Piedmont Bancorp, Inc.

Consolidated Financial Statements

Years Ended December 31, 2023 and 2022

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Independent Auditor's Report

To the Board of Directors and Stockholders
Piedmont Bancorp, Inc. and Subsidiary
Peachtree Corners, Georgia

Opinions on the Financial Statements and Internal Control Over Financial Reporting

We have audited the accompanying consolidated financial statements (the "financial statements") of Piedmont Bancorp, Inc. and Subsidiary (the "Company"), which comprise the balance sheets as of December 31, 2023 and 2022, and the related statements of earnings, comprehensive income, changes in stockholders equity, and cashflows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of Piedmont Bancorp, Inc. and Subsidiary as of December 31, 2023 and 2022, and the results of its operations for the years then ended in accordance with accounting principles generally accepted in the United States of America ("GAAP").

We also have audited the Company's internal control over financial reporting, including controls over the preparation of regulatory financial statements in accordance with instructions to the Federal Financial Institutions Examination Council Consolidated Reports of Condition and Income ("Call Report"), as of December 31, 2023, based on criteria established in Internal Control—Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) in 2013. In our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2023, based on criteria established in Internal Control—Integrated Framework issued by COSO in 2013.

Basis for Opinions

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 Financial Statements and Internal Control Over Financial Reporting section of our report. We are required to be independent of Piedmont Bancorp, Inc. and Subsidiary 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 opinions.

Responsibilities of Management for the Financial Statements and Internal Control Over Financial Reporting

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of effective internal control over financial reporting relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error. Management is also responsible for its assessment about the effectiveness of internal control over financial reporting, included in the accompanying Management Report.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Piedmont Bancorp, Inc. and Subsidiary's ability to continue as a going concern for one year after the date the financial statements are available to be issued.

Auditor's Responsibilities for the Audits of the Financial Statements and Internal Control Over Financial Reporting

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and about whether effective internal control over financial reporting was maintained in all material respects, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit of financial statements or an audit of internal control over financial reporting conducted in accordance with GAAS will always detect a material misstatement or a material weakness when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit of financial statements and an audit of internal control over financial reporting in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audits.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the financial statement audit in order to design audit procedures that are appropriate in the circumstances.

- Obtain an understanding of internal control over financial reporting relevant to the audit of internal control over financial reporting, assess the risks that a material weakness exists, and test and evaluate the design and operating effectiveness of internal control over financial reporting based on the assessed risk.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Piedmont Bancorp, Inc. and Subsidiary'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 financial statement audit.

Definition and Inherent Limitations of Internal Control over Financial Reporting

An entity’s internal control over financial reporting is a process effected by those charged with governance, management, and other personnel, designed to provide reasonable assurance regarding the preparation of reliable financial statements in accordance with GAAP. Because management’s assessment and our audit were conducted to meet the reporting requirements of Section 112 of the Federal Deposit Insurance Corporation Improvement Act (FDICIA), our audit of the Company's internal control over financial reporting included controls over the preparation of financial statements in accordance with GAAP and with Call Report instructions.

An entity’s internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the entity; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with GAAP, and that receipts and expenditures of the entity are being made only in accordance with authorizations of management and those charged with governance; and (3) provide reasonable assurance regarding prevention or timely detection and correction of unauthorized acquisition, use, or disposition of the entity's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect and correct misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Wipfli LLP

Wipfli LLP

Atlanta, Georgia
April 8, 2024

PIEDMONT BANCORP, INC. AND SUBSIDIARY

Consolidated Balance Sheets

December 31, 2023 and 2022

Assets

		2023	2022
Cash and due from banks	$	178,935,691	188,713,104
Interest-bearing time deposits with other banks		747,000	2,490,005
Investment securities available-for-sale, at fair value (amortized cost of $77,677,809 and $106,643,852 as of December 31, 2023 and 2022, respectively)		64,915,984	89,408,428
Investment securities held-to-maturity		49,629,569	53,421,714
Other investments		2,736,300	1,320,200
Loans, net of allowance for credit losses of $15,873,876 and $13,950,872 as of December 31, 2023 and 2022, respectively		1,646,044,564	1,435,954,129
Premises and equipment, net		26,268,977	24,111,005
Cash surrender value of life insurance		39,666,728	38,672,461
Goodwill		12,862,192	12,862,192
Core deposit intangible, net		2,932,250	3,447,250
Right-of-use assets		7,580,349	5,428,978
Deferred tax asset, net		9,417,291	9,633,269
Accrued interest receivable and other assets		11,476,900	8,616,112
Total assets	$	2,053,213,795	1,874,078,847

Liabilities and Stockholders' Equity

		2023	2022
Deposits:			
Noninterest-bearing	$	434,577,825	522,273,309
Interest-bearing		1,352,265,345	1,132,479,121
Total deposits		1,786,843,170	1,654,752,430
Note payable		3,000,000	4,000,000
Line of credit		-	5,729,114
Federal Home Loan Bank advances		30,000,000	10,000,000
Subordinated debentures		19,596,758	19,522,590
Lease liabilities		7,752,105	5,479,939
Other liabilities		15,911,914	10,538,223
Total liabilities		1,863,103,947	1,710,022,296
Stockholders' equity:			
Common stock, $0.01 par value, 50,000,000 shares authorized; 25,713,330 issued and 25,552,912 outstanding as of December 31, 2023 and 25,556,937 issued and 25,433,554 outstanding as of December 31, 2022		257,133	255,569
Additional paid-in capital		100,047,193	98,053,291
Retained earnings		100,349,466	79,668,741
Treasury stock, 160,418 and 123,383 shares, at cost		(1,041,489)	(735,950)
Accumulated other comprehensive loss		(9,502,455)	(13,185,100)
Total stockholders' equity		190,109,848	164,056,551
Total liabilities and stockholders' equity	$	2,053,213,795	1,874,078,847

See Accompanying notes to consolidate financial statements.

PIEDMONT BANCORP, INC. AND SUBSIDIARY

Consolidated Statements of Earnings

For the Years Ended December 31, 2023 and 2022

	2023	2022
Interest and dividend income:		
Interest and fees on loans	$ 102,277,307	71,219,339
Interest on investment securities	2,815,157	2,862,331
Interest and dividends – other	5,448,378	3,615,001
Total interest income	110,540,842	77,696,671
Interest expense:		
Interest expense on deposits	30,757,439	5,577,216
Interest expense on borrowings	2,208,309	1,485,065
Total interest expense	32,965,748	7,062,281
Net interest income	77,575,094	70,634,390
Provision for credit losses	1,817,000	2,815,032
Net interest income after provision for credit losses	75,758,094	67,819,358
Other income:		
Service charges on deposits	715,133	639,664
(Losses) gains on sales of securities	(3,269,813)	2,958
Gain on sale of problem asset	3,325,567	-
Gain on sale of loans	529,133	1,340,537
Other	3,533,457	3,286,217
Total other income	4,833,477	5,269,376
Other expenses:		
Salaries and employee benefits	26,325,505	23,818,479
Occupancy and equipment	3,582,846	3,338,513
Other	14,454,542	12,561,114
Total other expenses	44,362,893	39,718,106
Earnings before income taxes	36,228,678	33,370,628
Income tax expense	8,577,000	7,781,641
Net earnings	$ 27,651,678	25,588,987
Basic earnings per share	$1.12	$1.01
Diluted earnings per share	$1.08	$0.98

See accompanying notes to consolidated financial statements.

PIEDMONT BANCORP, INC. AND SUBSIDIARY

Consolidated Statements of Comprehensive Income

For the Years Ended December 31, 2023 and 2022

	2023	2022
Net earnings	$ 27,651,678	25,588,987
Other comprehensive income (loss), consisting of:		
Unrealized holding gains (losses) on investment securities available-for-sale arising during the period, net of taxes (benefits) of $212,835 and ($3,898,626)	990,951	(12,691,529)
Reclassification adjustment for losses (gains) included net earnings, net of taxes (benefits) of $578,119 and ($755)	2,691,694	(2,203)
Total other comprehensive income (loss)	3,682,645	(12,693,732)
Total comprehensive income	$ 31,334,323	12,895,255

See accompanying notes to consolidated financial statements.

