

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

2022

This Form is Open to Public Inspection

Part I Annual Report Identification Information

For calendar plan year 2022 or fiscal plan year beginning 01/01/2022 and ending 12/30/2022

- A** This return/report is for:
 - a multiemployer plan
 - a single-employer plan
 - a multiple-employer plan (Filers checking this box must attach a list of participating employer information in accordance with the form instructions.)
 - 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>HAPPY BANCSHARES, INC. EMPLOYEE STOCK OWNERSHIP PLAN WITH 401(K) PROVISIONS</u>	1b Three-digit plan number (PN) ▶ <u>001</u>
	1c Effective date of plan <u>01/01/1993</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>HAPPY BANCSHARES, INC.</u> <u>701 S TAYLOR, LOBBY BOX 120</u> <u>AMARILLO, TX 79101-2405</u>	2b Employer Identification Number (EIN) <u>75-2345300</u>
	2c Plan Sponsor's telephone number <u>806-342-2422</u>
	2d Business code (see instructions) <u>551111</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	<u>Filed with authorized/valid electronic signature.</u>	<u>10/16/2023</u>	<u>CHERYL DUKE</u>
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE	<u>Filed with authorized/valid electronic signature.</u>	<u>10/16/2023</u>	<u>CHERYL DUKE</u>
	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 (2022)
v. 220413

3a Plan administrator's name and address <input checked="" type="checkbox"/> 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	5 929
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 a(2) Total number of active participants at the end of the plan year b Retired or separated participants receiving benefits c Other retired or separated participants entitled to future benefits..... d Subtotal. Add lines 6a(2) , 6b , and 6c e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits. f Total. Add lines 6d and 6e g Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item)..... h Number of participants who terminated employment during the plan year with accrued benefits that were less than 100% vested.....	6a(1) 388 6a(2) 0 6b 0 6c 0 6d 0 6e 0 6f 0 6g 0 6h 0
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 2P 2T 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) <input checked="" type="checkbox"/> Insurance (2) <input type="checkbox"/> Code section 412(e)(3) insurance contracts (3) <input checked="" type="checkbox"/> Trust (4) <input type="checkbox"/> General assets of the sponsor	9b Plan benefit arrangement (check all that apply) (1) <input checked="" type="checkbox"/> Insurance (2) <input type="checkbox"/> Code section 412(e)(3) insurance contracts (3) <input checked="" type="checkbox"/> Trust (4) <input type="checkbox"/> 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) <input checked="" type="checkbox"/> R (Retirement Plan Information) (2) <input type="checkbox"/> MB (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary (3) <input type="checkbox"/> SB (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary	b General Schedules (1) <input checked="" type="checkbox"/> H (Financial Information) (2) <input type="checkbox"/> I (Financial Information – Small Plan) (3) <input type="checkbox"/> A (Insurance Information) (4) <input checked="" type="checkbox"/> C (Service Provider Information) (5) <input type="checkbox"/> D (DFE/Participating Plan Information) (6) <input type="checkbox"/> 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 2022 Form M-1 annual report. If the plan was not required to file the 2022 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) <small>Department of the Treasury Internal Revenue Service</small> <small>Department of Labor Employee Benefits Security Administration</small> <small>Pension Benefit Guaranty Corporation</small>	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.	<small>OMB No. 1210-0110</small> 2022 This Form is Open to Public Inspection.
--	--	---

For calendar plan year 2022 or fiscal plan year beginning 01/01/2022 and ending 12/30/2022

A Name of plan <u>HAPPY BANCSHARES, INC. EMPLOYEE STOCK OWNERSHIP PLAN WITH 401(K) PROVISIONS</u>	B Three-digit plan number (PN) ▶	<u>001</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>HAPPY BANCSHARES, INC.</u>	D Employer Identification Number (EIN) <u>75-2345300</u>	

Part I Service Provider Information (see instructions)

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

PRINCIPAL LIFE INSURANCE COMPANY

42-0127290

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

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

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

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

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

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

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

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

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

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

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

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)

PRINCIPAL LIFE INSURANCE COMPANY

42-0127290

(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?
13 37 50 64	CONTRACT ADMINISTRATOR	243142	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>	0	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>

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

COMMERCE STREET INVESTMENT ADVISORS

26-0180443

(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?
27 50	INVESTMENT ADVISORY	8905	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	24	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>

(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 <input type="checkbox"/> No <input type="checkbox"/>	Yes <input type="checkbox"/> No <input type="checkbox"/>		Yes <input type="checkbox"/> No <input type="checkbox"/>

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
(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.	
(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
(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.	
(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
(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.	

