Farm Credit Services of Mandan, ACA

Quarterly Report
March 31, 2024

MANAGEMENT'S DISCUSSION AND ANALYSIS

The following commentary reviews the consolidated financial condition and consolidated results of operations of Farm Credit Services of Mandan, ACA and its subsidiaries, Farm Credit Services of Mandan, FLCA and Farm Credit Services of Mandan, PCA. This discussion should be read in conjunction with both the unaudited consolidated financial information and related notes included in this Quarterly Report as well as Management's Discussion and Analysis included in our Annual Report for the year ended December 31, 2023 (2023 Annual Report).

Due to the nature of our financial relationship with AgriBank, FCB (AgriBank), the financial condition and results of operations of AgriBank materially impact our members' investment. To request free copies of AgriBank financial reports or additional copies of our report, contact us at:

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Post Office Box 5001
Mandan, ND 58554-5501
(701) 663-6487
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FORWARD-LOOKING INFORMATION

Any forward-looking statements in this Quarterly Report are based on current expectations and are subject to uncertainty and changes in circumstances. Actual results may differ materially from expectations due to a number of risks and uncertainties. More information about these risks and uncertainties is contained in our 2023 Annual Report. We undertake no duty to update or revise any forward-looking statements, whether as a result of new information, future events, or otherwise.

AGRICULTURAL AND ECONOMIC CONDITIONS

Much of the 2023 crop harvest, especially small grains, resulted in average to above average yields for most producers. Most of our territory has received minimal snowfall this winter, leading to dry conditions for the state. Topsoil and sub-soil moisture levels remain a concern going into the 2024 production cycle.

Commodity prices for most crops grown in our service area have softened since early 2023. With the decline in commodity prices, producers have held inventory into 2024 and are more reluctant to sell any unpriced grain in anticipation of some market price movement.

Cow/calf operations continue to benefit from adequate water resources and positive pasture and hay land conditions. Cattle futures for the fall of 2023 remained strong and many producers sold at all-time highs or locked in profitable price targets with Livestock Risk Protection insurance or other market contracts. Despite the decrease in livestock prices since September 2023, outlooks for producers' projections in 2024 remain positive.

LOAN PORTFOLIO

Loan Portfolio

Total loans were $1.4 billion at March 31, 2024, a decrease of $1.8 million from December 31, 2023.

Portfolio Credit Quality

The credit quality of our portfolio improved slightly from December 31, 2023. Adversely classified loans decreased to 2.1% of the portfolio at March 31, 2024, from 2.2% of the portfolio at December 31, 2023. Adversely classified loans are loans we have identified as showing some credit weakness according to our credit standards. We have considered portfolio credit quality in assessing the reasonableness of our allowance for credit losses on loans.

In certain circumstances, government agency guarantee programs are used to reduce the risk of loss. At March 31, 2024, $28.6 million of our loans were substantially guaranteed under these government programs.

Nonperforming Assets

Components of Nonperforming Assets

(dollars in thousands) As of:		**March 31, 2024**		December 31, 2023
Loans:				
Nonaccrual	**$**	**8,290**	$	9,205
Accruing loans 90 days or more past due		**--**		--
Total nonperforming loans		**8,290**		9,205
Other property owned		**--**		--
Total nonperforming assets	**$**	**8,290**	$	9,205
Total nonperforming loans as a percentage of total loans		**0.6%**		0.6%
Nonaccrual loans as a percentage of total loans		**0.6%**		0.6%
Current nonaccrual loans as a percentage of total nonaccrual loans		**72.5%**		75.2%
Total delinquencies as a percentage of total loans[1]		**0.3%**		0.4%

[1]Total delinquencies include accrual and nonaccrual loans 30 days or more past due.

Our nonperforming assets have decreased from December 31, 2023, and remained at acceptable levels. Total nonperforming loans as a percentage of total loans were well within our established risk management guidelines.

The decrease in nonaccrual loans was primarily due to a real estate mortgage loan transferring from nonaccrual to accrual during the first quarter of 2024. Nonaccrual loans remained at an acceptable level at March 31, 2024, and December 31, 2023.

Allowance for Credit Losses on Loans

The allowance for credit losses on loans is an estimate of expected credit losses in our portfolio. We determine the appropriate level of allowance for credit losses on loans based on a disciplined process and methodology that incorporates expected probabilities of default and loss given default based on historical portfolio performance, forecasts of future economic conditions, and management's judgment with respect to unique aspects of current and expected conditions that may not be contemplated in historical loss experience or forecasted economic conditions.