PIEDMONT BANCORP, INC. AND SUBSIDIARY

Consolidated Statements of Changes in Stockholders' Equity

For the Years Ended December 31, 2023 and 2022

	Common Stock	Additional Paid-in Capital	Retained Earnings	Treasury Stock	Accumulated Other Comprehensive Income (Loss)	Total
Balance, December 31, 2021	$ 253,220	96,479,715	59,154,001	(388,106)	(491,368)	155,007,462
Exercise of warrants and options	2,349	924,668	-	-	-	927,017
Other comprehensive loss	-	-	-	-	(12,693,732)	(12,693,732)
Stock-based compensation	-	648,908	-	-	-	648,908
Treasury stock transactions	-	-	-	(347,844)	-	(347,844)
Dividends declared		-	(5,074,247)	-	-	(5,074,247)
Net earnings	-	-	25,588,987	-	-	25,588,987
Balance, December 31, 2022	$ 255,569	98,053,291	79,668,741	(735,950)	(13,185,100)	164,056,551
Exercise of warrants and options	770	301,624	-	-	-	302,394
Issuance of common stock	794	654,199	-	-	-	654,993
Cumulative change in accounting principle for ASU 2016-13, net of tax	-	-	(818,000)	-	-	(818,000)
Other comprehensive income	-	-	-	-	3,682,645	3,682,645
Stock-based compensation	-	1,038,079	-	-	-	1,038,079
Treasury stock transactions	-	-	-	(305,539)	-	(305,539)
Dividends declared	-	-	(6,152,953)	-	-	(6,152,953)
Net earnings	-	-	27,651,678	-	-	27,651,678
Balance, December 31, 2023	$ 257,133	100,047,193	100,349,466	(1,041,489)	(9,502,455)	190,109,848

See accompanying notes to consolidated financial statements.

PIEDMONT BANCORP, INC. AND SUBSIDIARY

Consolidated Statements of Cash Flows

For the Years Ended December 31, 2023 and 2022

		2023	2022
Cash flows from operating activities:			
Net Income	$	27,651,678	25,588,987
Adjustments to reconcile net income to net cash provided by operating activities:			
Provision for credit losses		1,817,000	2,815,032
Depreciation, amortization and accretion, net		1,245,204	1,915,523
Deferred income tax benefit		(294,977)	(471,935)
Gain on sale of other real estate		-	(20,366)
Loss (gain) on sale of securities available-for-sale		3,269,813	(2,958)
Net loss (gain) on sale of fixed assets		13,500	(42,834)
Increase in cash surrender value of life insurance		(994,267)	(944,462)
Change in deferred loan fees		227,527	511,763
Stock-based compensation expense		1,038,079	648,908
Amortization of issuance costs of subordinated debt		74,168	57,990
Change in assets and liabilities:			
Accrued interest receivable and other assets		(2,239,994)	(2,681,574)
Accrued interest payable and other liabilities		4,307,392	1,750,555
Net cash provided by operating activities		36,115,123	29,124,629
Cash flows from investing activities:			
Proceeds from interest-bearing time deposits with other banks		1,743,005	5,219,975
Proceeds from maturities of investment securities available-for-sale		6,437,480	10,894,017
Purchase of investment securities available-for-sale		-	(6,265,889)
Proceeds from sales of investment securities available-for-sale		18,806,385	1,229,570
Proceeds from maturities of securities held-to-maturity		3,740,451	4,934,205
Purchase of other investments		(2,791,900)	(164,900)
Proceeds from redemption of other investments		1,375,800	-
Proceeds from sale of fixed assets		31,500	92,000
Net change in loans		(211,484,628)	(293,509,015)
Purchases of premises and equipment		(3,327,450)	(1,313,571)
Proceeds from sale of other real estate		-	750,115
Net cash used in investing activities		(185,469,357)	(278,133,493)
Cash flows from financing activities:			
Net change in deposits		132,090,740	65,597,003
Proceeds from new Federal Home Loan Bank advances		70,000,000	-
Repayments of Federal Home Loan Bank advances		(50,000,000)	-
Proceeds from line of credit		-	4,050,000
Repayment of line of credit and note payable		(6,729,114)	(1,000,000)
Proceeds from issuance of common stock		154,993	-
Proceeds from warrant/option exercise		302,394	927,017
Dividends paid		(5,936,653)	(4,453,904)
Purchase of treasury stock		(305,539)	(347,844)
Net cash provided by financing activities		139,576,821	64,772,272
Net change in cash and cash equivalents		(9,777,413)	(184,236,592)
Cash and cash equivalents at beginning of year		188,713,104	372,949,696
Cash and cash equivalents at end of year	$	178,935,691	188,713,104
Supplemental disclosures of cash flow information and noncash investing and financing activities:			
Cash paid during the year for interest	$	27,979,173	7,427,928
Cash paid for income taxes	$	9,922,732	8,160,000
Changes in unrealized gains (losses) on securities available-for-sale, net of tax	$	3,682,645	(12,693,732)
Initial recognition of lease liabilities	$	-	5,479,939
Accrued dividends on common stock	$	2,020,132	1,803,832

See accompanying notes to consolidated financial statements.

(1) Summary of Significant Accounting Policies

Nature of Operations

Piedmont Bancorp, Inc. (the "Company") began operations on January 16, 2008 for the purpose of acquiring and operating a community bank in the Atlanta, Georgia metropolitan area. On June 30, 2009, the Company acquired Republic Bank of Georgia ("Republic") and upon the merger, Republic's name was changed to The Piedmont Bank. The consolidated financial statements of Piedmont Bancorp, Inc. and subsidiary include the financial statements of Piedmont Bancorp, Inc. and its wholly owned subsidiary, The Piedmont Bank (the "Bank"). All intercompany accounts and transactions have been eliminated in consolidation. The Bank is chartered and regulated by the Georgia Department of Banking and Finance and its deposits are insured by the Federal Deposit Insurance Corporation ("FDIC"). The Bank undergoes periodic examinations by these regulatory agencies.

The Bank is a community oriented commercial bank and offers such customary banking services as consumer and commercial checking accounts, savings accounts, certificates of deposit, commercial and consumer loans, money transfers and a variety of other banking services. The Bank has fourteen retail banking offices in Peachtree Corners, Lawrenceville, Dunwoody, Chamblee, Cumming, Cleveland, Gainesville, Jefferson, Blue Ridge, Duluth, Hiram, and Mableton, Georgia, and conducts its banking activities primarily in metro Atlanta.

Basis of Presentation

The accounting principles followed by the Company and the methods of applying these principles conform with accounting principles generally accepted in the United States of America ("GAAP") and with general practices within the banking industry. In preparing financial statements in conformity with GAAP, management is required to make estimates and assumptions that affect the reported amounts in the financial statements. Actual results could differ significantly from those estimates. Material estimates common to the banking industry that are particularly susceptible to significant change in the near term include, but are not limited to, the determination of the allowance for loan losses, the valuation of other real estate owned transactions, and valuation allowances associated with deferred tax assets, the recognition of which is based on future taxable income.

Reclassifications

Certain 2022 amounts have been reclassified to conform to the presentation used in 2023. These reclassifications had no effect on the operations, financial condition, or cash flows of the Company.

Cash and Cash Equivalents

The Company considers all highly liquid unrestricted investments with a maturity of three months or less to be cash equivalents. This includes cash, federal funds sold and interest-bearing deposits in other financial institutions. The deposits held at other financial institutions are insured by the FDIC up to $250,000 per institution. At times, these deposits may exceed the federally insured limit. As such, the Company periodically evaluates the credit worthiness of these institutions to ensure there are no significant risks of loss associated with any deposits held by these institutions. At December 31, 2023, the Company had not identified any significant risks of loss associated with deposits held at other financial institutions.

Investment Securities

The Company classifies its securities in one of three categories: trading, held-to-maturity, or available-for-sale. Trading securities are bought and held principally for the purpose of selling them in the near term. Held-to-maturity securities are those securities for which the Company has the ability and intent to hold the security until maturity and are carried at amortized cost. All other securities not included in trading or held-to-maturity are classified as available-for-sale.

Debt securities not classified as held-to-maturity are classified as available-for-sale. Securities available-for-sale are carried at fair value with unrealized gains and losses reported in other comprehensive income. Realized gains (losses) on securities available-for-sale are included in other income (expense) and, when applicable, are reported as a reclassification adjustment, net of tax, in other comprehensive income. Gains and losses on sales of securities are determined on the specific identification method.

(1) Summary of Significant Accounting Policies, continued

Investment Securities, continued

Effective January 1, 2023, management measures expected credit losses on held-to-maturity securities on a collective basis by major security type. The estimate of expected credit losses considers historical credit loss information that is adjusted for current conditions and reasonable and supportable forecasts. Accrued interest receivable on held-to-maturity debt securities is excluded from the estimate of credit losses. Management classifies the held-to-maturity portfolio into one major security type: US Government Agency sponsored mortgage-backed bonds. These securities generally carry zero risk.

Prior to January 1, 2023, declines in the fair value of individual held-to-maturity and available-for-sale securities below their cost that are other than temporary result in write-downs of the individual securities to their fair value. The related write-downs are included in earnings as realized losses. In estimating other-than-temporary impairment losses, management considers (1) the length of time and the extent to which the fair value has been less than cost, (2) the financial condition and near-term prospects of the issuer, and (3) the intent and ability of the Bank to retain its investment in the issuer for a period of time sufficient to allow for any anticipated recovery in fair value.

