CCSB
Financial Corp

Clay County
Savings Bank

Celebrating
A Century of Service
1922 - 2022

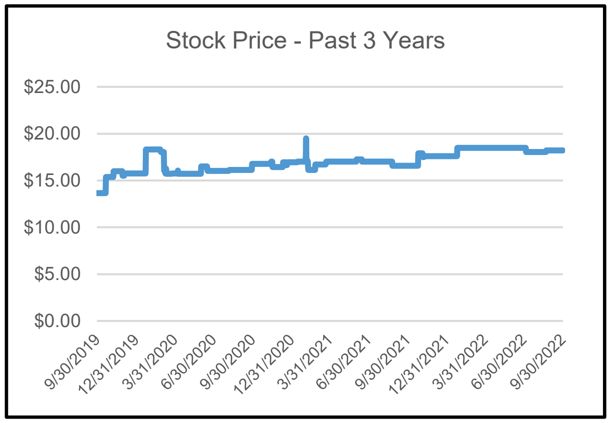
100 YEARS

2022 ANNUAL REPORT

Dear Stockholder:

This past year was special as we celebrated the 100th anniversary of our subsidiary bank, Clay County Savings Bank. It included proclamations and recognition from various government entities and our service partners, employee celebrations and events held throughout the year celebrating a century of service, which was capped by an anniversary celebration with our customers and community.

In the prior fiscal year of 2021, we achieved significant growth despite a number of personnel changes due to retirements and we began the recovery from the financial impact of the COVID pandemic. This fiscal year 2022 the Company's stock price has continued to improve. Trade volume was lower, but the price per share for our common stock increased from $16.58 as of September 30, 2021, to $18.21 as of September 30, 2022, which is an increase of 9.83%. The average price per share of the Company's common stock traded during the fiscal year 2022 was $17.66 compared to $17.00 for fiscal year 2021. Subsequent to the fiscal year end of September 30, 2022, the price per share of our common stock traded at an all-time high of $20 (on November 7, 2022). The Company has also continued to pay dividends and has paid a $0.10 per share dividend for 13 consecutive quarters.



The Company realized net income of $328,140, or $0.44 per share, for the fiscal year ended September 30, 2022, compared to $374,181, or $0.50 per share, for the fiscal year ended September 30, 2021. The subsidiary bank had net income of $552,667 for the fiscal year ended September 30, 2022, compared to $553,024 for the fiscal year ended September 30, 2021. Despite this small decrease in overall net income, the subsidiary bank experienced a substantial improvement in its core earnings during fiscal year 2022 as compared to the prior year. In fiscal year 2021, the Bank's revenue included $238,000 in fees generated from loans originated under the Paycheck Protection Program (PPP) through the Coronavirus Aid, Relief, and Economic Security Act (CARES Act). In fiscal year 2022, revenue included only $6,000 in PPP fees, which was a decrease of $232,000. Fiscal year 2021 also included unprecedented secondary market activity for the subsidiary bank, including a $283,000 gain on the sale of loans. In fiscal year 2022, the gain on the sale of loans was only $70,000, a decrease of $213,000. Combined, this resulted in a $445,000 decrease from these two revenue sources from fiscal year 2021 to fiscal year 2022. Nonetheless, the Bank was able to grow core earnings and, after including an earnings retention credit of $116,000, was able to offset almost all of the reduction in income from PPP fees and loan sales during fiscal year 2022.

On the balance sheet, there was no material change in the volume of total assets. The Company had a slight decrease in total assets of $273,000 from September 30, 2021, to September 30, 2022. However, there was a significant shift in our balance sheet composition.

Consistent with other depository institutions throughout the United States, Clay County Savings Bank experienced a significant increase in deposits during fiscal year 2021. This increase was primarily attributable to increased savings and customer deposits of proceeds from stimulus programs related to the COVID-19-pandemic.[1] The excess cash position resulting from this increase in deposits was invested in marketable securities during fiscal year 2022, and as a result, cash and cash equivalents decreased from approximately $38.7 million as of September 30, 2021, to approximately $9.3 million as of September 30, 2022. During this same period, available-for-sale and held-to-maturity securities increased from approximately $7.6 million and $750,000 as of September 30, 2021, respectively to approximately $30.5 million and approximately $5.7 million as of September

30, 2022, respectively. The decision to move cash into marketable securities was buoyed by the need to generate more income from those funds. At that time, the subsidiary bank was experiencing compression of its net interest margin resulting from historically low interest rates. Loan growth was also more modest than the prior year; however, loans increased $2.5 million, or 2.8%, from approximately $87.9 million as of September 30, 2021, to over $90 million (for the first time) as of September 30, 2022.

The investment of cash into marketable securities and the loan growth improved the Company's net interest margin, which increased $164,615, or 4.3%, from the prior fiscal year. Overall, deposits increased approximately $1.9 million, or 1.4%, to almost $140 million from September 30, 2021, to September 30, 2022. There was a notable decrease in demand deposit accounts primarily attributable to balances in commercial accounts that were inflated during the COVID pandemic and a sizable increase in money market deposit accounts during fiscal year 2021 due to customers' reluctance to lock in lower interest rates with time deposits. The subsidiary bank continues to reduce its reliance on time deposits for funding.

However, as one challenge ends or subsides, another begins. After years of historically low interest rates, interest rates have risen at a pace not seen in decades and economic uncertainty once again has sprouted with inflation the driving force. The rapid increase in interest rates has also been a double-edged sword for the banking industry. Across the entire banking industry, the recent and rapid interest rate increases, coupled with the lengthening of maturities in securities portfolios during the pandemic, have caused unrealized positions in available-for-sale (AFS) securities to drop to record lows.[2] The Company has experienced a similar impact, with the dramatic and rapid rise in interest rates resulting in a significant unrealized loss position in our securities portfolio. The Company's unrealized loss on available-for-sale securities was approximately $3.3 million as of September 30, 2022. This was comparable to other financial institutions in the Bank's peer group[3] but it has had a significant impact on total stockholders' equity, which included an accumulated other comprehensive loss of $2,583,011 as of September 30, 2022, compared to accumulated other comprehensive income of $2,739 as of September 30, 2021. Interest rates are anticipated to continue to rise, so the trend is expected to continue in the near-term, but it is important to remember that these are unrealized losses, and the Bank does not currently intend to sell any of these securities. The Bank maintains other available funding sources to the extent additional liquidity may be needed.

I am also happy to report that asset quality remains strong. The subsidiary bank has not had a nonperforming loan over 90 days past due or on nonaccrual since February 2018, and has not had any other real estate owned or repossessed asset since July 2016. The subsidiary bank also once again had no charge-offs and had a partial recovery this past fiscal year.

Finally, I am proud to have been part of Clay County Savings Bank for the past 25 years. I want to thank you and appreciate your support over those years.

President &
President & Chief Executive Officer

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[1] *See e.g.,* Board of Governors of the Federal Reserve System, *Understanding Bank Deposit Growth during the COVID-19 Pandemic* (June 3, 2022), *available at* https://www.federalreserve.gov/econres/notes/feds-notes/understanding-bank-deposit-growth-during-the-covid-19-pandemic-20220603.html.

[2] *See e.g.,* Federal Reserve Bank of Kansas City, Community Banking Bulletin, "*Highlight: Unrealized Losses Mount Across Securities Portfolios,*" (June 13, 2022), *available at* https://www.kansascityfed.org/banking/community-banking-bulletin/highlight-unrealized-losses-mount-across-securities-portfolios/.

[3] As of September 30, 2022, Clay County Savings Bank's unrealized loss on available-for-sale securities was 9.69% of available-for-sale securities, compared to 9.76% for banks with $200 million or less in total assets, which ranked the bank in the 50th percentile.

COMPANY PROFILE

SYMBOL (OTC Pink Sheets) - CCFC

CCSB Financial Corp. (the "Company") is the parent company of Clay County Savings Bank (the "Bank"), a state-chartered bank. Common shares are publicly traded on the OTC Pink Sheets. The Company was formed in September 2002 to acquire the stock (through a mutual to stock conversion) of Clay County Savings Bank, a former mutual savings and loan association and previously known as Clay County Savings and Loan Association. In May 2015, the Bank converted to a state charter. The Bank was founded in 1922 as a state-chartered mutual savings and loan association with the name Clay County Building and Loan Association. Deposits of the Bank are insured by the Federal Deposit Insurance Corporation (the "FDIC"). The Company is regulated by the Federal Reserve Bank and the Bank is regulated by the FDIC and the Division of Finance for the State of Missouri.

The Bank primarily serves communities located in Clay and Platte Counties that are amongst the 15 counties in the metropolitan statistical area of Kansas City, Missouri. In addition to the main office in Liberty, it has branch offices in Kansas City north and Kearney.

The Bank offers a variety of financial products and services to meet the needs of the communities it serves. The Bank was established primarily to serve the home financing needs of the public and now serves the expanded credit needs of area residents and businesses in its market area as a community bank, but with a focus on real estate lending.

The Bank's principal business consists of attracting retail deposits from the general public in the areas surrounding its branches and investing those deposits, together with funds generated from operations and borrowings, primarily in one- to four- family residential mortgage loans, construction loans, multi-family and commercial real estate loans, mortgage-related securities and various other securities. The Bank also invests in commercial business loans and consumer and other loans, including home equity and automobile loans. The Bank's revenues are derived principally from the interest on mortgage, commercial and consumer loans, securities, loan origination and servicing fees, and service charges and fees collected on deposit accounts. The primary sources of funds are deposits, borrowings, and principal and interest payments on loans and securities.

Employees of Clay County Savings Bank pictured with Liberty, Missouri, Mayor Lyndell Brenton (seated at right) after receiving proclamation from Mayor for 100th Anniversary.

DIRECTORS & OFFICERS

Directors (CCSB Financial Corp.)

David H. Feess, Chairman
Retired President & CEO – Liberty Hospital
Debra S. Coltman
Retired Former Bank Executive
Robert F. Durden
Retired Furniture Manufacturer Representative and Realtor
George A. McKinley
Retired Owner/Operator of a Heavy Equipment Construction Company
Laurie Morrissey
Owner/Operator of a Public Relations and Marketing Firm
DeAnn M. Totta
President – Park G.P., Inc.; Senior Vice President – Maxus Properties, LLC, and Maxus Realty Trust, Inc.
Chase Watson
Senior Vice President – Maxus Properties, LLC, and Maxus Realty Trust, Inc.

Directors (Clay County Savings Bank)

Mario Usera, Chairman
President & CEO of Bank
Deborah A. Jones
Executive Vice President & Secretary of Bank
Debra S. Coltman
Retired – Former Bank Executive
Robert F. Durden
Retired Furniture Manufacturer Representative and Realtor
David H. Feess
Retired President & CEO – Liberty Hospital
Louis D. Freeman
Owner – Freeman Custom Homes
Mark E. Kelly
Attorney

Additional Officers

Craig A. Fischer
Senior Vice President & Treasurer
Chief Financial Officer (Bank)

Jacqueline E. Murtha
Vice President (Bank Only)

Cristina Johnson
Vice President (Bank Only)

Pamela L. Crow
Vice President (Bank Only)

FORVIS

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Independent Auditor's Report

Audit Committee, Board of
Directors and Stockholders
CCSB Financial Corp.
Liberty, Missouri

Opinion

We have audited the consolidated financial statements of CCSB Financial Corp. (Company) and its subsidiary, which comprise the consolidated balance sheets as of September 30, 2022 and 2021, and the related consolidated statements of income and comprehensive income (loss), 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 consolidated financial position of the Company and subsidiary as of September 30, 2022 and 2021, 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 the Company and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the 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 the Company'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 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 the Company'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 the Company'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.