Allowance for Credit Losses on Loans Coverage Ratios

As of:	**March 31, 2024**	December 31, 2023
Allowance for credit losses on loans as a percentage of:		
Loans	**0.3%**	0.2%
Nonaccrual loans	**44.6%**	37.6%
Total nonperforming loans	**44.6%**	37.6%

Total allowance for credit losses on loans was $3.7 million at March 31, 2024, and $3.5 million at December 31, 2023. The increase from December 31, 2023, was primarily related to specific reserves recorded for certain agribusiness loans during the first quarter of 2024.

RESULTS OF OPERATIONS

Profitability Information

(dollars in thousands) For the three months ended March 31,		**2024**		2023
Net income	**$**	**8,044**	$	6,648
Return on average assets		**2.1%**		1.7%
Return on average members' equity		**8.9%**		7.8%

Changes presented in the profitability information table relate directly to:

- Changes in net income discussed in this section
- Changes in assets discussed in the Loan Portfolio section
- Changes in capital discussed in the Funding, Liquidity, and Capital section

Changes in Significant Components of Net Income

(in thousands) For the three months ended March 31,	2024	2023	Increase (decrease) in net income
Net interest income	**$ 11,001**	$ 10,716	**$ 285**
Provision for credit losses	**227**	1,373	**1,146**
Non-interest income	**3,820**	3,913	**(93)**
Non-interest expense	**6,423**	6,382	**(41)**
Provision for income taxes	**127**	226	**99**
Net income	**$ 8,044**	$ 6,648	**$ 1,396**

Provision for Credit Losses

The “Provision for credit losses” in the Consolidated Statements of Comprehensive Income includes a provision for credit losses on loans as well as a provision for credit losses on unfunded commitments. The change in the provision for credit losses was related to our estimate of losses in our portfolio for the applicable years.

Non-Interest Income

The change in non-interest income was primarily due to a decrease in patronage income from AgriBank offset by fee income. The increase in fee income was driven by asset pool program servicing fees.

We may receive patronage from AgriBank and other Farm Credit institutions. Patronage distributions from AgriBank and other Farm Credit institutions are declared solely at the discretion of each institution’s Board of Directors. AgriBank may distribute patronage in the form of cash or stock. All other patronage from other Farm Credit institutions is typically distributed in cash.

Patronage from AgriBank was $1.6 million and $1.8 million for the three months ended March 31, 2024, and 2023, respectively and primarily included asset pool program patronage and wholesale patronage.

FUNDING, LIQUIDITY, AND CAPITAL

We borrow from AgriBank, under a note payable, in the form of a line of credit. Our note payable is scheduled to mature on July 31, 2026. We intend to renegotiate the note payable no later than the maturity date. The repricing attributes of our line of credit generally correspond to the repricing attributes of our loan portfolio, which significantly reduces our market interest rate risk. However, we maintain some exposure to interest rates, primarily from loans to customers which may not have a component of our line of credit with an exact repricing attribute. Due to the cooperative structure of the Farm Credit System and as we are a stockholder of AgriBank, we expect this borrowing relationship to continue into the foreseeable future. Our other source of lendable funds is from equity.

The components of cost of funds associated with our note payable include:

- A marginal cost of debt component
- A spread component, which includes cost of servicing, cost of liquidity, and bank profit
- A risk premium component, if applicable

We were not subject to a risk premium at March 31, 2024, or December 31, 2023.

Total members’ equity increased $5.0 million from December 31, 2023, primarily due to net income for the period partially offset by patronage distribution accruals.

The Farm Credit Administration (FCA) Regulations require us to maintain minimums for our common equity tier 1, tier 1 capital, total capital, and permanent capital risk-based capital ratios. In addition, the FCA requires us to maintain minimums for our non-risk-adjusted ratios of tier 1 leverage and unallocated retained earnings and equivalents leverage. Refer to Note 6 in our 2023 Annual Report for a more complete description of these ratios.