Starting January 1, 2023, 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 of the criteria regarding intent or requirement to sell is met, the security's amortized cost basis is written down to fair value through income. For debt securities available-for-sale that do not meet the aforementioned criteria, the Company evaluates whether the decline in fair value has resulted from credit losses or other actors. In making this assessment, management considers the extent to which fair value is less than amortized cost, any changes to the rating of the security by a rating agency, and adverse conditions specifically related to the security, among other factors. If this assessment indicates that 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 the cash flows expected to be collected is less than the amortized cost basis, a credit loss exists and an allowance for credit losses is recorded for the credit loss, limited by the amount that the fair value is less than the amortized cost basis. Any impairment that has not been recorded through an allowance for credit losses is recognized in other comprehensive income. Charges in the allowance for credit losses are recorded as credit loss expense (or reversal). Losses are charged against the allowance when management believes the uncollectibility of an available-for-sale security is confirmed or when either of the criteria regarding intent or requirement to sell is met.

Amortization of premiums and accretion of discounts are recognized in interest income using the interest method. Premiums that exceed the amount repayable by the issuer at the next call date are amortized to the next call date. Other premiums and discounts are amortized (accreted) over the estimated lives of the securities. Realized gains and losses for securities classified as available-for-sale are included in earnings and are derived using the specific identification method for determining the cost of securities sold.

Other Investments

Other investments include Federal Home Loan Bank of Atlanta ("FHLB") stock, which is considered an equity security without a readily determinable fair value. The Company has elected to account for equity securities without readily determinable fair values using the alternative measurement method. Under this method, these securities are carried at cost, minus impairment, if any, plus or minus changes resulting from observable price changes in orderly transactions for the identical or a similar investment.

Loans, Loan Fees and Interest Income on Loans

Loans are stated at the principal amount outstanding, net of the allowance for loan losses and net deferred loan fees. Interest income on loans is calculated by using the simple interest method on daily balances of the principal amount outstanding.

(1) Summary of Significant Accounting Policies, continued

Loans, Loan Fees and Interest Income on Loans, continued

Accrual of interest is discontinued on a loan when management believes, after considering economic and business conditions and collection efforts that the borrower's financial condition is such that collection of interest is doubtful. When a loan is placed on nonaccrual status, previously accrued and uncollected interest for the current year is charged to interest income on loans. Generally, payments on nonaccrual loans are applied to the principal.

Loan fees, net of certain origination costs, are deferred and amortized over the lives of the respective loans.

Allowance for Credit Losses

The Company adopted ASU No. 2016-13 and began accounting for credit losses under ASC 326, Financial Instruments - Credit Losses, on January 1, 2023. The new standard significantly changed the impairment model for most financial assets that are measured at amortized cost, including off-balance sheet credit exposures, from an incurred loss impairment model to an expected credit loss model. Refer to the "New Accounting Pronouncements " section of this note for more information on the impact to the consolidated financial statements.

The allowance for credit losses is a valuation account that is deducted from the loans' amortized cost basis to present the net amount expected to be collected on the loans. Loans are charged off against the allowance when management believes the uncollectibility of a loan balance is confirmed. Expected recoveries do not exceed the aggregate of amount previously charged-off and expected to be charged-off.

Management considers the following when assessing risk in the Company's loan portfolio segments:

- Commercial & industrial loans are made for commercial and industrial purposes to sole proprietorships, partnerships, corporations, and other business enterprises, whether secured (other than by real estate) or unsecured. Include loans made for the purpose financing capital expenditures and current operations, loans to business enterprises secured by SBA guarantees, and dealer floor plan loans.

- Real estate loans
  - ➢ Construction and development loans are secured by real estate made to finance land development preparatory to erecting new structures or the on-site construction of industrial, commercial, residential or farm buildings.
  - ➢ Farmland loans are secured by nonfarm property containing 1 to 4 dwelling units (including vacation homes). Include individual condominium units and loans secured by an interest in individual housing units. Excludes family residential property construction and land development purpose loans.
  - ➢ 1-4 Family residential loans are secured by nonfarm property containing 1 to 4 dwelling units (including vacation homes). Include individual condominium units and loans secured by an interest in individual cooperative housing units. Excludes family residential property construction and land development purpose loans.
  - ➢ Multi-family loans are secured by nonfarm properties with 5 or more dwelling units in structures used primarily to accommodate households on a more or less permanent basis. Excluded multifamily residential property construction and land development.
  - ➢ Nonfarm residential loans are secured by real estate that is non-farm and non-residential properties, such as hotels, motels, churches, hospitals, car washes, assisted-living facilities, mini-storage warehouse facilities, etc. Loans may be secured by Owner-Occupied properties where the primary source of repayment is the cash flow from the ongoing operations and activities conducted by the party who owns the property. Or, loans may be secured by Other Non-Farm, Non-Residential properties where the primary source of repayment is derived from rental income associated with the property.

(1) Summary of Significant Accounting Policies, continued

Allowance for Credit Losses, continued

- Consumer loans are made to individuals for household, family, and other personal expenditures. These loans may include purposes such as purchasing new and used autos, boats, recreational vehicles, personal lines of credit, vacation, medical expenses, taxes, or other personal expenditures.

- State and political subdivisions are loans to municipalities (city, county, and state), school districts, and water districts in the United States.

Management estimates the allowance balance using relevant available information, from internal and external sources, relating to past events, current conditions, and reasonable supportable forecasts. Historical credit losses 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 such as difference in underwriting standards, portfolio mix, delinquency levels, or term as well as for changes in environmental conditions, such as changes in unemployment rates, interest rates, and gross domestic product.

The allowance for credit losses is measured on a collective (pool) basis when similar risk characteristics exist. Loans that do not share risk characteristics are evaluated on an individual basis. Loans evaluated individually are not also included in the collective evaluation. When management determines that foreclosure is probable expected credit losses are based on the fair value of the collateral at the reporting date, adjusted for selling costs as appropriate.

Management evaluates collectively evaluated loans using the probability of default/loss given default methodology. The probability of default/loss given default methodology assigns a probability of default factor and a loss factor for default for each loan. Reserves are then calculated by using the probability of default factor and a loss factor with each individual loan balance. Probability of default rates are then forecasted over a 24-month period using a regression model based on national unemployment rate and 10-year treasury yield forecasts obtained from Fannie Mae. Management has elected to use a straight-line reversion method for a 12-month period subsequent to the 24-month period for profitability of default rates.

Accrued interest receivable is excluded from the estimate of credit losses. Accrued interest of approximately $6,743,000 and $5,038,000 at December 31, 2023 and 2022, respectively, were excluded from the amortized cost basis of the loans and is included within accrued interest receivable on the balance sheet.

In addition, the Company estimates expected credit losses over the contractual period in which the Company is exposed to credit risk via a contractual obligation to extend credit, unless that obligation is unconditionally cancellable by the Company. The allowance for credit losses on off-balance sheet credit exposures, which is included within other liabilities on the balance sheet, is adjusted through provision for credit loss expense. The estimate includes consideration of the likelihood that funding will occur and an estimate of expected credit losses on commitments expected to be funded over its estimated life. The estimate is influenced by historical loss experience, adjusted for current risk characteristics, and economic forecasts.

The Company may modify loans to borrowers experiencing financial difficulty and grant certain concessions that include principal forgiveness, a term extension, an other-than-insignificant payment delay, an interest rate reduction, or a combination of these concessions. An assessment of whether the borrower is experiencing financial difficulty is made at the time of the loan modification. Upon the Company's determination that a modified loan (or portion of a loan) has subsequently been deemed uncollectible, the loan (or portion of the loan) is written off. Therefore, the amortized cost basis of the loan is reduced by the uncollectible amount and the allowance for credit losses is adjusted by the same amount.

(1) Summary of Significant Accounting Policies, continued

Allowance for Credit Losses, continued

Prior to January 1, 2023, the Company used an incurred loss impairment model to estimate the allowance for credit loss on loans. The allowance consists of specific, general, and unallocated components. The specific component relates to loans that are classified as doubtful, substandard, or special mention. For such loans that are also classified as impaired, an allowance is established when the discounted cash flows (or collateral value or observable market price) of the impaired loan is lower than the carrying value of that loan. The general component covers nonclassified loans and is based on historical loss experience adjusted for qualitative factors. An unallocated component is maintained to cover uncertainties that could affect management's estimate of probable losses. The unallocated component of the allowance reflects the margin of imprecision inherent in the underlying assumptions used in the methodologies for estimating specific and general losses in the portfolio.

A loan is considered impaired when, based on current information and events, it is probable that the Bank will be unable to collect the scheduled payments of principal or interest when due according to the contractual terms of the loan agreement. Factors considered by management when determining impairment include payment status, collateral value, and the probability of collecting scheduled principal and interest payments when due. Loans that experience insignificant payment delays and payment shortfalls generally are not classified as impaired. Management determines the significance of payment delays and payment shortfalls on a case-by-case basis, taking into consideration all of the circumstances surrounding the loan and the borrower, including the length of the delay, the reasons for the delay, the borrower's prior payment record, and the amount of the shortfall in relation to the principal and interest owed. Impairment is measured on a loan-by-loan basis for commercial and construction loans by either the present value of expected future cash flows discounted at the loan's effective interest rate, the loan's obtainable market price, or the fair value of the collateral if the loan is collateral-dependent. Large groups of smaller balance homogenous loans are collectively evaluated for impairment. Accordingly, the Bank does not separately identify individual consumer and residential loans for impairment disclosures, unless such loans are the subject of a restructuring agreement.

