

Form 5500 Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Annual Return/Report of Employee Benefit Plan This form is required to be filed for employee benefit plans under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and sections 6057(b) and 6058(a) of the Internal Revenue Code (the Code). ▶ Complete all entries in accordance with the instructions to the Form 5500.	OMB Nos. 1210-0110 1210-0089 2021 This Form is Open to Public Inspection
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Part I	Annual Report Identification Information
For calendar plan year 2021 or fiscal plan year beginning <u>01/01/2021</u> and ending <u>12/31/2021</u>	

A This return/report is for: ☐ a multiemployer plan ☐ a multiple-employer plan (Filers checking this box must attach a list of participating employer information in accordance with the form instructions.)

☒ a single-employer plan ☐ a DFE (specify) _____

B This return/report is: ☐ the first return/report ☐ the final return/report

☐ an amended return/report ☐ a short plan year return/report (less than 12 months)

C If the plan is a collectively-bargained plan, check here. ☐

D Check box if filing under: ☒ Form 5558 ☐ automatic extension ☐ the DFVC program

☐ special extension (enter description) _____

E If this is a retroactively adopted plan permitted by SECURE Act section 201, check here. ☐

Part II	Basic Plan Information—enter all requested information	
1a Name of plan <u>GATE CITY BANK RETIREMENT SAVINGS PLAN</u> 2a Plan sponsor's name (employer, if for a single-employer plan) Mailing address (include room, apt., suite no. and street, or P.O. Box) City or town, state or province, country, and ZIP or foreign postal code (if foreign, see instructions) <u>GATE CITY BANK</u> <u>500 2ND AVE N</u> <u>FARGO, ND 58102</u>	1b Three-digit plan number (PN) ▶ <u>003</u>	
	1c Effective date of plan <u>01/01/1984</u>	
	2b Employer Identification Number (EIN) <u>45-0138060</u>	
	2c Plan Sponsor's telephone number <u>701-293-2400</u>	
	2d Business code (see instructions) <u>522120</u>	

Caution: A penalty for the late or incomplete filing of this return/report will be assessed unless reasonable cause is established.

Under penalties of perjury and other penalties set forth in the instructions, I declare that I have examined this return/report, including accompanying schedules, statements and attachments, as well as the electronic version of this return/report, and to the best of my knowledge and belief, it is true, correct, and complete.

SIGN HERE	Filed with authorized/valid electronic signature.	07/01/2022	HEATHER RYE
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE	Signature of employer/plan sponsor	Date	Enter name of individual signing as employer or plan sponsor
SIGN HERE	Signature of DFE	Date	Enter name of individual signing as DFE

For Paperwork Reduction Act Notice, see the Instructions for Form 5500.

Form 5500 (2021)
v. 210624

3a Plan administrator's name and address ☒ Same as Plan Sponsor		3b Administrator's EIN	
		3c Administrator's telephone number	
4 If the name and/or EIN of the plan sponsor or the plan name has changed since the last return/report filed for this plan, enter the plan sponsor's name, EIN, the plan name and the plan number from the last return/report: a Sponsor's name c Plan Name		4b EIN 4d PN	
5 Total number of participants at the beginning of the plan year		5	787
6 Number of participants as of the end of the plan year unless otherwise stated (welfare plans complete only lines 6a(1) , 6a(2) , 6b , 6c , and 6d).			
a(1) Total number of active participants at the beginning of the plan year.....		6a(1)	710
a(2) Total number of active participants at the end of the plan year		6a(2)	729
b Retired or separated participants receiving benefits.....		6b	0
c Other retired or separated participants entitled to future benefits		6c	91
d Subtotal. Add lines 6a(2) , 6b , and 6c		6d	820
e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits.		6e	0
f Total. Add lines 6d and 6e		6f	820
g Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item)		6g	680
h Number of participants who terminated employment during the plan year with accrued benefits that were less than 100% vested		6h	68
7 Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item).....		7	
8a If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristics Codes in the instructions: 2E 2F 2G 2J 2K 2T 3D 3H			
b If the plan provides welfare benefits, enter the applicable welfare feature codes from the List of Plan Characteristics Codes in the instructions:			
9a Plan funding arrangement (check all that apply) (1) ☐ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☒ Trust (4) ☐ General assets of the sponsor		9b Plan benefit arrangement (check all that apply) (1) ☐ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☒ Trust (4) ☐ General assets of the sponsor	
10 Check all applicable boxes in 10a and 10b to indicate which schedules are attached, and, where indicated, enter the number attached. (See instructions)			
a Pension Schedules (1) ☒ R (Retirement Plan Information) (2) ☐ MB (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary (3) ☐ SB (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary		b General Schedules (1) ☒ H (Financial Information) (2) ☐ I (Financial Information – Small Plan) (3) ☐ <u>0</u> A (Insurance Information) (4) ☒ C (Service Provider Information) (5) ☒ D (DFE/Participating Plan Information) (6) ☐ G (Financial Transaction Schedules)	

Part III Form M-1 Compliance Information (to be completed by welfare benefit plans)

11a If the plan provides welfare benefits, was the plan subject to the Form M-1 filing requirements during the plan year? (See instructions and 29 CFR 2520.101-2.) ☐ Yes ☐ No

If "Yes" is checked, complete lines 11b and 11c.

11b Is the plan currently in compliance with the Form M-1 filing requirements? (See instructions and 29 CFR 2520.101-2.) ☐ Yes ☐ No

11c Enter the Receipt Confirmation Code for the 2021 Form M-1 annual report. If the plan was not required to file the 2021 Form M-1 annual report, enter the Receipt Confirmation Code for the most recent Form M-1 that was required to be filed under the Form M-1 filing requirements. (Failure to enter a valid Receipt Confirmation Code will subject the Form 5500 filing to rejection as incomplete.)

Receipt Confirmation Code _____

SCHEDULE C (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Service Provider Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA). ▶ File as an attachment to Form 5500.	OMB No. 1210-0110
		2021
		This Form is Open to Public Inspection.

For calendar plan year 2021 or fiscal plan year beginning 01/01/2021 and ending 12/31/2021		
A Name of plan GATE CITY BANK RETIREMENT SAVINGS PLAN	B Three-digit plan number (PN) ▶	003
C Plan sponsor's name as shown on line 2a of Form 5500 GATE CITY BANK	D Employer Identification Number (EIN) 45-0138060	

Part I	Service Provider Information (see instructions)
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You must complete this Part, in accordance with the instructions, to report the information required for **each person** who received, directly or indirectly, \$5,000 or more in total compensation (i.e., money or anything else of monetary value) in connection with services rendered to the plan or the person's position with the plan during the plan year. If a person received **only** eligible indirect compensation for which the plan received the required disclosures, you are required to answer line 1 but are not required to include that person when completing the remainder of this Part.

1 Information on Persons Receiving Only Eligible Indirect Compensation

- a** Check "Yes" or "No" to indicate whether you are excluding a person from the remainder of this Part because they received only eligible indirect compensation for which the plan received the required disclosures (see instructions for definitions and conditions)..... ☒ Yes ☐ No
- b** If you answered line 1a "Yes," enter the name and EIN or address of each person providing the required disclosures for the service providers who received only eligible indirect compensation. Complete as many entries as needed (see instructions).

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation
FIDELITY INVESTMENTS INSTITUTIONAL
04-2647786

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

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2. Information on Other Service Providers Receiving Direct or Indirect Compensation. Except for those persons for whom you answered "Yes" to line 1a above, complete as many entries as needed to list each person receiving, directly or indirectly, \$5,000 or more in total compensation (i.e., money or anything else of value) in connection with services rendered to the plan or their position with the plan during the plan year. (See instructions).

(a) Enter name and EIN or address (see instructions)

FIDELITY INVESTMENTS INSTITUTIONAL

04-2647786

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
37 60 64 65	RECORDKEEPER	2750	Yes ☒ No ☐	Yes ☒ No ☐	0	Yes ☒ No ☐

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

2. Information on Other Service Providers Receiving Direct or Indirect Compensation. Except for those persons for whom you answered "Yes" to line 1a above, complete as many entries as needed to list each person receiving, directly or indirectly, \$5,000 or more in total compensation (i.e., money or anything else of value) in connection with services rendered to the plan or their position with the plan during the plan year. (See instructions).

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

Part I Service Provider Information (continued)

3. If you reported on line 2 receipt of indirect compensation, other than eligible indirect compensation, by a service provider, and the service provider is a fiduciary or provides contract administrator, consulting, custodial, investment advisory, investment management, broker, or recordkeeping services, answer the following questions for (a) each source from whom the service provider received \$1,000 or more in indirect compensation and (b) each source for whom the service provider gave you a formula used to determine the indirect compensation instead of an amount or estimated amount of the indirect compensation. Complete as many entries as needed to report the required information for each source.

(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
FIDELITY INVESTMENTS INSTITUTIONAL	60	0

(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.
AS EMRG MKTS EQ IS - DST ASSET MAN 430 W 7TH STREET STE 219432 KANSAS CITY, MO 64105	0.15%

(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
FIDELITY INVESTMENTS INSTITUTIONAL	60	0

(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.
AS SPL MID CP VAL IS - DST ASSET M 430 W 7TH STREET STE 219432 KANSAS CITY, MO 64105	0.15%

(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
FIDELITY INVESTMENTS INSTITUTIONAL	60	0

(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.
C&S INST REALTY SHS - DST ASSET MA 430 W 7TH STREET STE 219432 KANSAS CITY, MO 64105	0.10%

Part I Service Provider Information (continued)

3. If you reported on line 2 receipt of indirect compensation, other than eligible indirect compensation, by a service provider, and the service provider is a fiduciary or provides contract administrator, consulting, custodial, investment advisory, investment management, broker, or recordkeeping services, answer the following questions for (a) each source from whom the service provider received \$1,000 or more in indirect compensation and (b) each source for whom the service provider gave you a formula used to determine the indirect compensation instead of an amount or estimated amount of the indirect compensation. Complete as many entries as needed to report the required information for each source.

(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
FIDELITY INVESTMENTS INSTITUTIONAL	60	0
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	
CB SMALL CAP I - BNY MELLON INVEST 301 BELLEVUE PARKWAY WILMINGTON, DE 19809	0.10%	
(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
FIDELITY INVESTMENTS INSTITUTIONAL	60	0
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	
COL SM CAP VAL II I - COLUMBIA MGT 14785 PRESTON ROAD, SUITE 1000 DALLAS, TX 75254	0.40%	
(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
FIDELITY INVESTMENTS INSTITUTIONAL	60	0
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	
CRLN E MID CAP GR I - U.S. BANK N. 31-0841368	0.15%	

Part I Service Provider Information (continued)

3. If you reported on line 2 receipt of indirect compensation, other than eligible indirect compensation, by a service provider, and the service provider is a fiduciary or provides contract administrator, consulting, custodial, investment advisory, investment management, broker, or recordkeeping services, answer the following questions for (a) each source from whom the service provider received \$1,000 or more in indirect compensation and (b) each source for whom the service provider gave you a formula used to determine the indirect compensation instead of an amount or estimated amount of the indirect compensation. Complete as many entries as needed to report the required information for each source.