Other Information Included in the Annual Report

Management is responsible for the other information included in the annual report. The other information comprises the 2022 Annual Report Information but does not include the consolidated financial statements and our auditor's report thereon. Our opinion on the consolidated financial statements does not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the consolidated financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

FORVIS, LLP

St. Louis, Missouri
December 9, 2022

CCSB FINANCIAL CORP. AND SUBSIDIARY
CONSOLIDATED BALANCE SHEETS
September 30, 2022 and 2021

	2022	2021
ASSETS:		
Cash and due from banks	$ 1,633,263	$ 6,772,921
Interest-bearing demand deposits in banks	7,707,907	31,953,796
Total cash and cash equivalents	9,341,170	38,726,717
Interest-bearing time deposits in banks	4,940,000	7,176,013
Available-for-sale securities	30,481,051	7,615,258
Held-to-maturiity securities	5,715,858	750,000
Federal Home Loan Bank stock	167,600	170,800
Loans, net of allowance for loan losses of $1,247,102 and $1,226,949 at September 30, 2022 and 2021, respectively	90,336,679	87,883,868
Premises and equipment, net	3,939,711	3,724,248
Interest receivable	466,163	298,052
Bank-owned life insurance - cash surrender value	4,427,044	4,338,893
Deferred income taxes	1,186,175	544,887
Other assets	281,554	327,117
TOTAL ASSETS	$ 151,283,005	$ 151,555,853
LIABILITIES AND STOCKHOLDERS' EQUITY:		
Deposits		
Demand	$ 22,734,751	$ 28,488,427
Public unit funds	16,778,509	16,473,983
Interest-bearing checking, savings, and money market	86,781,670	79,273,555
Time	13,292,377	13,454,615
Total deposits	139,587,307	137,690,580
Other borrowings	738,000	743,000
Advances from borrowers for taxes and insurance	1,054,029	1,084,495
Interest payable and other liabilities	863,027	484,914
TOTAL LIABILITIES	142,242,363	140,002,989
Commitments and contingencies	-	-
Preferred stock, $0.01 par value; 500,000 shares authorized; none issued	-	-
Common stock, $0.01 par value; 2,500,000 shares authorized; 978,650 shares issued	9,787	9,787
Additional paid-in capital	9,384,178	9,384,178
Treasury stock, at cost, 230,179 and 232,679 shares at September 30, 2022 and 2021, respectively	(3,278,132)	(3,322,158)
Retained earnings	5,507,820	5,478,318
Accumulated other comprehensive income (loss)	(2,583,011)	2,739
TOTAL STOCKHOLDERS' EQUITY	9,040,642	11,552,864
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	$ 151,283,005	$ 151,555,853

See accompanying notes to consolidated financial statements.

CCSB FINANCIAL CORP. AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF INCOME
Years Ended September 30, 2022 and 2021

	2022	2021
INTEREST AND DIVIDEND INCOME:		
Loans	$ 3,763,948	$ 3,824,315
Investment and mortgage-backed securities	380,784	80,487
Federal Home Loan Bank stock	5,300	4,126
Other income	235,087	178,306
TOTAL INTEREST AND DIVIDEND INCOME	4,385,119	4,087,234
INTEREST EXPENSE:		
Deposits	357,908	212,363
Borrowings	35,552	47,827
TOTAL INTEREST EXPENSE	393,460	260,190
NET INTEREST INCOME	3,991,659	3,827,044
Provision for loan losses	-	-
NET INTEREST INCOME AFTER PROVISION FOR LOAN LOSSES	3,991,659	3,827,044
NONINTEREST INCOME:		
Charges and other fees on loans	120,800	120,169
Charges and other fees on deposit accounts	275,883	257,095
Amortization of mortgage-servicing rights	(73,795)	(87,974)
Net gain on sale of loans	69,640	283,275
Increase in cash surrender value of bank-owned life insurance	88,151	90,585
Other	138,340	20,754
TOTAL NONINTEREST INCOME	619,019	683,904
NONINTEREST EXPENSE:		
Compensation and benefits	2,497,308	2,428,103
Occupancy and equipment	456,117	447,850
Data processing	461,400	453,660
Federal Deposit Insurance Corporation insurance premium	85,796	45,087
Legal fees	75,741	63,484
Audit and other professional services	104,437	101,087
Advertising and marketing	66,458	55,148
Correspondent banking service charges	16,850	17,023
Insurance and surety bond premiums	78,542	68,799
Other	393,826	358,141
TOTAL NONINTEREST EXPENSE	4,236,475	4,038,382
INCOME BEFORE INCOME TAXES	374,203	472,566
PROVISON FOR INCOME TAXES	46,063	98,385
NET INCOME	$ 328,140	$ 374,181
BASIC AND DILUTED NET INCOME PER SHARE	$ 0.44	$ 0.50

See accompanying notes to consolidated financial statements.

CCSB FINANCIAL CORP. AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)
Years Ended September 30, 2022 and 2021

	2022	2021
Net income	$ 328,140	$ 374,181
Other comprehensive income (loss):		
Unrealized depreciation on available-for-sale securities, net of credit for taxes of $687,351 and $11,925, for 2022 and 2021, respectively	(2,585,750)	(44,860)
Comprehensive income (loss)	$ (2,257,610)	$ 329,321

CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
Years Ended September 30, 2022 and 2021

	Common Stock	Additional Paid-In Capital	Treasury Stock	Retained Earnings	Accumulated Other Comprehensive Income (Loss), Net of Taxes	Total Stockholders' Equity
Balance at September 30, 2020	$ 9,787	$ 9,384,178	$ (3,369,282)	$ 5,401,816	$ 47,599	$ 11,474,098
Net income	-	-	-	374,181	-	374,181
Other comprehensive loss	-	-	-	-	(44,860)	(44,860)
Dividends, $0.40 per share				(297,679)		(297,679)
Purchase from stock issuance, net (2,900 shares)			47,124			47,124
Balance at September 30, 2021	9,787	9,384,178	(3,322,158)	5,478,318	2,739	11,552,864
Net income	-	-	-	328,140	-	328,140
Other comprehensive loss	-	-	-	-	(2,585,750)	(2,585,750)
Dividends, $0.40 per share				(298,638)		(298,638)
Purchase from stock issuance, net (2,500 shares)	-	-	44,026	-	-	44,026
Balance at September 30, 2022	$ 9,787	$ 9,384,178	$ (3,278,132)	$ 5,507,820	$ (2,583,011)	$ 9,040,642

See accompanying notes to consolidated financial statements.

CCSB FINANCIAL CORP. AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF CASH FLOWS
Years Ended September 30, 2022 and 2021

	2022	2021
CASH FLOW FROM OPERATING ACTIVITIES:		
Net income	$ 328,140	$ 374,181
Items not requiring (providing) cash:		
Depreciation	181,768	172,257
Provision for loan losses	-	-
Amortization (accretion) of premiums and discounts on securities	252,375	16,480
Amortization of mortgage-servicing rights	73,795	87,974
Compensation related to ESOP	26,273	48,750
Deferred loans fees, net	(10,585)	(100,442)
Increase in cash surrender value of bank-owned life insurance	(88,151)	(90,585)
Originations of mortgage loans held for sale	(2,840,080)	(8,834,940)
Proceeds from the sale of mortgage loans	2,909,720	9,118,215
Net realized gains on loans sold	(69,640)	(283,275)
Changes in:		
Accrued interest receivable	(168,111)	7,646
Other assets	(28,232)	(17,762)
Deferred income taxes	46,063	86,460
Interest payable and other liabilities	378,113	(279,859)
NET CASH PROVIDED BY OPERATING ACTIVITIES	991,448	305,100
CASH FLOW FROM INVESTING ACTIVITIES:		
Purchases of available-for-sale securities	(28,696,263)	(6,824,485)
Repayment of principal on and proceeds from sales, maturity or call of available-for-sale securities	2,316,119	1,808,179
Purchases of held-to-maturity debt securities	(4,976,983)	(750,000)
Investment in interest-bearing time deposits	(1,500,000)	(14,991,398)
Reinvestment of interest on interest-bearing time deposits	-	(12,025)
Proceeds from maturity of interest-bearing time deposits	3,736,013	14,244,642
Redemption of FHLB stock	3,200	3,500
Net change in loans	(2,442,226)	(11,826,091)
Net purchase of premises and equipment	(397,231)	(15,804)
NET CASH USED IN INVESTING ACTIVITIES	(31,957,371)	(18,363,482)
CASH FROM FINANCING ACTIVITIES:		
Net increase in deposits	1,896,727	24,199,389
Repayments of Federal Home Loan Bank fixed-maturity advances	-	(1,250,000)
Proceeds from other borrowings	445,000	425,000
Repayments from other borrowings	(450,000)	(275,000)
Purchase of stock	17,753	(1,626)
Net change in advances from borrowers for taxes and insurance	(30,466)	129,423
Cash dividends	(298,638)	(297,679)
NET CASH PROVIDED BY FINANCING ACTIVITIES	1,580,376	22,929,507
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(29,385,547)	4,871,125
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	38,726,717	33,855,592
CASH AND CASH EQUIVALENTS, END OF YEAR	$ 9,341,170	$ 38,726,717
Supplemental cash flow information:		
Interest paid	**$ 390,087**	**$ 261,315**
Contribution of stock to ESOP	**26,273**	**48,750**

See accompanying notes to consolidated financial statements.

NOTE 1: NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

NATURE OF OPERATIONS

CCSB Financial Corp. (the "Company"), a Delaware corporation incorporated in September 2002, is a financial holding company whose principal activity is the ownership and management of its wholly-owned subsidiary, Clay County Savings Bank ("Bank"). The Bank is primarily engaged in providing a full range of banking and financial services to individual and corporate customers in the northern part of metropolitan Kansas City, Missouri. The Bank is subject to competition from other financial institutions. The Company and the Bank are subject to the regulation of certain federal and state agencies and undergoes periodic examinations by those regulatory authorities.

PRINCIPLES OF CONSOLIDATION

The consolidated financial statements include the accounts of the Company and the Bank. All significant intercompany accounts and transactions have been eliminated in consolidation.

USE OF ESTIMATES

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management 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 financial statements and reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Material estimates that are particularly susceptible to significant change relate to the determination of the allowance for loan losses, valuation of deferred tax assets, and fair value of financial instruments.

CASH EQUIVALENTS

The Company considers all liquid investments with original maturities of three months or less to be cash equivalents. At September 30, 2022 and 2021, cash equivalents consisted of cash and accounts, noninterest-bearing and interest-bearing, with banks including the Federal Home Loan Bank and the Federal Reserve.

At September 30, 2022, the Company's cash accounts exceeded federally insured limits by approximately $7,704,370, including $3,377,549 on deposit at the Federal Reserve Bank. The Bank is required to maintain reserve funds in cash and/or on deposit with the Federal Reserve Bank. There was no reserve requirement at September 30, 2022.

INTEREST-BEARING TIME DEPOSITS

Interest-bearing time deposits range in maturity from within one year to six years and are carried at cost, which approximates fair value. At September 30, 2022, the Company's interest-bearing time deposit accounts exceeded federally insured limits by approximately $1,240,000.

DEBT INVESTMENTS

Debt securities held by the Company generally are classified and recorded in the consolidated financial statements as follows:

Classified as		Description	Recorded at
Held to maturity (HTM)		Certain debt securities that management has the positive intent and ability to hold to maturity	Amortized cost
Available for sale (AFS)	Securities not classified as HTM or trading	Securities that are bought and held principally for the purpose of selling in the near term and, therefore, held for only a short period of time	Fair value, with unrealized gains and losses excluded from earnings and reported in other comprehensive income

Purchase premiums and discounts are recognized in interest income using the interest method over the terms of the securities. Gains and losses on the sale of securities are recorded on the trade date and are determined using the specific identification method.

When the fair value of securities is below the amortized cost, the Company's accounting treatment for an other-than-temporary impairment (OTTI) is as follows:

	Accounting Treatment for OTTI Components	
Circumstances of Impairment Considerations	**Credit Component**	**Remaining Portion**
Not intended for sale and more likely than not that the Company will not have to sell before recovery of cost basis	Recognized in earnings	Recognized in other comprehensive income
Intended for sale or more likely than not that the Company will be required to sell before recovery of cost basis	Recognized in earnings	

For held-to-maturity debt securities, the amount of OTTI recorded in other comprehensive income for the noncredit portion of a previous OTTI is amortized prospectively over the remaining life of the security on the basis of the timing of future estimated cash flows of the security.