Other Real Estate

Other real estate consists of properties obtained through foreclosure proceedings. Other real estate is reported on an individual asset basis at fair value less disposal costs. Fair value is determined on the basis of current appraisals, comparable sales, and other estimates of value obtained principally from independent sources. When properties are acquired through foreclosure, any excess of the loan balance at the time of foreclosure over the fair value of the real estate held as collateral is recognized as a loss and charged to the allowance for credit losses. Subsequent write-downs are charged to operations. Gains or losses recognized on the disposition of the properties are recorded in other income. Costs of improvements to other real estate are capitalized, not to exceed the fair value less expected disposal costs of the property, while costs associated with holding other real estate owned are charged to operations.

Premises and Equipment

Premises and equipment are carried at cost less accumulated depreciation. For financial reporting purposes, depreciation is computed using the straight-line method over the estimated useful life of the related asset. When assets are retired or otherwise disposed of, the cost and related accumulated depreciation are removed from the accounts, and any resulting gain or loss is reflected in income for the period. The cost of maintenance and repairs that do not improve or extend the useful life of the respective asset is charged to income as incurred, whereas significant renewals and improvements are capitalized. The range of estimated useful life for equipment and furniture is three to seven years and for buildings is 25-35 years.

Cash Surrender Value of Life Insurance

Life insurance contracts represent single premium life insurance contracts on the lives of certain officers of the Bank. The Bank is the primary beneficiary of these policies. These contracts are reported at their cash surrender value and changes in the cash surrender value are included in other income.

(1) Summary of Significant Accounting Policies, continued

Goodwill

Goodwill represents the cost of acquired companies in excess of the fair value of the net assets acquired. Goodwill is not amortized over a useful life. Instead, it is reviewed for impairment annually, or more frequently if deemed necessary. No impairment was recognized for the years ended December 31, 2023 and 2022.

Intangible Assets

Intangible assets consist of core deposit intangibles which were established in the allocation of purchase price to the fair value of identifiable net assets acquired of Mountain Valley Community Bank and Westside Bank. In addition to the goodwill recorded for acquisitions, the Company recorded core deposit intangible assets of $2,290,000 in association with the Mountain Valley Community Bank acquisition and $2,860,000 in association with the Westside Bank acquisition. The core deposit intangible is amortized on a straight-line basis over the estimated period of benefit of ten years. Amortization expense was $515,000 for both years ended December 31, 2023 and 2022.

	2023		2022	
	Gross Amount	Accumulated Amortization	Gross Amount	Accumulated Amortization
Core deposit intangible	$ 5,150,000	2,217,750	5,150,000	1,702,750

Leases

The Company records a right-of-use (“ROU”) asset and a related lease liability for eligible operating leases for which it is the lessee, which include leases for buildings and equipment. At lease commencement, the Company records the ROU asset and related lease liability based on the present value of lease payments over the lease term. Absent a readily determinable interest rate in the lease agreement, the Company’s incremental borrowing rate for secured borrowings was utilized as the discount rate used in the present value calculation. The incremental borrowing rate is based on the term of the lease. Payments related to these leases consist primarily of base rent and, in the case of building leases, additional operating costs associated with the leased property such as common area maintenance and utilities. In most cases these operating costs vary over the term of the lease, and therefore are classified as variable lease costs, which are recognized as incurred in the consolidated statement of operations. In addition, certain operating leases include costs such as property taxes and insurance, which are recognized as incurred in the consolidated statement of operations.

Some of the Company’s operating leases contain renewal options of which the renewal option is at our sole discretion. The Company does not consider exercise of any lease renewal options reasonably certain. In addition, certain of our lease agreements contain early termination options. No renewal or early termination options have been included in calculation of the ROU assets or operating lease liabilities. At the commencement date, the Company also recognizes a ROU asset measured at (i) the initial measurement of the lease liability; (ii) any lease payments made to the lessor at or before the commencement date less any lease incentives received; and (iii) any initial direct costs incurred by the lessee. The Company elected to include leases with an initial term of 12 months or less as short-term leases and as such are not recorded on the balance sheet. For these short-term leases, lease expense is recognized on a straight-line basis over the lease term. At December 31, 2023 and 2022, the Company had no leases classified as financing leases.

Treasury Stock

Treasury stock is accounted for, at cost, on a first in first out basis.

(1) Summary of Significant Accounting Policies, continued

Income Taxes

The Company uses the liability method of accounting for income taxes, which requires the recognition of deferred tax assets and liabilities for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax basis. Additionally, this method requires the recognition of future tax benefits, such as net operating loss carryforwards, to the extent that realization of such benefits is more likely than not. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which the assets and liabilities are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income tax expense in the period that includes the enactment date.

In the event the future tax consequences of differences between the financial reporting bases and the tax bases of the Company's assets and liabilities results in deferred tax assets, an evaluation of the probability of being able to realize the future benefits indicated by such asset is required. A valuation allowance is provided for the portion of the deferred tax asset when it is more likely than not that some portion or all of the deferred tax asset will not be realized. In assessing the realization of the deferred tax assets, management considers the scheduled reversals of deferred tax liabilities, projected future taxable income, and tax planning strategies.

A tax position is recognized as a benefit only if it is "more likely than not" that the tax position would be sustained in a tax examination, with a tax examination being presumed to occur. The amount recognized is the largest amount of tax benefit that is greater than 50 percent likely of being realized on examination. For tax positions not meeting the "more likely than not" test, no tax benefit is recorded. The Company currently evaluates income tax positions judged to be uncertain. A loss contingency reserve is accrued if it is probable that the tax position will be challenged, it is probable that the future resolution of the challenge will confirm that a loss has been incurred, and the amount of such loss can be reasonably estimated.

Stock-Based Compensation

The Company accounts for its stock compensation plans using a fair value based method of accounting whereby compensation cost is measured at the grant date based on the value of the award recognized over the service period, which is usually the vesting period.

Comprehensive Income

The Company has elected to present comprehensive income in a separate statement of comprehensive income. Accumulated other comprehensive income (loss) includes the net of tax effect of unrealized gains (losses) on securities available-for-sale.

(1) Summary of Significant Accounting Policies, continued

Revenue Recognition

The Company records revenue from contracts with customers in accordance with Accounting Standards Codification (ASC) 606, *Revenue from Contracts with Customers* ("ASC 606"). Under ASC 606, the Company must identify the contract with a customer, identify the performance obligation(s) within the contract, determine the transaction price, allocate the transaction price to the performance obligation(s) within the contract, and recognize revenue when (or as) the performance obligation(s) are/is satisfied. The core principle under ASC 606 requires the Company to recognize revenue to depict the transfer of services or products to customers in an amount that reflects the consideration that it expects to be entitled to receive in exchange for those services or products recognized as performance obligations are satisfied. The Company generally fully satisfies its performance obligations on its contracts with customers as services are rendered and the transaction prices are typically fixed; charged either on a periodic basis or based on activity. Since performance obligations are satisfied as services are rendered and the transaction prices are fixed, there is little judgment involved in applying ASC 606 that significantly affects the determination of the amount and timing of revenue form contracts with customers. The majority of the Company's revenue is not subject to ASC 606, including net interest income, loan servicing income, fees related to loans and loan commitments, increase in cash surrender value of life insurance, and gain on sales of securities and loans. The following significant revenue-generating transactions are within the scope of ASC 606, which are presented in the Statements of Earnings as components of other income.

Service charges and fees on deposit accounts: The deposit contract obligates the Company to serve as a custodian of the customer's deposited funds and is generally terminable at will by either party. The contract permits the customer to access the funds on deposit and request additional services for which the Company earns a fee, including NSF and analysis charges, stop payment fees and wire transfer fees related to the deposit account. Income for deposit accounts is recognized over the statement cycle period (typically on a monthly basis) or at the time the service is provided, if additional services are requested.

New Accounting Pronouncement

On January 1, 2023, the Company adopted Accounting Standards Update ("ASU") 2016-13 Financial Instruments - Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments, as amended, which replaces the incurred loss methodology with an expected loss methodology that is referred to as the current expected credit loss (CECL) methodology. The measurement of expected credit losses under the CECL methodology is applicable to financial assets measured at amortized cost, including held-to-maturity securities. It also applies to off-balance sheet credit exposures. In addition, Accounting Standard Codification ("ASC") 326 made changes to the accounting for available-for-sale securities. One such change is to require credit losses to be presented as an allowance rather than as a write-down on available-for-sale securities management does not intend to sell or believes that it is more likely than not they will be required to sell. The Company adopted ASC 326 using the modified retrospective method for all financial assets measured at amortized cost and off-balance-sheet credit exposures. January 1, 2023, the Company recorded a cumulative effect adjustment of $818,000 to retained earnings. Results for reporting periods beginning after January 1, 2023 are presented under ASC 326 while prior period amounts continue to be reported in accordance with previously applicable GAAP.