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:

**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

2022

This Form is Open to Public Inspection

For calendar plan year 2022 or fiscal plan year beginning 01/01/2022 and ending 12/30/2022

A Name of plan <u>HAPPY BANCSHARES, INC. EMPLOYEE STOCK OWNERSHIP PLAN WITH 401(K) PROVISIONS</u>		B Three-digit plan number (PN) ► <u>001</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>HAPPY BANCSHARES, INC.</u>		D Employer Identification Number (EIN) <u>75-2345300</u>

Part I Asset and Liability Statement

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		
b Receivables (less allowance for doubtful accounts):			
(1) Employer contributions.....	1b(1)	<u>62867</u>	
(2) Participant contributions.....	1b(2)		
(3) Other.....	1b(3)		
c General investments:			
(1) Interest-bearing cash (include money market accounts & certificates of deposit).....	1c(1)	<u>35080</u>	
(2) U.S. Government securities.....	1c(2)		
(3) Corporate debt instruments (other than employer securities):			
(A) Preferred.....	1c(3)(A)		
(B) All other.....	1c(3)(B)		
(4) Corporate stocks (other than employer securities):			
(A) Preferred.....	1c(4)(A)		
(B) Common.....	1c(4)(B)		
(5) Partnership/joint venture interests.....	1c(5)		
(6) Real estate (other than employer real property).....	1c(6)		
(7) Loans (other than to participants).....	1c(7)		
(8) Participant loans.....	1c(8)	<u>534638</u>	
(9) Value of interest in common/collective trusts.....	1c(9)		
(10) Value of interest in pooled separate accounts.....	1c(10)		
(11) Value of interest in master trust investment accounts.....	1c(11)		
(12) Value of interest in 103-12 investment entities.....	1c(12)		
(13) Value of interest in registered investment companies (e.g., mutual funds).....	1c(13)	<u>22758542</u>	
(14) Value of funds held in insurance company general account (unallocated contracts).....	1c(14)		
(15) Other.....	1c(15)		

1d Employer-related investments:		(a) Beginning of Year	(b) End of Year
(1) Employer securities.....	1d(1)	80828969	
(2) Employer real property.....	1d(2)		
e Buildings and other property used in plan operation.....	1e		
f Total assets (add all amounts in lines 1a through 1e).....	1f	104220096	0
Liabilities			
g Benefit claims payable.....	1g		
h Operating payables.....	1h		
i Acquisition indebtedness.....	1i		
j Other liabilities.....	1j		
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	104220096	0

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)	984115	
(B) Participants.....	2a(1)(B)	1247617	
(C) Others (including rollovers).....	2a(1)(C)	246483	
(2) Noncash contributions.....	2a(2)		
(3) Total contributions. Add lines 2a(1)(A), (B), (C), and line 2a(2).....	2a(3)		2478215
b Earnings on investments:			
(1) Interest:			
(A) Interest-bearing cash (including money market accounts and certificates of deposit).....	2b(1)(A)	8	
(B) U.S. Government securities.....	2b(1)(B)		
(C) Corporate debt instruments.....	2b(1)(C)		
(D) Loans (other than to participants).....	2b(1)(D)		
(E) Participant loans.....	2b(1)(E)	16591	
(F) Other.....	2b(1)(F)		
(G) Total interest. Add lines 2b(1)(A) through (F).....	2b(1)(G)		16599
(2) Dividends:			
(A) Preferred stock.....	2b(2)(A)		
(B) Common stock.....	2b(2)(B)		
(C) Registered investment company shares (e.g. mutual funds).....	2b(2)(C)	685702	
(D) Total dividends. Add lines 2b(2)(A), (B), and (C).....	2b(2)(D)		
(3) Rents.....	2b(3)		
(4) Net gain (loss) on sale of assets:			
(A) Aggregate proceeds.....	2b(4)(A)		
(B) Aggregate carrying amount (see instructions).....	2b(4)(B)		
(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)		
(B) Other.....	2b(5)(B)		
(C) Total unrealized appreciation of assets. Add lines 2b(5)(A) and (B).....	2b(5)(C)		