Regulatory Capital Requirements and Ratios

As of:	**March 31, 2024**	December 31, 2023	Regulatory Minimums	Capital Conservation Buffer	Total
Risk-adjusted:					
Common equity tier 1 ratio	**18.7%**	18.5%	4.5%	2.5%	7.0%
Tier 1 capital ratio	**18.7%**	18.5%	6.0%	2.5%	8.5%
Total capital ratio	**19.0%**	18.8%	8.0%	2.5%	10.5%
Permanent capital ratio	**18.8%**	18.5%	7.0%	N/A	7.0%
Non-risk-adjusted:					
Tier 1 leverage ratio	**21.2%**	21.0%	4.0%	1.0%	5.0%
Unallocated retained earnings and equivalents leverage ratio	**21.1%**	20.9%	1.5%	N/A	1.5%

Capital ratios are directly impacted by the changes in capital, as more fully explained in this section, the changes in assets, as discussed in the Loan Portfolio section, and off-balance sheet commitments, as disclosed in Note 10 in our 2023 Annual Report.

CERTIFICATION

The undersigned have reviewed the March 31, 2024, Quarterly Report of Farm Credit Services of Mandan, ACA, which has been prepared under the oversight of the Audit Committee and in accordance with all applicable statutory or regulatory requirements. The information contained herein is true, accurate, and complete to the best of our knowledge and belief.

Dawn Martin
Chairperson of the Board
Farm Credit Services of Mandan, ACA

Aaron Vetter
President and Chief Executive Officer
Farm Credit Services of Mandan, ACA

Jennifer Schiermeister
Vice President Finance and Chief Financial Officer
Farm Credit Services of Mandan, ACA

May 10, 2024

CONSOLIDATED STATEMENTS OF CONDITION

Farm Credit Services of Mandan, ACA

(in thousands)

As of:		**March 31, 2024**		December 31, 2023
		(Unaudited)		
ASSETS				
Loans	**$**	**1,417,507**	$	1,419,333
Allowance for credit losses on loans		**3,695**		3,457
Net loans		**1,413,812**		1,415,876
Investment in AgriBank, FCB		**54,029**		57,722
Accrued interest receivable		**18,818**		21,427
Other assets		**24,093**		25,027
Total assets	**$**	**1,510,752**	$	1,520,052
LIABILITIES				
Note payable to AgriBank, FCB	**$**	**1,128,439**	$	1,131,728
Accrued interest payable		**11,682**		12,096
Deferred tax liabilities, net		**957**		765
Patronage distribution payable		**3,073**		11,280
Other liabilities		**4,370**		6,926
Total liabilities		**1,148,521**		1,162,795
Contingencies and commitments (Note 3)				
MEMBERS' EQUITY				
Capital stock and participation certificates		**1,943**		1,971
Unallocated surplus		**361,201**		356,228
Accumulated other comprehensive loss		**(913)**		(942)
Total members' equity		**362,231**		357,257
Total liabilities and members' equity	**$**	**1,510,752**	$	1,520,052

The accompanying notes are an integral part of these Consolidated Financial Statements.

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

Farm Credit Services of Mandan, ACA
(in thousands)
(Unaudited)

	Three Months Ended	
For the period ended March 31,	**2024**	2023
Interest income	**$ 22,683**	$ 21,359
Interest expense	**11,682**	10,643
Net interest income	**11,001**	10,716
Provision for credit losses	**227**	1,373
Net interest income after provision for credit losses	**10,774**	9,343
Non-interest income		
Patronage income	**1,636**	1,820
Financially related services income	**1,712**	1,709
Fee income	**427**	319
Other non-interest income	**45**	65
Total non-interest income	**3,820**	3,913
Non-interest expense		
Salaries and employee benefits	**3,694**	3,690
Other operating expense	**2,729**	2,692
Total non-interest expense	**6,423**	6,382
Income before income taxes	**8,171**	6,874
Provision for income taxes	**127**	226
Net income	**$ 8,044**	$ 6,648
Other comprehensive income		
Employee benefit plans activity	**$ 29**	$ 31
Total other comprehensive income	**29**	31
Comprehensive income	**$ 8,073**	$ 6,679

The accompanying notes are an integral part of these Consolidated Financial Statements.