In January 2023, the Company adopted ASU 2022-02, "Financial Instruments - Credit Losses (Topic 326): Troubled Debt Restructurings and Vintage Disclosures" ("ASU 2022-02"), which eliminated the accounting guidance for troubled debt restructurings ("TDRs") while enhancing disclosure requirements for certain loan refinancing and restructurings by creditors when a borrower is experiencing financial difficulty. This guidance was applied on a prospective basis. Upon adoption of this guidance, the Bank no longer establishes a specific reserve for modifications to borrowers experiencing financial difficulty. Instead, these modifications are included in their respective cohort and a historical loss rate is applied to the current loan balance to arrive at the quantitative baseline portion of the Allowance. Adoption of this ASU did not have a material impact on the Company's consolidated financial statements; however, it resulted in new disclosures.

(2) Investment Securities

Securities available-for-sale at December 31, 2023 and 2022 are as follows:

December 31, 2023:		Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Estimated Fair Value
U.S. government sponsored enterprises	$	222,357	-	55,953	166,404
Mortgage-backed securities		61,287,933	2,295	10,780,143	50,510,085
Municipals		16,167,519	2,488	1,930,512	14,239,495
Total	$	77,677,809	4,783	12,766,608	64,915,984
December 31, 2022:					
U.S. government sponsored enterprises	$	222,367	-	62,349	160,018
Mortgage-backed securities		76,248,868	3,484	12,612,487	63,639,865
Municipals		30,172,617	340	4,564,412	25,608,545
Total	$	106,643,852	3,824	17,239,248	89,408,428

Securities held-to-maturity at December 31, 2023 and 2022 are as follows:

December 31, 2023:		Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Estimated Fair Value
Mortgage-backed securities	$	49,629,569	-	8,929,504	40,700,065
Total	$	49,629,569		8,929,504	40,700,065
December 31, 2022:					
Mortgage-backed securities	$	53,421,714	-	9,100,041	44,321,673
Total	$	53,421,714	-	9,100,041	44,321,673

The following outlines the unrealized losses and fair value by investment category and length of time that individual securities have been in a continuous unrealized loss position at December 31, 2023 and 2022:

Securities available for sale:

		Less than 12 Months		12 Months or More	
December 31, 2023:		Estimated Fair Value	Unrealized Losses	Estimated Fair Value	Unrealized Losses
U.S. government sponsored enterprises	$	-	-	166,404	55,953
Mortgage-backed securities		-	-	49,937,810	10,780,143
Municipals		744,304	6,366	12,454,549	1,924,146
Total	$	744,304	6,366	62,558,763	12,760,242
December 31, 2022:					
U.S. government sponsored enterprises	$	-	-	160,018	62,349
Mortgage-backed securities		12,720,118	1,064,594	50,305,156	11,547,893
Municipals		11,295,599	1,601,038	13,185,974	2,963,374
Total	$	24,015,717	2,665,632	63,651,148	14,573,616

Securities held-to-maturity were in an unrealized loss position for both December 31, 2023 and 2022. All twelve mortgage-backed securities in this portfolio were in a loss position for twelve months or more at December 31, 2023 and 2022.

(2) Investment Securities, continued

Management evaluates annually whether unrealized losses on investment securities represent impairment that is other-than-temporary. In making this evaluation, management considers changes in market interest rates relative to those available when the security was acquired, changes in market expectations about the timing of cash flows from securities that can be prepaid, and changes in the market's perception of the issuer's financial condition and the security's credit quality. Management then assesses the likelihood of a recovery in fair value and the length of time over which a recovery would occur, which could extend the holding period. Finally, management determines whether there is both the ability and intent to hold the impaired security until an anticipated recovery, in which case the impairment would be considered temporary.

At December 31, 2023, including both the available-for-sale and held-to-maturity portfolios, fifty-four out of fifty-six mortgage-backed securities, twenty-one out of twenty-five municipal securities and the only U.S. government sponsored security were in a loss position. The unrealized losses arose due to changing interest rates and market conditions and are considered to be temporary. At December 31, 2022, fifty-seven out of fifty-nine mortgage-backed securities, thirty-one out of thirty-five municipal securities and the only U.S. government sponsored security were in a loss position. The Company does not intend to sell the investments and it is not likely that the Company will be required to sell the investments before recovery of their amortized cost basis, which may be at maturity.

At December 31, 2023, the seventy-six debt securities with unrealized losses have depreciated 17.3% from the Bank's amortized cost basis. At December 31, 2022, the 89 debt securities with unrealized losses have depreciated 16.6% from the Bank's amortized cost basis. These securities are guaranteed by either the U.S. Government or other governments. These unrealized losses relate principally to current interest rates for similar types of securities. In reaching the conclusion that an allowance for credit losses is unnecessary, management considers whether the securities are issued by the federal government or its agencies, whether downgrades by bond rating agencies have occurred, and the results of reviews of the issuer's financial condition. As management has the ability to hold debt securities until maturity, or for the foreseeable future if classified as available-for-sale, the Company expects to recover the amortized cost basis of these securities before they are sold or mature.

The amortized cost and estimated fair value of securities at December 31, 2023, by contractual maturity, are shown below. Expected maturities will differ from contractual maturities because borrowers have the right to call or prepay obligations with or without call or prepayment penalties.

Securities available-for-sale:

	Amortized Cost	Estimated Fair Value
Within 1 year	$ -	-
1 to 5 years	2,006,643	1,976,817
5 to 10 years	1,796,528	1,638,173
More than 10 years	12,586,705	10,790,909
Mortgage-backed securities	61,287,933	50,510,085
	$ 77,677,809	64,915,984

Securities classified as held-to-maturity consisted entirely of government agency guaranteed mortgage-backed obligations with a December 31, 2023 amortized cost of $49,629,569 and estimated fair market value of $40,700,065.

Proceeds from sales of investment securities available-for-sale during 2023 totaled $18,806,000. These sales resulted in losses of $3,269,813. Proceeds from the sales of investment securities available-for-sale during 2022 totaled $1,230,000. These sales resulted in gains of $2,958. Investments with a carrying value of approximately $94,340,000 and $74,302,000 were pledged as collateral for public deposits at December 31, 2023 and 2022, respectively.

(3) Loans and Allowance for Credit Losses

Major classifications of loans, by purpose code, at December 31, 2023 and 2022 are summarized as follows:

	2023	2022
Commercial	$ 201,752,659	131,324,199
Real estate	1,443,927,334	1,301,415,194
Consumer	6,192,883	5,796,611
State and political obligations	13,285,277	14,381,183
	1,665,158,153	1,452,917,187
Less: Allowance for credit losses	(15,873,876)	(13,950,872)
Deferred loan fees	(3,239,713)	(3,012,186)
Net loans	$ 1,646,044,564	1,435,954,129

The Bank grants loans and extensions of credit to individuals and a variety of firms and corporations located primarily in metro Atlanta and North Georgia. Although the Bank has a diversified loan portfolio, a substantial portion of the loan portfolio is collateralized by improved and unimproved real estate and is dependent upon the real estate market.

The Bank individually evaluates all loans for impairment that are on nonaccrual status or are rated substandard (as described below). A loan is evaluated individually when, based on current events and circumstances; it is probable that all amounts due, according to the contractual terms of the loan, will not be collected. Individually analyzed loans are measured based on the fair value of the collateral if the loan is collateral dependent. Allowances on individually analyzed loans deemed to be collateral dependent are charged-off if foreclosure is probable. Additionally, individually analyzed loans with excess collateral values carry no related allowance allocation. Interest payments received on non-accrual loans are applied as a reduction of the outstanding principal balance.

(3) Loans and Allowance for Credit Losses, continued

Individually analyzed loans and related amounts included in the allowance for loan losses at December 31, 2023 and 2022 are as follows:

December 31, 2023:		Commercial	Real Estate	Consumer	State and Political Obligations	Unallocated	Total
Allowance for credit losses:							
Balance at beginning of the period	$	805,866	12,602,743	44,826	92,406	405,031	13,950,872
Provision for credit losses		457,545	1,104,277	(30,288)	(5,968)	539,434	2,065,000
Charge-offs		(99,842)	(54,189)	-	-	-	(154,031)
Recoveries		11,060	-	975	-	-	12,035
Ending balance	$	1,174,629	13,652,831	15,513	86,438	944,465	15,873,876
Ending balance individually evaluated	$	-	-	-	-	-	-
Ending balance collectively evaluated	$	1,174,629	13,652,831	15,513	86,438	944,465	15,873,876
Loans:							
Individually evaluated	$	-	-	-	-	-	-
Collectively evaluated	$	201,752,659	1,443,927,334	6,192,883	13,285,277	-	1,665,158,153
December 31, 2022:							
Allowance for loan losses:							
Balance at beginning of the period	$	973,301	9,918,300	51,278	113,350	124,442	11,180,671
Provision for loan losses		(122,361)	2,684,443	(6,695)	(20,944)	280,589	2,815,032
Charge-offs		(46,699)	-	-	-	-	(46,699)
Recoveries		1,625	-	243	-	-	1,868
Ending balance	$	805,866	12,602,743	44,826	92,406	405,031	13,950,872
Ending balance individually evaluated for impairment	$	-	-	-	-	-	-
Ending balance collectively evaluated for impairment	$	805,866	12,602,743	44,826	92,406	405,031	13,950,872
Loans:							
Individually evaluated for impairment	$	-	-	-	-	-	-
Collectively evaluated for impairment	$	131,324,199	1,301,415,194	5,796,611	14,381,183	-	1,452,917,187

(3) Loans and Allowance for Credit Losses, continued

The Company did not have any individually analyzed loans at December 31, 2023 and December 31, 2022.

