 1: Nature of Operations and Summary of Significant Accounting Policies - Continued

Loans, Net - Continued

(6) Special Mention – Loans in this category have the potential for developing weaknesses that deserve extra attention from the account manager and other management personnel. If the developing weakness is not corrected or mitigated, the ability of the borrower to repay the Company's debt in the future may deteriorate. This grade should not be assigned to loans that bear certain peculiar risks normally associated with the type of financing involved, unless circumstances have caused the risk to increase to a level higher than would have been acceptable when the credit was originally approved. If a loan's actual, not potential, weakness or problems are clearly evident and significant it should generally be graded in one of the following grade categories.

(7) Substandard – Loans and other credit extensions are considered to be inadequately protected by the current sound worth and paying capacity of the obligor or of the collateral pledged, if any. These loans, even if apparently protected by collateral value, have a well-defined weakness or weaknesses that jeopardize the liquidation of debt. They are characterized by the distinct possibility that the Company will sustain some loss if the deficiencies are not corrected. Loss potential, while existing in the aggregate amount of substandard loans, does not have to exist in individual loans classified substandard.

(8) Doubtful – Loans and other credit extensions have all the weaknesses inherent in those graded "7" 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. The possibility of loss is extremely high, but because of certain important and reasonably specific pending factors, which may work to the advantage and strengthening of the loan, its classification as an estimated loss is deferred until its more exact status may be determined. Pending factors include: proposed merger, acquisition, or liquidation actions; capital injection; perfecting liens on collateral and refinancing plans. Loans in this classification should be placed in non-accrual status, with collections applied to principal.

(9) Loss – Loans are considered uncollectible and cannot be justified as a viable asset of the Bank. This classification does not mean the loan has absolutely no recovery value. However, it is not prudent to delay writing off this loan even though partial recovery may be obtained in the future.

Note 1: Nature of Operations and Summary of Significant Accounting Policies - Continued

Loans, Net - Continued

For commercial and agricultural loans or credit relationships with aggregate exposure greater than $250,000, a loan review is required within 12 months of the most recent credit review. The reviews are completed in enough detail to, at a minimum, validate the risk rating. Additionally, the reviews shall determine whether any documentation exceptions exist, appropriate written analysis is included in the loan file, and whether credit policies have been properly adhered to.

Many of the residential real estate loans underwritten by the Company conform to the underwriting requirements of Freddie Mac or other secondary market aggregators to allow the Company to resell loans in the secondary market. Servicing rights are retained on many, but not all, of the residential real estate loans sold in the secondary market. The lending policy establishes minimum appraisal and other credit guidelines.

Mortgage loans originated and intended for sale in the secondary market are carried at the lower of aggregate cost or market, as determined by outstanding commitments from investors. As of June 30, 2024 and 2023, loans held for sale were immaterial to the consolidated financial statements.

Periodically, the Company originates first mortgage loans for other investors. Generally, the Company receives fees equivalent to a stated percentage of the loan amount. This fee is recognized as income at the time of closing. From time to time, the Company also originates loans for sale in the secondary market. Gain on sale of loans in the secondary market is included in noninterest income.

The Company provides many types of consumer and other loans, including motor vehicle, home improvement, home equity, signature loans and small personal credit lines. The lending policy addresses specific credit guidelines by consumer loan type.

For residential real estate loans and consumer and other loans, these large groups of smaller balance homogenous loans are collectively evaluated for impairment. In estimating the allowance for credit losses for these loans, the Company applies quantitative and qualitative factors on a portfolio segment basis. Quantitative factors are based on historical charge-off experience and qualitative factors are based on an assessment of internal and/or external influences on credit quality that are not fully reflected in the historical loss data. Accordingly, the Company generally does not separately identify individual residential real estate loans and/or consumer and other loans for impairment disclosures, unless such loans are the subject of a restructuring agreement due to financial difficulties of the borrower.

Note 1: Nature of Operations and Summary of Significant Accounting Policies - Continued

Off-Balance-Sheet Credit Related Financial Instruments

In the ordinary course of business, the Company has entered into commitments to extend credit, including commitments under credit arrangements, commercial letters of credit, and standby letters of credit. Expected credit losses for these unfunded lending commitments are calculated over the contractual period during which the Company is exposed to the credit risk. The off-balance sheet credit liability was $103,000 and $0 as of June 30, 2024 and 2023. The Company estimates the amount of expected losses by calculating a commitment usage factor over the contractual period for exposures and applying loss factors using the ACL methodology to the results of the usage calculation to estimate the liability for credit losses related to unfunded commitments. The Company does not recognize an allowance if there is an unconditional right to cancel the obligation.

Mortgage Servicing Rights

Mortgage servicing rights are recognized separately when rights are acquired through purchase or through sale of financial assets. The Company subsequently measures each class of servicing assets on the amortization method. Under the amortization method, servicing rights are amortized in proportion to and over the period of estimated net servicing income. The amortized assets are assessed for impairment or increased obligations based on fair value at each reporting date.

Impairment is determined by stratifying rights into tranches based on predominant characteristics, such as interest rate, loan type and investor type. Impairment is recognized through a valuation allowance for an individual tranche, to the extent that fair value is less than the carrying amount of the servicing assets for that tranche. The valuation allowance is adjusted to reflect changes in the measurement of impairment after the initial measurement of impairment. Changes in valuation allowances are reported with other expenses on the consolidated income statement. Fair value in excess of the carrying amount of servicing assets for that stratum is not recognized.

Intangible Assets

Intangible assets with finite lives are being amortized on the straight-line basis over 10 or 15 years based on the recoverability of those assets. Such assets are periodically evaluated as to the recoverability of their carrying values.

Note 1: Nature of Operations and Summary of Significant Accounting Policies - Continued

Transfers of Financial Assets

Transfers of financial assets are accounted for as sales when control over the assets has been surrendered. Control over transferred assets is deemed to be surrendered when: (1) the assets have been isolated from the Company; (2) the transferee has the right to pledge or exchange the assets it received, and no condition both constrains the transferee from taking advantage of its right to pledge or exchange and provides more than a trivial benefit to the transferor; and (3) the Company does not maintain effective control over the transferred assets through an agreement to repurchase them before their maturity or the ability to unilaterally cause the holder to return specific assets.

Premises and Equipment

Land is carried at cost. Premises and equipment are stated at cost less accumulated depreciation. Depreciation is included in noninterest expense and is computed on 25 to 40 years for buildings and improvements that extend the life of the original building, 10 to 20 years for routine building improvements, 5 to 15 years for furniture and equipment, 5 years for vehicles, and 2 to 5 years for computer equipment. The cost of maintenance and repairs is charged to expense as incurred.

Long-term Asset Impairment

Premises and equipment and other long-term assets are reviewed for impairment when events indicate that their carrying amount may not be recoverable from future undiscounted cash flows. If impaired, the assets are recorded at fair value. No impairment has been recognized by the Company for the years ended June 30, 2024 and 2023.

Bank-owned Life Insurance

The Company purchased life insurance policies on certain key executives. Bank-owned life insurance is recorded at the amount that can be realized under the insurance contract at the balance sheet date, which is the cash surrender value adjusted for other charges or other amounts due that are probable at settlement.

Foreclosed Assets

Assets acquired through foreclosure are initially recorded at fair value, less estimated costs to sell, establishing a new cost basis. If the fair value less costs to sell is less than the respective loan balance, a charge against the allowance for credit losses is recorded upon property acquisition. Declines in property value subsequent to acquisition are charged to operations. Holding costs are expensed as incurred. The Company had one foreclosed asset for the year ended June 30, 2024, and none for the year ended June 30, 2023.