CONSOLIDATED STATEMENTS OF CHANGES IN MEMBERS' EQUITY

Farm Credit Services of Mandan, ACA
(in thousands)
(Unaudited)

	Capital Stock and Participation Certificates	Unallocated Surplus	Accumulated Other Comprehensive Loss	Total Members' Equity
Balance at December 31, 2022	$ 2,039	$ 336,587	$ (1,068)	$ 337,558
Cumulative effect of change in accounting principle	--	505	--	505
Net income	--	6,648	--	6,648
Other comprehensive income	--	--	31	31
Unallocated surplus designated for patronage distributions	--	(2,650)	--	(2,650)
Capital stock and participation certificates issued	12	--	--	12
Capital stock and participation certificates retired	(49)	--	--	(49)
Balance at March 31, 2023	$ 2,002	$ 341,090	$ (1,037)	$ 342,055
Balance at December 31, 2023	$ 1,971	$ 356,228	$ (942)	$ 357,257
Net income	**--**	**8,044**	**--**	**8,044**
Other comprehensive income	**--**	**--**	**29**	**29**
Unallocated surplus designated for patronage distributions	**--**	**(3,071)**	**--**	**(3,071)**
Capital stock and participation certificates issued	**27**	**--**	**--**	**27**
Capital stock and participation certificates retired	**(55)**	**--**	**--**	**(55)**
Balance at March 31, 2024	**$ 1,943**	**$ 361,201**	**$ (913)**	**$ 362,231**

The accompanying notes are an integral part of these Consolidated Financial Statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1: ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES

The accompanying unaudited Consolidated Financial Statements contain all adjustments necessary for a fair presentation of the interim financial information and conform to generally accepted accounting principles in the United States of America (GAAP) and the prevailing practices within the financial services industry. This interim Quarterly Report is prepared based upon statutory and regulatory requirements and in accordance with GAAP. However, certain disclosures required by GAAP are omitted. The results of the three months ended March 31, 2024, are not necessarily indicative of the results to be expected for the year ending December 31, 2024. The interim financial statements and the related notes in this Quarterly Report should be read in conjunction with the Consolidated Financial Statements and related notes included in our Annual Report for the year ended December 31, 2023 (2023 Annual Report).

Principles of Consolidation

The Consolidated Financial Statements present the consolidated financial results of Farm Credit Services of Mandan, ACA and its subsidiaries Farm Credit Services of Mandan, FLCA and Farm Credit Services of Mandan, PCA. All material intercompany transactions and balances have been eliminated in consolidation.

Recently Issued or Adopted Accounting Pronouncements

We have assessed the potential impact of accounting standards that have been issued by the Financial Accounting Standards Board (FASB) and have determined the following standards to be applicable to our business. While we are a nonpublic business entity, our financial results are closely related to the performance of the combined Farm Credit System. Therefore, we typically adopt accounting pronouncements in alignment with other System institutions.

Standard and effective date	Description	Adoption status and financial statement impact
In December 2023, the FASB issued Accounting Standards Update 2023-09, "Income Taxes (Topic 740): Improvements to Income Tax Disclosures." This guidance is effective for annual periods beginning after December 15, 2025.	This guidance requires more transparency about income tax information through improvements to income tax disclosures. The improvements applicable to our Association will require adding percentages and information by state jurisdiction to the rate reconciliation and income taxes paid disclosures.	We expect to adopt the standard as of January 1, 2026. The adoption of this guidance is not expected to have a material impact on our financial statements, but will modify certain disclosures.

NOTE 2: LOANS AND ALLOWANCE FOR CREDIT LOSSES ON LOANS

Throughout Note 2 accrued interest receivable on loans of $18.8 million at March 31, 2024, and $21.4 million at December 31, 2023, has been excluded from the amortized cost of loans and is presented in "Accrued interest receivable" in the Consolidated Statements of Condition.

Loans by Type

(dollars in thousands)

As of:	**March 31, 2024**		December 31, 2023	
	Amortized Cost	%	Amortized Cost	%
Real estate mortgage	**$ 519,416**	**36.6%**	$ 511,634	36.0%
Production and intermediate-term	**373,060**	**26.3%**	391,020	27.5%
Agribusiness	**348,458**	**24.6%**	335,200	23.6%
Other	**176,573**	**12.5%**	181,479	12.9%
Total	**$ 1,417,507**	**100.0%**	$ 1,419,333	100.0%

The other category is primarily composed of rural infrastructure related loans.