When a credit loss component is separately recognized in earnings, the amount is identified as the total of principal cash flows not expected to be received over the remaining term of the security, as projected based on cash flow projections.

LOANS

Loans that management has the intent and ability to hold for the foreseeable future or until maturity or payoffs are reported at their outstanding principal balance adjusted for unearned income, charge-offs, the allowance for loan losses, any unamortized deferred fees or costs on originated loans and unamortized premiums or discounts on purchased loans.

For loans amortized at cost, interest income is accrued based on the unpaid principal balance. Loan origination fees, net of certain direct origination costs, as well as premiums and discounts, are deferred and amortized as a level yield adjustment over the respective term of the loan.

The accrual of interest on mortgage and commercial loans is discounted at the time the loan is 90 days past due unless the credit is well-secured and in collection. Past due status is based on contractual terms of the loan. In all cases, loans are placed on nonaccrual or charged off at an earlier date if collection of principal and interest is considered doubtful.

All interest accrued but not collected for loans that are placed on nonaccrual or charged off are reversed against interest income. The interest on these loans is accounted for on the cash-basis or cost-recovery method, until qualifying for return to accrual. Loans are returned to accrual status when all the principal and interest amounts contractually due are brought current and future payments are reasonably assured.

Discounts and premiums on purchased residential real estate loans are amortized to income using the interest method over the remaining period to contractual maturity, adjusted for anticipated prepayments. Discounts and premiums on purchased consumer loans are recognized over the expected lives of the loans using methods that approximate the interest method.

In March 2020, the CARES Act was signed into law, creating a forbearance program for federally-backed mortgage loans, protecting borrowers from negative credit reporting due to loan accommodations related to the National Emergency, and providing financial institutions the option to temporarily suspend certain requirements under U.S. GAAP related to troubled debt restructurings (TDR) for a limited period of time to account for the effects of COVID-19. The Company elected to not apply ASC Subtopic 310-40 for loans eligible under the CARES Act, based on the modification's (1) relation to COVID-19, (2) execution for a loan that was not more than 30-days past due as of December 31, 2019, and (3) executed between March 1, 2020, and the earlier of the date that falls 60 days following the termination of the declared a National Emergency, or January 1, 2022.

ALLOWANCE FOR LOAN LOSSES

The allowance for loan losses is established as losses are estimated to have occurred through a provision for loan losses charged to income. Loan losses are charged against the allowance when management believes the uncollectibility of a loan balance is confirmed. Subsequent recoveries, if any, are credited to the allowance.

The allowance for loan losses is evaluated on a regular basis by management and is based upon management's periodic review of the collectability of the loans in light of historical experience, the nature and volume of the loan portfolio, adverse situations that may affect the borrower's ability to repay, estimated value of any underlying collateral and prevailing economic conditions. This evaluation is inherently subjective as it requires estimates that are susceptible to significant revision as more information becomes available.

The allowance consists of allocated and general components. The allocated component relates to loans that are classified as impaired. For those loans that are 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 charge-off experience and expected loss given default derived from the Company's internal risk rating process. Other adjustments may be made to the allowance for pools of loans after an assessment of internal or external influences on credit quality that are not fully reflected in the historical loss or risk rating data.

A loan is considered impaired when, based on current information and events, it is probable that the Company 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 in 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.

Groups of loans with similar risk characteristics are collectively evaluated for impairment based on the group's historical loss experience adjusted for changes in trends, conditions and other relevant factors that affect repayment of the loans. Accordingly, the Company does not separately identify individual consumer and residential loans for impairment measurements, unless such loans are the subject of a restructuring agreement due to financial difficulties of the borrower.

PREMISES AND EQUIPMENT

Land is carried at cost. Depreciable assets are stated at cost less accumulated depreciation. Depreciation is charged to expense using the straight-line method over the estimated useful lives of the assets.

The estimated useful lives for each major depreciable classification of premises and equipment are as follows:

Building and improvements	30-40 Years
Furniture, fixtures and equipment (non-computer related)	3-10 Years
Computer related equipment and software	2-5 Years

BANK STOCK

Federal Home Loan Bank stock is a required investment for institutions that are members of the Federal Home Loan Bank system. The required investment is based on a predetermined formula, carried at cost and evaluated for impairment. The Company also has $50,000 in Midwest Independent Bank stock which is located in Other Assets on the balance sheet. Bank stock is measured under the practicability exception and the Company performs a qualitative assessment for the stock considering impairment indicators to evaluate whether an impairment exists. If an impairment exists, the Company will recognize a loss based on the difference between carrying value and fair value.

FORECLOSED ASSETS HELD FOR SALE

Assets acquired through, or in lieu of, loan foreclosure are held for sale and are initially recorded at fair value at the date of foreclosure, establishing a new cost basis. Subsequent to foreclosure, valuations are periodically performed by management and the assets are carried at the lower of carrying amount or fair value less cost to sell. Revenue and expenses from operations and changes in the valuation allowance are included in net income or expense from foreclosed assets.

BANK-OWNED LIFE INSURANCE

The Company has 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.

MORTGAGE SERVICING RIGHTS

Mortgage servicing assets are recognized separately when rights are acquired through purchase or through sale of financial assets. Under the servicing assets and liabilities accounting guidance (ASC 860-50), servicing rights resulting from the sale or securitization of loans originated by the Bank are initially measured at fair value at the date of transfer. The Bank subsequently measures each class of servicing asset using the amortization method. Amortized mortgage servicing rights include commercial mortgage servicing rights. 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 obligation based on fair value at each reporting date.

Each class of separately recognized servicing assets subsequently measured using the amortization method are evaluated and measured for impairment. 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. There was no impairment, and resulting valuation allowances, in the years ended September 30, 2022 and 2021. Fair value in excess of the carrying amount of servicing assets for that stratum is not recognized. Servicing fee income is recorded for fees earned for servicing loans. The fees are based on a contractual percentage of the outstanding principal or a fixed amount per loan and are recorded as income when earned. The amortization of mortgage servicing rights is reported in non-interest income, where loan servicing fee income is reported.

EMPLOYEE STOCK OWNERSHIP PLAN

The Company accounts for its employee stock ownership plan (ESOP) in accordance with Accounting Standards Codification 718-40. The cost of shares issued to the 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 they are committed to be released for allocation to participant accounts. The difference between the market price and the cost of shares committed to be released is recorded as an adjustment to additional paid-in capital. Dividends on allocated ESOP shares are recorded as a reduction of retained earnings; dividends on unallocated ESOP shares are reflected as a reduction of debt.

Shares are considered outstanding for earnings per share calculations when they are committed to be released; unallocated shares are not considered outstanding.

TREASURY STOCK

Common stock shares repurchased are recorded at cost. Cost of shares retired or reissued is determined using the first-in, first-out method.

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 put presumptively beyond the reach of the transferor and its creditors, even in bankruptcy of other receivership, (2) the transferee obtains the right (free of conditions that constrain it from taking advantage of that right) to pledge or exchange the transferred assets 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.

INCOME TAXES

The Company accounts for income taxes in accordance with income tax accounting guidance (ASC 740, Income Taxes). The income tax accounting guidance results in two components of income tax expense: current and deferred. Current income tax expense reflects taxes to be paid or refunded for the current period by applying the provisions of the enacted tax law to the taxable income or excess of deductions over revenues. The Company determines deferred income taxes using the liability (or balance sheet) method. Under this method, the net deferred tax asset or liability is based on the tax effects of the differences between the book and tax bases of assets and liabilities, and enacted changes in tax rates and laws are recognized in the period in which they occur. Deferred income tax expense results from changes in deferred tax assets and liabilities between periods. Deferred tax assets are reduced by a valuation allowance if, based on the weight of evidence available, it is more likely than not that some portion or all of a deferred tax asset will not be realized.

Tax positions are recognized if it is more likely than not based on the technical merits, that the tax position will be realized or sustained upon examination. The term more likely than not means a likelihood of more than 50 percent; the terms examined and upon examination also include resolution of the related appeals or litigation processes, if any. A tax position that meets the more-likely-than-not recognition threshold is initially and subsequently measured as the largest amount of tax benefit that has a greater than 50 percent likelihood of being realized upon settlement with a taxing authority that has full knowledge of all relevant information. The determination of whether or not a tax position has met the more-likely-than-not recognition threshold considers the facts, circumstances and information available at the reporting date and is subject to the management's judgment. With a few exceptions, the Company is no longer subject to U.S. federal, state and local income tax examinations by tax authorities for years before 2019.

The Company recognizes interest and penalties on income taxes as a component of income tax expense.

The Company files consolidated income tax returns with its subsidiary.

EARNINGS PER SHARE

Basic earnings per share represents income available to common stockholders divided by the weighted-average number of common shares outstanding during each period. Diluted earnings per share reflects additional potential common shares that would have been outstanding if dilutive potential common shares had been issued, as well as any adjustment to income that would result from the assumed issuance. Potential common shares that may be issued by the Company relate solely to outstanding stock options and are determined using the treasury stock method.

Treasury stock shares are not deemed outstanding for earnings per share calculations.

COMPREHENSIVE INCOME (LOSS)

Comprehensive income (loss) consists of net income and other comprehensive income (loss), net of applicable income taxes. Other comprehensive income (loss) includes unrealized appreciation (depreciation) on available-for-sale securities.

NOTE 2: SECURITIES

Amounts related to securities, including the amortized cost and approximate fair values, together with gross unrealized gains and losses and any other-than-temporary impairments (OTTI) recognized in accumulated other comprehensive income (AOCI), are as follows:

	September 30, 2022			
	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Approximate Fair Value
Available-for-sale securities				
U.S. Government and federal agency	$ 9,891,956	$ -	$ (880,763)	$ 9,011,193
U.S. Government - sponsored enterprises (GSEs)	13,510,999	-	(1,331,620)	12,179,379
Municipal securities	10,347,729	-	(1,057,250)	9,290,479
	$ 33,750,684	$ -	$ (3,269,633)	$ 30,481,051

	September 30, 2021			
	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Approximate Fair Value
Available-for-sale securities				
U.S. Government and federal agency	$ 3,629,050	$ 27,697	$ (10,716)	$ 3,646,031
U.S. Government - sponsored enterprises (GSEs)	3,469,501	5,198	(16,288)	3,458,411
Municipal securities	513,240	-	(2,424)	510,816
	$ 7,611,791	$ 32,895	$ (29,428)	$ 7,615,258

	September 30, 2022					
	Amortized Cost	Total OTTI Recognized in AOCI	Adjusted Carrying Value	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
Held-to-maturity securities						
Municipal securities	$ 4,965,858	$ -	4,965,858	$ -	$ (234,257)	$ 4,731,601
Corporate	750,000	-	750,000	-	(23,520)	726,480
	$ 5,715,858	$ -	$ 5,715,858	$ -	$ (257,777)	$ 5,458,081

	September 30, 2021					
	Amortized Cost	Total OTTI Recognized in AOCI	Adjusted Carrying Value	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
Held-to-maturity securities						
Corporate	$ 750,000	$ -	$ 750,000	$ 53,027	$ -	$ 803,027
	$ 750,000	$ -	$ 750,000	$ 53,027	$ -	$ 803,027

The amortized cost and fair value of available-for-sale and held-to-maturity securities at September 30, 2022, by contractual maturity, are shown below. Expected maturities will differ from contractual maturities because issuers may have the right to call or prepay obligations with or without call or prepayment penalties.