(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
FIDELITY INVESTMENTS INSTITUTIONAL	60	0
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	
J H TRITON I - JANUS SERVICES LLC 43-1804048	0.10%	
(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
FIDELITY INVESTMENTS INSTITUTIONAL	60	0
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	
NB HIGH INC BOND IS - DST ASSET MA 430 W 7TH STREET STE 219432 KANSAS CITY, MO 64105	0.10%	
(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
FIDELITY INVESTMENTS INSTITUTIONAL	60	0
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	
TRP REAL ESTATE ADV - T. ROWE PRIC 52-2269240	0.40%	

Part II Service Providers Who Fail or Refuse to Provide Information

4 Provide, to the extent possible, the following information for each service provider who failed or refused to provide the information necessary to complete this Schedule.

(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide

Part III Termination Information on Accountants and Enrolled Actuaries (see instructions)
(complete as many entries as needed)

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
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103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
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103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
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103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)

Part II Information on Participating Plans (to be completed by DFEs)

(Complete as many entries as needed to report all participating plans)

a Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN

SCHEDULE H (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Financial Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA), and section 6058(a) of the Internal Revenue Code (the Code). ► File as an attachment to Form 5500.	OMB No. 1210-0110 2021 This Form is Open to Public Inspection
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For calendar plan year 2021 or fiscal plan year beginning <u>01/01/2021</u> and ending <u>12/31/2021</u>		
A Name of plan <u>GATE CITY BANK RETIREMENT SAVINGS PLAN</u>	B Three-digit plan number (PN) ►	<u>003</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>GATE CITY BANK</u>	D Employer Identification Number (EIN) <u>45-0138060</u>	

Part I	Asset and Liability Statement
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1 Current value of plan assets and liabilities at the beginning and end of the plan year. Combine the value of plan assets held in more than one trust. Report the value of the plan's interest in a commingled fund containing the assets of more than one plan on a line-by-line basis unless the value is reportable on lines 1c(9) through 1c(14). Do not enter the value of that portion of an insurance contract which guarantees, during this plan year, to pay a specific dollar benefit at a future date. **Round off amounts to the nearest dollar.** MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 1b(1), 1b(2), 1c(8), 1g, 1h, and 1i. CCTs, PSAs, and 103-12 IEs also do not complete lines 1d and 1e. See instructions.

Assets		(a) Beginning of Year	(b) End of Year
a Total noninterest-bearing cash.....	1a	0	0
b Receivables (less allowance for doubtful accounts):			
(1) Employer contributions	1b(1)	0	0
(2) Participant contributions.....	1b(2)	0	0
(3) Other	1b(3)	0	0
c General investments:			
(1) Interest-bearing cash (include money market accounts & certificates of deposit)	1c(1)	3565972	2671259
(2) U.S. Government securities	1c(2)	0	0
(3) Corporate debt instruments (other than employer securities):			
(A) Preferred	1c(3)(A)	0	0
(B) All other	1c(3)(B)	0	0
(4) Corporate stocks (other than employer securities):			
(A) Preferred	1c(4)(A)	0	0
(B) Common	1c(4)(B)	0	0
(5) Partnership/joint venture interests	1c(5)	0	0
(6) Real estate (other than employer real property)	1c(6)	0	0
(7) Loans (other than to participants)	1c(7)	0	0
(8) Participant loans	1c(8)	332298	376536
(9) Value of interest in common/collective trusts	1c(9)	317940	226787
(10) Value of interest in pooled separate accounts	1c(10)	0	0
(11) Value of interest in master trust investment accounts	1c(11)	0	0
(12) Value of interest in 103-12 investment entities	1c(12)	0	0
(13) Value of interest in registered investment companies (e.g., mutual funds)	1c(13)	46049040	57144465
(14) Value of funds held in insurance company general account (unallocated contracts).....	1c(14)	0	0
(15) Other.....	1c(15)	0	0

1d Employer-related investments:		(a) Beginning of Year	(b) End of Year
(1) Employer securities.....	1d(1)	0	0
(2) Employer real property.....	1d(2)	0	0
e Buildings and other property used in plan operation	1e	0	0
f Total assets (add all amounts in lines 1a through 1e)	1f	50265250	60419047

Liabilities

g Benefit claims payable	1g	0	0
h Operating payables	1h	0	0
i Acquisition indebtedness.....	1i	0	0
j Other liabilities.....	1j	0	0
k Total liabilities (add all amounts in lines 1g through 1j)	1k	0	0

Net Assets

l Net assets (subtract line 1k from line 1f)	1l	50265250	60419047
---	-----------	----------	----------

Part II Income and Expense Statement

2 Plan income, expenses, and changes in net assets for the year. Include all income and expenses of the plan, including any trust(s) or separately maintained fund(s) and any payments/receipts to/from insurance carriers. Round off amounts to the nearest dollar. MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 2a, 2b(1)(E), 2e, 2f, and 2g.

Income

		(a) Amount	(b) Total
a Contributions:			
(1) Received or receivable in cash from: (A) Employers	2a(1)(A)	2261589	
(B) Participants	2a(1)(B)	3248916	
(C) Others (including rollovers).....	2a(1)(C)	858554	
(2) Noncash contributions.....	2a(2)	0	6369059
(3) Total contributions. Add lines 2a(1)(A) , (B) , (C) , and line 2a(2)	2a(3)		
b Earnings on investments:			
(1) Interest:			
(A) Interest-bearing cash (including money market accounts and certificates of deposit).....	2b(1)(A)	437	
(B) U.S. Government securities.....	2b(1)(B)	0	
(C) Corporate debt instruments	2b(1)(C)	0	
(D) Loans (other than to participants)	2b(1)(D)	0	
(E) Participant loans.....	2b(1)(E)	18056	
(F) Other	2b(1)(F)	0	
(G) Total interest. Add lines 2b(1)(A) through (F)	2b(1)(G)		18493
(2) Dividends: (A) Preferred stock.....	2b(2)(A)	0	
(B) Common stock	2b(2)(B)	0	
(C) Registered investment company shares (e.g. mutual funds).....	2b(2)(C)	5378836	
(D) Total dividends. Add lines 2b(2)(A) , (B) , and (C)	2b(2)(D)		5378836
(3) Rents	2b(3)		0
(4) Net gain (loss) on sale of assets: (A) Aggregate proceeds	2b(4)(A)	0	
(B) Aggregate carrying amount (see instructions).....	2b(4)(B)	0	
(C) Subtract line 2b(4)(B) from line 2b(4)(A) and enter result	2b(4)(C)		
(5) Unrealized appreciation (depreciation) of assets: (A) Real estate	2b(5)(A)	0	
(B) Other	2b(5)(B)	0	
(C) Total unrealized appreciation of assets. Add lines 2b(5)(A) and (B)	2b(5)(C)		0

		(a) Amount	(b) Total
(6) Net investment gain (loss) from common/collective trusts.....	2b(6)		-5954
(7) Net investment gain (loss) from pooled separate accounts.....	2b(7)		0
(8) Net investment gain (loss) from master trust investment accounts.....	2b(8)		0
(9) Net investment gain (loss) from 103-12 investment entities.....	2b(9)		0
(10) Net investment gain (loss) from registered investment companies (e.g., mutual funds).....	2b(10)		1887935
c Other income.....	2c		0
d Total income. Add all income amounts in column (b) and enter total.....	2d		13648369
Expenses			
e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers.....	2e(1)	3491822	
(2) To insurance carriers for the provision of benefits.....	2e(2)	0	
(3) Other.....	2e(3)	0	
(4) Total benefit payments. Add lines 2e(1) through (3).....	2e(4)		3491822
f Corrective distributions (see instructions).....	2f		0
g Certain deemed distributions of participant loans (see instructions).....	2g		0
h Interest expense.....	2h		0
i Administrative expenses: (1) Professional fees.....	2i(1)	0	
(2) Contract administrator fees.....	2i(2)	0	
(3) Investment advisory and management fees.....	2i(3)	0	
(4) Other.....	2i(4)	2750	
(5) Total administrative expenses. Add lines 2i(1) through (4).....	2i(5)		2750
j Total expenses. Add all expense amounts in column (b) and enter total.....	2j		3494572
Net Income and Reconciliation			
k Net income (loss). Subtract line 2j from line 2d.....	2k		10153797
l Transfers of assets:			
(1) To this plan.....	2l(1)		0
(2) From this plan.....	2l(2)		0

Part III Accountant's Opinion

3 Complete lines 3a through 3c if the opinion of an independent qualified public accountant is attached to this Form 5500. Complete line 3d if an opinion is not attached.

a The attached opinion of an independent qualified public accountant for this plan is (see instructions):

(1) ☒ Unmodified (2) ☐ Qualified (3) ☐ Disclaimer (4) ☐ Adverse

b Check the appropriate box(es) to indicate whether the IQPA performed an ERISA section 103(a)(3)(C) audit. Check both boxes (1) and (2) if the audit was performed pursuant to both 29 CFR 2520.103-8 and 29 CFR 2520.103-12(d). Check box (3) if pursuant to neither.

(1) ☒ DOL Regulation 2520.103-8 (2) ☐ DOL Regulation 2520.103-12(d) (3) ☐ neither DOL Regulation 2520.103-8 nor DOL Regulation 2520.103-12(d).

c Enter the name and EIN of the accountant (or accounting firm) below:

(1) Name: EIDE BAILLY

(2) EIN: 45-0250958

d The opinion of an independent qualified public accountant is **not attached** because:

(1) ☐ This form is filed for a CCT, PSA, or MTIA. (2) ☐ It will be attached to the next Form 5500 pursuant to 29 CFR 2520.104-50.

Part IV Compliance Questions

4 CCTs and PSAs do not complete Part IV. MTIAs, 103-12 IEs, and GIAs do not complete lines 4a, 4e, 4f, 4g, 4h, 4k, 4m, 4n, or 5. 103-12 IEs also do not complete lines 4j and 4l. MTIAs also do not complete line 4l.

During the plan year:

a Was there a failure to transmit to the plan any participant contributions within the time period described in 29 CFR 2510.3-102? Continue to answer "Yes" for any prior year failures until fully corrected. (See instructions and DOL's Voluntary Fiduciary Correction Program.).....

	Yes	No	Amount
4a		X	

	Yes	No	Amount
b Were any loans by the plan or fixed income obligations due the plan in default as of the close of the plan year or classified during the year as uncollectible? Disregard participant loans secured by participant's account balance. (Attach Schedule G (Form 5500) Part I if "Yes" is checked.)			
4b		X	
c Were any leases to which the plan was a party in default or classified during the year as uncollectible? (Attach Schedule G (Form 5500) Part II if "Yes" is checked.)			
4c		X	
d Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 4a. Attach Schedule G (Form 5500) Part III if "Yes" is checked.)			
4d		X	
e Was this plan covered by a fidelity bond?	X		8000000
f Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?		X	
4f		X	
g Did the plan hold any assets whose current value was neither readily determinable on an established market nor set by an independent third party appraiser?			
4g		X	
h Did the plan receive any noncash contributions whose value was neither readily determinable on an established market nor set by an independent third party appraiser?			
4h		X	
i Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.)	X		
4i	X		
j Were any plan transactions or series of transactions in excess of 5% of the current value of plan assets? (Attach schedule of transactions if "Yes" is checked and see instructions for format requirements.)			
4j		X	
k Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?			
4k		X	
l Has the plan failed to provide any benefit when due under the plan?			
4l		X	
m If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.)			
4m		X	
n If 4m was answered "Yes," check the "Yes" box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3.			
4n		X	
5a Has a resolution to terminate the plan been adopted during the plan year or any prior plan year?..... ☐ Yes ☒ No If "Yes," enter the amount of any plan assets that reverted to the employer this year _____.			
5b If, during this plan year, any assets or liabilities were transferred from this plan to another plan(s), identify the plan(s) to which assets or liabilities were transferred. (See instructions.)			
5b(1) Name of plan(s)	5b(2) EIN(s)	5b(3) PN(s)	
5c Was the plan a defined benefit plan covered under the PBGC insurance program at any time during this plan year? (See ERISA section 4021 and instructions.) ☐ Yes ☐ No ☐ Not determined If "Yes" is checked, enter the My PAA confirmation number from the PBGC premium filing for this plan year _____.			