Note 1: Nature of Operations and Summary of Significant Accounting Policies - Continued

Revenue Recognition

The Company recognizes revenue when services or products are transferred to customers in an amount that reflects the consideration to which the Company expects to be entitled. The Company's principal source of revenue is interest income from securities and loans. Revenue from contracts with customers within the scope of Accounting Standards Codification ("ASC") Topic 606 was approximately $4,025,000 and $4,041,000 for the years ended June 30, 2024 and 2023, respectively. This revenue largely consisted of revenue from service charges and other fees from deposits (e.g., overdraft fees, ATM fees, debit card fees) and revenue from brokerage fee income. Due to the short-term nature of the Company's contracts with customers, an insignificant amount of receivables related to such revenue was recorded at June 30, 2024 and 2023 and there were no impairment losses recognized. Policies specific to revenue from contracts with customers include the following:

Service charges on deposit accounts: Revenue from service charges consists of service charges and fees on deposit accounts under depository agreements with customers to provide access to deposited funds and, when applicable, pay interest on deposits. Service charges on deposit accounts may be transactional or non-transactional in nature. Transactional service charges occur in the form of a service or penalty and are charged upon the occurrence of an event (e.g., overdraft fees, ATM fees, wire transfer fees). Transactional service charges are recognized as services are delivered to and consumed by the customer, or as penalty fees are charges. Non-transactional service charges are charges that are based on a broader service, such as account maintenance fees and dormancy fees, and are recognized on a monthly basis. Revenue from debit and credit card fees includes interchange fee income from debit and credit cards processed through card association networks.

Interchange fees represent a portion of a transaction amount that the Company and other involved parties retain to compensate themselves for giving the cardholder immediate access to funds. Interchange rates are generally set by the card association networks and are based on purchased volumes and other factors. The Company records interchange fees as services are provided.

Brokerage fee income: Revenue from brokerage fee income is a percentage of commissions and fees generated from the sale of advisory services of registered representatives. The amount of commissions and fees to be paid varies based on the different types of products sold.

Leases

The Company adopted ASC Topic 842 on July 1, 2019 (the effective date), using the comparatives under ASC 840 transition method, which applies to Topic 842 at the beginning of the period in which it is adopted. Prior period amounts were not adjusted in connection with the adoption of this standard. The Company elected the package of practical expedients under the new standard, which permits entities to not reassess lease classification, lease identification or initial direct costs for existing or expired leases prior to the effective date. The Company has lease agreements with nonlease components that relate to the lease components. The Company elected the practical expedient to account for nonlease components and the lease components to which they relate as a single lease component for all leases.

Note 1: Nature of Operations and Summary of Significant Accounting Policies - Continued

Leases - Continued

Also, the Company elected to keep short-term leases with an initial term of 12 months outside of ASC 842 requirements. The Company analyzed its existing lease agreements and contracts and determined that, at the date of adoption, there were no material leases to be recorded as a right-of-use asset or operating lease liability.

Income Taxes

Income tax expense or benefit is the sum of the current year income tax due or refundable and the change in the deferred tax assets and liabilities. Deferred tax assets and liabilities are the expected future tax consequence of temporary differences between the carrying amounts and tax basis of assets and liabilities, computed using enacted tax rates. A valuation allowance reduces deferred tax assets to the amount expected to be realized.

The Company follows the guidance on accounting for uncertainty in income taxes which allows the Company to recognize the tax benefit from an uncertain tax position only if it is more-likely-than-not that the tax position will be sustained on examination by taxing authorities, based on the technical merits of the position. The tax benefits recognized in the consolidated financial statements from such a position are measured based on the largest benefit that has a greater than 50% likelihood of being realized upon ultimate settlement. The guidance on accounting for uncertainty in income taxes also addresses de-recognition, classification, interest and penalties on income taxes, and accounting in interim periods. When applicable, the Company recognizes interest and penalties on income taxes as a component of income tax (benefit) expense.

Employee Stock Ownership Plan

The cost of shares issued to the Employee Stock Ownership Plan (“ESOP”) but not yet allocated to participants is presented in the consolidated balance sheet as a reduction of stockholders’ equity. Compensation expense is recorded based on the market price of the shares as the shares are committed to be released for allocation to participant accounts. Because participants may require the Company to purchase their ESOP shares upon termination of their employment, the appraised fair value of all earned and allocated ESOP shares is reclassified from stockholders’ equity.

Stock Based Compensation

Compensation cost for stock-based compensation is recognized based on the fair value of these awards at the date of the grant over the requisite service period, usually the vesting period. The Company uses a Black-Scholes pricing model and related assumption for estimating the fair value of stock options and a five-year vesting period for stock options and restricted stock awards.

Note 1: Nature of Operations and Summary of Significant Accounting Policies - Continued

Loan Commitments and Related Financial Instruments

Financial instruments include off-balance-sheet credit instruments, such as commitments to make loans and standby letters of credit, issued to meet customer-financing needs, as more fully disclosed in Note 14. The face amount for these items represents the exposure to loss, before considering customer collateral or ability to repay. Such financial instruments are recorded when they are funded.

Fair Value of Financial Instruments

Fair values of financial instruments are estimated using relevant market value information and other assumptions, as more fully disclosed in Note 15. Fair value estimates involve uncertainties and matters of significant judgment regarding interest rates, credit risk, prepayments, and other factors, especially in the absence of broad markets for particular items. Changes in assumptions or in market conditions could significantly affect the estimates.

Earnings Per Share

Basic earnings per share is based on net income divided by the weighted average number of shares outstanding during the period, including allocated and committed to be released ESOP shares. Diluted earnings per share shows the dilutive effect, if any, of additional common shares issuable under stock options or awards.

Loss Contingencies

Loss contingencies, including claims and legal actions arising in the ordinary course of business, are recorded as liabilities when the likelihood of loss is probable and an amount or range of loss can be reasonably estimated. Management does not believe that there are such matters that will have a material effect on the consolidated financial statements.

Comprehensive Income

Comprehensive income consists of net income and other comprehensive income (loss). Other comprehensive income (loss) includes unrealized gains and losses on securities available-for-sale, net of tax.

Note 2: Securities

The fair value of securities available-for-sale and the related gross unrealized gains and losses recognized in accumulated other comprehensive income (loss) are as follows:

	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
June 30, 2024				
Residential mortgage-backed securities	$ 1,327,788	$ -	$ (106,564)	$ 1,221,224
US Treasury	22,902,021	-	(125,840)	22,776,181
	$24,229,809	$ -	$ (232,404)	$23,997,405
June 30, 2023				
Residential mortgage-backed securities	$ 1,547,800	$ -	$ (122,020)	$ 1,425,780
Municipal securities	1,650,000	462	-	1,650,462
US Treasury	28,260,609	-	(1,103,851)	27,156,758
	$31,458,409	$ 462	$(1,225,871)	$30,233,000

The carrying amount, unrecognized gross gains and losses, and fair value of securities held-to-maturity are as follows:

	Amortized Cost	Unrealized Gains	Unrealized Losses	Fair Value
June 30, 2024				
Residential mortgage-backed securities	$ 3,795	$ 59	$ (5)	$ 3,849
June 30, 2023				
Residential mortgage-backed securities	$ 7,979	$ 27	$ (70)	$ 7,936

Note 2: Securities - Continued

The contractual maturities of the residential mortgage-backed securities at June 30, 2024 are not disclosed because the securities are not due at a single maturity date. Expected maturities may differ from contractual maturities because borrowers may have the right to call or prepay obligations with or without call or prepayment penalties. Approximately $22,776,000 in U.S. Treasury securities will mature in the year ending June 30, 2025.

There were no sales of securities for the years ended June 30, 2024, and 2023.

Certain investments in debt securities are reported in the consolidated financial statements at an amount less than historical cost. At June 30, 2024 and 2023, there were 9 and 10, respectively, available-for-sale and held-to-maturity securities in a loss position. Total fair value of these investments at June 30, 2024 and 2023, was $23,998,486 and $28,587,494, which is approximately 99.9% and 94.5%, respectively, of the Company's available-for-sale and held-to-maturity investment portfolio. These declines primarily resulted from recent increases in market interest rates and changes in the market's perception of the current risks or failure to meet projected earnings targets. Management believes the declines in fair value for these securities are temporary.