	2022	
	Amortized Cost	Fair Value
Available-for-sale securities		
U.S. Government and federal agency		
One to five years	$ 7,486,598	$ 6,840,724
Over five years	2,405,358	2,170,469
U.S. Government - sponsored enterprises (GSEs)		
One to five years	10,998,524	10,020,636
Over five years	2,512,475	2,158,743
Municipal securities		
Less than one year	304,612	301,665
One to five years	1,559,873	1,478,681
Over five years	8,483,244	7,510,133
	$ 33,750,684	$ 30,481,051

	2022	
	Amortized Cost	Fair Value
Held-to-maturity securities		
Municpal securities		
Over five years	$ 4,965,858	$ 4,731,601
Corporate		
Over five years	750,000	726,480
	$ 5,715,858	$ 5,458,081

The carrying value of securities pledged as collateral, to secure public deposits and for other purposes, was $19,556,492 and $7,615,258 on September 30, 2022 and 2021, respectively. There were no sales of available-for-sale securities in 2022 and 2021.

Certain investments in debt securities are reported in the consolidated financial statements at an amount less than their historical cost. The total fair value of these investments on September 30, 2022 and 2021, was $35,939,132 and $6,273,567, which is 100% and 74.5%, respectively, of the Company's available-for-sale investment portfolio and held-to-maturity investment. This is primarily the result of an increase in market interest rates from the time these securities were purchased. Based on an evaluation of available evidence, including recent changes in market interest rates and credit rating information obtained from regulatory filings, 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 that are not deemed to be other-than-temporarily impaired, aggregated by investment category and length of time that individual securities have been in a continuous unrealized loss position as of:

	September 30, 2022					
	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						
U.S. Government and federal agency			$ 9,011,193	$ (880,763)	$ 9,011,193	$ (880,763)
U.S. Government - sponsored enterprises (GSEs)			12,179,379	(1,331,620)	12,179,379	(1,331,620)
Municipal securities	301,665	(2,947)	8,988,814	(1,054,303)	9,290,479	(1,057,250)
Total temporarily-impaired securities	$ 301,665	$ (2,947)	$ 30,179,386	$ (3,266,686)	$ 30,481,051	$ (3,269,633)

	September 30, 2021					
	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						
U.S. Government and federal agency	$ 2,507,851	$ (10,716)			$ 2,507,851	$ (10,716)
U.S. Government - sponsored enterprises (GSEs)	3,254,901	(16,288)			3,254,901	(16,288)
Municipal securities	510,815	(2,424)			510,815	(2,424)
Total temporarily-impaired securities	$ 6,273,567	$ (29,428)	$ -	$ -	$ 6,273,567	$ (29,428)

	September 30, 2022					
	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						
Municipal securities	$ 4,731,601	$ (234,257)			$ 4,731,601	$ (234,257)
Corporate	726,480	(23,520)			726,480	(23,520)
Total temporarily-impaired securities	$ 5,458,081	$ (257,777)	$ -	$ -	$ 5,458,081	$ (257,777)

There were no held-to-maturity debt securities with unrealized losses at September 30, 2021.

U.S. Government and Federal Agency

The unrealized losses on the Company's investments in direct obligations of U.S. government agencies 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 their amortized cost bases, which may be maturity, the Company does not consider those investments to be other-than-temporarily impaired at September 30, 2022.

U.S. Government - Sponsored Enterprises (GSEs)

The unrealized losses on the Company's investments in direct obligations of U.S. GSEs 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 their amortized cost bases, which may be maturity, the Company does not consider those investments to be other-than-temporarily impaired at September 30, 2022.

Municipal Securities

The unrealized losses on the Company’s investments in securities of state and political subdivisions 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, the Company does not consider those investments to be other-than-temporarily impaired at September 30, 2022.

Other-than-temporary Impairment

Upon acquisition of a security, the Company decides whether it is within the scope of the accounting guidance for beneficial interests in securitized financial assets or will be evaluated for impairment under the accounting guidance for investments in debt securities.

The accounting guidance for beneficial interests in securitized financial assets provides incremental impairment guidance for a subset of the debt securities within the scope of the guidance for investments in debt and equity securities. For securities where the security is a beneficial interest in securitized financial assets, the Company uses the beneficial interests in securitized financial asset impairment model. For securities where the security is not a beneficial interest in securitized financial assets, the Company uses the debt and equity securities impairment model.

The Company routinely conducts periodic reviews to identify and evaluate each investment security to determine whether an other-than-temporary impairment has occurred. Economic models are used to determine whether an other-than-temporary impairment has occurred on these securities. Various inputs to the economic models are used to determine if an unrealized loss is other-than-temporary. The most significant inputs are default rate and severity. Other inputs may include the actual collateral attributes, which include geographic concentrations, credit ratings and other performance indicators of the underlying asset. To determine if the unrealized loss for securities is other-than-temporary, the Company projects total estimated defaults of the underlying assets and multiples that calculated amount by an estimate of realizable value upon sale in the marketplace (severity) in order to determine the projected collateral loss. The Company also evaluates the current credit enhancement underlying the bond to determine the impact on cash flows. If the Company determines that a given security position will be subject to a write-down or loss, the Company records the expected credit loss as a charge to net income.

NOTE 3: LOANS AND ALLOWANCE FOR LOAN LOSSES

Classes of loans at September 30 include:

	2022	2021
Real estate loans:		
Single-family, 1-4 units	$ 33,541,605	$ 34,293,680
Multi-family, 5 or more units	6,194,618	7,262,329
Construction, land & land development	27,208,271	24,674,605
Commercial	30,449,936	27,891,063
Consumer loans	1,512,426	1,710,260
Commercial non-real estate loans	4,706,663	4,604,764
Paycheck protection program loans	-	99,820
Loans secured by deposits	187,718	160,210
	103,801,237	100,696,731
Allowance for losses	(1,247,102)	(1,226,949)
Loans in process	(12,201,040)	(11,565,094)
Deferred loan fees, net	(16,416)	(20,820)
	$ 90,336,679	$ 87,883,868

The following tables present the balance in the allowance for loan losses and the recorded investment in loans based on portfolio segment and impairment method as of September 30, 2022 and 2021:

	2022										
	Single-family, 1-4 units					Consumer loans					
	Owner-Occupied	Nonowner-Occupied	Multi-family, 5 or more units	Construction, land & land development	Commercial real estate	Home equity	Other consumer	Commercial non-real estate	Loans secured by deposits	Unallocated	Total Loans
Allowance for loan losses:											
Balance, beginning of year	$ 71,981	$ 69,747	$ 72,623	$ 196,642	$ 723,072	$ 3,730	$ 545	$ 24,885	$ -	$ 63,724	$ 1,226,949
Provision (credit) for loan losses	45,893	(30,562)	(10,677)	21,823	30,677	(566)	72	(4,011)	-	(52,649)	-
Loans charged off	-	-	-	-	-	-	-	-	-	-	-
Recoveries	-	20,153	-	-	-	-	-	-	-	-	20,153
Balance, end of year	$ 117,874	$ 59,338	$ 61,946	$ 218,465	$ 753,749	$ 3,164	$ 617	$ 20,874	$ -	$ 11,075	$ 1,247,102
Ending balance: individually evaluated for impairment	$ 43,647	$ -	$ -	$ -	$ 290,684	$ -	$ -	$ -	$ -	$ -	$ 334,331
Ending balance: collectively evaluated for impairment	$ 74,227	$ 59,338	$ 61,946	$ 218,465	$ 463,065	$ 3,164	$ 617	$ 20,874	$ -	$ 239,693	$ 1,141,389
Loans:											
Ending balance	$ 27,630,856	$ 5,910,749	$ 6,194,618	$ 27,208,271	$ 30,449,936	$ 1,265,651	$ 246,775	$ 4,706,663	$ 187,718		$ 103,801,237
Ending balance: individually evaluated for impairment	$ 174,587	$ 15,549	$ -	$ -	$ 1,162,737	$ -	$ -	$ -	$ -		$ 1,352,873
Ending balance: collectively evaluated for impairment	$ 27,456,269	$ 5,895,200	$ 6,194,618	$ 27,208,271	$ 29,287,199	$ 1,265,651	$ 246,775	$ 4,706,663	$ 187,718		$ 102,448,364

	2021											
	Single-family, 1-4 units					Consumer loans						
	Owner-Occupied	Nonowner-Occupied	Multi-family, 5 or more units	Construction, land & land development	Commercial real estate	Home equity	Other consumer	Commercial non-real estate	Paycheck Protection Progam	Loans secured by deposits	Unallocated	Total Loans
Allowance for loan losses:												
Balance, beginning of year	$ 55,697	$ 99,792	$ 70,735	$ 133,666	$ 575,310	$ 9,861	$ 1,049	$ 41,146	$ -	$ -	$ 239,693	$ 1,226,949
Provision (credit) for loan losses	16,284	(30,045)	1,888	62,976	147,762	(6,131)	(504)	(16,261)	-	-	(175,969)	-
Loans charged off	-	-	-	-	-	-	-	-	-	-	-	-
Recoveries	-	-	-	-	-	-	-	-	-	-	-	-
Balance, end of year	$ 71,981	$ 69,747	$ 72,623	$ 196,642	$ 723,072	$ 3,730	$ 545	$ 24,885	$ -	$ -	$ 63,724	$ 1,226,949
Ending balance: individually evaluated for impairment	$ -	$ -	$ -	$ -	$ 298,502	$ -	$ -	$ -	$ -	$ -	$ -	$ 298,502
Ending balance: collectively evaluated for impairment	$ 71,981	$ 69,747	$ 72,623	$ 196,642	$ 424,570	$ 3,730	$ 545	$ 24,885	$ -	$ -	$ 63,724	$ 928,447
Loans:												
Ending balance	$ 27,368,902	$ 6,924,778	$ 7,262,329	$ 24,674,605	$ 27,891,063	$ 1,492,133	$ 218,127	$ 4,604,764	$ 99,820	$ 160,210		$ 100,696,731
Ending balance: individually evaluated for impairment	$ 178,083	$ 33,524	$ -	$ -	$ 1,194,009	$ -	$ -	$ -	$ -	$ -		$ 1,405,616
Ending balance: collectively evaluated for impairment	$ 27,190,819	$ 6,891,254	$ 7,262,329	$ 24,674,605	$ 26,697,054	$ 1,492,133	$ 218,127	$ 4,604,764	$ 99,820	$ 160,210		$ 99,291,115

Internal Risk Categories

In general, classification of loans is to reflect the risk of non-repayment. In addition to the adoption of the interagency regulatory classifications of Special Mention, Substandard, Doubtful, and Loss, the Company has established an internal grading system for the loan portfolio. Loans are assigned grades from 1 through 10. Grades 1 through 4 are considered satisfactory grades and are categorized as Pass. The grade of 5, or Watch, means the loan is being monitored closely. Grade 6, or Special Mention, represents loans that have a material documentation or credit weakness that, if goes uncorrected, will result in an adverse classification. The grades of 7 and 8 have been assigned to loans classified as Substandard and a loan grade of 9 is assigned to loans that are classified as Doubtful. A loan grade of 10 is classified as a Loss and the loan is charged off. The use and application of these grades by the Company will be uniform and shall conform to the Company's policy.

The interagency regulatory classifications are defined as follows:

Special Mention: A Special Mention asset does not warrant adverse classification, but does possess credit deficiencies or potential weaknesses deserving management's close attention. If not corrected, the deficiency or weakness could weaken the asset and increase risk in the future.

Substandard: Substandard assets are inadequately protected by the current net worth and paying capacity of the obligor or by the collateral pledged. Assets so defined must have a well-defined weakness or weaknesses. They are characterized by the distinct possibility that the Bank will sustain some loss if the deficiencies are not corrected. An asset should not be classified as Substandard if successful collection of all debt is probable or if liquidation of the collateral at the asset's book value is expected in a reasonable time frame.

Doubtful: Assets classified as Doubtful have all the weaknesses inherent in Substandard assets. In addition, these weaknesses make collection or liquidation in full highly questionable and improbable based on existing circumstances.