SCHEDULE R (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Retirement Plan Information This schedule is required to be filed under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6058(a) of the Internal Revenue Code (the Code). ▶ File as an attachment to Form 5500.	OMB No. 1210-0110 2021 This Form is Open to Public Inspection.
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For calendar plan year 2021 or fiscal plan year beginning 01/01/2021 and ending 12/31/2021

A Name of plan <u>GATE CITY BANK RETIREMENT SAVINGS PLAN</u>	B Three-digit plan number (PN) ▶ <u>003</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>GATE CITY BANK</u>	D Employer Identification Number (EIN) <u>45-0138060</u>

Part I	Distributions
---------------	----------------------

All references to distributions relate only to payments of benefits during the plan year.

1 Total value of distributions paid in property other than in cash or the forms of property specified in the instructions.....	1	
2 Enter the EIN(s) of payor(s) who paid benefits on behalf of the plan to participants or beneficiaries during the year (if more than two, enter EINs of the two payors who paid the greatest dollar amounts of benefits): EIN(s): <u>04-6568107</u>		
Profit-sharing plans, ESOPs, and stock bonus plans, skip line 3.		
3 Number of participants (living or deceased) whose benefits were distributed in a single sum, during the plan year	3	

Part II	Funding Information (If the plan is not subject to the minimum funding requirements of section 412 of the Internal Revenue Code or ERISA section 302, skip this Part.)
----------------	---

4 Is the plan administrator making an election under Code section 412(d)(2) or ERISA section 302(d)(2)?	☐ Yes	☐ No	☐ N/A
If the plan is a defined benefit plan, go to line 8.			
5 If a waiver of the minimum funding standard for a prior year is being amortized in this plan year, see instructions and enter the date of the ruling letter granting the waiver. Date: Month _____ Day _____ Year _____ If you completed line 5, complete lines 3, 9, and 10 of Schedule MB and do not complete the remainder of this schedule.			
6 a Enter the minimum required contribution for this plan year (include any prior year accumulated funding deficiency not waived)	6a		
b Enter the amount contributed by the employer to the plan for this plan year	6b		
c Subtract the amount in line 6b from the amount in line 6a. Enter the result (enter a minus sign to the left of a negative amount)	6c		
If you completed line 6c, skip lines 8 and 9.			
7 Will the minimum funding amount reported on line 6c be met by the funding deadline?	☐ Yes	☐ No	☐ N/A
8 If a change in actuarial cost method was made for this plan year pursuant to a revenue procedure or other authority providing automatic approval for the change or a class ruling letter, does the plan sponsor or plan administrator agree with the change?	☐ Yes	☐ No	☐ N/A

Part III	Amendments
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9 If this is a defined benefit pension plan, were any amendments adopted during this plan year that increased or decreased the value of benefits? If yes, check the appropriate box. If no, check the "No" box.....	☐ Increase	☐ Decrease	☐ Both	☐ No
--	-----------------------------------	-----------------------------------	-------------------------------	-----------------------------

Part IV	ESOPs (see instructions). If this is not a plan described under section 409(a) or 4975(e)(7) of the Internal Revenue Code, skip this Part.
----------------	---

10 Were unallocated employer securities or proceeds from the sale of unallocated securities used to repay any exempt loan?	☐ Yes	☐ No
11 a Does the ESOP hold any preferred stock?	☐ Yes	☐ No
b If the ESOP has an outstanding exempt loan with the employer as lender, is such loan part of a "back-to-back" loan? (See instructions for definition of "back-to-back" loan.)	☐ Yes	☐ No
12 Does the ESOP hold any stock that is not readily tradable on an established securities market?	☐ Yes	☐ No

For Paperwork Reduction Act Notice, see the Instructions for Form 5500.

Schedule R (Form 5500) 2021
v. 201209

Part V Additional Information for Multiemployer Defined Benefit Pension Plans

13 Enter the following information for each employer that contributed more than 5% of total contributions to the plan during the plan year (measured in dollars). See instructions. *Complete as many entries as needed to report all applicable employers.*

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

- 14** Enter the number of deferred vested and retired participants (inactive participants), as of the beginning of the plan year, whose contributing employer is no longer making contributions to the plan for:

a The current plan year. Check the box to indicate the counting method used to determine the number of inactive participants: ☐ last contributing employer ☐ alternative ☐ reasonable approximation (see instructions for required attachment).....

14a

b The plan year immediately preceding the current plan year. ☐ Check the box if the number reported is a change from what was previously reported (see instructions for required attachment).....

14b

c The second preceding plan year. ☐ Check the box if the number reported is a change from what was previously reported (see instructions for required attachment).....

14c

- 15** Enter the ratio of the number of participants under the plan on whose behalf no employer had an obligation to make an employer contribution during the current plan year to:

a The corresponding number for the plan year immediately preceding the current plan year.....

15a

b The corresponding number for the second preceding plan year.....

15b

- 16** Information with respect to any employers who withdrew from the plan during the preceding plan year:

a Enter the number of employers who withdrew during the preceding plan year.....

16a

b If line 16a is greater than 0, enter the aggregate amount of withdrawal liability assessed or estimated to be assessed against such withdrawn employers.....

16b

- 17** If assets and liabilities from another plan have been transferred to or merged with this plan during the plan year, check box and see instructions regarding supplemental information to be included as an attachment..... ☐

Part VI Additional Information for Single-Employer and Multiemployer Defined Benefit Pension Plans

- 18** If any liabilities to participants or their beneficiaries under the plan as of the end of the plan year consist (in whole or in part) of liabilities to such participants and beneficiaries under two or more pension plans as of immediately before such plan year, check box and see instructions regarding supplemental information to be included as an attachment..... ☐

- 19** If the total number of participants is 1,000 or more, complete lines (a) through (c)

a Enter the percentage of plan assets held as:

Stock: _____% Investment-Grade Debt: _____% High-Yield Debt: _____% Real Estate: _____% Other: _____%

b Provide the average duration of the combined investment-grade and high-yield debt:

☐ 0-3 years ☐ 3-6 years ☐ 6-9 years ☐ 9-12 years ☐ 12-15 years ☐ 15-18 years ☐ 18-21 years ☐ 21 years or more

c What duration measure was used to calculate line 19(b)?

☐ Effective duration ☐ Macaulay duration ☐ Modified duration ☐ Other (specify): _____

- 20 PBGC missed contribution reporting requirements.** If this is a multiemployer plan or a single-employer plan that is not covered by PBGC, skip line 20.

a Is the amount of unpaid minimum required contributions for all years from Schedule SB (Form 5500) line 40 greater than zero? ☐ Yes ☐ No

b If line 20a is "Yes," has PBGC been notified as required by ERISA sections 4043(c)(5) and/or 303(k)(4)? Check the applicable box:

☐ Yes.

☐ No. Reporting was waived under 29 CFR 4043.25(c)(2) because contributions equal to or exceeding the unpaid minimum required contribution were made by the 30th day after the due date.

☐ No. The 30-day period referenced in 29 CFR 4043.25(c)(2) has not yet ended, and the sponsor intends to make a contribution equal to or exceeding the unpaid minimum required contribution by the 30th day after the due date.

☐ No. Other. Provide explanation _____



June 24, 2022

To the Board of Directors and the 401 (k) Committee
Gate City Bank Retirement Savings Plan
Fargo, North Dakota

We have conducted an ERISA Section 103(a)(3)(C) audit of the financial statements of Gate City Bank Retirement Savings Plan (the Plan) as of and for the year ended December 31, 2021 and have issued our report thereon dated June 24, 2022. Professional standards require that we advise you of the following information related to our audit.

Our Responsibility in Relation to the Financial Statement Audit

As communicated in our engagement letter dated January 20, 2022, our responsibility, as described by professional standards, is to conduct our audit in accordance with ERISA Section 103(a)(3)(C) pursuant to 29 CFR 2520.103-8 of the Department of Labor's (DOL) Rules and Regulations for Reporting and Disclosure under the ERISA. Therefore, as permitted by ERISA Section 103(a)(3)(C), the audit need not extend to any statements of information related to assets held for investment of the Plan (investment information) by a bank or similar institution or insurance carrier that is regulated, supervised, and subject to periodic examination by a state or federal agency, provided that the statements or information regarding assets so held are prepared and certified to by the bank or similar institution or insurance carrier in accordance with 29 CFR 2520.103-5 of the DOL's Rules and Regulations for Reporting and Disclosure under the ERISA (qualified institution). For an ERISA Section 103(a)(3)(C) audit, the audit will not extend to the certified investment information, except for obtaining and reading the certification, comparing the certified investment information with the related information presented and disclosed in the financial statements, and reading the disclosures relating to the certified investment information to assess whether they are in accordance with the presentation and disclosure requirement of accounting principles generally accepted in the United States of America (GAAP). Accordingly, the objective of the ERISA Section 103(a)(3)(C) audit is not to express an opinion about whether the financial statements as a whole are presented fairly, in all material respects, in accordance with GAAP.

Our responsibility, as prescribed by professional standards, is to plan and perform our audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement. An audit of financial statements includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the plan's internal control over financial reporting. Accordingly, as part of our audit, we considered the internal control of the Plan solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

We are also responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures for the purpose of identifying other matters to communicate to you.

Planned Scope and Timing of the Audit

We conducted our audit consistent with the planned scope and timing we previously communicated to you.

Compliance with All Ethics Requirements Regarding Independence

The engagement team, others in our firm, as appropriate, our firm, and our network firms have complied with all relevant ethical requirements regarding independence.

Significant Risks Identified

As stated in our auditor's report, professional standards require us to design our audit to provide reasonable assurance that the financial statements are free of material misstatement whether caused by fraud or error. In designing our audit procedures, professional standards require us to evaluate the financial statements and assess the risk that a material misstatement could occur. Areas that are potentially more susceptible to misstatements, and thereby require special audit considerations, are designated as "significant risks". We have identified the following as significant risks:

- Risk of Management Override of Internal Control – Management override of controls is considered to be a presumed audit risk.
- Contributions – We identified a significant risk related to contributions as there is an expectation that contributions received by the Plan (or due to the Plan) are in compliance with the Plan document and properly recorded and disclosed in the financial statements in accordance with the applicable financial reporting framework.
- Benefit Payments – We identified a significant risk related to benefit payments as benefit payments are required to be authorized, calculated, and disbursed to eligible participants and beneficiaries in accordance with the Plan provisions and related documents.
- Participant Data and Accounts – We identified a significant risk related to participant data and accounts as significant calculations are based on this data. Participant data is used to allocate the current contributions among participants (deferral rate, investment elections, rate of pay) and to determine eligibility for participation and benefit payments (age, date of hire, years of service hours worked, etc.)