The Company maintains an allowance for off-balance sheet credit exposures such as unfunded balances for existing lines of credit, commitments to extend future credit, as well as both standby and commercial letters of credit when there is a contractual obligation to extend credit and when this extension of credit is not unconditionally cancellable. The allowance for off-balance sheet credit exposures is adjusted as a provision for credit loss expense. The estimate includes consideration of the likelihood that funding will occur and an estimate of expected credit losses on commitments expected to be funded over its estimated life, which are the same loss rates that are used in computing the allowance for credit losses on loans. The allowance for credit losses for unfunded commitments is separately classified on the balance sheet within other liabilities.

The following table presents the balance and activity in the allowance for credit losses for unfunded commitments for the year ended December 31, 2023.

Balance at the beginning of the period	$	-
Adjustment to allowance for unfunded commitments – adoption of ASU 2016-13		1,098,000
Provision for Credit Loss		(248,000)
Ending balance	$	850,000

The following tables present the aging of the recorded investment in past due loans and nonaccrual loans as of December 31, 2023 and 2022 by class of loans:

	30-59 Days Past Due	60-89 Days Past Due	Greater than 90 Days Past Due	Total Past Due	Current	Total	Non-accrual
December 31, 2023:							
Commercial	$ -	-	-	-	201,752,659	201,752,659	-
Real estate	425,447	-	-	425,447	1,443,501,887	1,443,927,334	-
Consumer	-	-	-	-	6,192,883	6,192,883	-
State and political obligations	-	-	-	-	13,285,277	13,285,277	-
Total	$ 425,447	-	-	425,447	1,664,732,706	1,665,158,153	-
December 31, 2022:							
Commercial	$ -	-	-	-	131,324,199	131,324,199	-
Real estate	1,200,000	-	-	1,200,000	1,300,215,194	1,301,415,194	-
Consumer	-	-	-	-	5,796,611	5,796,611	-
State and political obligations	-	-	-	-	14,381,183	14,381,183	-
Total	$ 1,200,000	-	-	1,200,000	1,451,717,187	1,452,917,187	-

There were no loans greater than 90 days past due and accruing as of December 31, 2023 or 2022.

During both 2023 and 2022, there were no loans transferred to nonaccrual status or related accrued interest reversed.

There were no modified loans to borrowers experiencing financial difficulties occurring during 2023 or 2022.

(3) Loans and Allowance for Credit Losses, continued

The Bank categorized loans into risk categories based on relevant information about the ability of borrowers to service their debt such as: current financial information, historical payment experience, credit documentation, public information, current economic trends, among other factors. The Bank analyzes loans individually by classifying the loans as to credit risk. This analysis is performed on a continuous basis. The Bank uses the following definitions for its risk ratings:

Management Attention
Borrower has a history of potential derogatory credit, but all negative items can be explained and are not expected to continue in the future. Collateral may be inefficient to fully cover the debt, in the event the collateral is liquidated. Payments are expected to continue at their regularly scheduled frequency.

Special Mention
Weakness exists that could cause future impairment, including the deterioration of financial ratios, past due status and questionable management capabilities. Collateral values generally afford adequate coverage but may not be immediately marketable.

Substandard
Specific and well-defined weaknesses exist that may include poor liquidity and deterioration of financial ratios. The loan may be past due and related deposit accounts experiencing overdrafts. Immediate corrective action is necessary.

Loans not meeting the criteria above that are analyzed individually as part of the above described process are considered to be Pass rated loans. As of December 31, 2023, and 2022, and based on the most recent analysis performed, the risk category of loans by class of loans is as follows:

December 31, 2023:	Pass	Management Attention	Special Mention	Substandard	Total
Commercial	$ 199,556,240	1,770,972	-	-	201,327,212
Real estate	1,443,927,334	425,447	-	-	1,444,352,781
Consumer	6,192,883	-	-	-	6,192,883
State and political obligations	13,285,277	-	-	-	13,285,277
Total	$ 1,662,961,734	2,196,419	-	-	1,665,158,153
December 31, 2022:					
Commercial	$ 128,895,511	2,428,688	-	-	131,324,199
Real estate	1,300,958,544	456,650	-	-	1,301,415,194
Consumer	5,796,611	-	-	-	5,796,611
State and political obligations	14,381,183	-	-	-	14,381,183
Total	$ 1,450,031,849	2,885,338	-	-	1,452,917,187

(4) Premises and Equipment

Major classifications of premises and equipment at December 31, 2023 and 2022 are summarized as follows:

	2023	2022
Land	$ 10,752,682	10,631,482
Leasehold improvements	945,638	908,520
Building	18,336,620	17,739,192
Equipment and furniture	8,885,104	8,293,122
Construction in progress	1,943,526	8,805
	40,863,570	37,581,121
Less accumulated depreciation and amortization	(14,594,593)	(13,470,116)
	$ 26,268,977	24,111,005

Depreciation and amortization expense was $1,124,478 and $1,101,090 for the years ended December 31, 2023 and 2022, respectively.

(5) Walton Funding LLC

On February 16, 2023, the Company, through its wholly owned subsidiary, the Bank, acquired a 30 percent stake in Walton Funding LLC, a specialty lending company located in Inlet Beach, Florida. Under the terms of the agreement, the Company paid $1,000,000 in cash, $500,000 in common stock (60,606 shares) and capitalized approximately $658,000 in acquisition costs. For the year ended December 31, 2023, the Company recognized $154,000 in income related to this investment which was included with "Other Income" on the income statement. In addition, the investment of $2,112,000 as of December 31, 2023, was included with "Accrued interest receivable and other assets" on the balance sheet.

(6) Deposits

The aggregate amount of time deposits, with a minimum denomination of $250,000, was approximately $206,835,000 and $113,666,000 at December 31, 2023 and 2022, respectively.

The Company had $78,400,000 in brokered time deposits at December 31, 2023. These deposits were used to support asset growth and augment deposits generated from our branch network. The weighted average interest rate on these deposits was 5.51% and they have a weighted average remaining maturity of 1.8 months.

At December 31, 2023, the scheduled maturities of time deposits are as follows:

2024	$ 433,986,671
2025	16,594,777
2026	2,116,377
2027	1,722,030
2028	353,225
Total	$ 454,773,080

(7) Federal Home Loan Bank Advances

At December 31, 2023, the Company had one fixed rate advance of $30,000,000 that matures on January 19, 2024. The interest rate on the advance is 5.44%. At December 31, 2022, the Company had one fixed rate FHLB advance of $10,000,000 that matured on March 30, 2023. The interest rate on the advance was 0.73%.

(8) Note Payable, Line of Credit and Subordinated Debentures

During 2021, the Company secured a term note of $5,000,000 and a $10,000,000 revolving line of credit. The terms of the $5,000,000 note are a fixed interest rate of 3.00% for five years with interest due quarterly and principal due annually. The term note had an outstanding balance of $3,000,000 and $4,000,000 at December 31, 2023 and 2022, respectively. The revolving line of credit is priced at the Prime Rate of interest with interest payments due quarterly. The interest rate was 8.5% and 7.5% at December 31, 2023 and 2022, respectively. During 2023, the Company paid off the December 31, 2022 outstanding balance of $5,729,114 on the revolving line of credit. The term loan and revolving line of credit are secured by 100% of the Bank's stock.

Future principal payments on the term note are as follows:

2024	$	1,000,000
2025		1,000,000
2026		1,000,000
Total	$	3,000,000

In 2020, the Company issued $20,000,000 in subordinated debentures. The debentures have a maturity date of September 1, 2030 and were issued at a fixed interest rate of 5.75% for the first five years of the term with a floating rate of interest for the final five years of the three-month Secured Overnight Financing Rate plus 561.5 basis points. Interest on the debentures is payable semi-annually in March and September with principal due at maturity. In 2023 and 2022, the Company recognized interest expense of approximately $1,150,000 and $1,125,000 respectively, related to the subordinated debentures. Issuance costs for the subordinated debt issue were approximately $595,000. During 2023 and 2022, approximately $73,000 and $59,000 respectively, of these costs were amortized and are included within interest expense on the income statement. These expenses were primarily payments to an investment banking firm and legal fees.