The following table shows the Company's investments' gross unrealized losses and fair value of the Company's investments with unrealized losses, aggregated by investment category and length of time that individual securities have been in a continuous unrealized loss position at June 30, 2024 and 2023:

	Less than 12 Months		12 Months or More		Total	
	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses
Available-for-sale securities June 30, 2024						
Residential mortgage-backed securities	$ -	$ -	$ 1,221,224	$ (106,564)	$ 1,221,224	$ (106,564)
US Treasury	14,852,926	(18,867)	7,923,255	(106,973)	22,776,181	(125,840)
Total temporarily impaired securities	$ 14,852,926	$ (18,867)	$ 9,144,479	$ (213,537)	$ 23,997,405	$ (232,404)
Available-for-sale securities June 30, 2023						
Residential mortgage-backed securities	$ -	$ -	$ 1,425,780	$ (122,020)	$ 1,425,780	$ (122,020)
US Treasury	-	-	27,156,758	(1,103,851)	27,156,758	(1,103,851)
Total temporarily impaired securities	$ -	$ -	$ 28,582,538	$ (1,225,871)	$ 28,582,538	$ (1,225,871)

Note 2: Securities - Continued

	Less than 12 Months		12 Months or More		Total	
	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses
Held-to-maturity securities June 30, 2024						
Residential mortgage-backed securities	$ -	$ -	$ 1,081	$ (6)	$ 1,081	$ (5)
Held-to-maturity securities June 30, 2023						
Residential mortgage-backed securities	$ 4,956	$ (70)	$ -	$ -	$ 4,956	$ (70)

The Company has not recorded any allowance for credit losses on any securities for the years ended June 30, 2024 and 2023.

U.S. Treasury

The unrealized losses on the Company's investments in U.S. Treasury obligations were caused by interest rate increases. The contractual terms of those investments do not permit the issuer to settle the securities at a price less than the amortized cost bases of the investments. Because the Company does not intend to sell the investments and it is not more likely than not the Company will be required to sell the investments before recovery of its amortized cost bases, which may be maturity, and therefore the Company did not record any allowance for credit loss as of June 30, 2024 and 2023.

Residential Mortgage-backed Securities

The unrealized losses on the Company's investment in residential mortgage-backed securities were caused by changes in interest rates and illiquidity. The Company expects to recover the amortized cost basis over the term of the securities. Because the decline in market value is attributable to changes in interest rates and illiquidity, and not credit quality, and because the Company does not intend to sell the investments and it is not more likely than not the Company will be required to sell the investments before recovery of their amortized cost bases, which may be maturity, and therefore the Company did not record any allowance for credit loss as of June 30, 2024 and 2023.

The following table shows the amount of securities pledged at June 30, 2024 and 2023:

	2024	2023
Securities available-for-sale, at fair value	$ 1,020,764	$ 1,444,042

Note 3: Loans

Loans at June 30 are as follows:

	2024	2023
Commercial		
Operating	$ 43,160,856	$ 40,433,284
Real estate	165,549,571	163,195,082
Agricultural		
Operating	44,244,659	42,666,940
Real estate	50,456,397	45,317,058
Residential real estate		
1-4 family	109,065,294	87,718,653
Home equity	27,612,854	22,258,032
Other		
Construction and land	6,843,248	19,138,613
Consumer	4,576,101	4,523,978
Total loans	451,508,980	425,251,640
Deferred loan origination (fees) and costs, net	686,714	686,330
Allowance for Credit Losses	(6,027,000)	(6,217,000)
	(5,340,286)	(5,530,670)
	$ 446,168,694	$ 419,720,970

Note 3: Loans - Continued

Changes in the allowance for credit losses and allowance for loan losses, by portfolio segment, during the years ended June 30, 2024 and 2023, respectively, are summarized as follows:

2024	Commercial	Agricultural	Residential Real Estate	Other	Total
Allowance for Credit Losses:					
Balance, beginning	$ 3,122,000	$ 1,200,000	$ 1,546,000	$ 349,000	$ 6,217,000
Adoption of CECL	(453,000)	1,000	552,000	(290,000)	(190,000)
Provision charged to expense	519,925	49,000	(239,900)	(311,340)	17,685
Recoveries	46,250	-	3,900	315,031	365,181
Loans charged off	(374,175)	-	-	(8,691)	(382,866)
Balance, ending	$ 2,861,000	$ 1,250,000	$ 1,862,000	$ 54,000	$ 6,027,000

2023	Commercial	Agricultural	Residential Real Estate	Other	Total
Allowance for Loan Losses:					
Balance, beginning	$ 3,126,000	$ 1,310,000	$ 998,000	$ 348,000	$ 5,782,000
Provision charged to expense	(4,000)	(110,000)	545,200	35,653	466,853
Recoveries	-	-	2,800.000	723	3,523
Loans charged off	-	-	-	(35,376)	(35,376)
Balance, ending	$ 3,122,000	$ 1,200,000	$ 1,546,000	$ 349,000	$ 6,217,000

The components of the provision for credit loss of $(27,237) recorded on the consolidated statement of income for the year ended June 30, 2024 included provision for credit loss on loans of $17,685 and off-balance sheet provision for credit loss of $(49,922).

Note 3: Loans - Continued

The allowance for loan losses, by impairment evaluation and portfolio segment, as of June 30, 2023, is summarized as follows:

	Commercial	Agricultural	Residential Real Estate	Other	Total
2023					
Allowance for loans individually evaluated for impairment	$ 115,391	$ -	$ 131,169	$ 1,382	$ 247,942
Allowance for loans collectively evaluated for impairment	3,006,609	1,200,000	1,414,831	347,618	5,969,058
	$ 3,122,000	$ 1,200,000	$ 1,546,000	$ 349,000	$ 6,217,000
Loans individually evaluated for impairment	$ 744,112	$ -	$ 627,831	$ 2,608	$ 1,374,551
Loans collectively evaluated for impairment	202,884,254	87,983,998	109,348,854	23,659,983	423,877,089
	$ 203,628,366	$ 87,983,998	$ 109,976,685	$ 23,662,591	$ 425,251,640

Note 3: Loans - Continued

The aging in terms of unpaid principal balance of the loan portfolio, by classes of loans, as of June 30, 2024 and 2023, is summarized as follows:

	Accruing Interest				
	Current	30-89 Days Past Due	More Than 90 Days Past Due	Total Nonaccrual Loans	Total
2024					
Classes of loans					
Commercial					
Operating	$ 41,426,197	$ 755,218	$ 19,363	$ 960,078	$ 43,160,856
Real estate	163,799,550	568,373	-	1,181,648	165,549,571
Agricultural					
Operating	44,184,251	60,408	-	-	44,244,659
Real estate	50,456,397	-	-	-	50,456,397
Residential real estate					
1-4 family	109,065,294	-	-	-	109,065,294
Home equity	27,534,435	78,419	-	-	27,612,854
Other					
Construction and land	6,843,248	-	-	-	6,843,248
Consumer	4,572,691	2,753	657	-	4,576,101
	$ 447,882,063	$ 1,465,171	$ 20,020	$ 2,141,726	$ 451,508,980

	Current	30-89 Days Past Due	More Than 90 Days Past Due	Total	Total Nonaccrual Loans
2023					
Classes of loans					
Commercial					
Operating	$ 40,209,484	$ 33,267	$ 190,533	$ 40,433,284	$ 190,533
Real estate	163,195,082	-	-	163,195,082	476,907
Agricultural					
Operating	42,666,940	-	-	42,666,940	-
Real estate	45,317,058	-	-	45,317,058	-
Residential real estate					
1-4 family	87,679,813	-	38,840	87,718,653	43,776
Home equity	22,258,032	-	-	22,258,032	-
Other					
Construction and land	19,138,613	-	-	19,138,613	-
Consumer	4,522,777	1,201	-	4,523,978	-
	$ 424,987,799	$ 34,468	$ 229,373	$ 425,251,640	$ 711,216

Note 3: Loans - Continued

At June 30, 2024 and 2023, there were no loans 90 days past due and still accruing.