Qualitative Aspects of the Plan's Significant Accounting Practices

Significant Accounting Policies

Management has the responsibility to select and use appropriate accounting policies. A summary of the significant accounting policies adopted by the Plan is included in Note 2 to the financial statements. There have been no initial selection of accounting policies and no changes in significant accounting policies or their application during 2021. No matters have come to our attention that would require us, under professional standards, to inform you about (1) the methods used to account for significant unusual transactions and (2) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

Significant Accounting Estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's current judgments. Those judgments are normally based on knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ markedly from management's current judgments.

No such estimates were identified for this plan.

Financial Statement Disclosures

The financial statement disclosures are neutral, consistent, and clear.

Significant Unusual Transactions

For purposes of this communication, professional standards require us to communicate to you, significant unusual transactions identified during our audit. There were not any significant unusual transactions identified.

Significant Difficulties Encountered During the Audit

We encountered no significant difficulties in dealing with management relating to the performance of the audit.

Uncorrected and Corrected Misstatements

For purposes of this communication, professional standards also require us to accumulate all known and likely misstatements identified during the audit, other than those that we believe are trivial, and communicate them to the appropriate level of management. Further, professional standards require us to also communicate the effect of uncorrected misstatements related to prior periods on the relevant classes of transactions, account balances or disclosures, and the financial statements as a whole. Uncorrected misstatements or matters underlying those uncorrected misstatements could potentially cause future-period financial statements to be materially misstated, even though the uncorrected misstatements are immaterial to the financial statements currently under audit. There were no uncorrected or corrected misstatements identified as a result of our audit procedures.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter, which could be significant to the Plan's financial statements or the auditor's report. No such disagreements arose during the course of the audit.

Circumstances that Affect the Form and Content of the Auditor's Report

For purposes of this letter, professional standards require that we communicate any circumstances that affect the form and content of our auditor's report. We did not identify any circumstances that affect the form and content of the auditor's report.

Representations Requested from Management

We have requested certain written representations from management that are included in the management representation letter dated June 24, 2022.

Management's Consultations with Other Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters. Management informed us that, and to our knowledge, there were no consultations with other accountants regarding auditing and accounting matters.

Other Significant Matters, Findings, or Issues

In the normal course of our professional association with the Plan, we generally discuss a variety of matters, including the application of accounting principles and auditing standards, significant events or transactions that occurred during the year, business conditions affecting the plan, and business plans and strategies that may affect the risks of material misstatement. None of the matters discussed resulted in a condition to our retention as the Plan's auditors.

Other Matters

The ERISA-required supplemental schedule, other than that agreed to, or derived from, the certified investment information, were subjected to the audit procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with GAAS.

Our responsibility also includes communicating to you any information which we believe is a material misstatement of fact. Nothing came to our attention that caused us to believe that such information, or its manner of presentation, is materially inconsistent with the information, or manner of its presentation, appearing in the financial statements.

This report is intended solely for the information and use of the Board of Directors, the 401(k) committee, and management of the Plan and is not intended to be, and should not be, used by anyone other than these specified parties.

A handwritten signature in cursive script that reads "Eide Bailly LLP".

Minneapolis, Minnesota

Financial Statements
December 31, 2021 and 2020
Gate City Bank Retirement Savings Plan

Gate City Bank Retirement Savings Plan

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December 31, 2021 and 2020

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Independent Auditor's Report

The Board of Directors and the 401(k) Committee
Gate City Bank Retirement Savings Plan
Fargo, North Dakota

Scope and Nature of the ERISA Section 103(a)(3)(C) Audit for the 2021 Financial Statements

We have performed an audit of the financial statements of Gate City Bank Retirement Savings Plan (the Plan), an employee benefit plan subject to the Employee Retirement Income Security Act of 1974 (the ERISA), as permitted by ERISA Section 103(a)(3)(C) (ERISA Section 103(a)(3)(C) audit). The financial statements comprise the statement of net assets available for benefits as of December 31, 2021, and the related statement of changes in net assets available for benefits for the year then ended, and the related notes to the financial statements (2021 Financial Statements).

Management, having determined it is permissible in the circumstances, has elected to have the audit of the 2021 financial statements performed in accordance with ERISA Section 103(a)(3)(C) pursuant to 29 CFR 2520.103-8 of the Department of Labor's (DOL) Rules and Regulations for Reporting and Disclosure under the ERISA. As permitted by ERISA Section 103(a)(3)(C), our audit need not extend to any statements or information related to assets held for investment of the plan (investment information) by a bank or similar institution or insurance carrier that is regulated, supervised, and subject to periodic examination by a state or federal agency, provided that the statements or information regarding assets so held are prepared and certified to by the bank or similar institution or insurance carrier in accordance with 29 CFR 2520.103-5 of the DOL's Rules and Regulations for Reporting and Disclosure under the ERISA (qualified institution).

Management has obtained a certification from a qualified institution as of and for the year ended December 31, 2021, stating that the certified investment information, as described in Note 4 to the financial statements, is complete and accurate.

Opinion on the 2021 Financial Statements

In our opinion, based on our audit and on the procedures performed as described in the Auditor's Responsibilities for the Audit of the 2021 Financial Statements section:

- the amounts and disclosures in the accompanying 2021 financial statements, other than those agreed to or derived from the certified investment information, are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America.
- the information in the accompanying 2021 financial statements related to assets held by and certified to by a qualified institution agrees to, or is derived from, in all material respects, the information prepared and certified by an institution that management determined meets the requirements of ERISA Section 103(a)(3)(C).

Basis for Opinion on the 2021 Financial Statements

We conducted our audit 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 2021 Financial Statements section of our report. We are required to be independent of the Plan 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 ERISA Section 103(a)(3)(C) audit opinion.

Responsibilities of Management for the 2021 Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error. Management's election of ERISA Section 103(a)(3)(C) audit does not affect management's responsibility for the financial statements.

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

Management is also responsible for maintaining a current plan instrument, including all plan amendments, administering the plan, and determining that the plan's transactions that are presented and disclosed in the financial statements are in conformity with the plan's provisions, including maintaining sufficient records with respect to each of the participants, to determine the benefits due or which may become due to such participants.

Auditor's Responsibilities for the Audit of the 2021 Financial Statements

Except as described in the Scope and Nature of ERISA Section 103(a)(3)(C) Audit of the 2021 Financial Statements section of our report, our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and 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 financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the 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 Plan'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 financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Plan's ability to continue as a going concern for a reasonable period of time.

Our audit did not extend to the certified investment information, except for obtaining and reading the certification, comparing the certified investment information with the related information presented and disclosed in the 2021 financial statements, and reading the disclosures relating to the certified investment information to assess whether they are in accordance with the presentation and disclosure requirements of accounting principles generally accepted in the United States of America.

Accordingly, the objective of an ERISA Section 103(a)(3)(C) audit is not to express an opinion about whether the financial statements as a whole are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America.

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 Matters

2021 Supplemental Schedule Required by ERISA

The supplemental schedule H, line 4i – schedule of assets held at end of year as of December 31, 2021, is presented for purposes of additional analysis and is not a required part of the financial statements but is supplementary information required by the DOL's Rules and Regulations for Reporting and Disclosure under the ERISA. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information included in the supplemental schedule, other than that agreed to or derived from the certified investment information, has been subjected to auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with GAAS. For information included in the supplemental schedule that agreed to or is derived from the certified investment information, we compared such information to the related certified investment information.

In forming our opinion on the supplemental schedule, we evaluated whether the supplemental schedule, other than the information agreed to or derived from the certified investment information, including its' form and content, is presented in conformity with the DOL's Rules and Regulations for Reporting and Disclosure under the ERISA.

In our opinion:

- the form and content of the supplemental schedule, other than the information in the supplemental schedule that agreed to or is derived from the certified investment information, is presented, in all material respects, in conformity with the DOL's Rules and Regulations for Reporting and Disclosure under the ERISA.
- the information in the supplemental schedule related to assets held by and certified to by a qualified institution agrees to, or is derived from, in all material respects, the information prepared and certified by an institution that management determined meets the requirements of ERISA Section 103(a)(3)(C).

Auditor's Report on the 2020 Financial Statements

We were engaged to audit the 2020 financial statements of the Plan. As permitted by 29 CFR 2520.103-8 of the DOL's Rules and Regulations for Reporting and Disclosure under the ERISA, the Plan Administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the information certified by a qualified institution. In our report dated June 23, 2021, we indicated that (a) because of the significance of the information that we did not audit, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion and accordingly, we did not express an opinion on the 2020 financial statements, and (b) the form and content of the information included in the 2020 financial statements other than that derived from the certified information were presented in compliance with the DOL's Rules and Regulations for Reporting and Disclosure under the ERISA.

A handwritten signature in cursive script that reads "Eide Bailly LLP".

Minneapolis, Minnesota
June 24, 2022

Gate City Bank Retirement Savings Plan
Statements of Net Assets Available for Benefits
December 31, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Assets		
Investments, at fair value	\$60,042,511	\$49,932,952
Notes receivable from participants	377,483	333,378
Contributions receivable from participants	95,041	-
Contributions receivable from employer	<u>128,757</u>	<u>52,116</u>
Net Assets Available for Benefits	<u>\$60,643,792</u>	= <u>\$50,318,446</u>

Gate City Bank Retirement Savings Plan
Statements of Changes in Net Assets Available for Benefits
Years Ended December 31, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Additions		
Investment Income		
Interest and dividends	\$5,379,273	\$2,197,307
Net appreciation in fair value of investments	<u>1,881,981</u>	<u>4,757,927</u>
Total investment income	<u>7,261,254</u>	<u>6,955,234</u>
Interest income on notes receivable from participants	<u>19,003</u>	<u>21,380</u>
Contributions		
Participant	3,343,957	3,127,251
Employer	2,338,230	2,323,951
Rollovers	<u>858,554</u>	<u>753,669</u>
Total contributions	<u>6,540,741</u>	<u>6,204,871</u>
Total additions	<u>13,820,998</u>	<u>13,181,485</u>
Deductions		
Benefit Payments	3,492,902	4,865,995
Administrative Expenses	<u>2,750</u>	<u>2,674</u>
Total deductions	<u>3,495,652</u>	<u>4,868,669</u>
Net Increase	10,325,346	8,312,810
Net Assets Available for Benefits		
Beginning of year	<u>50,318,446</u>	<u>42,005,636</u>
End of year	<u><u>\$60,643,792</u></u>	<u><u>\$50,318,446</u></u>

Note 1 - Description of Plan

The following description of the Plan provides only general information. Participants should refer to the Plan document for more complete information.

General

The Plan is a defined contribution plan covering all eligible employees of Gate City Bank (Gate City) and its wholly owned subsidiaries and was established to provide eligible employees with a share in the profits of Gate City and to encourage employees to adopt a retirement program. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA).

The 401(k) committee determines the appropriateness of the Plans investment offerings, and monitors investment performance.

Eligibility

All employees of Gate City that are over 18 years of age are eligible to participate immediately upon hire.