(9) Income Taxes

The Company's income tax expense (benefit) for the periods ended December 31, 2023 and 2022 consisted of the following components:

		2023	2022
Current income taxes	$	8,871,977	8,253,576
Deferred income taxes		(294,977)	(471,935)
Income tax expense	$	8,577,000	7,781,641

The difference between income tax expense and the amount computed by applying the statutory federal income tax rate to income before taxes for the years ended December 31, 2023 and 2022, are as follows:

		2023	2022
Pretax income at statutory rate	$	7,608,022	7,007,832
State income tax, net		936,676	1,095,990
Other		32,302	(322,181)
	$	8,577,000	7,781,641

(9) Income Taxes, continued

The following summarizes the sources and expected tax consequences of future taxable deductions and income, which comprise the net deferred taxes at December 31, 2023 and 2022.

	2023	2022
Deferred income tax assets:		
Operating loss carryforwards	$ 1,054,154	1,279,066
Deferred compensation plan	1,287,358	1,284,846
Allowance for loan losses	4,215,329	3,563,401
Unrealized loss on securities available-for-sale	3,259,370	4,050,325
Lease liability	1,953,953	1,399,713
Other	563,529	606,114
Total gross deferred income tax assets	12,333,693	12,183,465
Deferred income tax liabilities:		
Core deposit intangible	739,087	880,514
Premises and equipment	51,633	86,380
Right of Use Asset	1,910,662	1,386,697
Other	215,020	196,605
Total gross deferred income tax liabilities	2,916,402	2,550,196
Net deferred tax asset	$ 9,417,291	9,633,269

The future tax consequences of the differences between the financial reporting and tax basis of the Company's assets and liabilities resulted in a net deferred tax asset. As of December 31, 2023, the Company had net operating loss carryforwards totaling approximately $4,671,000 (acquired from the Republic and Westside mergers), that will begin to expire in 2028 unless previously utilized.

As of December 31, 2023, the 2020 through 2022 tax years were open to examination, though no examinations are in process.

(10) Stockholders' Equity

In connection with the Company's formation and initial offering, the organizers received warrants to purchase one share of common stock at $10 per share for each share they originally purchased. The warrants were granted at the initial stock offering price of $10 per share, are exercisable immediately, and expire ten years after the date of grant, or August 19, 2018. In 2017, the warrants were extended another ten years to August 19, 2028. In connection with the 2012 issuance of warrants based on performance of certain specific problem assets acquired from Republic (the "Adjustment Warrants"), the exercise price of these warrants was reduced to $3.95 and the number of warrants outstanding was increased to 1,266,321 so that the effect of the Adjustment Warrants was not dilutive to these warrant holders. During 2023, 2022, 2021, and 2020, the participants exercised 75,000 warrants, 228,917 warrants, 126,633 warrants, and 177,284 warrants, respectively. The remaining 658,487 warrants have a weighted-average remaining life of approximately five years.

(11) Limitation on Dividends

Banking regulations limit the amount of dividends that the Bank can pay to the Company without prior approval of the regulatory authorities. These restrictions are based on the level of regulatory classified assets, the prior year's net earnings, and the ratio of equity capital to total assets.

(12) Regulatory Matters

The Bank is subject to various 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 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 the regulators about components, risk weighting, and other factors.

Quantitative measures established by regulations to ensure capital adequacy require the Bank to maintain minimum amounts and ratios (set forth in the table below) of total and Tier I capital (as defined in the regulations) to risk-weighted assets (as defined), and of Tier I capital (as defined) to average assets (as defined). Management believes, as of December 31, 2023, that the Bank meets all capital adequacy requirements to which it is subject.

As of December 31, 2023, the most recent regulatory notification categorized the Bank as well capitalized under the regulatory framework for prompt corrective action. To be categorized as well capitalized the Bank must maintain minimum total risk-based, Tier I risk-based, and Tier I leverage ratios as set forth in the following table.

The Bank's actual capital amounts and ratios are also presented in the table (amounts presented in thousands).

	Actual		For Capital Adequacy Purposes		To be Well Capitalized Under Prompt Corrective Action Provisions	
	Amount	Ratio	Amount	Ratio	Amount	Ratio
As of December 31, 2023:						
Common Equity Tier 1 (to risk-weighted assets)	$ 206,071	11.50%	$ 80,656	4.50%	$ 116,503	6.50%
Total Capital (to Risk-weighted Assets)	$ 222,795	12.43%	$ 143,388	8.00%	$ 179,235	10.00%
Tier I Capital (to Risk-weighted Assets)	$ 206,071	11.50%	$ 107,541	6.00%	$ 143,388	8.00%
Tier I Capital (to Average Assets)	$ 206,071	10.56%	$ 78,088	4.00%	$ 97,610	5.00%
As of December 31, 2022:						
Common Equity Tier 1 (to risk-weighted assets)	$ 185,683	11.78%	$ 70,941	4.50%	$ 102,470	6.50%
Total Capital (to Risk-weighted Assets)	$ 199,634	12.66%	$ 126,117	8.00%	$ 157,647	10.00%
Tier I Capital (to Risk-weighted Assets)	$ 185,683	11.78%	$ 94,588	6.00%	$ 126,117	8.00%
Tier I Capital (to Average Assets)	$ 185,683	10.24%	$ 72,548	4.00%	$ 90,685	5.00%

(13) Related Party Transactions

The Bank conducts transactions with directors and executive officers, including companies in which they have beneficial interest, in the normal course of business. It is the policy of the Bank that loan transactions with directors and executive officers are made on substantially the same terms as those prevailing at the time for comparable loans to other persons. The following is a summary of activity for related party loans for 2023.

Beginning balance	$	11,062,372
Loans advanced		9,309,476
Repayments		3,561,335
	$	16,810,513

The aggregate amount of deposits of directors and executive officers and their affiliates amounted to $28,616,819 and $48,105,775 at December 31, 2023 and 2022, respectively.

(14) Commitments

The Bank is a party to financial instruments with off-balance-sheet risk in the normal course of business to meet the financing needs of its customers. These financial instruments could include commitments to extend credit and standby letters of credit. Those instruments involve, to varying degrees, elements of credit risk in excess of the amount recognized in the balance sheet. The contract amounts of those instruments reflect the extent of involvement the Bank has in particular classes of financial instruments.

The exposure to credit loss in the event of nonperformance by the other party to the financial instrument for commitments to extend credit and standby letters of credit is represented by the contractual amount of those instruments. The Bank uses the same credit policies in making commitments and conditional obligations as it does for on-balance-sheet instruments.

In most cases, the Bank requires collateral or other security to support financial instruments with credit risk. A summary of the Bank's commitment is as follows:

		2023	2022
Commitments to extend credit	$	498,026,297	381,846,319
Letters of credit	$	5,255,502	6,699,606

Commitments to extend credit are agreements to lend to a customer, as long as there is no violation of any condition established in the contract. Commitments generally have fixed expiration dates or other termination clauses and may require payment of a fee. Since many of the commitments may expire without being drawn upon, the total commitment amounts do not necessarily represent future cash requirements. The Bank evaluates each customer's creditworthiness on a case-by-case basis. The amount of collateral obtained, if deemed necessary by the Bank, upon extension of credit is based on management's credit evaluation. Collateral held varies but may include unimproved and improved real estate, certificates of deposit, or personal property.

Standby letters of credit are conditional commitments issued by the Bank to guarantee the performance of a customer to a third party. Those guarantees are primarily issued to local businesses. The credit risk involved in issuing letters of credit is essentially the same as that involved in extending loan facilities to customers.

The Bank has borrowing capacity with the Federal Home Loan Bank as of December 31, 2023 and 2022. Borrowings are collateralized by a blanket lien on certain qualifying loans within the Bank's commercial real estate loans with a carrying amount of approximately $199,809,000 and $66,459,000 at December 31, 2023 and 2022, respectively. There was $30,000,000 outstanding at December 31, 2023 and $10,000,000 outstanding at December 31, 2022.

(14) Commitments, continued

The Bank also has borrowing capacity through the Federal Reserve Discount Window. At December 31, 2023 and 2022, the Bank has pledged certain qualifying commercial loans with a carrying amount of approximately $20,569,000 and $10,466,000, respectively, against the Federal Reserve borrowings. No amounts were outstanding under this line as of December 31, 2023 or 2022.

In addition, the Bank has available federal funds lines of $61,000,000 as of December 31, 2023 and $49,000,000 as of December 31, 2022 with other correspondent financial institutions.

(15) Leases

The Company enters into leases in the normal course of business primarily for certain branches and back-office locations. The Company's leases have a remaining term ranging from eight months to twenty years. The majority of leases entered into include options to renew. The exercise of lease renewal options is at the Company's sole discretion and option periods are included in the measurement of the right-of-use asset and lease liability when the exercise is reasonably certain to occur.

Right-of-use assets represent our right to use an underlying asset for the lease term and lease liabilities represent our obligation to make lease payments arising from the lease. Right-of-use assets and lease liabilities are recognized at the lease commencement date and based on the estimated present value of lease payments over the lease term.