Delinquency

Aging Analysis of Loans at Amortized Cost

(in thousands) **As of March 31, 2024**	30-89 Days Past Due	90 Days or More Past Due	Total Past Due	Not Past Due or Less Than 30 Days Past Due	Total
Real estate mortgage	**$ 77**	**$ 1,222**	**$ 1,299**	**$ 518,117**	**$ 519,416**
Production and intermediate-term	**2,345**	**1,061**	**3,406**	**369,654**	**373,060**
Agribusiness	**--**	**--**	**--**	**348,458**	**348,458**
Other	**--**	**--**	**--**	**176,573**	**176,573**
Total	**$ 2,422**	**$ 2,283**	**$ 4,705**	**$ 1,412,802**	**$ 1,417,507**

As of December 31, 2023	30-89 Days Past Due	90 Days or More Past Due	Total Past Due	Not Past Due or Less Than 30 Days Past Due	Total
Real estate mortgage	$ 1,824	$ 1,374	$ 3,198	$ 508,436	$ 511,634
Production and intermediate-term	1,836	276	2,112	388,908	391,020
Agribusiness	--	--	--	335,200	335,200
Other	--	--	--	181,479	181,479
Total	$ 3,660	$ 1,650	$ 5,310	$ 1,414,023	$ 1,419,333

There were no loans 90 days or more past due and still accruing interest at March 31, 2024, or December 31, 2023.

Nonaccrual Loans

Nonaccrual Loans Information

	As of March 31, 2024		**For the Three Months Ended March 31, 2024**
(in thousands)	Amortized Cost	Amortized Cost Without Allowance	Interest Income Recognized
Nonaccrual loans:			
Real estate mortgage	**$ 1,661**	**$ 1,661**	**$ 106**
Production and intermediate-term	**3,691**	**289**	**3**
Agribusiness	**1,512**	**--**	**13**
Other	**1,426**	**--**	**--**
Total	**$ 8,290**	**$ 1,950**	**$ 122**

	As of December 31, 2023		For the Three Months Ended March 31, 2023
	Amortized Cost	Amortized Cost Without Allowance	Interest Income Reversed
Nonaccrual loans:			
Real estate mortgage	$ 2,605	$ 2,605	$ --
Production and intermediate-term	3,610	186	(40)
Agribusiness	1,518	--	--
Other	1,472	--	--
Total	$ 9,205	$ 2,791	$ (40)

Reversals of interest income on loans that transferred to nonaccrual status were not material for the three months ended March 31, 2024, or 2023.

Loan Modifications Granted to Borrowers Experiencing Financial Difficulty

Included within our loans are loan modifications; some of which are granted to borrowers experiencing financial difficulty. Modifications are one or a combination of principal forgiveness, interest rate reduction, other-than-insignificant term extension, or other-than-insignificant payment deferrals. Other-than-insignificant term extensions are defined as those greater than or equal to six months. Covenant waivers and modifications of contingent acceleration clauses are not considered term extensions. Other-than-insignificant payment deferrals are defined as cumulative or individual payment delays greater than or equal to six months.

Loan Modifications at Amortized Cost[1]

(dollars in thousands) **For the three months ended March 31, 2024**	Term Extension	Percentage of Total Loans
Agribusiness	**$ 1,246**	**0.1%**

For the three months ended March 31, 2023	Term Extension	Percentage of Total Loans
Agribusiness	$ 1,964	0.1%

[1]Excludes loans that were modified during the period, but were paid off or sold prior to period end.

Financial Effect of Loan Modifications

For the three months ended March 31, 2024	Weighted Average Term Extension (months)
Agribusiness	
Term extension	**9**

For the three months ended March 31, 2023	Weighted Average Term Extension (months)
Agribusiness	
Term extension	30

There were no loans to borrowers experiencing financial difficulty that defaulted during the three months ended March 31, 2024, or 2023, in which the modifications were within twelve months preceding the default.

The following table presents the payment status at amortized cost of loans that have been modified for borrowers experiencing financial difficulty within twelve months of the respective reporting period.

Payment Status of Loan Modifications[1]

(in thousands) **As of March 31, 2024**	Not Past Due or Less Than 30 Days Past Due	30-89 Days Past Due	90 Days or More Past Due	Total
Agribusiness	**$ 2,675**	**$ --**	**$ --**	**$ 2,675**

As of March 31, 2023	Not Past Due or Less Than 30 Days Past Due	30-89 Days Past Due	90 Days or More Past Due	Total
Agribusiness	$ 1,964	$ --	$ --	$ 1,964

[1]Excludes loans that were modified during the period, but were paid off or sold prior to period end.

Accrued interest receivable related to loan modifications granted to borrowers experiencing financial difficulty was not material at March 31, 2024, or 2023.

Additional commitments to lend to borrowers experiencing financial difficulty whose loans have been modified during the three months ended March 31, 2024, were $1.2 million. There were no commitments to lend to borrowers experiencing financial difficulty whose loans had been modified during the year ended December 31, 2023.