Contributions

Each year participants are allowed to contribute from 1% to 90% of their Basic (pretax) annual compensation to the Plan, as defined in the Plan document. Contributions are subject to certain Internal Revenue Code (IRC) limitations. Participants who have attained age 50 before the end of the Plan year are eligible to make catch-up contributions. The Plan allows participants to designate contributions as Roth 401(k) contributions. Gate City will match 100% of the participant's contribution to a maximum employer contribution of 6% of their basic compensation. Should Gate City be unable to generate sufficient net profits, Gate City's contribution can be limited to that amount made from available net profits. The Plan also allows employees to contribute 100% of their after-tax compensation to the Plan. Participants may also contribute amounts representing distributions from other qualified plans.

In addition to its matching contribution, Gate City may, at its sole discretion, make additional contributions to the Plan. There were no additional contributions made in 2021 and 2020.

Vesting

Employee contributions, including any earnings and gains attributed to such contributions, are fully vested. Generally, Gate City contributions become 100% vested after five years of service. Non-vested Gate City contributions are subject to forfeiture twelve months subsequent to termination by reasons other than retirement, disability, or death of the participant.

Forfeitures

Forfeitures are used to reduce the amount of future contributions made by Gate City or to reduce the amount of plan expenses paid by Gate City. In 2021 and 2020, \$186,766 and \$98,549, respectively, in forfeitures were used to reduce plan contributions.

Participant Accounts

Each participant's account is credited with the participant's contribution and the Gate City's matching contribution, as well as an allocation of the Gate City's discretionary contribution and plan earnings. Participant accounts are charged with an allocation of administrative expenses that are paid by the Plan. Allocations are based on participant compensation, account balances, or specific participant transactions, as defined by their Plan Document. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account.

Payment of Benefits

On termination of employment, death, disability, hardship, age 59 ½, or retirement, a participant may elect to receive either a lump-sum amount equal to the value of the participant's vested interest in his or her account as a cash distribution, a direct rollover, or a combination of a cash and direct rollover distribution. A terminated employee with a balance of less than \$1,000 may be automatically paid out by the Plan upon termination. A terminated participant with an account balance between \$1,000 and \$5,000 will automatically rolled into an IRA if no election is made within 60 days of termination. Upon death, a beneficiary is entitled to a death benefit distribution equal to the participant's vested account balance.

Investment Options

Participant and employer contributions may be invested in any manner desired by the participants in the funds offered by the Plan.

Notes Receivable from Participants

Participants may request a loan not to exceed the lesser of \$50,000 or 50% of the participant's vested balance. The minimum loan amount is \$1,000. Interest charged on such loans is one percent over the Prime Rate as compiled by the Federal Reserve. The interest rate on 2021 loans was 4.25% – 6.50%. Principal and interest is paid ratably through payroll deductions over a period not to exceed five years, unless the proceeds of the loan were used to acquire the participant's residence, in which case the loan will be 10 years. A participant may have no more than one outstanding loan at any one time.

Under the provisions of the Coronavirus Aid, Relief, and Economic Security Act (CARES Act), the Plan sponsor increased loan amounts up to the lesser of \$100,000 or 100% of the participant's vested balance for qualifying coronavirus-related reasons, for loans taken during the 6 months following March 27, 2020. In addition, the Plan sponsor allowed participants to elect to extend the loan repayment periods available to eligible participants for the period March 27, 2020 through December 31, 2020.

Plan Termination

Gate City, by action of its Board of Directors or other governing body, may terminate the Plan as applicable to Gate City and its employees. All participants at the time of such termination shall be 100% vested in their accounts and shall be entitled to a benefit equal to the value of their accounts determined as of the valuation date (generally month end) following termination.

Note 2 - Significant Accounting Policies and Use of Estimates

Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting.

Use of Estimates

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts of assets and liabilities and changes therein, and disclosures of contingent assets and liabilities. Accordingly, actual results could differ from those estimates.

Investment Valuation and Income Recognition

Investments are reported at fair value. 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. See Note 3 for discussion of fair value measurements.

In accordance with the policy of stating investments at fair value, realized gains and losses on investments that were bought, sold, and held during the year are included in net appreciation reflected in the statements of changes in net assets available for plan benefits. Purchases and sales of securities are recorded on a trade-date basis. Dividends are recorded on the ex-dividend date.

The classification of investment earnings reported in the statement of changes in net assets available for benefits may differ from the classification of earnings on Form 5500 due to different reporting requirements on Form 5500.

Notes Receivable from Participants

Notes receivable from participants are measured at their unpaid principal balance plus any accrued but unpaid interest. Delinquent notes receivables are reclassified as distributions based upon the terms of the Plan Document. No allowance for credit losses has been recorded as of December 31, 2021 and 2020.

Payments of Benefits

Benefits are recorded upon distribution.

Administrative Expenses

The Plan's expenses are paid by either the Plan or Gate City, as provided by the Plan Document. Expenses that are paid directly by Gate City are excluded from these financial statements. Certain expenses incurred in connection with the general administration of the Plan that are paid by the Plan are recorded as deductions in the accompanying statements of changes in net assets available for benefits. In addition, certain investment related expenses are included in net appreciation of fair value of investments presented in the accompanying statements of changes in net assets available for benefits.

Note 3 - Fair Value Measurements

The framework for measuring fair value provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1) and the lowest priority to unobservable inputs (level 3). The three levels of the fair value hierarchy under the FASB ASC 820 are described as follows:

Level 1 – Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Plan has the ability to access.

Level 2 – Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 – Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Gate City Bank Retirement Savings Plan

Notes to Financial Statements

December 31, 2021 and 2020

The following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at December 31, 2021 and 2020.

The fair value for mutual funds and money market are valued at the quoted net asset value (NAV) of shares held by the Plan at year-end. Mutual funds and money markets held by the Plan are open-ended mutual funds that are registered with the Securities and Exchange Commission. These funds are required to publish their daily net asset value (NAV) and to transact at that price. The common collective fund is valued at fair value based on the NAV of the observable market prices of the underlying assets within that account less liabilities. The NAV for the underlying assets of the fund is a readily determinable measure of their fair value and is the basis used by the fund for current transactions.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Plan believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The following table sets forth by level, within the fair value hierarchy, the plan's assets at fair value as of December 31, 2021 and 2020:

	2021			
	(Level 1)	(Level 2)	(Level 3)	Total
Mutual Funds	\$57,144,465	\$ -	\$ -	\$57,144,465
Money Market	2,671,259	-	-	\$2,671,259
Common Collective Trust	-	226,787	-	226,787
Total assets	\$59,815,724	\$226,787	\$ -	\$60,042,511

	2020			
	(Level 1)	(Level 2)	(Level 3)	Total
Mutual Funds	\$46,049,040	\$ -	\$ -	\$46,049,040
Money Market	3,565,972	-	-	\$3,565,972
Common Collective Trust	-	317,940	-	317,940
Total assets	\$49,615,012	\$317,940	\$ -	\$49,932,952

Note 4 - Information Certified by the Plan Trustee

The Plan Administrator has elected the method of compliance permitted by Section 2520.103-8 of the Department of Labor Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. Accordingly, as permitted under such election, no independent auditing procedures were performed with respect to the information, certified as complete and accurate by the trustee of the fund, Fidelity Management Trust Company.

The Plan trustee has certified its statement of accounts as of December 31, 2021 and 2020, and for the years then ended. The statement of accounts includes beginning and ending balances of investments held, notes receivable from participants, and all related activity during the period, including investment earnings and interest income on notes receivable from participants.

Note 5 - Plan Amendments

Effective February 1, 2021, the Plan document was amended to adjust two funds; 1) Remove the T. Rowe Price Real Estate Fund Advisor Class 2) Add the Cohen & Steers Institutional Realty Shares Fund. The Plan document was also amended to add In-Plan Roth Conversions for employees.

Effective January 1, 2021, the Plan document was amended to add the compensation category of Gift Gross-Up as a compensation exclusion for purposes of calculating 401K eligible wages.

Note 6 - Related Party and Party-in-Interest Transactions

Certain Plan investments are shares of mutual funds and units of a common collective fund managed by Fidelity Management Trust Company, the trustee as defined by the Plan. As described in Note 2, the Plan paid certain expenses related to Plan operations and investment activity to various service providers. These transactions are exempt party-in-interest transactions under ERISA.

Note 7 - Tax Status

The Plan uses a volume submitter plan document sponsored by Fidelity Management and Research Company, which received an advisory letter from the IRS, dated June 30th, 2020, stating that the volume submitter document satisfies the applicable provisions of the IRC. The Plan itself has not received a determination letter from the IRS and the volume submitter has been amended since receiving the advisory letter. However, the Plan's management believes that the Plan is currently designed and being operated in compliance with the applicable requirements of the IRC.

Accounting principles generally accepted in the United States of America require plan management to evaluate tax positions taken by the plan and recognize a tax liability (or asset) if the plan has taken an uncertain tax position that more likely than not would not be sustained upon examination by the Internal Revenue Service. The plan is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress.

Note 8 - Risks and Uncertainties

The Plan 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 changes could materially affect participants' account balances and the amounts reported in the statements of net assets available for benefits.

Note 9 - Reconciliation of Financial Statements to Form 5500

The following is a reconciliation of net assets available for benefits per the financial statements at December 31, 2021 and 2020, to Form 5500:

	<u>2021</u>	-	<u>2020</u>
Net assets available for benefits per the financial statements	\$60,643,792		\$50,318,446
Deemed distribution of notes receivable from participants	(947)		(1,080)
Contributions receivable from participants	(95,041)		-
Contributions receivable from employer	<u>(128,757)</u>	-	<u>(52,116)</u>
Net assets per the Form 5500	<u><u>\$60,419,047</u></u>	=	<u><u>\$50,265,250</u></u>

Gate City Bank Retirement Savings Plan

Notes to Financial Statements

December 31, 2021 and 2020

The following is a reconciliation of participant contributions per the financial statements at December 31, 2021 and 2020, to Form 5500:

	<u>2021</u>	—	<u>2020</u>
Total participant contributions, per the financial statements	\$3,343,957		\$3,127,251
Participant contribution receivable	<u>(95,041)</u>	—	<u>-</u>
Total participant contributions per the Form 5500	<u><u>\$3,248,916</u></u>	<u>—</u>	<u><u>\$3,127,251</u></u>

The following is a reconciliation of interest on notes receivable from participants per the financial statements at December 31, 2021 and 2020, to Form 5500:

	<u>2021</u>	—	<u>2020</u>
Total interest on notes receivable from participants, per the financial statements	\$19,003		\$21,380
Interest on amounts deemed distributed	<u>(947)</u>	—	<u>(1,080)</u>
Total participant loan interest per the Form 5500	<u><u>\$18,056</u></u>	<u>—</u>	<u><u>\$20,300</u></u>

The following is a reconciliation of benefits paid to participants per the financial statements at December 31, 2021 and 2020, to Form 5500:

	<u>2021</u>	—	<u>2020</u>
Total benefits paid to participants per the financial statements	\$3,492,092		\$4,865,995
Deemed distribution of notes receivable from participants	<u>(1,080)</u>	—	<u>(14,354)</u>
Total benefits paid to participants per the Form 5500	<u><u>\$3,491,822</u></u>	<u>—</u>	<u><u>\$4,851,641</u></u>

The following is a reconciliation of employer contributions per the financial statements at December 31, 2021 and 2020, to Form 5500:

	<u>2021</u>	—	<u>2020</u>
Total employer contributions per the financial statements	\$2,338,230		\$2,323,951
Add contributions receivable from employer (prior year)	52,116		-
Deduct contributions receivable from employer (current year)	<u>(128,757)</u>	—	<u>(52,116)</u>
Total employer contributions per Form 5500	<u><u>\$2,261,589</u></u>	=	<u><u>\$2,271,835</u></u>

Note 10 - Subsequent Events

Effective March 18, 2022, the Plan was restated to comply with recent legislative and regulatory changes. The Plan sponsor has evaluated subsequent events through June 24, 2022, the date which the financial statements were available to be issued.