The Company uses its incremental borrowing rate at lease commencement to calculate the present value of lease payments. The Company's incremental borrowing rate is based on the Federal Home Loan Bank advance rate, adjusted for the lease term and other factors.

Total lease costs for 2023 were $908,000 and $800,000 for the years ended December 31, 2023 and 2022, respectively, which was included with occupancy and equipment expense on the income statement. At December 31, 2023, the weighted average remaining lease term was 20.0 years utilizing a discount rate of 4.69 percent. This compares to a weighted average remaining lease term of 15.9 years and discount rate of 2.31 percent at December 31, 2022.

Maturities of lease liabilities with initial terms of one year or more are as follows as of December 31, 2023:

2024	$	840,843
2025		799,069
2026		811,834
2027		824,848
2028		684,459
Thereafter		5,649,696
Total lease payments		9,610,749
Imputed interest		1,858,644
Lease liability	$	7,752,105

(16) Employee Benefit Plans

Stock Option Plan

In 2009, the Company adopted a stock option plan for the benefit of officers, employees and directors in order that they might purchase Company stock at a certain price. A total of 396,181 shares of the Company's common stock are reserved for possible issuance under this plan. The stock option plan states that upon termination of employment, all options not exercised within three months of the termination are forfeited, with the exception of termination by death or disability. In those cases, the options not exercised within one year are forfeited. The options vest over five years from the date of grant and expire after ten years after the date of grant from all participants.

(16) Employee Benefit Plans, continued

Stock Option Plan, continued

The Company is recognizing the compensation expense for the stock options with graded vesting schedules on a straight-line basis over the requisite service period of the award. The Company recognized $5,272 and $6,750 of stock-based employee compensation expense during the years ended December 31, 2023 and 2022, respectively, associated with its stock option grants issued.

As of December 31, 2023, there was approximately $2,274 of unrecognized compensation cost related to the stock option grants. This cost is expected to be recognized over the remaining vesting period of approximately 2 years.

A summary status of the Company's stock option plan as of December 31, 2023 and the changes during the year, are presented below.

	Shares	Weighted-average Exercise Price	Weighted-average Remaining Term
Outstanding, beginning of year	37,800	$ 3.69	
Exercised	(2,000)	$ 3.13	
Outstanding, end of year	35,800	$ 3.73	3 Years
Options exercisable at year end	32,020	$ 3.53	3 Years

Defined Contribution Plan

The Company has established a defined contribution plan that is intended to comply with the requirements of section 401(k) of the Internal Revenue Code and is available to all eligible employees subject to certain age and service requirements. The Company contributed approximately $535,000 and $599,000 to this plan during 2023 and 2022, respectively.

Supplemental Executive Retirement Plan

During 2015, the Bank's Board of Directors approved a Supplemental Executive Retirement Plan ("SERP") for the Bank's key employees funded by the purchase of bank-owned life insurance held in a Rabbi Trust agreement. The SERP, a non-qualified retirement plan, provides supplemental retirement benefits that are payable upon retirement for a period of 15 years or at retirement, based on the employees' agreements. The carrying value of the life insurance policies held by the Rabbi Trust was approximately $39,667,000 and $38,672,000 at December 31, 2023 and 2022, respectively. The related deferred compensation payable included in other liabilities was approximately $5,107,000 and $5,030,000 at December 31, 2023 and 2022, respectively.

Restricted Stock Plan

The Company has established a Restricted Stock Plan ("RSP") for key employees and board members. The RSP has issued two types of awards, restricted stock ("RSTK") and restricted stock units ("RSU").

As of December 31, 2023, the Company issued 735,095 shares of RSTK of which none were issued during 2023 or 2022. The RSTK are considered outstanding when granted and subject to certain conditions and limitations. The RSP permits the grantee to receive restricted shares over a determined vesting period. Dividends accrue during the restricted period and are paid upon vesting. RSTK holders receive full voting rights during the restricted period.

As of December 31, 2023, the Company issued 161,000 RSU of which all were issued during 2023. The RSU are convertible, on a one for one basis, into shares of the Company upon vesting which ranges from two to five years. Dividends accrue and holders do not have any voting rights during the vesting period.

(16) Employee Benefit Plans, continued

Restricted Stock Plan, continued

As of December 31, 2023, approximately $531,000 of accrued dividends was included with other liabilities related to the RSP issuances. During the years ended December 31, 2023 and 2022, the Company recognized $1,032,808 and $642,155, respectively, in compensation expense related to the RSP. As of December 31, 2023, there was approximately $2,694,000 of unrecognized compensation cost related to granted restricted stock. This cost is expected to be recognized over the remaining vesting period of approximately 4 years.

(17) Fair Value Measurements

The Company utilizes fair value measurements to record fair value adjustments to certain assets and liabilities and to determine fair value disclosures. Securities available-for-sale are recorded at fair value on a recurring basis. From time to time, the Company may be required to record at fair value other assets on a nonrecurring basis, such as impaired loans and foreclosed real estate. These nonrecurring fair value adjustments typically involve application of the lower of cost or market accounting or write-downs of individual assets.

Fair Value Hierarchy

The Company groups assets and liabilities at fair value in three levels, based on the markets in which the assets and liabilities are traded, and the reliability of the assumptions used to determine fair value. These levels are:

Level 1 – Valuation is based upon quoted prices for identical instruments traded in active markets.

Level 2 – Valuation is based upon quoted prices for similar instruments in active markets, quoted prices for identical or similar instruments in markets that are not active, and model-based valuation techniques for which all significant assumptions are observable in the market.

Level 3 – Valuation is generated from model-based techniques that use at least one significant assumption not observable in the market. These unobservable assumptions reflect estimates of assumptions that market participants would use in pricing the asset or liability. Valuation techniques include use of option pricing models, discounted cash flow models and similar techniques.

Investment Securities Available-for-Sale

Investment securities available-for-sale are recorded at fair value on a recurring basis. Fair value measurement is based upon quoted prices, if available. If quoted prices are not available, fair values are measured using independent pricing models or other model-based valuation techniques such as the present value of future cash flows, adjusted for the security’s credit rating, prepayment assumptions and other factors such as credit loss assumptions. Level 1 securities include those traded on an active exchange, such as the New York Stock Exchange and U.S. Treasury securities that are traded by dealers or brokers in active over-the-counter market funds. Level 2 securities include mortgage-backed securities issued by government sponsored enterprises and municipal bonds. Securities classified as Level 3 include asset-backed securities in less liquid markets.

(17) Fair Value Measurements, continued

Loans

The Company does not record loans at fair value on a recurring basis. However, from time to time, a loan is evaluated individually and a specific allocation is established within the allowance for credit losses. Loans for which it is probable that payment of interest and principal will not be made in accordance with the contractual terms of the loan agreement are considered impaired. Once a loan is identified as individually impaired, management measures impairment in accordance with applicable accounting standards. The fair value of impaired loans is estimated using one of three methods, including collateral value, market value of similar debt, and discounted cash flows. Those impaired loans not requiring an allowance represent loans for which the fair value of the expected repayments or collateral exceed the recorded investments in such loans. Impaired loans where an allowance is established based on the fair value of collateral require classification in the fair value hierarchy. When the fair value is based on an observable market price, the Bank records the impaired loan as nonrecurring Level 2. When the fair value of the collateral is based on an appraised value the Bank records the impaired loan as non-recurring Level 3.

Other Real Estate

Other real estate properties are adjusted to fair value upon transfer of the loans to other real estate. Subsequently, other real estate assets are carried at fair value. Fair value is based upon independent market prices, appraised values of the collateral or management’s estimation of the value of the collateral. When the fair value of the collateral is based on an appraised value, the Bank records the other real estate as nonrecurring Level 3.

Assets Recorded at Fair Value on a Recurring Basis

The tables below present the recorded amount of assets measured at fair value on a recurring basis as of December 31, 2023 and 2022.

December 31, 2023:		Level 1	Level 2	Level 3	Total
U.S. government sponsored enterprises	$	-	166,404	-	166,404
Mortgage-backed securities		-	50,510,085	-	50,510,085
Municipals		-	14,239,495	-	14,239,495
	$	-	64,915,984	-	64,915,984
December 31, 2022:					
U.S. government sponsored enterprises	$	-	160,018	-	160,018
Mortgage-backed securities		-	63,639,865	-	63,639,865
Municipals		-	25,608,545	-	25,608,545
	$	-	89,408,428	-	89,408,428

(17) Fair Value Measurements, continued

Assets Recorded at Fair Value on a Nonrecurring Basis

The Company may be required, from time to time, to measure certain assets at fair value on a nonrecurring basis in accordance with U.S. generally accepted accounting principles. These include assets that are measured at the lower of cost or market that were recognized at fair value below cost at the end of the period. The Company did not have any assets measured at fair value on a nonrecurring basis as of December 31, 2023 and 2022.

(18) Subsequent Events

Management has evaluated subsequent events for potential recognition or disclosure in the financial statements through April 8, 2024, the date on which the financial statements were available to be issued.