		(a) Amount	(b) Total
(6) Net investment gain (loss) from common/collective trusts	2b(6)		
(7) Net investment gain (loss) from pooled separate accounts	2b(7)		
(8) Net investment gain (loss) from master trust investment accounts	2b(8)		
(9) Net investment gain (loss) from 103-12 investment entities.....	2b(9)		
(10) Net investment gain (loss) from registered investment companies (e.g., mutual funds)	2b(10)		-7198274
c Other income	2c		
d Total income. Add all income amounts in column (b) and enter total	2d		-4017758
Expenses			
e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	99895479	
(2) To insurance carriers for the provision of benefits	2e(2)		
(3) Other	2e(3)		
(4) Total benefit payments. Add lines 2e(1) through (3).....	2e(4)		99895479
f Corrective distributions (see instructions).....	2f		
g Certain deemed distributions of participant loans (see instructions)	2g		
h Interest expense.....	2h		
i Administrative expenses: (1) Professional fees	2i(1)		
(2) Contract administrator fees.....	2i(2)	252361	
(3) Investment advisory and management fees	2i(3)	54498	
(4) Other	2i(4)		
(5) Total administrative expenses. Add lines 2i(1) through (4).....	2i(5)		306859
j Total expenses. Add all expense amounts in column (b) and enter total	2j		100202338
Net Income and Reconciliation			
k Net income (loss). Subtract line 2j from line 2d.....	2k		-104220096
l Transfers of assets:			
(1) To this plan	2l(1)		
(2) From this plan.....	2l(2)		

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: FORVIS, LLP

(2) EIN: 44-0160260

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		26817

		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?.....	4e		X	
f Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?	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.).....	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			

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 0.

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) <small>Department of the Treasury Internal Revenue Service</small> <small>Department of Labor Employee Benefits Security Administration</small> <small>Pension Benefit Guaranty Corporation</small>	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.	<small>OMB No. 1210-0110</small> 2022 This Form is Open to Public Inspection.
--	---	---

For calendar plan year 2022 or fiscal plan year beginning 01/01/2022 and ending 12/30/2022

A Name of plan <u>HAPPY BANCSHARES, INC. EMPLOYEE STOCK OWNERSHIP PLAN WITH 401(K) PROVISIONS</u>	B Three-digit plan number (PN) ▶	<u>001</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>HAPPY BANCSHARES, INC.</u>	D Employer Identification Number (EIN) <u>75-2345300</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	0
---	---

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): 42-0127290

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
-----------------	-------------------

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

Part V Additional Information for Multiemployer Defined Benefit Pension Plans

13 Enter the following information for each employer that (1) contributed more than 5% of total contributions to the plan during the plan year or (2) was one of the top-ten highest contributors (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: <input type="checkbox"/> last contributing employer <input type="checkbox"/> alternative <input type="checkbox"/> reasonable approximation (see instructions for required attachment).....	14a	
b The plan year immediately preceding the current plan year. <input type="checkbox"/> 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. <input type="checkbox"/> 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.