The following table presents the Company's nonaccrual loans at June 30, 2024 and 2023:

	2024		2023	
	Nonaccrual Loans Without a Specific Reserve	Total Nonaccrual	Nonaccrual Loans Without a Specific Reserve	Total Nonaccrual
Classes of loans				
Commercial	$ 1,234,376	$ 2,141,726	$ 476,907	$ 667,440
Agricultural	-	-	-	-
Residential real estate	-	-	43,776	43,776
Other	-	-	-	-
	$ 1,234,376	$ 2,141,726	$ 520,683	$ 711,216

Note 3: Loans - Continued

The following table presents the amortized cost basis within each credit quality indicator by year of origination as of June 30, 2024:

2024	Prior	2020	2021	2022	2023	2024	Revolving	Total
Agricultural Operating								
Highest Quality (rating 1)	$ -	$ -	$ -	$ -	$ -	$ 47,232	$ 249,000	$ 296,232
Good Quality (rating 2)	-	28,367	118,669	216,635	48,521	56,773	5,086,713	5,555,678
Acceptable Quality (rating 3)	110,694	362,408	120,449	406,864	450,697	600,003	16,234,872	18,285,987
Fair Quality (rating 4)	-	79,035	341,666	2,494,719	883,107	2,638,425	12,147,225	18,584,177
Watch (rating 5)	-	-	-	-	1,522,585	-	-	1,522,585
	110,694	469,810	580,784	3,118,218	2,904,910	3,342,433	33,717,810	44,244,659
Agricultural Real Estate								
Highest Quality (rating 1)	233,288	-	-	-	-	-	-	233,288
Good Quality (rating 2)	817,312	-	1,328,665	1,243,119	879,817	495,072	-	4,763,985
Acceptable Quality (rating 3)	4,021,647	2,633,101	2,369,247	640,355	1,535,560	4,194,237	278,983	15,673,130
Fair Quality (rating 4)	5,438,956	2,745,594	3,775,740	3,293,489	1,162,482	6,501,683	3,290,931	26,208,875
Watch (rating 5)	-	1,398,971	-	-	-	-	-	1,398,971
Special Mention (rating 6)	-	-	-	2,178,148	-	-	-	2,178,148
	10,511,203	6,777,666	7,473,652	7,355,111	3,577,859	11,190,992	3,569,914	50,456,397
Commercial Operating								
Good Quality (rating 2)	-	34,050	319,829	-	-	258,007	341,000	952,886
Acceptable Quality (rating 3)	519,629	36,864	2,902,303	1,847,079	4,936,549	1,069,162	1,440,109	12,751,695
Fair Quality (rating 4)	1,173,299	462,474	2,095,209	5,110,775	6,303,547	3,423,982	9,660,700	28,229,986
Watch (rating 5)	38,920	-	-	-	-	-	72,000	110,920
Substandard (rating 7)	96,014	7,520	-	334,583	677,252	-	-	1,115,369
	1,827,862	540,908	5,317,341	7,292,437	11,917,348	4,751,151	11,513,809	43,160,856
Commercial Real Estate								
Good Quality (rating 2)	6,096,021	5,003,082	6,208,337	5,745,206	1,397,197	677,185	122,189	25,249,217
Acceptable Quality (rating 3)	11,317,408	2,674,061	11,432,279	15,627,070	4,902,263	5,405,905	994,703	52,353,689
Fair Quality (rating 4)	6,141,665	10,605,425	7,893,851	32,551,146	14,842,186	12,088,406	573,163	84,695,842
Watch (rating 5)	-	568,373	-	-	-	447,086	-	1,015,459
Substandard (rating 7)	793,619	106,495	-	1,153,398	28,250	153,602	-	2,235,364
	24,348,713	18,957,436	25,534,467	55,076,820	21,169,896	18,772,184	1,690,055	165,549,571
Construction and Land								
Acceptable Quality (rating 3)	-	-	-	-	999,152	160,821	-	1,159,973
Fair Quality (rating 4)	96,795	534,903	-	-	1,182,554	2,334,999	-	4,149,251
Substandard (rating 7)	-	-	-	1,534,024	-	-	-	1,534,024
	96,795	534,903	-	1,534,024	2,181,706	2,495,820	-	6,843,248
One-to-four Family								
Performing	5,874,443	2,864,968	9,495,311	19,557,540	33,387,267	32,129,403	4,885,704	108,194,636
Non-Performing	204,197	-	-	595,961	-	-	70,500	870,658
	6,078,640	2,864,968	9,495,311	20,153,501	33,387,267	32,129,403	4,956,204	109,065,294
Home Equity								
Performing	494,403	320,328	759,803	1,070,839	1,985,225	4,152,725	18,368,683	27,152,006
Non-Performing	-	-	-		411,069	-	49,779	460,848
	494,403	320,328	759,803	1,070,839	2,396,294	4,152,725	18,418,462	27,612,854
Other Consumer								
Performing	1,554	36,836	232,549	705,159	986,845	1,979,962	618,989	4,561,894
Non-Performing	-	-	-	-	10,080	4,127	-	14,207
	1,554	36,836	232,549	705,159	996,925	1,984,089	618,989	4,576,101
	43,469,864	30,502,855	49,393,907	96,306,109	78,532,205	78,818,797	74,485,243	451,508,980

Not all ratings are shown for each loan segment, as they have no loans rated in those applicable risk ratings.

Note 3: Loans - Continued

The following table presents the gross write-offs within each class of loan by year of origination as of June 30, 2024.

2024	Prior	2020	2021	2022	2023	2024	Revolving	Total
Current period gross write-offs								
Commercial Operating	$ -	$ 186,483	$ 186,783	$ 909	$ -	$ -	$ -	$ 374,175
Other	-	-	-	-	-	8,691	-	8,691
	$ -	$ 186,483	$ 186,783	$ 909	$ -	$ 8,691	$ -	$ 382,866

For each class of loans, the following summarizes the unpaid principal balance by credit quality indicator as of June 30, 2023:

2023	Commercial Operating	Commercial Real Estate	Agricultural Operating	Agricultural Real Estate	Other Construction and Land	Total
Internally assigned risk rating						
Highest Quality (rating 1)	$ -	$ 47,994	$ 144,072	$ -	$ 325,000	$ 517,066
Good Quality (rating 2)	744,916	22,772,377	4,578,389	3,979,777	1,032,059	33,107,518
Acceptable Quality (rating 3)	9,999,483	55,554,716	14,263,957	13,356,028	4,466,002	97,640,186
Fair Quality (rating 4)	29,047,491	79,886,297	21,463,772	24,561,730	13,315,552	168,274,842
Watch (rating 5)	266,293	1,803,876	2,216,750	1,241,375	-	5,528,294
Special Mention (rating 6)	-	-	-	2,178,148	-	2,178,148
Substandard (rating 7)	184,568	3,129,822	-	-	-	3,314,390
Doubtful (rating 8)	190,533	-	-	-	-	190,533
Loss (rating 9)	-	-	-	-	-	-
	$ 40,433,284	$ 163,195,082	$ 42,666,940	$ 45,317,058	$ 19,138,613	$ 310,750,977

Note 3: Loans - Continued

The following table presents the amortized cost of collateral dependent loans as of June 30, 2024:

	Business Assets	Real Estate	Total
2024			
Classes of loans			
Commercial	$ 1,177,188	$ 3,000,733	$ 4,177,921
Agricultural	-	2,178,148	2,178,148
Residential real estate	-	1,251,112	1,251,112
Other	1,534,024	-	1,534,024
	$ 2,711,212	$ 6,429,993	$ 9,141,205

Specific reserves associated with collateral dependent loans totaled $411,877 at June 30, 2024.

The following tables show the homogeneous loans allocated by payment activity:

2023				
Payment Activity				
Performing	$ 87,667,027	$ 22,258,032	$ 4,522,777	$ 114,447,836
Nonperforming	51,626	-	1,201	52,827
	$ 87,718,653	$ 22,258,032	$ 4,523,978	$ 114,500,663

* Performing loans are those which are accruing and less than 31 days past due. Nonperforming loans are those on nonaccrual and accruing loans that are greater than or equal to 31 days past due.

Note 3: Loans - Continued

Prior to the adoption of ASC 326, a loan was considered impaired, in accordance with the impairment accounting guidance (ASC 310-10-35-16), when based on current information and events, it is probable the Company will be unable to collect all amounts due from the borrower in accordance with the contractual terms of the loan. Impaired loans included nonperforming commercial loans, but also include loans modified in accordance with ASC 310-20-5.