Loss: Any portion of any asset that is classified as Loss is considered uncollectible and of little value. A Loss classification does not mean that portion of the asset has no recovery or salvage value, but it is not practical or desirable to defer writing off or reserving all or a portion of the asset, even though partial recovery may be affected in the future.

The loan portfolio is mainly comprised of real estate loans. This includes primarily permanent and construction financing of single-family homes and the permanent financing of other one- to four-family, multi-family and nonresidential real estate. In addition, the Company originates consumer loans (primarily home equity term loans and lines of credit) and commercial non-real estate loans. In order to reduce interest-rate risk by making the loan portfolio more interest-rate sensitive, the Bank originates primarily adjustable-rate, balloon and short- and medium-term, fixed-rate loans for the loan portfolio. Generally, loans are collateralized by assets of the borrower and guaranteed by the principals of the borrowing entity. The primary lending market is within Clay and Platte Counties of the Kansas City Metropolitan Statistical Area.

The Company maintains lending policies and procedures designed to focus lending efforts on the type, location, duration and risk of loans most appropriate for its business model and markets. The Board of Directors reviews and approves the Company's lending policies on, at least, an annual basis. The Board reviews the allowance for loan losses quarterly and reviews reports related to loan production, loan quality, concentrations of credit, loan delinquencies and non-performing and potential problem loans on a monthly basis.

The Company does not accrue interest on any asset which is maintained on a cash basis because of deterioration in the financial position of the borrower, any asset for which payment in full of interest or principal is not expected, or any asset upon which principal or interest has been in default for a period of ninety days or more unless it is both well secured and in the process of collection. A non-accrual asset may be restored to an accrual status when none of its principal and interest is due and unpaid, or when it otherwise becomes well secured and in the process of collection.

Periodic independent loan reviews of outstanding loans are performed by either a third party or an independent loan review officer. The primary objective of the independent loan review function is to ensure the maintenance of a quality loan portfolio and minimize the potential for loan losses. The loan review also determines compliance with internal policies and procedures. In addition to reviewing loans for compliance, loan review analyzes the appropriateness and timeliness of risk grading and problem loan identification by loan officers, the identification of individually impaired loans, the measurement of estimated loan impairment and timeliness of charge-offs, and overall adequacy of the allowance for loan losses.

Risk characteristics applicable to each segment of the loan portfolio are described as follows:

One-to-Four Family Residential Mortgage Loans

The Company's loan portfolio consists primarily of permanent financing of one-to-four family, residential real estate loans, secured by properties located in its market area. The large majority of these loans are secured by owner-occupied properties. One-to-four family real estate loans are offered with terms up to 30 years with adjustable or fixed interest rates. The adjustable-rate loans are intended for retention in the Bank's loan portfolio. In recent years there has been an increased demand for long-term fixed-rate loans, as market rates dropped and remained near historic lows. Most fixed-rate loans are sold in the secondary market directly to the Federal Home Loan Mortgage Corporation (FHLMC); however, the Company has retained a portion of fixed-rate, single-family residential mortgage loans with terms of 15 years or less. In addition, the Bank offers loans with a balloon feature, generally five years or less. It is the Bank's policy to retain servicing on all loans sold. All one-to-four family real estate loans are typically originated in conformity with FHLMC guidelines, regardless of whether the loan is sold or retained in the loan portfolio.

Construction, Land and Land Development Loans

The Company originates three types of residential construction loans: (1) construction/speculative loans, (2) construction/custom loans, and (3) construction/permanent loans. The Company also originates construction loans on multi-family or nonresidential properties, land development loans to area homebuilders that are secured by individual unimproved or improved residential building lots, and loans secured by land held for future development or speculative purposes.

Construction/speculative loans are made to area homebuilders who do not have, at the time the loan is originated, a signed contract with a homebuyer who has a commitment for permanent financing with either the Bank or another lender. The builder may enter into a purchase and sale contract with the homebuyer either during or after the construction period. These loans have the risk that the builder will have to make interest and principal payments on the loan and finance real estate taxes and other holding costs of the completed home for a significant time after the completion of construction. Funds are disbursed in phases as construction is completed. All construction/speculative loans require personal individual guarantees of the principals of the builder-borrower.

Construction/custom loans are made to either an individual who has contracted with a builder to construct their personal residence, or to a builder who has a signed contract to build a new home for the homeowner. The terms of construction/custom loans are similar to those of construction/speculative loans, except that the Bank may offer extended commitments to originate permanent financing on the construction/custom loans that are originated. These extended commitments are typically honored for terms up to one year, and are at interest rates 50 basis points above the prevailing interest rate at the time of the commitment. The Company offers construction/permanent financing to these individuals as well.

Commercial Real Estate and Multi-Family Real Estate Loans

Commercial real estate mortgage loans are primarily secured by owner-occupied commercial buildings, office buildings, strip shopping centers, restaurants, storage facilities and motels. In underwriting commercial real estate loans and multi-family real estate loans, the Company considers a number of factors which include the projected net cash flow to the loan's debt service requirement, the age and condition of the collateral, the financial resources and income level of the borrower and the borrower's experience in owning or managing similar properties. Personal guarantees are typically obtained from commercial real estate and multi-family real estate borrowers. In addition, the borrower's financial information on such loans is monitored on an ongoing basis by requiring periodic financial statement updates. The repayment of these loans is primarily dependent on the cash flows of the underlying property; however, the commercial real estate loan generally must be supported by an adequate underlying collateral value. The performance and the value of the underlying property may be adversely affected by economic factors or geographical and/or industry specific factors. These loans are subject to other industry guidelines that are closely monitored by the Company.

Commercial Business Loans

The Company originates commercial non-mortgage business (term) loans and adjustable lines of credit. These loans are generally originated to small and medium sized companies in the Company's primary market area. Commercial business loans are generally used for working capital purposes or for acquiring equipment, inventory or furniture, and are primarily secured by business assets other than real estate, such as business equipment and inventory, accounts receivable or stock.

The commercial business loan portfolio consists primarily of secured loans. When making commercial business loans, the Company considers the financial statements, lending history and debt service capabilities of the borrower, the projected cash flows of the business and the value of collateral. The cash flows of the underlying borrower, however, may not perform consistent with historical or projected information. Further, the collateral securing the loans may fluctuate in value due to individual economic or other factors. Virtually all loans are guaranteed by the principals of the borrower. The Company has established minimum standards and underwriting guidelines for all commercial loan types.

Paycheck Protection Program Loans

The Company participated in both rounds of the Paycheck Protection Program (“PPP”), established as part of the Coronavirus Aid, Relief and Economic Security Act (“CARES Act”), which provided loans to qualifying businesses for amounts up to 2.5 times of the average monthly payroll expenses of the qualifying business during Round 1 of the PPP program. The eligible amount of loan was increased to 3.5 times of the average monthly payroll expenses for certain qualifying business in Round 2 of the PPP program. The loans are fully insured by the Small Business Administration. The loans and accrued interest were forgivable as long as the borrower used the loan proceeds for eligible purposes, including payroll, benefits, rent and utilities, and maintained its payroll levels. Any unforgiven portion of the PPP loan must be repaid by the borrower pursuant to the terms of the promissory note. The loans were granted at an interest rate of 1%. The Company received a fee of 5% for all loans $350,000 or less and 3% for all loans over $350,000. In Round 2 of the PPP program, the Company received a minimum fee of $2,500 but not to exceed 50% of the loan amount. The Company originated a total of 63 loans for $4,323,000 during Round 1 of the PPP program and a total of 39 loans for $1,885,000 during Round 2 of the PPP program. As of September 30, 2022, all PPP loans originated by the Company have been fully forgiven by the Small Business Administration. As of September 30, 2021, the Company had 5 PPP loans totaling $99,980 that had yet to be fully forgiven by the Small Business Administration.

Consumer Loans

In addition to traditional one-to-four family residential mortgage loans, the Company offers home equity term loans and home equity lines of credit that are secured by the borrower’s primary or secondary residence. Home equity term loans and lines of credit are generally underwritten using the same criteria used to underwrite one-to-four family residential mortgage loans, but are considered consumer loans. As underwriting is subject to specific regulations, the Company typically underwrites its home equity term loans and lines of credit to conform to widely accepted standards. Several factors are considered in underwriting, including the value of the underlying real estate and the debt to income and credit history of the borrower.

Other consumer loans consist of installment loans to individuals, including automotive loans. These loans are centrally underwritten utilizing the borrower’s financial history, including the Fair Isaac Corporation (“FICO”) credit scoring and information as to the underlying collateral. Repayment is expected from the cash flow of the borrower. Consumer loans may be underwritten with terms up to six years, fully amortized. Unsecured loans are limited to twenty-four months. Loan-to-value ratios vary based on the type of collateral. The Company has established minimum standards and underwriting guidelines for all consumer loan types.

The following table presents the credit risk profile of the Company’s loan portfolio based on internal rating category and payment activity as of September 30, 2022 and 2021:

	2022								
	Single-family, 1-4 units	**Multi-family, 5 or more units**	**Construction, land & land development**	**Commercial real estate**	**Consumer Loans**	**Commercial non-real estate**	**Paycheck Protection Program**	**Loans secured by deposits**	**Total**
Grade									
Pass	$ 33,103,371	$ 6,194,618	$ 27,208,271	$ 26,911,500	$ 1,512,426	$ 4,629,494	$ -	$ 187,718	$ 99,747,398
Watch	263,647	-	-	2,375,699	-	77,169	-	-	2,716,515
Special Mention	-	-	-	-	-	-	-	-	-
Substandard	174,587	-	-	1,162,737	-	-	-	-	1,337,324
Doubtful	-	-	-	-	-	-	-	-	-
Loss	-	-	-	-	-	-	-	-	-
Total	$ 33,541,605	$ 6,194,618	$ 27,208,271	$ 30,449,936	$ 1,512,426	$ 4,706,663	$ -	$ 187,718	$ 103,801,237

	2021								
	Single-family, 1-4 units	**Multi-family, 5 or more units**	**Construction, land & land development**	**Commercial real estate**	**Consumer Loans**	**Commercial non-real estate**	**Paycheck Protection Program**	**Loans secured by deposits**	**Total**
Grade									
Pass	$ 33,904,606	$ 7,262,329	$ 24,674,605	$ 24,285,637	$ 1,710,260	$ 4,450,091	$ 99,820	$ 160,210	$ 96,547,558
Watch	210,991	-	-	2,411,417	-	-	-	-	2,622,408
Special Mention	-	-	-	-	-	154,673	-	-	154,673
Substandard	178,083	-	-	1,194,009	-	-	-	-	1,372,092
Doubtful	-	-	-	-	-	-	-	-	-
Loss	-	-	-	-	-	-	-	-	-
Total	$ 34,293,680	$ 7,262,329	$ 24,674,605	$ 27,891,063	$ 1,710,260	$ 4,604,764	$ 99,820	$ 160,210	$ 100,696,731

The Company evaluates the loan risk rating system definitions and allowance for loan loss methodology on an ongoing basis. The general component of the allowance for loan loss calculations is based on historical loan losses and qualitative factors such as portfolio composition, trends, concentrations, economic conditions, and the adequacy of staffing and loan review. No significant changes were made to the loan risk grading system definitions and allowance for loan loss methodology during the past year.