Allowance for Credit Losses

Our loan portfolio is divided into segments primarily based on loan type which are the segments used to estimate the allowance for credit losses. As our lending authorities limit the types of loans we can originate, our portfolio is concentrated in the agriculture sector. The credit risk associated with each of our portfolio segments includes a strong correlation to agricultural commodity prices and input costs. Specifically for our real estate mortgage segment, the value of agricultural land that serves as collateral is a key risk characteristic. Additionally, unemployment rates and gross domestic product levels are additional key risk characteristics attributable to our portfolio. We consider these characteristics, among others, in assigning internal risk ratings and forecasting credit losses on our loan portfolio and related unfunded commitments.

We develop our reasonable and supportable forecast by considering a multitude of macroeconomic variables. Our forecasts of U.S. net farm income, U.S. real gross domestic product, and the U.S. unemployment rate represent the key macroeconomic variables that most significantly affect the estimate of the allowance for credit losses on loans and unfunded commitments.

We utilize a single macroeconomic scenario in the estimate of the allowance for credit losses on loans and unfunded commitments which represents the most probable forecasted outcome. Subsequent changes in the macroeconomic forecasts will be reflected in the provision for credit losses in future periods.

Changes in Allowance for Credit Losses

(in thousands)

Three months ended March 31,	**2024**	2023
Allowance for Credit Losses on Loans		
Balance at beginning of period	**$ 3,457**	$ 3,817
Cumulative effect of change in accounting principle	**--**	(1,158)
Provision for credit losses on loans	**236**	1,582
Loan recoveries	**2**	2
Balance at end of period	**$ 3,695**	$ 4,243
Allowance for Credit Losses on Unfunded Commitments		
Balance at beginning of period	**$ 571**	$ --
Cumulative effect of change in accounting principle	**--**	601
Provision for credit losses on unfunded commitments	**(9)**	(209)
Balance at end of period	**$ 562**	$ 392
Total allowance for credit losses	**$ 4,257**	$ 4,635

The allowance for credit losses on loans did not change significantly from December 31, 2023.

NOTE 3: CONTINGENCIES AND COMMITMENTS

In the normal course of business, we have various contingent liabilities and commitments outstanding, primarily commitments to extend credit, which may not be reflected in the Consolidated Financial Statements. We do not anticipate any material losses because of these contingencies or commitments.

We may be named as a defendant in certain lawsuits or legal actions in the normal course of business. At the date of these Consolidated Financial Statements, our management team was not aware of any material actions. However, management cannot ensure that such actions or other contingencies will not arise in the future.

Refer to Note 10 in our 2023 Annual Report for additional detail regarding contingencies and commitments.

NOTE 4: FAIR VALUE MEASUREMENTS

Fair value is defined as 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 in the principal or most advantageous market for the asset or liability. Accounting guidance also establishes a fair value hierarchy, with three input levels that may be used to measure fair value. Refer to Note 2 in our 2023 Annual Report for a more complete description of the three input levels.

We did not have any assets or liabilities measured at fair value on a recurring basis at March 31, 2024, or December 31, 2023.

Non-Recurring Basis

We may be required, from time to time, to measure certain assets at fair value on a non-recurring basis.

Assets Measured at Fair Value on a Non-Recurring Basis

(in thousands)

As of March 31, 2024	Fair Value Measurement Using			Total Fair
	Level 1	Level 2	Level 3	Value
Loans	**$ --**	**$ --**	**$ 3,888**	**$ 3,888**

As of December 31, 2023	Fair Value Measurement Using			Total Fair
	Level 1	Level 2	Level 3	Value
Loans	$ --	$ --	$ 4,249	$ 4,249

Valuation Techniques

Loans: Represents the carrying amount of loans evaluated individually for credit losses and deemed to be collateral dependent. The carrying value amount is based on the estimated value of the underlying collateral, less costs to sell. When the fair value of the collateral, less costs to sell, is less than the amortized cost basis of the loan, a specific allowance for expected credit losses is established. Costs to sell represent transaction costs and are not included as a component of the collateral's estimated fair value. Typically, the process requires significant input based on management's knowledge of and judgment about current market conditions, specific issues relating to the collateral and other matters and, therefore, are classified as Level 3 fair value measurements.

NOTE 5: SUBSEQUENT EVENTS

We have evaluated subsequent events through May 10, 2024, which is the date the Consolidated Financial Statements were available to be issued. There have been no material subsequent events that would require recognition in our Quarterly Report or disclosure in the Notes to Consolidated Financial Statements.