Loans, by classes of loans, considered to be impaired as of June 30, 2023, are summarized as follows:

2023	Recorded Investment	Unpaid Principal Balance	Related Allowance	Average Recorded Investment	Interest Income Recognized
Classes of loans					
Impaired loans with no specific allowance recorded					
Commercial					
Operating	$ 76,168	$ 75,397	$ -	$ 38,084	$ 6,048
Real estate	478,156	476,907	-	513,605	48,323
Residential real estate					
1-4 family	409,842	408,826	-	474,059	22,384
Home equity	-	-	-	134,694	-
Other					
Consumer	1,226	1,226	-	2,278	174
	965,392	962,356	-	1,162,720	76,929
Impaired loans with specific allowance recorded					
Commercial					
Operating	176,575	191,808	115,391	222,049	221,805
Residential real estate					
1-4 family	219,351	219,005	131,169	109,676	16,473
Other					
Consumer	1,382	1,382	1,382	3,660	239
	397,308	412,195	247,942	335,385	238,517
Total impaired loans					
Commercial					
Operating	252,743	267,205	115,391	260,133	227,853
Real estate	478,156	476,907	-	513,605	48,323
Residential real estate					
1-4 family	629,193	627,831	131,169	583,735	38,857
Home equity	-	-	-	134,694	-
Other					
Consumer	2,608	2,608	1,382	5,938	413
	$ 1,362,700	$ 1,374,551	$ 247,942	$ 1,498,105	$ 315,446

Impaired loans, for which no allowance has been provided as of June, 30 2023, have adequate collateral, based on management's current estimates.

Note 3: Loans - Continued

At June 30, 2023, the Company had loans that were modified in troubled debt restructurings and impaired. TDR information is not relevant under the CECL methodology. The modification terms of such loans included one or a combination of the following: an extension of maturity, a reduction of the stated interest rate, or a permanent reduction of the recorded investment in the loan.

The following summarizes the number and recorded investment of troubled debt restructurings (“TDRs”) as of June 30, 2023:

	June 30, 2023	
	Number of TDRs	Recorded Investment
Concession - Extension of maturity		
Commercial		
Real Estate	1	$ 478,156
Residential real estate		
1-4 family	3	404,906
Other		
Consumer	1	1,226
	5	$ 884,288

The Company had three loans totaling approximately $297,000 at June 30, 2024 that are being accounted for under the newly adopted ASU 222-02 (see Note 1).

Note 4: Loan Servicing

Mortgage loans serviced for others are not included in the accompanying consolidated balance sheets. The unpaid principal balances of these loans were approximately $154,460,000 and $164,624,000 at June 30, 2024 and 2023, respectively. Included in other assets are approximately $952,000 and $1,003,000 of mortgage servicing rights at June 30, 2024 and 2023, respectively.

The fair value of the mortgage servicing rights for the years ended June 30, 2024, 2023, and 2022, was approximately $1,894,000, $2,023,000, and $2,010,000, respectively. For the years ending June 30, 2024 and 2023, no valuation allowance was necessary to adjust the aggregate cost basis of the mortgage servicing right asset to fair market value.

During the years ended June 30, 2024 and 2023, the Company sold approximately $10,391,000 and $8,041,000, respectively, of fixed-rate loans secured by one-to-four family residential real estate, which resulted in a pre-tax gain on the sale of approximately $211,000 and $173,000 for years ended June 30, 2024 and 2023, respectively.

The Company entered into an agreement with the FHLB to originate mortgage loans on behalf of the FHLB and to sell closed loans to the FHLB under the FHLB Mortgage Partnership Finance ("MPF") program. Under the terms of the agreement, the Company retains a portion of the credit risk associated with each conventional loan pool under a risk- sharing agreement. The Company's credit losses are capped by the credit enhancement amount established for each pool of loans. Losses beyond that cap are absorbed by the FHLB. At June 30, 2024 and 2023, the amount of conventional loans outstanding that were originated and sold to the FHLB in the MPF was $31,996,413 and $34,599,364, respectively, with possible credit enhancement losses capped at $946,928 and $1,025,306 at June 30, 2024 and 2023, respectively. The Company has no history of losses, and no losses were accrued in the Company's consolidated financial statements at June 30, 2024 and 2023.

Note 5: Accrued Interest Receivable

Accrued interest receivable at June 30 is summarized as follows:

	2024	2023
Interest-bearing deposits and time deposits in banks	$ 6,432	$ 1,298
Securities	117,643	176,255
Loans	3,656,717	2,860,766
	$ 3,780,792	$ 3,038,319

Note 6: Premises and Equipment, Net

Premises and equipment, net at June 30 are as follows:

	2024	2023
Land and land improvements	$ 2,143,333	$ 2,128,417
Buildings and improvements	9,562,176	9,411,445
Furniture and equipment	1,603,505	1,605,877
Computer equipment	1,205,017	1,326,989
Vehicles	256,472	256,472
Assets in process	5,804	-
	14,776,307	14,729,200
Less accumulated depreciation	(7,062,924)	(6,566,841)
	$ 7,713,383	$ 8,162,359

Note 7: Intangible Assets

	2024		2023	
	Gross Carrying Amount	Accumulated Amortization	Gross Carrying Amount	Accumulated Amortization
Customer lists	$ 2,236,731	$ 1,135,025	$ 2,236,731	$ 962,340

Amortization expense for the years ended June 30, 2024 and 2023, was $172,685. Estimated amortization expense for each of the following five years is:

2025	$ 172,685
2026	172,685
2027	172,685
2028	172,685
2029	119,761

Note 8: Deposits

Deposits as of June 30 are as follows:

	2024	2023
Noninterest-bearing demand	$ 53,054,379	$ 57,448,538
Interest-bearing NOW	100,917,834	92,238,580
Money market	96,168,493	100,816,865
Savings	33,885,086	35,622,554
Certificates of deposit	165,129,124	126,143,129
	$ 449,154,916	$ 412,269,666

Certificates of deposit of $250,000 or more were approximately $54,306,000 and $43,915,000 at June 30, 2024 and 2023, respectively.

At June 30, 2024, the scheduled maturities of certificates of deposit are as follows:

2025	$ 154,541,433
2026	8,571,542
2027	1,784,519
2028	231,630
2029	-
	$ 165,129,124

Interest expense on deposit accounts is summarized as follows for the years ended June 30:

	2024	2023
Interest-bearing NOW	$ 2,188,984	$ 1,183,028
Money market	2,959,536	1,728,215
Savings	542,000	329,577
Certificates of deposit	6,310,130	2,361,299
	$ 12,000,650	$ 5,602,119

Note 9: Borrowings

The Bank has a line of credit with the FHLB of Topeka with continuing annual renewal. The line of credit accrues interest at a variable rate (5.54% at June 30, 2024). At June 30, 2024 and 2023, there was no outstanding balance drawn on the line of credit. At June 30, 2024 and 2023, the Company had FHLB term advances of $8,000,000 and $15,000,000, respectively. For the year ending June 30, 2024 the FHLB advances accrued interest ranging from 3.87% to 4.29%. For the year ending June 30, 2023 the FHLB advances accrued interest ranging from 3.87% to 5.23%. FHLB term advance amounts of $8,000,000 mature in 2026. The Company maintains a collateral pledge agreement covering secured advances whereby the Company has agreed to pledge certain real estate loans to secure advances from the FHLB of Topeka. All stock in FHLB of Topeka is pledged as additional collateral for these advances. At June 30, 2024 and 2023, approximately $95.4 million and $80.2 million, respectively, of real estate loans collateralized the advances. At June 30, 2024, the Company had the ability to borrow an additional $59.6 million in FHLB advances.

The Company also has a line of credit with Cornerstone Bank in the amount of $5 million. Interest is payable quarterly. At June 30, 2024 and 2023 there was $275,000 and $685,000 borrowed on the line of credit. Effective March 23, 2024 and 2023, the interest was changed to the Wall Street Journal Prime Rate with a floor of 6% and 5%, respectively. The interest rate at June 30, 2024 and 2023, was 8.50% and 8.25%, respectively. The note has a maturity date of March 23, 2025. The Company has pledged shares of its own common stock to secure the borrowings.