Supplemental Information
December 31, 2021
Gate City Bank Retirement Savings Plan

Gate City Bank Retirement Savings Plan
Schedule H, Line 4i - Schedule of Assets Held at End of Year
December 31, 2021
Plan: 003

EIN: 45-0138060

(a)	(b)	(c)	(d)	(e)
	Identity of issue, borrower, lessor, or similar party	Description of investment including maturity date, rate of interest, collateral, par, or maturity value	Cost	Current Value
	CRLN E Mid Cap GR I	Mutual Fund	N/A	\$448,447
	CB Small Cap I	Mutual Fund	N/A	105,430
	WF SPL Mid CP Val IS	Mutual Fund	N/A	102,362
	Columbia Small Cap Value II Z	Mutual Fund	N/A	659,973
	Janus Triton I	Mutual Fund	N/A	1,543,100
	NB High Income Bond IS	Mutual Fund	N/A	135,003
	Invesco Diversified Dividend	Mutual Fund	N/A	2,035,281
	Cohen & Steers Institutional Realty Shares	Mutual Fund	N/A	146,484
	Pimco Real Return	Mutual Fund	N/A	328,270
*	Fidelity Extended Market Index	Mutual Fund	N/A	1,794,817
*	Fidelity International Index	Mutual Fund	N/A	1,124,511
*	Fidelity 500 Index	Mutual Fund	N/A	4,497,340
	WFA Emerging Markets	Mutual Fund	N/A	591,109
*	Fidelity Balanced	Mutual Fund	N/A	935,482
*	Fidelity Contrafund K	Mutual Fund	N/A	3,023,331
*	Fidelity Freedom Income K	Mutual Fund	N/A	71,569
*	Fidelity Freedom 2005 K	Mutual Fund	N/A	1,117
*	Fidelity Freedom 2010 K	Mutual Fund	N/A	235,545
*	Fidelity Freedom 2015 K	Mutual Fund	N/A	1,288,055
*	Fidelity Freedom 2020 K	Mutual Fund	N/A	2,218,724
*	Fidelity Freedom 2025 K	Mutual Fund	N/A	2,320,196
*	Fidelity Freedom 2030 K	Mutual Fund	N/A	3,624,398
*	Fidelity Freedom 2035 K	Mutual Fund	N/A	7,247,616
*	Fidelity Freedom 2040 K	Mutual Fund	N/A	6,698,936
*	Fidelity Freedom 2045 K	Mutual Fund	N/A	3,492,448
*	Fidelity Freedom 2050 K	Mutual Fund	N/A	5,568,826
*	Fidelity Freedom 2055 K	Mutual Fund	N/A	3,356,879
*	Fidelity Freedom 2060 K	Mutual Fund	N/A	2,486,924
*	Fidelity Total Bond K	Mutual Fund	N/A	<u>1,062,294</u>
	Total Mutual Funds			\$57,144,465
*	Managed Income Portfolio Class I	Common Collective Trust	N/A	226,787
*	Fidelity Retirement MM	Money Market	N/A	2,671,259
*	Participant loans	4.25-6.50% Various maturity dates	\$ -	<u>377,483</u>
				<u>\$60,419,994</u>

* - A party-in-interest as defined by ERISA.

N/A - Not applicable for participant-directed plan.



June 24, 2022

To the Board of Directors and the 401 (k) Committee
Gate City Bank Retirement Savings Plan
Fargo, North Dakota

We have conducted an ERISA Section 103(a)(3)(C) audit of the financial statements of Gate City Bank Retirement Savings Plan (the Plan) as of and for the year ended December 31, 2021 and have issued our report thereon dated June 24, 2022. Professional standards require that we advise you of the following information related to our audit.

Our Responsibility in Relation to the Financial Statement Audit

As communicated in our engagement letter dated January 20, 2022, our responsibility, as described by professional standards, is to conduct our audit in accordance with ERISA Section 103(a)(3)(C) pursuant to 29 CFR 2520.103-8 of the Department of Labor's (DOL) Rules and Regulations for Reporting and Disclosure under the ERISA. Therefore, as permitted by ERISA Section 103(a)(3)(C), the audit need not extend to any statements of information related to assets held for investment of the Plan (investment information) by a bank or similar institution or insurance carrier that is regulated, supervised, and subject to periodic examination by a state or federal agency, provided that the statements or information regarding assets so held are prepared and certified to by the bank or similar institution or insurance carrier in accordance with 29 CFR 2520.103-5 of the DOL's Rules and Regulations for Reporting and Disclosure under the ERISA (qualified institution). For an ERISA Section 103(a)(3)(C) audit, the audit will not extend to the certified investment information, except for obtaining and reading the certification, comparing the certified investment information with the related information presented and disclosed in the financial statements, and reading the disclosures relating to the certified investment information to assess whether they are in accordance with the presentation and disclosure requirement of accounting principles generally accepted in the United States of America (GAAP). Accordingly, the objective of the ERISA Section 103(a)(3)(C) audit is not to express an opinion about whether the financial statements as a whole are presented fairly, in all material respects, in accordance with GAAP.

Our responsibility, as prescribed by professional standards, is to plan and perform our audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement. An audit of financial statements includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the plan's internal control over financial reporting. Accordingly, as part of our audit, we considered the internal control of the Plan solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

We are also responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures for the purpose of identifying other matters to communicate to you.

Planned Scope and Timing of the Audit

We conducted our audit consistent with the planned scope and timing we previously communicated to you.

Compliance with All Ethics Requirements Regarding Independence

The engagement team, others in our firm, as appropriate, our firm, and our network firms have complied with all relevant ethical requirements regarding independence.

Significant Risks Identified

As stated in our auditor's report, professional standards require us to design our audit to provide reasonable assurance that the financial statements are free of material misstatement whether caused by fraud or error. In designing our audit procedures, professional standards require us to evaluate the financial statements and assess the risk that a material misstatement could occur. Areas that are potentially more susceptible to misstatements, and thereby require special audit considerations, are designated as "significant risks". We have identified the following as significant risks:

- Risk of Management Override of Internal Control – Management override of controls is considered to be a presumed audit risk.
- Contributions – We identified a significant risk related to contributions as there is an expectation that contributions received by the Plan (or due to the Plan) are in compliance with the Plan document and properly recorded and disclosed in the financial statements in accordance with the applicable financial reporting framework.
- Benefit Payments – We identified a significant risk related to benefit payments as benefit payments are required to be authorized, calculated, and disbursed to eligible participants and beneficiaries in accordance with the Plan provisions and related documents.
- Participant Data and Accounts – We identified a significant risk related to participant data and accounts as significant calculations are based on this data. Participant data is used to allocate the current contributions among participants (deferral rate, investment elections, rate of pay) and to determine eligibility for participation and benefit payments (age, date of hire, years of service hours worked, etc.)

Qualitative Aspects of the Plan's Significant Accounting Practices

Significant Accounting Policies

Management has the responsibility to select and use appropriate accounting policies. A summary of the significant accounting policies adopted by the Plan is included in Note 2 to the financial statements. There have been no initial selection of accounting policies and no changes in significant accounting policies or their application during 2021. No matters have come to our attention that would require us, under professional standards, to inform you about (1) the methods used to account for significant unusual transactions and (2) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

Significant Accounting Estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's current judgments. Those judgments are normally based on knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ markedly from management's current judgments.

No such estimates were identified for this plan.

Financial Statement Disclosures

The financial statement disclosures are neutral, consistent, and clear.

Significant Unusual Transactions

For purposes of this communication, professional standards require us to communicate to you, significant unusual transactions identified during our audit. There were not any significant unusual transactions identified.

Significant Difficulties Encountered During the Audit

We encountered no significant difficulties in dealing with management relating to the performance of the audit.

Uncorrected and Corrected Misstatements

For purposes of this communication, professional standards also require us to accumulate all known and likely misstatements identified during the audit, other than those that we believe are trivial, and communicate them to the appropriate level of management. Further, professional standards require us to also communicate the effect of uncorrected misstatements related to prior periods on the relevant classes of transactions, account balances or disclosures, and the financial statements as a whole. Uncorrected misstatements or matters underlying those uncorrected misstatements could potentially cause future-period financial statements to be materially misstated, even though the uncorrected misstatements are immaterial to the financial statements currently under audit. There were no uncorrected or corrected misstatements identified as a result of our audit procedures.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter, which could be significant to the Plan's financial statements or the auditor's report. No such disagreements arose during the course of the audit.

Circumstances that Affect the Form and Content of the Auditor's Report

For purposes of this letter, professional standards require that we communicate any circumstances that affect the form and content of our auditor's report. We did not identify any circumstances that affect the form and content of the auditor's report.

Representations Requested from Management

We have requested certain written representations from management that are included in the management representation letter dated June 24, 2022.

Management's Consultations with Other Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters. Management informed us that, and to our knowledge, there were no consultations with other accountants regarding auditing and accounting matters.

Other Significant Matters, Findings, or Issues

In the normal course of our professional association with the Plan, we generally discuss a variety of matters, including the application of accounting principles and auditing standards, significant events or transactions that occurred during the year, business conditions affecting the plan, and business plans and strategies that may affect the risks of material misstatement. None of the matters discussed resulted in a condition to our retention as the Plan's auditors.

Other Matters

The ERISA-required supplemental schedule, other than that agreed to, or derived from, the certified investment information, were subjected to the audit procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with GAAS.

Our responsibility also includes communicating to you any information which we believe is a material misstatement of fact. Nothing came to our attention that caused us to believe that such information, or its manner of presentation, is materially inconsistent with the information, or manner of its presentation, appearing in the financial statements.

This report is intended solely for the information and use of the Board of Directors, the 401(k) committee, and management of the Plan and is not intended to be, and should not be, used by anyone other than these specified parties.

A handwritten signature in cursive script that reads "Eide Bailly LLP".

Minneapolis, Minnesota

Financial Statements
December 31, 2021 and 2020
Gate City Bank Retirement Savings Plan

Gate City Bank Retirement Savings Plan

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December 31, 2021 and 2020

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Independent Auditor's Report

The Board of Directors and the 401(k) Committee
Gate City Bank Retirement Savings Plan
Fargo, North Dakota

Scope and Nature of the ERISA Section 103(a)(3)(C) Audit for the 2021 Financial Statements

We have performed an audit of the financial statements of Gate City Bank Retirement Savings Plan (the Plan), an employee benefit plan subject to the Employee Retirement Income Security Act of 1974 (the ERISA), as permitted by ERISA Section 103(a)(3)(C) (ERISA Section 103(a)(3)(C) audit). The financial statements comprise the statement of net assets available for benefits as of December 31, 2021, and the related statement of changes in net assets available for benefits for the year then ended, and the related notes to the financial statements (2021 Financial Statements).