The following tables present the Company's loan portfolio aging analysis of the recorded investment in loans as of September 30, 2022 and 2021:

	2022						
	30-59 Days Past Due	60-89 Days Past Due	Greater Than 90 Days	Total Past Due	Current	Total Loans	Total Loans > 90 Days & Accruing
Real estate loans:							
Single-family, 1-4 units	$ -	$ 49,637	$ -	$ 49,637	$ 33,491,968	$ 33,541,605	$ -
Multi-family, 5 or more units	-	-	-	-	6,194,618	6,194,618	-
Construction, land & land development	-	-	-	-	27,208,271	27,208,271	-
Commercial	-	-	-	-	30,449,936	30,449,936	-
Consumer loans	-	-	-	-	1,512,426	1,512,426	-
Commercial non-real estate loans	-	-	-	-	4,706,663	4,706,663	-
Paycheck protection program loans	-	-	-	-	-	-	-
Loans secured by deposits	-	-	-	-	187,718	187,718	-
Total	$ -	$ 49,637	$ -	$ 49,637	$ 103,751,600	$ 103,801,237	$ -

	2021						
	30-59 Days Past Due	60-89 Days Past Due	Greater Than 90 Days	Total Past Due	Current	Total Loans	Total Loans > 90 Days & Accruing
Real estate loans:							
Single-family, 1-4 units	$ -	$ 52,993	$ -	$ 52,993	$ 34,240,687	$ 34,293,680	$ -
Multi-family, 5 or more units	-	-	-	-	7,262,329	7,262,329	-
Construction, land & land development	-	-	-	-	24,674,605	24,674,605	-
Commercial	-	-	-	-	27,891,063	27,891,063	-
Consumer loans	-	-	-	-	1,710,260	1,710,260	-
Commercial non-real estate loans	-	-	-	-	4,604,764	4,604,764	-
Paycheck protection program loans	-	-	-	-	99,820	99,820	-
Loans secured by deposits	-	-	-	-	160,210	160,210	-
Total	$ -	$ 52,993	$ -	$ 52,993	$ 100,643,738	$ 100,696,731	$ -

A loan is 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 include nonperforming loans, nonaccrual loans and loans in which a partial charge off has been taken.

The following table presents impaired loans for the years ended September 30, 2022 and 2021:

	2022					
	Unpaid Principal Balance	Recorded Balance	Allocated Allowance for Loan Loss	Average Investment in Impaired Loans	Interest Income Recognized	Interest Income Recognized Cash Basis
Loans without a specific valuation allowance						
Real estate loans:						
Single-family, 1-4 units	$ 211,850	$ 190,136	$ 43,647	$ 199,168	$ 9,108	$ 8,498
Multi-family, 5 or more units	-	-	-	-	-	-
Construction, land & land development	-	-	-	-	-	-
Commercial	-	-	-	-	-	-
Consumer	-	-	-	-	-	-
Commercial non-real estate	-	-	-	-	-	-
Loans with a specific valuation allowance						
Real estate loans:						
Single-family, 1-4 units	-	-	-	-	-	-
Multi-family, 5 or more units	-	-	-	-	-	-
Construction, land & land development	-	-	-	-	-	-
Commercial	1,162,737	1,162,737	290,684	1,180,072	78,327	71,399
Consumer	-	-	-	-	-	-
Commercial non-real estate	-	-	-	-	-	-
Total:						
Real estate loans	1,374,587	1,352,873	334,331	1,379,240	87,435	79,897
Consumer loans	-	-	-	-	-	-
Commercial non-real estate loans	-	-	-	-	-	-
Total impaired loans	$ 1,374,587	$ 1,352,873	$ 334,331	$ 1,379,240	$ 87,435	$ 79,897

	2021					
	Unpaid Principal Balance	Recorded Balance	Allocated Allowance for Loan Loss	Average Investment in Impaired Loans	Interest Income Recognized	Interest Income Recognized Cash Basis
Loans without a specific valuation allowance						
Real estate loans:						
Single-family, 1-4 units	$ 253,474	$ 211,607	$ -	$ 215,070	$ 10,346	$ 9,584
Multi-family, 5 or more units	-	-	-	-	-	-
Construction, land & land development	-	-	-	-	-	-
Commercial	-	-	-	-	-	-
Consumer	-	-	-	-	-	-
Commercial non-real estate	-	-	-	-	-	-
Loans with a specific valuation allowance						
Real estate loans:						
Single-family, 1-4 units	-	-	-	-	-	-
Multi-family, 5 or more units	-	-	-	-	-	-
Construction, land & land development	-	-	-	-	-	-
Commercial	1,194,009	1,194,009	298,502	1,210,993	81,862	79,741
Consumer	-	-	-	-	-	-
Commercial non-real estate	-	-	-	-	-	-
Total:						
Real estate loans	1,447,483	1,405,616	298,502	1,426,063	92,208	89,325
Consumer loans	-	-	-	-	-	-
Commercial non-real estate loans	-	-	-	-	-	-
Total impaired loans	$ 1,447,483	$ 1,405,616	$ 298,502	$ 1,426,063	$ 92,208	$ 89,325

At September 30, 2022 and 2021, the Company had no loans on nonaccrual.

At September 30, 2022 and 2021, the Company had no loans that were modified in troubled debt restructurings and impaired. There were no troubled debt restructurings that were on nonaccrual at September 30, 2022 and 2021. There were no newly classified troubled debt restructurings in fiscal year 2022 or in fiscal year 2021.

NOTE 4: PREMISES AND EQUIPMENT

Major classifications of premises and equipment, stated at cost, are as follows:

	2022	2021
Land	$ 1,838,126	$ 1,556,522
Buildings and improvements	4,269,617	4,256,925
Equipment	1,375,600	1,272,873
Automobiles	40,431	40,431
	7,523,774	7,126,751
Less accumulated depreciation	3,584,063	3,402,503
Net premises and equipment	$ 3,939,711	$ 3,724,248

NOTE 5: LOAN SERVICING

Mortgage loans serviced for others are not included in the accompanying consolidated balance sheets. The risks inherent in mortgage servicing assets relate primarily to changes in prepayments that result from shifts in mortgage interest rates. The unpaid principal balances of mortgage loans serviced for others were $29,546,173 and $30,992,295 at September 30, 2022 and 2021, respectively.

Custodial escrow balances maintained in connection with the foregoing loan servicing, and included in demand deposits, were $480,989 and $511,457 at September 30, 2022 and 2021, respectively.

The aggregate fair value of capitalized mortgage servicing rights at September 30, 2022 and 2021, totaled $75,866 and $120,695, respectively. Fair values are estimated using discounted cash flows based on a current market interest rate. For purposes of measuring impairment, risk characteristics, including type of loan, interest rate and remaining term to maturity, were used to stratify the originated servicing rights.

The following summarizes the activity pertaining to mortgage servicing rights measured using the amortization method:

	2022	2021
Balance, beginning of year	$ 120,695	$ 120,320
Servicing rights capitalized	28,966	88,349
Amortization of servicing rights	(73,795)	(87,974)
Balance, end of year	$ 75,866	$ 120,695

NOTE 6: INTEREST-BEARING DEPOSITS

Interest-bearing deposits in denominations of $250,000 or more at September 30, 2022 and 2021, were $46,235,601 and $48,174,140, respectively.

At September 30, 2022, the scheduled maturities of time deposits are as follows:

October 1, 2022 to September 30, 2023	$ 6,883,588
October 1, 2023 to September 30, 2024	2,326,878
October 1, 2024 to September 30, 2025	1,185,920
October 1, 2025 to September 30, 2026	1,712,918
October 1, 2026 to September 30, 2027	1,142,675
October 1, 2032 to September 30, 2033	40,398
	$ 13,292,377

NOTE 7: FEDERAL HOME LOAN BANK ADVANCES

The Company had no Federal Home Loan Bank (FHLB) advances or other indebtedness to the FHLB as of September 30, 2022. As of September 30, 2021, the Company had no FHLB advances but letters of credit totaling $10,750,000 that were issued by the FHLB to be pledged against public unit funds. Borrowings or letters of credit via the FHLB are typically secured by loans held by the Company. Collateralization requirements are based on a loan-to-value percentage, which varies depending on the type of loan pledged as collateral. At September 30, 2022, the Company, through its subsidiary bank, has a borrowing capacity (subject to collateralization) of $72,230,850.

NOTE 8: OTHER BORROWINGS

As of September 30, 2022, the Company has a line of credit in the amount of $1,500,000 from Missouri Independent Bank, Jefferson City, Missouri, with a maturity date of December 20, 2022. The line of credit carries an interest rate of prime with a floor of 3.75% and is secured by the common stock of the Company. On November 6, 2021, the line of credit was renewed to its current maturity date. As of September 30, 2022, the amount drawn on the line of credit, was $738,000 at an interest rate of 6.75%. As of September 30, 2021, the amount drawn on the line of credit, was $743,000 at an interest rate of 4.00%.

The Bank also has an unsecured line of credit with Missouri Independent Bank to disburse federal funds purchased up to $5,000,000. The Bank did not borrow funds against this line of credit during 2022.

NOTE 9: INCOME TAXES

The Company or its subsidiary files income tax returns in the U.S. federal jurisdiction and the state of Missouri. For fiscal years ended September 30, 2022 and 2021, the Company nor its subsidiary had any income taxes currently payable nor had an income tax credit. As of September 30, 2022, the Company had $844,087 of net operating loss carryforwards available to offset future income taxes. The carryforwards begin to expire in 2032.

The tax effects of temporary differences related to deferred taxes shown on the balance sheets were:

	2022	2021
Deferred tax assets:		
Allowance for loan losses	$ 301,000	$ 296,000
Deferred revenue on PPP Loans	-	1,000
Net operating loss carryforward	204,000	270,000
Unrealized loss on securities available for sale	686,623	-
Other	12,552	7,615
Total deferred tax assets	1,204,175	574,615
Deferred tax liabilities:		
Mortgage-servicing rights	18,000	29,000
Unrealized gain on securities available for sale	-	728
Total deferred tax liabilities	18,000	29,728
Net deferred tax asset	$ 1,186,175	$ 544,887
Amount of NOL carryforwards	$ 844,087	$ 1,116,392

A reconciliation of income tax at the statutory rate to the Company's actual income tax credit is shown below:

	2022	2021
Computed at the statutory rate (24.16% blended rate)	$ 90,407	$ 114,172
Increase (decrease) resulting from:		
Tax-exempt income	(55,879)	(27,254)
Other	11,535	11,467
Actual tax provision	$ 46,063	$ 98,385

NOTE 10: STOCKHOLDERS' EQUITY AND REGULATORY MATTERS

The Company is a Delaware holding company formed to acquire the Bank in 2002 as a result of the Bank's conversion from mutual to stock form. Deposit account holders and borrowers do not have voting rights in the Bank. Voting rights are vested exclusively with stockholders of the holding company. Deposit account holders are insured by the Federal Deposit Insurance Corporation. 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 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 U.S. GAAP, regulatory reporting requirements and regulatory capital standards. The Bank's capital amounts and classifications are also subject to qualitative judgments by the regulators about components, risk weightings and other factors. Furthermore, the Bank's regulators could require adjustments to regulatory capital not reflected in these consolidated financial statements.

Quantitative measures established by regulatory reporting standards to ensure capital adequacy require the Bank to maintain minimum amounts and ratios (set forth in the table that follows). As of September 30, 2022 and 2021, pursuant to Part 324 of the FDIC Rules and Regulations, the Bank was categorized as well capitalized under the framework for prompt corrective action. To be categorized as well capitalized, the Bank must maintain minimum total risk-based, Tier 1 risk-based, common equity Tier 1 risk-based and Tier 1 leverage ratios as set forth in the table that follows. Effective January 1, 2020, the FDIC finalized the community bank leverage ratio allowing qualifying community banking organizations to adopt a framework so that the minimum total risk-based, Tier 1 risk-based, and common equity Tier 1 risk-based ratios will not be required to be calculated. The Bank adopted the community bank leverage ratio framework and subsequently was not required to calculate the minimum total risk-based, Tier 1 risk-based, and common equity Tier 1 risk-based ratios; however, during the fiscal year ended September 30, 2021, the Bank failed to maintain the minimum capital requirements to qualify for the community bank leverage ratio framework and was again required to calculate the minimum total risk-based, Tier 1 risk-based, and common equity Tier 1 risk-based ratios as of September 30, 2021, and quarterly thereafter until such time it qualifies for the community bank leverage ratio framework.