The Bank has an unsecured line with Midwest Independent Bank, Pacific Cost Bankers Bank, Bankers Bank of the West, United Bankers Bank, b1Bank and Cornerstone Bank. At June 30, 2024 and 2023, there was $0 and $2,888,000 borrowed against the unsecured lines of credits. At June 30, 2024, the Company had the ability to borrow $7.5 million from Midwest Independent Bank, $10.0 million from Pacific Coast Bankers Bank, $5.0 million with Bankers' Bank of the West, $5.0 million with United Bankers Bank, $3.0 million with b1BANK and $500,000 with Cornerstone Bank.

Note 10: Regulatory Matters

The Bank is subject to regulatory capital requirements administered by the federal banking agencies. 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 Company's consolidated financial statements. Under capital adequacy guidelines and the regulatory framework for prompt corrective action, the Bank must meet specific capital guidelines that involve quantitative measures of the Bank's assets, liabilities, and certain off-balance-sheet items as calculated under regulatory accounting practices. The Bank's capital amounts and classification are also subject to qualitative judgments by regulators about components, risk weightings, and other factors.

Note 10: Regulatory Matters - Continued

The prompt corrective action regulations provide five classifications, including well capitalized, adequately capitalized, undercapitalized, significantly undercapitalized, and critically undercapitalized, although these terms are not used to represent overall financial condition. If only adequately capitalized, regulatory approval is required to accept brokered deposits. If undercapitalized, capital distributions are limited, as is asset growth and expansion, and plans for capital restoration are required. Management believes, as of June 30, 2024, that the Bank meets all capital adequacy requirements to which it is subject and is classified as well capitalized.

Actual capital levels and minimum required levels for the Bank were:

			Minimum Required for Purposes		Minimum Required to be Well Capitalized Under Prompt Corrective Action Provision	
	Amount	Ratio	Amount	Ratio	Amount	Ratio
			(Dollars in thousands)			
2024						
Total capital (to risk-weighted assets)	$ 51,752	12.5%	$ 33,107	8.0%	$ 41,384	10.0%
Common equity Tier 1 capital (to risk-weighted assets)	46,567	11.3%	18,623	4.5%	26,899	6.5%
Tier 1 (core) capital (to risk-weighted assets)	46,567	11.3%	24,830	6.0%	33,107	8.0%
Tier 1 (core) capital (to adjusted total assets)	46,567	9.2%	20,270	4.0%	25,337	5.0%
2023						
Total capital (to risk-weighted assets)	$ 49,618	12.7%	$ 31,359	8.0%	$ 39,199	10.0%
Common equity Tier 1 capital (to risk-weighted assets)	44,702	11.4%	17,640	4.5%	25,479	6.5%
Tier 1 (core) capital (to risk-weighted assets)	44,702	11.4%	23,519	6.0%	31,359	8.0%
Tier 1 (core) capital (to adjusted total assets)	44,702	9.4%	18,936	4.0%	23,670	5.0%

Limitations exist on the availability of the Bank's undistributed income for the payment of dividends without prior approval of the regulatory authorities.

Note 11: Income Taxes

The federal tax rate for the fiscal year ended June 30, 2024 and 2023 was 21%.

Income tax expense for the year ended June 30 is as follows:

	2024	2023
Current		
Federal	$ (760,492)	$ (1,086,736)
State	(100,696)	(162,703)
Deferred		
Federal	97,650	168,672
	$ (763,538)	$ (1,080,767)

A reconciliation of the provision for income taxes computed at the statutory federal corporate tax rate to the income tax expense for the years ended June 30 are as follows:

	2024	2023
Provision computed at the statutory federal tax rate (21%)	$ (730,230)	$ (980,426)
State income taxes, net of federal tax	(100,696)	(161,703)
Other	67,388	61,362
Total income tax expense	$ (763,538)	$ (1,080,767)

Retained earnings at June 30, 2024 and 2023 include certain historical additions to bad debt reserves of approximately $2,132,000 for which no deferred federal income tax liability has been recorded. This amount represents an allocation of income to bad debt deductions for tax purposes alone. If, in the future, this portion of retained earnings is used for any purpose other than to absorb bad debt losses, federal taxes would be imposed at the then-applicable rates.

Note 11: Income Taxes - Continued

The net deferred tax asset at June 30 are as follows:

	2024	2023
Gross deferred tax assets		
Allowance for credit losses	$ 1,265,670	$ 1,305,570
Deferred compensation	62,037	94,125
Stock awards/options	56,000	55,000
Unrealized loss on securities	48,805	257,336
Other	143,323	52,407
	1,575,835	1,764,438
Gross deferred tax liabilities		
Additions in excess of base year loan reserve	(252,675)	(256,389)
Depreciation	(251,845)	(343,299)
FHLB stock dividends	(83,847)	(81,961)
Other	(191,887)	(177,327)
	(780,254)	(858,976)
Net deferred tax asset	$ 795,581	$ 905,462

No significant income tax uncertainties were identified. Therefore, the Company recognized no adjustment for unrecognized income tax benefits during the years ended June 30, 2024 and 2023. Corporate tax returns for the 2020 through 2024 years remain open to examination by taxing authorities.

The Company recognizes interest accrued related to unrecognized tax benefits in interest expense and penalties in noninterest expenses. During the years ended June 30, 2024 and 2023, there were no interest and penalties recognized, nor were any balances for the payment of interest and penalties accrued at June 30, 2024 and 2023.

Note 12: Employee Benefit Plans

The Company has a 401(k) and profit sharing plan (the "Plans") covering substantially all employees. Annual contributions to the Plans are made at the discretion of and determined by the Board of Directors. Participant interests are vested over a period from one to five years of service. Contributions were made of approximately $205,000 and $189,000 for the years ended June 30, 2024 and 2023, respectively.

On July 8, 2015, the Company adopted an employee stock ownership plan (the "ESOP") for the benefit of substantially all employees. The ESOP borrowed $951,912 from the Company and used the funds to acquire 118,989 shares of the Company's stock in connection with the stock offering at a price of $8.00 per share.

Shares purchased by the ESOP with the loan proceeds are held in a suspense account and are allocated to ESOP participants on a pro rata basis as principal and interest payments are made by the ESOP to the Company. The loan is secured by shares purchased with the loan proceeds and will be repaid by the ESOP with funds from the Company's discretionary contributions to the ESOP and earnings on ESOP assets. Annual principal and interest payments from the note dated July 8, 2015 are approximately $65,000 until maturity at July 8, 2035.

As shares are released from collateral, the Company will report compensation expense equal to the current market price of the shares and the shares will become outstanding for earnings-per-share computations. Dividends on allocated ESOP shares reduce retained earnings; dividends on unearned ESOP shares reduce accrued interest. Because participants may require the Company to purchase their ESOP shares upon termination of their employment, the fair value of all earned and allocated ESOP shares may become a liability.

The ESOP has a plan year-end of December 31. The Company has recorded compensation expense of $71,206 and $74,235 for shares that were released and committed to be released for the years ended June 30, 2024 and 2023, respectively.

Note 12: Employee Benefit Plans - Continued

Shares held by the ESOP at June 30 were as follows:

	2024	2023
Allocated shares	142,146	137,603
Shares allocated to be released	2,991	2,982
Unearned ESOP shares	68,402	74,360
Total ESOP shares	213,539	214,945
Fair value of unearned ESOP shares	$ 820,824	$ 829,114
Fair value of allocated shares subject to repurchase obligation	$ 1,698,450	$ 1,484,656

The Company approved the Equitable Financial Corp. 2006 Equity Incentive Plan ("2006 Plan") in November 2006 and the Equitable Financial Corp. 2016 Equity Incentive Plan ("2016 Plan") in November 2016. Both plans provide for awards of stock options and restricted stock to officers, employees and directors. The cost of the plan is based on the fair value of the awards at the grant date. The fair value of stock is based on the closing price of the Company's stock on the grant date.

The cost of the awards are being recognized over five-year vesting periods during which participants are required to provide services in exchange for the awards. As of December 31, 2016, the 2006 plan has been terminated.