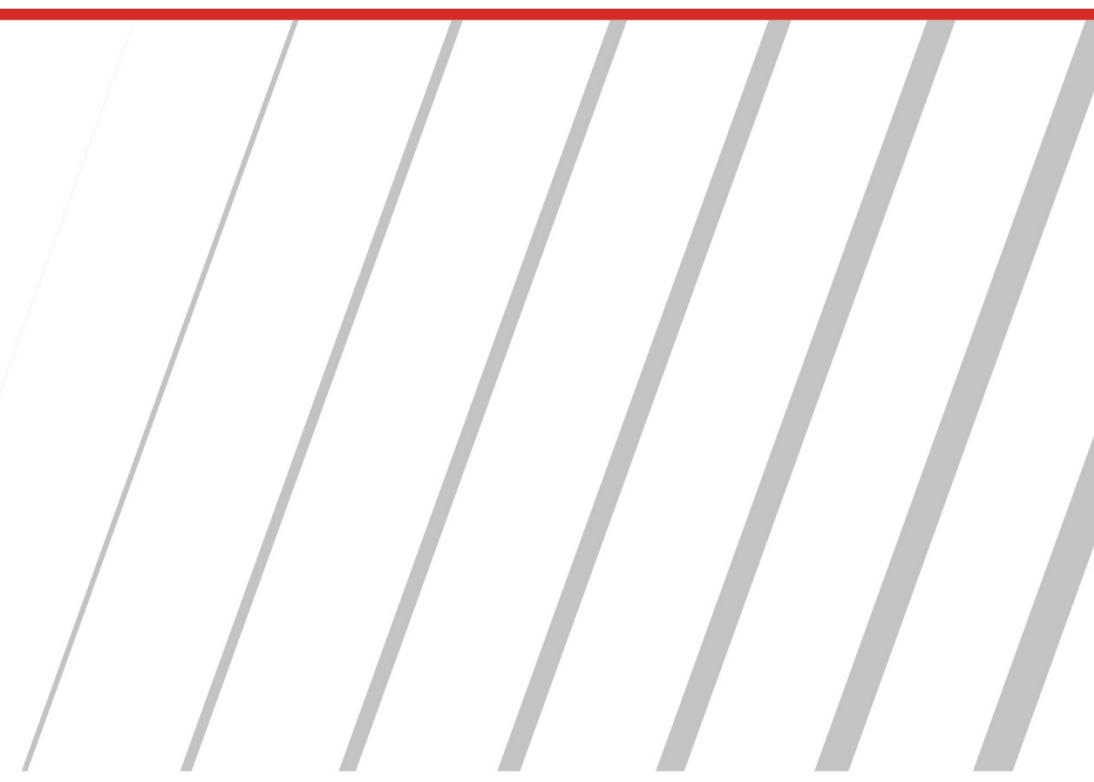
No. Other. Provide explanation _____



Happy Bancshares, Inc.
ESOP with 401(k) Provisions
EIN 75-2345300 PN 001

**Independent Auditor's Report and
Financial Statements**

December 31, 2022 and 2021



Happy Bancshares, Inc.
ESOP with 401(k) Provisions
December 31, 2022 and 2021

Contents

Independent Auditor's Report	1
Financial Statements	
Statements of Net Assets Available for Benefits	5
Statements of Changes in Net Assets Available for Benefits	6
Notes to Financial Statements.....	7
Supplemental Schedule	
Schedule H, Line 4a – Schedule of Delinquent Participant Contributions.....	18

Independent Auditor's Report

KSOP Committee, Plan Trustee and Plan Administrator
Happy Bancshares, Inc. ESOP with 401(k) Provisions
Amarillo, Texas

Scope and Nature of the ERISA Section 103(a)(3)(C) Audit

We have performed audits of the financial statements of Happy Bancshares, Inc. ESOP with 401(k) Provisions (the Plan), an employee benefit plan subject to the *Employee Retirement Income Security Act of 1974* (ERISA), as permitted by ERISA Section 103(a)(3)(C) (ERISA Section 103(a)(3)(C) audit). The financial statements comprise the statements of net assets available for benefits as of December 31, 2022 (in liquidation), and 2021 (ongoing), and the related statements of changes in net assets available for benefits for the years then ended, and the related notes to the financial statements.

Management, having determined it is permissible in the circumstances, has elected to have the audits of Happy Bancshares, Inc. ESOP with 401(k) Provisions' 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 Rules and Regulations for Reporting and Disclosure under ERISA. As permitted by ERISA Section 103(a)(3)(C), our audits 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 Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA (qualified institution).

Management has obtained certifications from a qualified institution as of December 31, 2022 and 2021, and for the years then ended, stating that the certified investment information, as described in Note 3 to the financial statements, is complete and accurate.

Opinion

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

- The amounts and disclosures in the accompanying 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 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

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Happy Bancshares, Inc. ESOP with 401(k) Provisions 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.

Emphasis of Matter – Plan Termination and Liquidation Basis of Accounting

As discussed in Note 1 to the financial statements, the Board of Directors of Happy Bancshares, Inc., the Plan's sponsor, voted on March 24, 2022, to terminate the Plan, and management determined liquidation is imminent. As a result, the Plan has changed its basis of accounting from the ongoing basis used in presenting the 2021 financial statements to the liquidation basis used in presenting the 2022 financial statements. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the 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 the 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 Happy Bancshares, Inc. ESOP with 401(k) Provisions' ability to continue as a going concern within one year after the date that these 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 Financial Statements

Except as described in the Scope and Nature of the ERISA Section 103(a)(3)(C) Audit 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 Happy Bancshares, Inc. ESOP with 401(k) Provisions' 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 Happy Bancshares, Inc. ESOP with 401(k) Provisions' ability to continue as a going concern for a reasonable period of time.