Management, having determined it is permissible in the circumstances, has elected to have the audit of the 2021 financial statements performed in accordance with ERISA Section 103(a)(3)(C) pursuant to 29 CFR 2520.103-8 of the Department of Labor's (DOL) Rules and Regulations for Reporting and Disclosure under the ERISA. As permitted by ERISA Section 103(a)(3)(C), our audit need not extend to any statements or information related to assets held for investment of the plan (investment information) by a bank or similar institution or insurance carrier that is regulated, supervised, and subject to periodic examination by a state or federal agency, provided that the statements or information regarding assets so held are prepared and certified to by the bank or similar institution or insurance carrier in accordance with 29 CFR 2520.103-5 of the DOL's Rules and Regulations for Reporting and Disclosure under the ERISA (qualified institution).

Management has obtained a certification from a qualified institution as of and for the year ended December 31, 2021, stating that the certified investment information, as described in Note 4 to the financial statements, is complete and accurate.

Opinion on the 2021 Financial Statements

In our opinion, based on our audit and on the procedures performed as described in the Auditor's Responsibilities for the Audit of the 2021 Financial Statements section:

- the amounts and disclosures in the accompanying 2021 financial statements, other than those agreed to or derived from the certified investment information, are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America.
- the information in the accompanying 2021 financial statements related to assets held by and certified to by a qualified institution agrees to, or is derived from, in all material respects, the information prepared and certified by an institution that management determined meets the requirements of ERISA Section 103(a)(3)(C).

Basis for Opinion on the 2021 Financial Statements

We conducted our audit 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 2021 Financial Statements section of our report. We are required to be independent of the Plan 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 ERISA Section 103(a)(3)(C) audit opinion.

Responsibilities of Management for the 2021 Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error. Management's election of ERISA Section 103(a)(3)(C) audit does not affect management's responsibility for the financial statements.

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

Management is also responsible for maintaining a current plan instrument, including all plan amendments, administering the plan, and determining that the plan's transactions that are presented and disclosed in the financial statements are in conformity with the plan's provisions, including maintaining sufficient records with respect to each of the participants, to determine the benefits due or which may become due to such participants.

Auditor's Responsibilities for the Audit of the 2021 Financial Statements

Except as described in the Scope and Nature of ERISA Section 103(a)(3)(C) Audit of the 2021 Financial Statements section of our report, our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and 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 financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the 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 Plan'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 financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Plan's ability to continue as a going concern for a reasonable period of time.

Our audit did not extend to the certified investment information, except for obtaining and reading the certification, comparing the certified investment information with the related information presented and disclosed in the 2021 financial statements, and reading the disclosures relating to the certified investment information to assess whether they are in accordance with the presentation and disclosure requirements of accounting principles generally accepted in the United States of America.

Accordingly, the objective of an ERISA Section 103(a)(3)(C) audit is not to express an opinion about whether the financial statements as a whole are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America.

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 Matters

2021 Supplemental Schedule Required by ERISA

The supplemental schedule H, line 4i – schedule of assets held at end of year as of December 31, 2021, is presented for purposes of additional analysis and is not a required part of the financial statements but is supplementary information required by the DOL's Rules and Regulations for Reporting and Disclosure under the ERISA. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information included in the supplemental schedule, other than that agreed to or derived from the certified investment information, has been subjected to auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with GAAS. For information included in the supplemental schedule that agreed to or is derived from the certified investment information, we compared such information to the related certified investment information.

In forming our opinion on the supplemental schedule, we evaluated whether the supplemental schedule, other than the information agreed to or derived from the certified investment information, including its' form and content, is presented in conformity with the DOL's Rules and Regulations for Reporting and Disclosure under the ERISA.

In our opinion:

- the form and content of the supplemental schedule, other than the information in the supplemental schedule that agreed to or is derived from the certified investment information, is presented, in all material respects, in conformity with the DOL's Rules and Regulations for Reporting and Disclosure under the ERISA.
- the information in the supplemental schedule related to assets held by and certified to by a qualified institution agrees to, or is derived from, in all material respects, the information prepared and certified by an institution that management determined meets the requirements of ERISA Section 103(a)(3)(C).

Auditor's Report on the 2020 Financial Statements

We were engaged to audit the 2020 financial statements of the Plan. As permitted by 29 CFR 2520.103-8 of the DOL's Rules and Regulations for Reporting and Disclosure under the ERISA, the Plan Administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the information certified by a qualified institution. In our report dated June 23, 2021, we indicated that (a) because of the significance of the information that we did not audit, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion and accordingly, we did not express an opinion on the 2020 financial statements, and (b) the form and content of the information included in the 2020 financial statements other than that derived from the certified information were presented in compliance with the DOL's Rules and Regulations for Reporting and Disclosure under the ERISA.

A handwritten signature in cursive script that reads "Erik Bailly LLP".

Minneapolis, Minnesota
June 24, 2022

Gate City Bank Retirement Savings Plan
Statements of Net Assets Available for Benefits
December 31, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Assets		
Investments, at fair value	\$60,042,511	\$49,932,952
Notes receivable from participants	377,483	333,378
Contributions receivable from participants	95,041	-
Contributions receivable from employer	<u>128,757</u>	<u>52,116</u>
Net Assets Available for Benefits	<u>\$60,643,792</u>	= <u>\$50,318,446</u>

Gate City Bank Retirement Savings Plan
Statements of Changes in Net Assets Available for Benefits
Years Ended December 31, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Additions		
Investment Income		
Interest and dividends	\$5,379,273	\$2,197,307
Net appreciation in fair value of investments	<u>1,881,981</u>	<u>4,757,927</u>
Total investment income	<u>7,261,254</u>	<u>6,955,234</u>
Interest income on notes receivable from participants	<u>19,003</u>	<u>21,380</u>
Contributions		
Participant	3,343,957	3,127,251
Employer	2,338,230	2,323,951
Rollovers	<u>858,554</u>	<u>753,669</u>
Total contributions	<u>6,540,741</u>	<u>6,204,871</u>
Total additions	<u>13,820,998</u>	<u>13,181,485</u>
Deductions		
Benefit Payments	3,492,902	4,865,995
Administrative Expenses	<u>2,750</u>	<u>2,674</u>
Total deductions	<u>3,495,652</u>	<u>4,868,669</u>
Net Increase	10,325,346	8,312,810
Net Assets Available for Benefits		
Beginning of year	<u>50,318,446</u>	<u>42,005,636</u>
End of year	<u><u>\$60,643,792</u></u>	<u><u>\$50,318,446</u></u>

Note 1 - Description of Plan

The following description of the Plan provides only general information. Participants should refer to the Plan document for more complete information.

General

The Plan is a defined contribution plan covering all eligible employees of Gate City Bank (Gate City) and its wholly owned subsidiaries and was established to provide eligible employees with a share in the profits of Gate City and to encourage employees to adopt a retirement program. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA).

The 401(k) committee determines the appropriateness of the Plans investment offerings, and monitors investment performance.

Eligibility

All employees of Gate City that are over 18 years of age are eligible to participate immediately upon hire.

Contributions

Each year participants are allowed to contribute from 1% to 90% of their Basic (pretax) annual compensation to the Plan, as defined in the Plan document. Contributions are subject to certain Internal Revenue Code (IRC) limitations. Participants who have attained age 50 before the end of the Plan year are eligible to make catch-up contributions. The Plan allows participants to designate contributions as Roth 401(k) contributions. Gate City will match 100% of the participant's contribution to a maximum employer contribution of 6% of their basic compensation. Should Gate City be unable to generate sufficient net profits, Gate City's contribution can be limited to that amount made from available net profits. The Plan also allows employees to contribute 100% of their after-tax compensation to the Plan. Participants may also contribute amounts representing distributions from other qualified plans.

In addition to its matching contribution, Gate City may, at its sole discretion, make additional contributions to the Plan. There were no additional contributions made in 2021 and 2020.

Vesting

Employee contributions, including any earnings and gains attributed to such contributions, are fully vested. Generally, Gate City contributions become 100% vested after five years of service. Non-vested Gate City contributions are subject to forfeiture twelve months subsequent to termination by reasons other than retirement, disability, or death of the participant.

Forfeitures

Forfeitures are used to reduce the amount of future contributions made by Gate City or to reduce the amount of plan expenses paid by Gate City. In 2021 and 2020, \$186,766 and \$98,549, respectively, in forfeitures were used to reduce plan contributions.

Participant Accounts

Each participant's account is credited with the participant's contribution and the Gate City's matching contribution, as well as an allocation of the Gate City's discretionary contribution and plan earnings. Participant accounts are charged with an allocation of administrative expenses that are paid by the Plan. Allocations are based on participant compensation, account balances, or specific participant transactions, as defined by their Plan Document. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account.

Payment of Benefits

On termination of employment, death, disability, hardship, age 59 ½, or retirement, a participant may elect to receive either a lump-sum amount equal to the value of the participant's vested interest in his or her account as a cash distribution, a direct rollover, or a combination of a cash and direct rollover distribution. A terminated employee with a balance of less than \$1,000 may be automatically paid out by the Plan upon termination. A terminated participant with an account balance between \$1,000 and \$5,000 will automatically rolled into an IRA if no election is made within 60 days of termination. Upon death, a beneficiary is entitled to a death benefit distribution equal to the participant's vested account balance.

Investment Options

Participant and employer contributions may be invested in any manner desired by the participants in the funds offered by the Plan.

Notes Receivable from Participants

Participants may request a loan not to exceed the lesser of \$50,000 or 50% of the participant's vested balance. The minimum loan amount is \$1,000. Interest charged on such loans is one percent over the Prime Rate as compiled by the Federal Reserve. The interest rate on 2021 loans was 4.25% – 6.50%. Principal and interest is paid ratably through payroll deductions over a period not to exceed five years, unless the proceeds of the loan were used to acquire the participant's residence, in which case the loan will be 10 years. A participant may have no more than one outstanding loan at any one time.

Under the provisions of the Coronavirus Aid, Relief, and Economic Security Act (CARES Act), the Plan sponsor increased loan amounts up to the lesser of \$100,000 or 100% of the participant's vested balance for qualifying coronavirus-related reasons, for loans taken during the 6 months following March 27, 2020. In addition, the Plan sponsor allowed participants to elect to extend the loan repayment periods available to eligible participants for the period March 27, 2020 through December 31, 2020.

Plan Termination

Gate City, by action of its Board of Directors or other governing body, may terminate the Plan as applicable to Gate City and its employees. All participants at the time of such termination shall be 100% vested in their accounts and shall be entitled to a benefit equal to the value of their accounts determined as of the valuation date (generally month end) following termination.

Note 2 - Significant Accounting Policies and Use of Estimates

Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting.

Use of Estimates

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts of assets and liabilities and changes therein, and disclosures of contingent assets and liabilities. Accordingly, actual results could differ from those estimates.

Investment Valuation and Income Recognition

Investments are reported at fair value. 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. See Note 3 for discussion of fair value measurements.