The maximum number of shares authorized under the 2016 Plan is 198,316 stock options and 79,326 shares of restricted stock to employees and directors. As of June 30, 2024, 166,982 stock options and 71,166 stock awards were awarded. There were no additional stock options or awards in 2024.

The table below represents the stock option activity for the period shown:

	Awards	Weighted Average Exercise Price	Remaining Contractual Life (Years)
Options outstanding at June 30, 2023	142,640	$ 9.94	4.03
Exercised	-		
Forfeited	(16,658)	9.90	
Options outstanding at June 30, 2024	125,982	$ 9.95	3.20

Note 12: Employee Benefit Plans - Continued

The cost of the stock options will be amortized in monthly installments over the noted five-year vesting period. Stock option expense was $6,567 and $10,278 for the fiscal years ended June 30, 2024 and 2023, respectively.

The fair value of the Company's stock options was determined using the Black-Schols option pricing formula. The following assumptions were used in the formula for the stock options granted during the fiscal year ending June 30, 2024:

Expected Volatility		15.64%
Risk-free interest rate		3.97%
Expected dividend yield		0.00%
Expected life (in years)		3.50
Exercise price for the stock options	$	9.95

Expected volatility – Based on the historical volatility of share price of the Company.

Risk-free interest rate – Based on the U.S. Treasury yield curve and expected life of the options at the time of grant. Dividend yield – The Company had not paid any dividends at the time of valuation.

Expected life – Based on five-year vesting period.

Exercise price for the stock options – Based on the closing price of the Company's stock on the date of grant.

Restricted stock awards are accounted for as fixed grants using the fair value of the Company's stock at the time of the grant. Unvested restricted stock awards may not be disposed of or transferred during the vesting period. Restricted stock awards carry with them the right to receive dividends.

The table below represents the restricted stock award activity for the period shown:

	Service-Based Stock Awards	Weighted Grant Date Fair Value
Non-vested at July 1, 2022	6,700	$ 9.80
Vested	(2,010)	10.17
Non-vested at June 30, 2023	4,690	$ 9.80
Vested	(2,010)	10.17
Non-vested at June 30, 2024	2,680	$ 9.25

Note 12: Employee Benefit Plans - Continued

As of June 30, 2024, there was $12,395 of total unrecognized compensation costs related to non-vested restricted stock awards. The cost is expected to be recognized over a weighted-average period of 1.0 years. Compensation expense attributable to the restricted stock awards totaled $13,739 and $20,459 for the years ended June 30, 2024 and 2023, respectively.

Note 13: Earnings per Share

Amounts reported in earnings per share reflect earnings available to common stockholders for the period divided by the weighted average number of shares of common stock outstanding during the year. Diluted earnings per share is calculated by dividing earnings available to common stockholders for the period by the sum of the weighted average common shares outstanding and the weighted average dilutive shares.

The following table presents a reconciliation of the components used to compute basic earnings per share for the years ended June 30:

	2024	2023
Weighted average common shares outstanding	2,937,788	2,957,606
Net income available to common stockholders	$ 2,713,746	$ 3,587,926
Basic earnings per share	$ 0.92	$ 1.21

The following table presents a reconciliation of the components used to compute diluted earnings per share for the years ended June 30:

	2024	2023
Weighted average common shares outstanding	2,937,788	2,957,606
Weighted average of net additional shares from restricted stock awards	1,996	7,428
Weighted average number of shares outstanding	2,939,784	2,965,034
Net income available to common stockholders	$ 2,713,746	$ 3,587,926
Diluted earnings per share	$ 0.92	$ 1.21

Note 14: Loan Commitments and Other Related Activities

The Company is party to various financial instruments with off-balance-sheet risk. The Company uses these financial instruments in the normal course of business to meet the financing needs of customers and to effectively manage exposure to interest rate risk. These financial instruments include commitments to extend credit, standby letters of credit, and unused lines of credit. When viewed in terms of the maximum exposure, these instruments may involve, to varying degrees, elements of credit and interest rate risk in excess of the amount recognized in the consolidated balance sheets. Credit risk is the possibility that a counterparty to a financial instrument will be unable to perform its contractual obligations. Interest rate risk is the possibility that, due to changes in economic conditions, the Company's net interest income will be adversely affected.

The following is a summary of the contractual or notional amount of each significant class of off-balance-sheet financial instruments outstanding. The Company's exposure to credit loss in the event of nonperformance by the counterparty for commitments to extend credit, standby letters of credit, and unused lines of credit is represented by the contractual or notional amount of these instruments.

The contractual or notional amounts as of June 30 are as follows:

	2024	2023
Commitments to extend credit	$ 12,862,210	$ 15,029,194
Standby letters of credit	1,190,617	930,090
Unused lines of credit	72,051,233	76,043,157

At June 30, 2024, fixed-rate commitments were approximately $44,650,000.

Since many of the commitments are expected to expire without being drawn upon, the total commitment amounts do not necessarily represent future cash requirements. The Company evaluates each customer's creditworthiness on a case-by- case basis. The amount of collateral obtained, if it is deemed necessary, by the Company upon extension of credit, is based on management's credit evaluation of the counterparty. The collateral held varies but primarily consists of single- family residential real estate.

Note 15: Fair Value Measurement

The Fair Value Measurements and Disclosures Topic of the FASB Accounting Standards Codification defines fair value, establishes a framework for measuring fair value and requires disclosure of fair value measurements. The fair value hierarchy set forth in the Topic is as follows:

Level 1: Quoted prices (unadjusted) for identical assets or liabilities in active markets that the entity has the ability to access as of the measurement date.

Level 2: Significant other observable inputs other than Level 1 prices such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data.

Level 3: Significant unobservable inputs that reflect a reporting entity's own assumptions about the assumptions that market participants would use in pricing an asset or liability.

There were no transfers between levels during the years ended June 30, 2024 and 2023, nor were there any changes in valuation techniques used for assets or liabilities measured at fair value.

Assets and Liabilities Recorded at Fair Value on a Recurring Basis

A description of the valuation methodologies used for assets and liabilities measured at fair value on a recurring basis, as well as the general classification of such instruments pursuant to the valuation hierarchy, is set forth below:

Securities Available-for-Sale — Where quoted prices are available in an active market, securities are classified within Level 1 of the valuation hierarchy. Level 1 securities would include highly liquid government bonds and exchange traded equities. If quoted market prices are not available, then fair values are estimated by using pricing models, quoted prices of securities with similar characteristics, or discounted cash flow. Level 2 securities would include U.S. agency securities, mortgage-backed agency securities, obligations of states and political subdivisions and certain corporate, asset backed and other securities. In certain cases where there is limited activity or less transparency around inputs to the valuation, securities are classified within Level 3 of the valuation hierarchy.

The following tables summarize assets and liabilities measured at fair value on a recurring basis as of June 30, 2024 and 2023, segregated by the level of the valuation inputs within the fair value hierarchy utilized to measure fair value:

Note 15: Fair Value Measurement - Continued

Assets and Liabilities Recorded at Fair Value on a Recurring Basis - Continued

	Fair Value Measurement at June 30, 2024			
	Total	Quoted Prices in Active Markets for Identical Assets Level 1	Significant Other Observable Inputs Level 2	Significant Unobservable Inputs Level 3
Assets				
Securities available-for-sale				
Residential mortgage-backed securities	$ 1,221,224	$ -	$ 1,221,224	$ -
US Treasury	22,776,181	22,776,181	-	-
	$ 23,997,405	$ 22,776,181	$ 1,221,224	-

	Fair Value Measurement at June 30, 2023			
	Total	Quoted Prices in Active Markets for Identical Assets Level 1	Significant Other Observable Inputs Level 2	Significant Unobservable Inputs Level 3
Assets				
Securities available-for-sale				
Residential mortgage-backed securities	$ 1,425,780	$ -	$ 1,425,780	$ -
Municipal securities	1,650,462	-	1,650,462	-
US Treasury	27,156,758	27,156,758	-	-
	$ 30,233,000	$ 27,156,758	$ 3,076,242	-

A description of the valuation methodologies used for assets and liabilities measured at fair value on a nonrecurring basis, as well as the general classification of such instruments pursuant to the valuation hierarchy, is set forth below.