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

	Actual		Minimum Required for Capital Adequacy		Minimum Required to be "Well Capitalized"	
	Amount	Ratio	Amount	Ratio	Amount	Ratio
			(Dollars in Thousands)			
AS OF SEPTEMBER 30, 2022:						
Total risk-based capital to risk-weighted assets	$ 13,276	15.1%	$ 7,055	8.0%	$ 8,818	10.0%
Tier 1 capital to risk-weighted assets	$ 12,172	13.8%	$ 5,291	6.0%	$ 7,055	8.0%
Common equity Tier 1 risk-based	$ 12,172	13.8%	$ 3,968	4.5%	$ 5,732	6.5%
Tier 1 capital to adjusted total assets	$ 12,172	7.9%	$ 3,527	4.0%	$ 7,752	5.0%
AS OF SEPTEMBER 30, 2021:						
Total risk-based capital to risk-weighted assets	$ 13,080	16.0%	$ 6,541	8.0%	$ 8,176	10.0%
Tier 1 capital to risk-weighted assets	$ 12,056	14.7%	$ 4,906	6.0%	$ 6,541	8.0%
Common equity Tier 1 risk-based	$ 12,056	14.7%	$ 3,679	4.5%	$ 5,314	6.5%
Tier 1 capital to adjusted total assets	$ 12,056	8.2%	$ 5,910	4.0%	$ 7,387	5.0%

During the fiscal year ended September 30, 2022, the Bank paid cash dividends of $500,000 to the Company. During the fiscal year ended September 30, 2021, the Bank paid cash dividends of $325,000 to the Company.

NOTE 11: RELATED PARTY TRANSACTIONS

At September 30, 2022 and 2021, the Bank had loans outstanding to executive officers, directors, significant stockholders of the Company and their associates (related parties), in the amount of $1,662,372 and $764,669, respectively. Deposits from related parties held by the Bank at September 30, 2022 and 2021, totaled $795,970 and $789,170, respectively. In management's opinion, such loans and other extensions of credit and deposits were made in the ordinary course of business and were made on substantially the same terms (including interest and collateral) as those prevailing at the time for comparable transactions with other persons. Further, in management's opinion, these loans did not involve more than normal risk of collectability or present other unfavorable features.

NOTE 12: EMPLOYEE BENEFITS

The Bank has a defined contribution pension plan, which covers substantially all employees. Participants can contribute up to 100% of their salary, subject to certain restrictions imposed by Internal Revenue Code, which the Bank will match 50% of the employee contribution, up to a maximum employee contribution of 6% of salary. Pension plan expense was $42,548 and $42,974 for the years ended September 30, 2022 and 2021, respectively.

Within the defined contribution pension plan, one of the eligible funds for the participants is an Employer Stock Fund that invests in the common stock of the Company. The stock is allocated pro-rata within the fund based on the amount invested in the fund by the participant. As of September 30, 2022, the Employer Stock Fund owned 78,047 shares of the Company. As of September 30, 2021, the Employer Stock Fund owned 75,547 shares of the Company. The Employer Stock Fund purchased 2,500 shares directly from the Company during the fiscal year ended September 30, 2022.

The Company has an ESOP covering substantially all employees. The ESOP acquired 78,292 shares of Company common stock at $10 per share at the initial public offering with funds provided by a loan from the Company. The cost of the ESOP shares acquired was shown as a reduction of stockholders' equity. Shares were released to participants proportionately as the loan was repaid. The loan was paid off during the fiscal year ended September 30, 2016, with all remaining shares acquired at the initial public offering being allocated to participants at December 31, 2015.

During the fiscal year ended September 30, 2022, the ESOP re-purchased 1,723 shares at $16.95 per share from employees eligible for diversification or who had terminated employment and another 7,129 shares were transferred out of the plan by employees who terminated employment. The Company also contributed 1,550 shares to the ESOP during the fiscal year ended September 30, 2022. A total of 3,273 shares will be subject to allocation to participants at December 31, 2022. During the fiscal year ended September 30, 2021, the ESOP re-purchased 856 shares at $16.25 per share from employees eligible for diversification or who had terminated employment and another 2,458 shares from an employee eligible for diversification were transferred out of the plan. The Company also contributed 3,000 shares to the ESOP during the fiscal year ended September 30, 2021.

As of September 30, 2022 and 2021, there remained 43,046 and 50,175 shares, respectively, of Company common stock in the ESOP after distributions to employees no longer with the Company or due to diversifications. Compensation expense is recorded when cash contributions are made to the plan or when contributions of stock are made in an amount equal to the fair market value of the stock. The fair market value of stock is determined annually, at December 31, and is based on an independent third party valuation. ESOP compensation expense was $33,765 and $48,000 for the years ended September 30, 2022 and 2021, respectively.

	2022	2021
Allocated shares	39,773	46,319
Shares ratably released for allocation	3,273	3,856
Unallocated shares	-	-
Total ESOP shares	43,046	50,175
Fair value of unreleased shares	$ -	$ -

The Bank is obligated at the option of each beneficiary to repurchase shares of the ESOP upon the beneficiary's termination or after retirement. At September 30, 2022, the fair value of the 39,773 allocated shares held by the ESOP is $674,152. There were no shares held by former employees that will be subject to an ESOP-related repurchase option. At September 30, 2021, the fair value of the 46,319 allocated shares held by the ESOP was $752,684. In addition, there were 10,304 shares held by former employees that were subject to an ESOP-related repurchase option. The fair value of all shares subject to repurchase obligation was $167,440.

NOTE 13: EARNINGS PER SHARE

For the year ended September 30, 2022, earnings, basic and diluted, per share was $0.44 based upon weighted-average shares outstanding of 746,800. For the year ended September 30, 2021, earnings, basic and diluted, per share was $0.50 based upon weighted-average shares outstanding of 744,382. There were no outstanding options to purchase shares of common stock at September 30, 2022 and 2021.

NOTE 14: DISCLOSURES ABOUT FAIR VALUE OF ASSETS

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value measurements must maximize the use of observable inputs and minimize the use of unobservable inputs. There is a hierarchy of three levels of inputs that may be used to measure fair value:

Level 1 Quoted prices in active markets for identical assets or liabilities

Level 2 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 for substantially the full term of the assets or liabilities

Level 3 Unobservable inputs supported by little or no market activity and are significant to the fair value of the assets or liabilities

Recurring Measurements

The following table presents the fair value measurements of assets recognized in the accompanying consolidated balance sheets measured at fair value on a recurring basis and the level within the fair value hierarchy in which the fair value measurements fall at September 30, 2021 and 2020:

	September 30, 2022			
		Fair Value Measurements Using		
	Fair Value	Quoting Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Signficant Unobservable Inputs (Level 3)
U.S. Government and federal agency	$ 9,011,193	$ -	$ 9,011,193	$ -
U.S. Government - sponsored enterprises (GSEs)	12,179,379	-	12,179,379	-
Municipal securities	9,290,479	-	9,290,479	-

	September 30, 2021			
		Fair Value Measurements Using		
	Fair Value	Quoting Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Signficant Unobservable Inputs (Level 3)
U.S. Government and federal agency	$ 3,646,031	$ -	$ 3,646,031	$ -
U.S. Government - sponsored enterprises (GSEs)	3,458,411	-	3,458,411	-
Municipal securities	510,816		510,816	-

Following is a description of the valuation methodologies and inputs used for assets measured at fair value on a recurring basis and recognized in the accompanying consolidated balance sheets, as well as the general classification of such assets pursuant to the valuation hierarchy. There have been no significant changes in the valuation techniques during the year ended September 30, 2022.

Available-for-sale Securities

Where quoted market prices are available in an active market, securities are classified within Level 1 of the valuation hierarchy. If quoted market prices are not available, then fair values are estimated by using quoted prices of securities with similar characteristics or independent asset pricing services and pricing models, the inputs of which are market-based or independently sourced market parameters, including, but not limited to, yield curves, interest rates, volatilities, prepayments, defaults, cumulative loss projections and cash flows. Such securities are classified in Level 2 of the valuation hierarchy. In certain cases where Level 1 or Level 2 inputs are not available, securities are classified within Level 3 of the hierarchy. At September 30, 2022 and 2021, there are no securities classified within Level 1 or Level 3.

Nonrecurring Measurements

The following table presents the fair value measurement of assets measured at fair value on a nonrecurring basis and the level within the fair value hierarchy in which the fair value measurements fall at September 30, 2022 and 2021:

	September 30, 2022			
		Fair Value Measurements Using		
	Fair Value	Quoting Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Signficant Unobservable Inputs (Level 3)
Collateral-dependent impaired loans	$ 1,018,542	$ -	$ -	$ 1,018,542

	September 30, 2021			
		Fair Value Measurements Using		
	Fair Value	Quoting Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Signficant Unobservable Inputs (Level 3)
Collateral-dependent impaired loans	$ 1,107,114	$ -	$ -	$ 1,107,114

Following is a description of the valuation methodologies and inputs used for assets measured at fair value on a nonrecurring basis and recognized in the accompanying consolidated balance sheets, as well as the general classification of such assets pursuant to the valuation hierarchy. For assets classified within Level 3 of the fair value hierarchy, the process used to develop the reported fair value is described below.

Collateral-dependent Impaired Loans, Net of ALLL

The estimated fair value of collateral-dependent impaired loans is based on the appraised fair value of the collateral, less estimated cost to sell. Collateral-dependent impaired loans are classified within Level 3 of the fair value hierarchy.

The Company considers the appraisal or evaluation as the starting point for determining fair value and then considers other factors and events in the environment that may affect the fair value. Appraisals of the collateral underlying collateral-dependent loans are obtained when the loan is determined to be collateral-dependent and subsequently as deemed necessary by management. Appraisals are reviewed for accuracy and consistency by management. Appraisers are selected from the list of approved appraisers maintained by management. The appraised values are reduced by discounts to consider lack of marketability and estimated cost to sell if repayment or satisfaction of the loan is dependent on the sale of the collateral. These discounts and estimates are developed by management by comparison to historical results.

Unobservable (Level 3) Inputs

The following table presents quantitative information about unobservable inputs used in recurring and nonrecurring Level 3 fair value measurements.

	Fair Value at 9/30/2022	Valuation Technique	Unobservable Inputs	Range
Collateral-dependent impaired loans	$ 1,018,542	Internal or third party appraisal	Discount to reflect realizable value	0 - 25%

	Fair Value at 9/30/2021	Valuation Technique	Unobservable Inputs	Range
Collateral-dependent impaired loans	$ 1,107,114	Internal or third party appraisal	Discount to reflect realizable value	0 - 25%

Fair Value of Financial Instruments

The following table presents estimated fair values of the Company's financial instruments at September 30, 2022 and 2021:

	2022		2021	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
FINANCIAL ASSETS				
Cash and cash equivalents	$ 9,341,170	$ 9,341,170	$ 38,726,717	$ 38,726,717
Interest-bearing time deposits	4,940,000	4,751,230	7,176,013	7,237,818
Held-to-maturity debt securities	5,715,858	5,458,081	750,000	803,027
Loans, net of allowance for loan losses	90,336,679	87,015,775	87,883,868	88,687,603
Federal Home Loan Bank stock	167,600	167,600	170,800	170,800
Accrued interest receivable	466,163	466,163	298,052	298,052
FINANCIAL LIABILITIES				
Deposits	$ 139,587,307	$ 138,742,831	$ 137,690,580	$ 140,774,250
Interest payable	8,055	8,055	4,682	4,682
Other borrowings	738,000	738,000	743,000	743,000
Advances from borrowers for taxes and insurance	1,054,029	1,054,029	1,084,495	1,084,495

The following table presents estimated fair values of the Company's financial instruments and the level within the fair value hierarchy in which the fair value measurements fall at September 30, 2022 and 2021:

	Carrying Amount	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
September 30, 2022				
FINANCIAL ASSETS				
Cash and cash equivalents	$ 9,341,170	$ 9,341,170	$ -	$ -
Interest-bearing time deposits	4,940,000	-	4,751,230	-
Held-to-maturity debt securities	5,715,858	-	5,458,081	-
Loans, net of allowance for loan losses	90,336,679	-	85,997,233	1,018,542
Federal Home Loan Bank stock	167,600	-	167,600	-
Accrued interest receivable	466,163	-	466,163	-
FINANCIAL LIABILITIES				
Deposits	$ 139,587,307	$ -	$ 138,742,831	$ -
Interest payable	8,055	-	8,055	-
Other borrowings	738,000	-	738,000	-
Advances from borrowers for taxes and insurance	1,054,029	-	1,054,029	-

	Carrying Amount	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
September 30, 2021				
FINANCIAL ASSETS				
Cash and cash equivalents	$ 38,726,717	$ 38,726,717	$ -	$ -
Interest-bearing time deposits	7,176,013	-	7,237,818	-
Held-to-maturity debt securities	750,000	-	803,027	-
Loans, net of allowance for loan losses	87,883,868	-	87,580,489	1,107,114
Federal Home Loan Bank stock	170,800	-	170,800	-
Accrued interest receivable	298,052	-	298,052	-
FINANCIAL LIABILITIES				
Deposits	$ 137,690,580	$ -	$ 140,774,250	$ -
Interest payable	4,682	-	4,682	-
Other borrowings	743,000	-	743,000	-
Advances from borrowers for taxes and insurance	1,084,495	-	1,084,495	-

The following methods were used to estimate the fair value of all other financial instruments recognized in the accompanying balance sheets in amounts other than fair value.