In accordance with the policy of stating investments at fair value, realized gains and losses on investments that were bought, sold, and held during the year are included in net appreciation reflected in the statements of changes in net assets available for plan benefits. Purchases and sales of securities are recorded on a trade-date basis. Dividends are recorded on the ex-dividend date.

The classification of investment earnings reported in the statement of changes in net assets available for benefits may differ from the classification of earnings on Form 5500 due to different reporting requirements on Form 5500.

Notes Receivable from Participants

Notes receivable from participants are measured at their unpaid principal balance plus any accrued but unpaid interest. Delinquent notes receivables are reclassified as distributions based upon the terms of the Plan Document. No allowance for credit losses has been recorded as of December 31, 2021 and 2020.

Payments of Benefits

Benefits are recorded upon distribution.

Administrative Expenses

The Plan's expenses are paid by either the Plan or Gate City, as provided by the Plan Document. Expenses that are paid directly by Gate City are excluded from these financial statements. Certain expenses incurred in connection with the general administration of the Plan that are paid by the Plan are recorded as deductions in the accompanying statements of changes in net assets available for benefits. In addition, certain investment related expenses are included in net appreciation of fair value of investments presented in the accompanying statements of changes in net assets available for benefits.

Note 3 - Fair Value Measurements

The framework for measuring fair value provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1) and the lowest priority to unobservable inputs (level 3). The three levels of the fair value hierarchy under the FASB ASC 820 are described as follows:

Level 1 – Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Plan has the ability to access.

Level 2 – Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 – Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Gate City Bank Retirement Savings Plan

Notes to Financial Statements

December 31, 2021 and 2020

The following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at December 31, 2021 and 2020.

The fair value for mutual funds and money market are valued at the quoted net asset value (NAV) of shares held by the Plan at year-end. Mutual funds and money markets held by the Plan are open-ended mutual funds that are registered with the Securities and Exchange Commission. These funds are required to publish their daily net asset value (NAV) and to transact at that price. The common collective fund is valued at fair value based on the NAV of the observable market prices of the underlying assets within that account less liabilities. The NAV for the underlying assets of the fund is a readily determinable measure of their fair value and is the basis used by the fund for current transactions.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Plan believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The following table sets forth by level, within the fair value hierarchy, the plan's assets at fair value as of December 31, 2021 and 2020:

	2021			
	(Level 1)	(Level 2)	(Level 3)	Total
Mutual Funds	\$57,144,465	\$ -	\$ -	\$57,144,465
Money Market	2,671,259	-	-	\$2,671,259
Common Collective Trust	-	226,787	-	226,787
Total assets	\$59,815,724	\$226,787	\$ -	\$60,042,511

	2020			
	(Level 1)	(Level 2)	(Level 3)	Total
Mutual Funds	\$46,049,040	\$ -	\$ -	\$46,049,040
Money Market	3,565,972	-	-	\$3,565,972
Common Collective Trust	-	317,940	-	317,940
Total assets	\$49,615,012	\$317,940	\$ -	\$49,932,952

Note 4 - Information Certified by the Plan Trustee

The Plan Administrator has elected the method of compliance permitted by Section 2520.103-8 of the Department of Labor Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. Accordingly, as permitted under such election, no independent auditing procedures were performed with respect to the information, certified as complete and accurate by the trustee of the fund, Fidelity Management Trust Company.

The Plan trustee has certified its statement of accounts as of December 31, 2021 and 2020, and for the years then ended. The statement of accounts includes beginning and ending balances of investments held, notes receivable from participants, and all related activity during the period, including investment earnings and interest income on notes receivable from participants.

Note 5 - Plan Amendments

Effective February 1, 2021, the Plan document was amended to adjust two funds; 1) Remove the T. Rowe Price Real Estate Fund Advisor Class 2) Add the Cohen & Steers Institutional Realty Shares Fund. The Plan document was also amended to add In-Plan Roth Conversions for employees.

Effective January 1, 2021, the Plan document was amended to add the compensation category of Gift Gross-Up as a compensation exclusion for purposes of calculating 401K eligible wages.

Note 6 - Related Party and Party-in-Interest Transactions

Certain Plan investments are shares of mutual funds and units of a common collective fund managed by Fidelity Management Trust Company, the trustee as defined by the Plan. As described in Note 2, the Plan paid certain expenses related to Plan operations and investment activity to various service providers. These transactions are exempt party-in-interest transactions under ERISA.

Note 7 - Tax Status

The Plan uses a volume submitter plan document sponsored by Fidelity Management and Research Company, which received an advisory letter from the IRS, dated June 30th, 2020, stating that the volume submitter document satisfies the applicable provisions of the IRC. The Plan itself has not received a determination letter from the IRS and the volume submitter has been amended since receiving the advisory letter. However, the Plan's management believes that the Plan is currently designed and being operated in compliance with the applicable requirements of the IRC.

Accounting principles generally accepted in the United States of America require plan management to evaluate tax positions taken by the plan and recognize a tax liability (or asset) if the plan has taken an uncertain tax position that more likely than not would not be sustained upon examination by the Internal Revenue Service. The plan is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress.

Note 8 - Risks and Uncertainties

The Plan 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 changes could materially affect participants' account balances and the amounts reported in the statements of net assets available for benefits.

Note 9 - Reconciliation of Financial Statements to Form 5500

The following is a reconciliation of net assets available for benefits per the financial statements at December 31, 2021 and 2020, to Form 5500:

	<u>2021</u>	-	<u>2020</u>
Net assets available for benefits per the financial statements	\$60,643,792		\$50,318,446
Deemed distribution of notes receivable from participants	(947)		(1,080)
Contributions receivable from participants	(95,041)		-
Contributions receivable from employer	<u>(128,757)</u>	-	<u>(52,116)</u>
Net assets per the Form 5500	<u><u>\$60,419,047</u></u>	=	<u><u>\$50,265,250</u></u>

Gate City Bank Retirement Savings Plan

Notes to Financial Statements

December 31, 2021 and 2020

The following is a reconciliation of participant contributions per the financial statements at December 31, 2021 and 2020, to Form 5500:

	<u>2021</u>	—	<u>2020</u>
Total participant contributions, per the financial statements	\$3,343,957		\$3,127,251
Participant contribution receivable	<u>(95,041)</u>	—	<u>-</u>
Total participant contributions per the Form 5500	<u><u>\$3,248,916</u></u>	<u>—</u>	<u><u>\$3,127,251</u></u>

The following is a reconciliation of interest on notes receivable from participants per the financial statements at December 31, 2021 and 2020, to Form 5500:

	<u>2021</u>	—	<u>2020</u>
Total interest on notes receivable from participants, per the financial statements	\$19,003		\$21,380
Interest on amounts deemed distributed	<u>(947)</u>	—	<u>(1,080)</u>
Total participant loan interest per the Form 5500	<u><u>\$18,056</u></u>	<u>—</u>	<u><u>\$20,300</u></u>

The following is a reconciliation of benefits paid to participants per the financial statements at December 31, 2021 and 2020, to Form 5500:

	<u>2021</u>	—	<u>2020</u>
Total benefits paid to participants per the financial statements	\$3,492,092		\$4,865,995
Deemed distribution of notes receivable from participants	<u>(1,080)</u>	—	<u>(14,354)</u>
Total benefits paid to participants per the Form 5500	<u><u>\$3,491,822</u></u>	<u>—</u>	<u><u>\$4,851,641</u></u>

The following is a reconciliation of employer contributions per the financial statements at December 31, 2021 and 2020, to Form 5500:

	<u>2021</u>	—	<u>2020</u>
Total employer contributions per the financial statements	\$2,338,230		\$2,323,951
Add contributions receivable from employer (prior year)	52,116		-
Deduct contributions receivable from employer (current year)	<u>(128,757)</u>	—	<u>(52,116)</u>
Total employer contributions per Form 5500	<u>\$2,261,589</u>	=	<u>\$2,271,835</u>

Note 10 - Subsequent Events

Effective March 18, 2022, the Plan was restated to comply with recent legislative and regulatory changes. The Plan sponsor has evaluated subsequent events through June 24, 2022, the date which the financial statements were available to be issued.

Supplemental Information
December 31, 2021
Gate City Bank Retirement Savings Plan

Gate City Bank Retirement Savings Plan
Schedule H, Line 4i - Schedule of Assets Held at End of Year
December 31, 2021
Plan: 003

EIN: 45-0138060

(a)	(b)	(c)	(d)	(e)
	Identity of issue, borrower, lessor, or similar party	Description of investment including maturity date, rate of interest, collateral, par, or maturity value	Cost	Current Value
	CRLN E Mid Cap GR I	Mutual Fund	N/A	\$448,447
	CB Small Cap I	Mutual Fund	N/A	105,430
	WF SPL Mid CP Val IS	Mutual Fund	N/A	102,362
	Columbia Small Cap Value II Z	Mutual Fund	N/A	659,973
	Janus Triton I	Mutual Fund	N/A	1,543,100
	NB High Income Bond IS	Mutual Fund	N/A	135,003
	Invesco Diversified Dividend	Mutual Fund	N/A	2,035,281
	Cohen & Steers Institutional Realty Shares	Mutual Fund	N/A	146,484
	Pimco Real Return	Mutual Fund	N/A	328,270
*	Fidelity Extended Market Index	Mutual Fund	N/A	1,794,817
*	Fidelity International Index	Mutual Fund	N/A	1,124,511
*	Fidelity 500 Index	Mutual Fund	N/A	4,497,340
	WFA Emerging Markets	Mutual Fund	N/A	591,109
*	Fidelity Balanced	Mutual Fund	N/A	935,482
*	Fidelity Contrafund K	Mutual Fund	N/A	3,023,331
*	Fidelity Freedom Income K	Mutual Fund	N/A	71,569
*	Fidelity Freedom 2005 K	Mutual Fund	N/A	1,117
*	Fidelity Freedom 2010 K	Mutual Fund	N/A	235,545
*	Fidelity Freedom 2015 K	Mutual Fund	N/A	1,288,055
*	Fidelity Freedom 2020 K	Mutual Fund	N/A	2,218,724
*	Fidelity Freedom 2025 K	Mutual Fund	N/A	2,320,196
*	Fidelity Freedom 2030 K	Mutual Fund	N/A	3,624,398
*	Fidelity Freedom 2035 K	Mutual Fund	N/A	7,247,616
*	Fidelity Freedom 2040 K	Mutual Fund	N/A	6,698,936
*	Fidelity Freedom 2045 K	Mutual Fund	N/A	3,492,448
*	Fidelity Freedom 2050 K	Mutual Fund	N/A	5,568,826
*	Fidelity Freedom 2055 K	Mutual Fund	N/A	3,356,879
*	Fidelity Freedom 2060 K	Mutual Fund	N/A	2,486,924
*	Fidelity Total Bond K	Mutual Fund	N/A	<u>1,062,294</u>
	Total Mutual Funds			\$57,144,465
*	Managed Income Portfolio Class I	Common Collective Trust	N/A	226,787
*	Fidelity Retirement MM	Money Market	N/A	2,671,259
*	Participant loans	4.25-6.50% Various maturity dates	\$ -	<u>377,483</u>
				<u>\$60,419,994</u>

* - A party-in-interest as defined by ERISA.

N/A - Not applicable for participant-directed plan.