Our audits 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 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 Matter – Supplemental Schedule Required by ERISA

The supplemental schedule listed in the table of contents is presented for purposes of additional analysis and is not a required part of the financial statements but is supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under 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 audits 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 Department of Labor's Rules and Regulations for Reporting and Disclosure under 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, are presented, in all material respects, in conformity with the Department of Labor's Rules and Regulations for Reporting and Disclosure under 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).

FORVIS, LLP

Houston, Texas
October 9, 2023

Federal Employer Identification Number: 44-0160260

Happy Bancshares, Inc.
ESOP with 401(k) Provisions
Statements of Net Assets Available for Benefits
December 31, 2022 (In Liquidation) and 2021 (Ongoing)

	2022	2021
Assets	(In Liquidation)	(Ongoing)
Investments, at Fair Value		
Company's common stock	\$ -	\$ 80,828,969
Mutual funds	-	22,758,542
Interest-bearing cash	-	35,080
	0	103,622,591
Receivables		
Employer contributions	-	62,869
Notes receivable from participants	-	534,638
	0	597,507
Total assets	0	104,220,098
Net Assets Available for Benefits	\$ 0	\$ 104,220,098

Happy Bancshares, Inc. ESOP with 401(k) Provisions

Statements of Changes in Net Assets Available for Benefits Years Ended December 31, 2022 (In Liquidation) and 2021 (Ongoing)

	2022 (In Liquidation)	2021 (Ongoing)
Investment Income (Loss)		
Net depreciation in fair value of Company's common stock	\$ -	\$ (2,416,779)
Net appreciation (depreciation) in fair value of mutual funds	(7,198,274)	2,384,975
Interest	8	27
Dividends and other income	685,702	322,164
Net investment income (loss)	(6,512,564)	290,387
Interest Income on Notes Receivable From Participants	16,591	23,800
Contributions		
Participants	1,247,617	4,530,218
Employer	984,115	3,519,805
Rollovers	246,483	4,760,376
Total contributions	2,478,215	12,810,399
Total additions (reductions)	(4,017,758)	13,124,586
Deductions		
Benefits paid to participants	99,895,479	5,688,496
Administrative expenses	306,861	134,113
Total deductions	100,202,340	5,822,609
Net Increase (Decrease)	(104,220,098)	7,301,977
Net Assets Available for Benefits, Beginning of Year	104,220,098	96,918,121
Net Assets Available for Benefits, End of Year	\$ 0	\$ 104,220,098

Happy Bancshares, Inc. ESOP with 401(k) Provisions

Notes to Financial Statements

December 31, 2022 (In Liquidation) and 2021 (Ongoing)

Note 1: Description of the Plan

The following description of Happy Bancshares, Inc. ESOP with 401(k) Provisions (the Plan) provides only general information. Participants should refer to the *Plan Document* or *Summary Plan Description* for a more complete description of the Plan's provisions.

General

Happy Bancshares, Inc. (the Company) established the Plan effective as of January 1, 1993. The Plan operated, in relevant part, as a non-leveraged employee stock ownership plan (ESOP), and was designed to comply with Section 4975(e)(7) and the regulations thereunder of the Internal Revenue Code (IRC) of 1986, as amended and was subject to the applicable provisions of the *Employee Retirement Income Security Act of 1974* (ERISA), as amended. The Plan was administered by the Trustees of Happy Bancshares, Inc. Employee Stock Ownership Trust.

Principal Trust Company (Principal) was the custodian of the Plan. The custodian provides investment funds in which participants directed the investment of their non-ESOP accounts, as well as recordkeeping and administrative services. The Company was the custodian of the ESOP portion of the Plan.

On April 1, 2022, the Company merged with and into Home Bancshares, Inc. (HOMB). On March 24, 2022, the Board of Directors of the Company voted to terminate the Plan effective March 31, 2022, upon the closing of the merger. Upon merger and termination, all the Company common stock held in the Plan was exchanged for HOMB common stock, and all affected participants became 100 percent vested in their accounts. Plan assets were distributed to participants upon receipt of final Internal Revenue Service response. Principal serves as the Plan's Trustee.