Cash and Cash Equivalents and Interest-Bearing Deposits in Banks

The carrying amount approximates fair value.

Interest-Bearing Time Deposits

Fair value is estimated using a discounted cash flow calculation that applies rates currently offered for deposits of similar remaining maturities.

Held-to-Maturity Debt Securities

Fair value is based on quoted market prices, if available. If quoted market price is not available, fair value is estimated using quoted market prices for similar securities.

Loans, net of allowance for loan losses

Fair value is estimated by discounting the future cash flows using the market rates at which similar notes would be made to borrowers with similar credit ratings and for the same remaining maturities. The market rates used are based on current rates the Banks would impose for similar loans and reflect a market participant assumption about risks associated with nonperformance, illiquidity, and the structure and term of the loans along with local economic and market conditions.

Federal Home Loan Bank stock

Fair value is estimated at book value due to restrictions that limit the sale or transfer of such securities.

Accrued Interest Receivable, Interest Payable, Other Borrowings and Advances from Borrowers for Taxes and Insurance

The carrying amount approximates fair value. The carrying amount is determined using the interest rate, balance and last payment date.

Deposits

Fair value of term deposits is estimated by discounting the future cash flows using rates of similar deposits with similar maturities. The estimated fair value of demand, interest-bearing checking, savings and money market deposits is the book value since rates are regularly adjusted to market rates and amounts are payable on demand at the reporting date.

NOTE 15: SIGNIFICANT ESTIMATE AND CONCENTRATIONS

Accounting principles generally accepted in the United States of America require disclosure of certain significant estimates and current vulnerabilities due to certain concentrations. Estimates related to the allowance for loan losses are reflected in the footnote regarding loans. Estimates related to deferred tax assets are reflected in the footnote on income taxes. Current vulnerabilities due to certain concentrations of credit risk are discussed in the footnote on commitments and credit risk. Other significant estimates and concentrations not discussed in those footnotes include:

Investments

The Company invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such change could materially affect the amounts reported in the accompanying consolidated balance sheet.

Deposits

At September 30, 2022, the Company held three interest-bearing checking accounts from one relationship totaling $16,778,509, which is 12.02% of total deposits. The relationship is a public unit.

Litigation

A shareholder group has filed lawsuits challenging the outcome of the results of the 2020, 2021 and 2022 annual election of directors and the Company continues to defend lawsuits filed by the same group for statements made in a supplemental proxy letter sent to shareholders prior to the 2020 election. In May 2022, the Court issued an opinion, finding for the Plaintiffs regarding the 2021 election. In July 2022, the Court entered a judgment related to the May 2022 opinion regarding the 2021 election, which seated three nominees from the Plaintiff group as Directors of the Company. In November 2022, the Company filed a notice of appeal in this matter.

The Company is subject to claims and lawsuits that arise primarily in the ordinary course of business. It is the opinion of management that the disposition or ultimate resolution of such claims and lawsuits will not have a material adverse effect on the consolidated financial position, results of operations and cash flows of the Company.

NOTE 16: COMMITMENTS AND CREDIT RISK

LETTERS OF CREDIT - In the normal course of business, the Bank issues various financial standby, performance standby and commercial letters of credit for its customers. As consideration for the letters of credit, the institution charges letter of credit fees based on the face amount of the letters and creditworthiness of the counterparties. These letters of credit are stand-alone agreements, and are unrelated to any obligation the depositor has to the Bank.

Standby letters of credit are irrevocable conditional commitments issued by the Bank to guarantee the performance of a customer to a third party. Financial standby letters of credit are primarily issued to support public and private borrowing arrangements, including commercial paper, bond financing and similar transactions. Performance standby letters of credit are issued to guarantee performance of certain customers under non-financial contractual obligations. The credit risk involved in issuing standby letters of credit is essentially the same as the risk that is involved in extending loans to customers.

The Bank had no outstanding standby letters of credit at September 30, 2022, and had one outstanding letter of credit amounting to $15,000 at September 30, 2021.

LINES OF CREDIT - Lines of credit are agreements to lend to a customer as long as there is no violation of any condition established in the contract. Lines of credit generally have fixed expiration dates. Since a portion of the line may expire without being drawn upon, the total unused lines do not necessarily represent future cash requirements. Each customer's creditworthiness is evaluated on a case-by-case basis. The amount of collateral obtained, if deemed necessary, is based on management's credit evaluation of the counterparty. Collateral held varies but may include accounts receivable, inventory, property, plant and equipment, commercial real estate and residential real estate. Management uses the same credit policies in granting lines of credit as it does for on-balance-sheet instruments.

At September 30, 2022, unused lines of credit aggregated $4,240,000, consisting of $2,110,000 secured by 1-4 family real estate (including home equity lines of credit), $440,000 secured by commercial real estate, $1,620,000 in commercial lines of credit and $70,000 in other consumer lines of credit. At September 30, 2021, unused lines of credit aggregated $4,170,000, consisting of $2,018,000 secured by 1-4 family real estate (including home equity lines of credit), $547,000 secured by other real estate, $1,597,000 in commercial lines of credit and $8,000 in other consumer lines of credit.

COMMITMENTS – Commitments to originate loans 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 a portion of the commitments may expire without being drawn upon, the total commitment amounts do not necessarily represent future cash requirements. Each customer's creditworthiness is evaluated on a case-by-case basis. The amount of collateral obtained, if deemed necessary, is based on management's credit evaluation of the counterparty. Collateral held varies, but may include accounts receivable, inventory, property, plant and equipment, commercial real estate and residential real estate.

At September 30, 2022, the Company had outstanding commitments to originate loans aggregating approximately $2,207,000, including five single-family real estate loans totaling $1,369,000, two secured commercial line of credit for $582,000, three home equity loans totaling $227,000 and one consumer loan for $29,000. The commitments were extended over varying periods of time with all to be disbursed within 90 days. At September 30, 2021, the Company had outstanding commitments to originate loans aggregating approximately $1,758,000, including three single-family real estate loans totaling $656,000, a commercial real estate loan for $505,000 and two construction loans totaling $597,000. At September 30, 2022, loans in process totaled $12,201,000 with fixed rates between 2.50% and 7.75%. In addition, at September 30, 2021, loans in process totaled $11,565,000 with fixed rates between 2.75% and 5.75%.

Mortgage loans in the process of origination represent amounts that the Company plans to fund within a normal period of 60 to 90 days, which includes loans intended for sale to investors in the secondary market. The Company had no loans held for sale at September 30, 2022 and 2021.

NOTE 17: CONDENSED FINANCIAL INFORMATION (PARENT COMPANY ONLY)

Presented below is condensed financial information as to financial position, results of operations and cash flows of the Company as of and for the years ended September 30, 2022 and 2021:

CONDENSED BALANCE SHEETS
September 30, 2022 and 2021

	2022	2021
ASSETS:		
Noninterest-bearing deposit in subsidiary bank	$ 9,561	$ 17,717
Interest-bearing deposits in banks	-	1,005
Total cash and cash equivalents	9,561	18,722
Investment in subsidiary bank	9,588,431	12,121,513
Other assets	205,911	181,059
TOTAL ASSETS	$ 9,803,903	$ 12,321,294
LIABILITIES AND STOCKHOLDERS' EQUITY:		
Total liabilities	$ 763,261	$ 768,430
Stockholders' equity	9,040,642	11,552,864
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	$ 9,803,903	$ 12,321,294

CONDENSED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)
Years Ended September 30, 2022 and 2021

	2022	2021
Interest income	$ 1	$ 1,393
Interest expense	(31,839)	(25,720)
Noninterest expense	(215,724)	(210,908)
Credit for income taxes	23,036	56,392
Net loss before dividends and share in undistributed income of the subsidiary bank	(224,526)	(178,843)
Dividends from subsidiary bank	500,000	325,000
Share of undistributed income of the subsidiary bank	52,667	228,024
Net income	328,141	374,181
Other comprehensive income (loss)	(2,585,750)	(44,860)
Comprehensive income (loss)	$ (2,257,609)	$ 329,321

CONDENSED STATEMENTS OF CASH FLOWS
Years Ended September 30, 2022 and 2021

	2022	2021
CASH FLOW FROM OPERATING ACTIVITIES:		
Net income	$ 328,141	$ 374,181
Cash dividends	(298,638)	(297,679)
Items not requiring cash:		
Share of undistributed income of the subsidiary bank	(52,667)	(228,024)
Other	(7,270)	(53,452)
Net cash used in operating activities	(30,434)	(204,974)
CASH FLOW FROM FINANCING ACTIVITIES:		
Proceeds from other borrowings	445,000	425,000
Repayments from other borrowings	(450,000)	(275,000)
Issuance (net) of common stock	26,273	47,124
Acquisition (net) of Treasury Stock	17,753	(1,626)
Net cash provided by financing activities	21,273	195,498
NET DECREASE IN CASH AND CASH EQUIVALENTS	(9,161)	(7,850)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	18,722	26,572
CASH AND CASH EQUIVALENTS, END OF YEAR	$ 9,561	$ 18,722

NOTE 18: FUTURE CHANGE IN ACCOUNTING PRINCIPLE

The Financial Accounting Standards Board issued Accounting Standards Update (ASU) No. 2016-13, Financial Instruments -- Credit Losses (Topic 326). The ASU introduces a new credit loss model, the current expected credit loss model (CECL), which requires earlier recognition of credit losses, while also providing additional transparency about credit risk.

The CECL model utilizes a lifetime “expected credit loss” measurement objective for the recognition of credit losses for loans, held-to-maturity securities and other receivables at the time the financial asset is originated or acquired. The expected credit losses are adjusted each period for changes in expected lifetime credit losses. For available-for-sale securities where fair value is less than cost, credit-related impairment, if any, will be recognized in an allowance for credit losses and adjusted each period for changes in expected credit risk. This model replaces the multiple existing impairment models, which generally require that a loss be incurred before it is recognized.

The CECL model represents a significant change from existing practice and may result in material changes to the Company's accounting for financial instruments. The Company is evaluating the effect ASU 2016-13 will have on its consolidated financial statements and related disclosures. The impact of the ASU will depend upon the state of the economy and the nature of our portfolios at the date of adoption. The new standard is effective for annual periods beginning after December 15, 2022, including interim periods within those fiscal years.

NOTE 19: SUBSEQUENT EVENT

Subsequent events have been evaluated through December 9, 2022, which is the date the financial statements were available to be issued.

CCSB
Financial Corp

Clay County
Savings Bank

Locations

1178 West Kansas Street
Liberty, Missouri

303 South Jefferson Street
Kearney, Missouri

8140 North Brighton Avenue
Kansas City (North), Missouri

claycountysavings.com