Note 15: Fair Value Measurement - Continued

Assets and Liabilities Recorded at Fair Value on a Non-Recurring Basis

Individually Analyzed Loans (Impaired Loans) — From time to time, a loan is considered impaired and an allowance for credit losses is established. The specific reserves for collateral dependent impaired loans are based on the fair value of the collateral less estimated costs to sell. The fair value of collateral was determined based on appraisals. In some cases, adjustments were made to the appraised values due to various factors including age of the appraisal, age of comparables included in the appraisal, and known changes in the market and in the collateral. When significant adjustments were based on unobservable inputs, the resulting fair value measurement has been categorized as a Level 3 measurement. Collateral dependent impaired loans totaled \$8,748,889 and \$1,374,551 at June 30, 2024 and 2023, respectively. The valuation of the collateral dependent loans are based upon similar marketable properties and are generally backed by real estate and other marketable collateral such as grain commodities, livestock, inventory and other working capital assets. The collateral is discounted to arrive at a marketable value and the discounts generally ranges from 7% to 15%.

Foreclosed Assets Held for Sale

Foreclosed assets held for sale are carried at the lower of fair value at acquisition date or current estimated fair value, less estimated cost to sell when the real estate is acquired. Estimated fair value of foreclosed assets held for sale is based on appraisals or evaluations. Foreclosed assets held for sale are classified within Level 3 of the fair value hierarchy.

Appraisals of foreclosed assets held for sale are obtained when the real estate is acquired and subsequently as deemed necessary by the Controller's office. Appraisals are reviewed for accuracy and consistency by the Controller's office. Appraisers are selected from the list of approved appraisers maintained by management. At June 30, 2024 foreclosed assets consisted of one property valued at its appraised fair which uses comparable market properties less selling costs of 10%.

Note 15: Fair Value Measurement - Continued

Fair Value of Financial Instruments

The Financial Instruments Topic of the FASB Accounting Standards Codification requires disclosure of fair value information about financial instruments, whether or not recognized in the balance sheet, for which it is practicable to estimate that value. Fair value is determined under the framework discussed above. The Topic excludes all nonfinancial instruments from its disclosure requirements. Accordingly, the aggregate fair value amounts presented do not represent the underlying value of the Company. The following methods and assumptions used in estimating fair value disclosure for financial instruments are described below:

Cash and due from financial institutions — For cash and due from financial institutions, the current carrying amount is a reasonable estimate of fair value.

Interest-earning deposits and interest-bearing time deposits in banks — For interest-earning deposits and interest-bearing time deposits in banks, the current carrying amount is a reasonable estimate of fair value.

Securities — The fair value of securities is determined using quoted prices, when available in an active market. If quoted market prices are not available, then fair values are estimated by using pricing models, quoted prices of securities with similar characteristics, or a discounted cash flows model.

Federal Home Loan Bank stock — For restricted equity securities, the carrying value approximates fair value.

Federal Reserve and Farmer Mac stock – For restricted equity securities, the carrying value approximates fair value.

Loans, net — The fair value of fixed rate loans is estimated by discounting the future cash flows using the current rates at which similar loans would be made to borrowers with similar credit ratings and for the same remaining maturities. The fair value of variable rate loans approximates carrying value.

Note 15: Fair Value Measurement - Continued

Fair Value of Financial Instruments

Mortgage servicing rights — The fair value is based on a discounted cash flow analysis calculated using a proprietary valuation model from a third party.

Deposits — The carrying value of noninterest-bearing deposits approximates fair value. The fair value of fixed rate deposits is estimated by discounting the future cash flows using the current rates for the same remaining maturities.

Federal Home Loan Bank borrowings — The estimated fair value of fixed rate advances from the FHLB is determined by discounting the future cash flows of existing advances using rates currently available on advances from the FHLB having similar characteristics. Adjustable rate advances' carrying value approximates fair value.

Accrued interest and credit enhancement receivable — The carrying amounts of accrued interest and credit enhancement receivable approximate fair value.

Off-balance sheet items — The fair value of off-balance-sheet items is based on current fees or cost that would be charged to enter into or terminate such arrangements. These were not considered material and are not presented in the below tables.

Note 15: Fair Value Measurement - Continued

Fair Value of Financial Instruments

The estimated fair value of financial instruments as of June 30 are as follows:

2024	Fair Value Hierarchy Level	Carrying Amount	Estimated Fair Value
Financial assets			
Cash and due from financial institutions	Level 1	$ 10,155,683	$ 10,156,000
Interest-earning deposits	Level 1	4,484,312	4,484,000
Interest-bearing time deposits in banks	Level 1	424,000	424,000
Federal funds sold	Level 1	2,407,000	2,407,000
Securities available for sale			
Residential mortgage-backed securities	Level 2	1,221,224	1,221,000
US Treasury	Level 1	22,776,181	22,776,000
Securities held-to-maturity	Level 2	3,795	4,000
Federal Home Loan bank stock	Level 1	1,488,600	1,489,000
Federal Reserve stock	Level 1	471,550	472,000
Farmer Mac Stock	Level 1	90,410	90,000
Loans, net	Level 2	446,168,694	427,435,000
Foreclosed assets	Level 3	1,467,000	1,467,000
Mortgage servicing rights	Level 2	952,394	1,894,000
Credit enhancement receivable	Level 2	118,207	118,000
Accrued interest receivable	Level 1	3,780,792	3,781,000
Financial liabilities			
Noninterest-bearing deposits	Level 2	53,054,379	48,295,000
Line of credit	Level 2	275,000	275,000
Interest-bearing deposits	Level 2	396,100,537	385,944,000
Federal Home Loan Bank Borrowings	Level 2	8,000,000	8,000,000
Accrued interest payable	Level 1	896,059	896,000

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Note 15: Fair Value Measurement - Continued

Fair Value of Financial Instruments

2023	Fair Value Hierarchy Level	Carrying Amount	Estimated Fair Value
Financial assets			
Cash and due from financial institutions	Level 1	$ 6,705,585	$ 6,706,000
Interest-earning deposits	Level 1	1,698,970	1,948,000
Interest-bearing time deposits in banks	Level 1	249,000	249,000
Securities available for sale			
Residential mortgage-backed securities	Level 2	1,425,780	1,426,000
Municipal securities	Level 2	1,650,462	1,650,000
US Treasury	Level 1	27,156,758	27,157,000
Securities held-to-maturity	Level 2	7,979	8,000
Federal Home Loan bank stock	Level 1	2,016,900	2,017,000
Federal Reserve stock	Level 1	473,400	473,000
Farmer Mac Stock	Level 1	71,870	72,000
Loans, net	Level 2	419,720,970	403,918,000
Mortgage servicing rights	Level 2	1,002,657	2,023,000
Credit enhancement receivable	Level 2	130,624	131,000
Accrued interest receivable	Level 1	3,038,319	3,038,000
Financial liabilities			
Noninterest-bearing deposits	Level 2	57,448,538	52,866,000
Line of credit	Level 2	685,000	685,000
Interest-bearing deposits	Level 2	354,821,128	346,366,000
Federal Home Loan Bank Borrowings	Level 2	15,000,000	15,000,000
Accrued interest payable	Level 1	476,014	476,000

Note 16: Accumulated Other Comprehensive Income (Loss)

Accumulated other comprehensive loss components at June 30 were as follows:

	2024	2023
Unrealized holding losses on securities available-for-sale	$ (232,404)	$ (1,225,409)
Tax expense	48,805	257,336
	$ (183,599)	$ (968,073)

Note 17: Transactions with Related Parties

In the ordinary course of business, the Company granted loans to principal officers, directors, and their affiliates. Annual activity consisted of the following for the year ended June 30:

	2024	2023
Beginning balance	$ 11,709,312	$ 4,620,274
New loans or transfers in	4,319,250	8,620,677
Repayments or transfers out	(1,643,335)	(1,531,639)
Ending balance	$ 14,385,227	$ 11,709,312

Deposits from principal officers, directors, and their affiliates at June 30, 2024 and 2023 approximated $4,350,000 and $5,347,000, respectively.

Note 18: Subsequent Events

Subsequent events have been evaluated through September 27, 2024, which is the date the consolidated financial statements were available to be issued.