Contributions

The Plan permitted eligible employees through a salary deferral election to have the Company make annual contributions of up to 100 percent of eligible compensation. Employee rollover contributions were also permitted. Participants who had attained age 50 before the end of the Plan year were eligible to make catch-up contributions. The Company made safe-harbor matching contributions of 100 percent of employees' salary deferral amounts on the first 7 percent of employees' eligible compensation, as defined. Additional Company matching contributions were discretionary as determined by the Company's Board of Directors. The Company did not make additional discretionary contributions during 2022 and 2021. Contributions were subject to certain limitations.

Happy Bancshares, Inc. ESOP with 401(k) Provisions

Notes to Financial Statements

December 31, 2022 (In Liquidation) and 2021 (Ongoing)

Participant Investment Account Options

Investment account options available included mutual funds and the Company's common stock. Each participant had the option of directing their contributions into any of the various investment options offered by the Plan and might change the allocation daily.

Participant Accounts

Each participant's account was credited with the participant's contributions, the Company's contributions and Plan earnings, and was charged with an allocation of administrative expenses. Allocations were based on participant earnings or account balances, as defined. The benefits to which a participant was entitled was the benefit that can be provided from the participant's vested account.

Vesting

Participants were immediately vested in their voluntary contributions and employer safe-harbor contributions, plus earnings thereon. Vesting in the Company's discretionary contributions, plus earnings thereon, was based on years of continuous service. A participant was fully vested after six years of continuous service. Forfeitures were allocated to participants in the ratio that the participants' compensation bears to the total compensation of all participants.

Put Option

Under federal income tax regulations, the Company's common stock that was held by the Plan and its participants and was not readily tradable on an established market or was subject to trading limitations includes a put option. The put option was a right to demand that the Company buy any shares of its stock distributed to participants for which there is no market. The put price was representative of the current appraised value of the stock. The Company could pay for the purchase with interest over a period of five years. The purpose of the put option was to ensure the participant had the ability to ultimately receive cash in exchange for the fair value of the Company's common stock.

Notes Receivable From Participants

Participants might borrow from their 401(k) fund accounts a minimum of \$1,000 up to a maximum equal to the lesser of \$50,000 or 50 percent of their vested account balance. The loans were secured by the balance in the participant's account. All loans were covered by demand notes and were repayable over a period not to exceed five years (except for loans for the purchase of a principal residence) through payroll withholdings unless the participant was paying the loan in full. The loan interest rate was set at 5 percent. Principal and interest was paid ratably through payroll deductions.

Happy Bancshares, Inc. ESOP with 401(k) Provisions

Notes to Financial Statements

December 31, 2022 (In Liquidation) and 2021 (Ongoing)

Payment of Benefits

In general, no distributions from the Plan would be made until a participant retired, died (in which case, payment was made to the participant's beneficiary or, if none, his or her legal representatives) or otherwise terminated employment with the Company. Participants might elect to receive either a lump-sum amount equal to the value of his or her vested account or a direct rollover distribution. If the value of the participant's vested investment in the Company's common stock was less than or equal to \$150,000 at the time of termination, the entire amount would be distributed to the participant within an administratively reasonable time. At management's discretion, mandatory distributions would be authorized for terminated employees with account balances less than \$5,000. Mandatory distributions greater than \$1,000 would be paid in a direct rollover to an individual retirement plan designated by the Plan Administrator.

If the value of the participant's vested investment in the Company's common stock was over \$150,000 at the time of termination, the participant would have the option to receive 50 percent of the account balance within an administratively reasonable time, and the remaining would be distributed in equal annual installments over a period of not longer than five years.

The amount to be distributed was based upon the immediately preceding valuation date. Distributions were made in cash or, if a participant elects, in the form of the Company's common stock plus cash for any fractional share. The Plan also permitted withdrawals from the Plan due to circumstances of financial hardship, in accordance with provisions specified in the *Plan Document*.

In connection with the final distributions that occurred upon plan termination in 2022, each participant's account balance was distributed by either lump sum distribution or by direct transfer to another qualified plan or individual retirement account in accordance with the Plan Document.

Voting Rights

With respect to any corporate matter which involved the voting of the Company's common stock as to the approval or disapproval of any corporate merger or consolidation, recapitalization, reclassification, liquidation, dissolution, sale of substantially all assets of a trade or business or such similar transactions as might be prescribed in the IRC or regulations promulgated thereunder, each participant would be entitled to direct the Trustee as to the exercise of any voting rights attributable to shares of the Company's common stock then allocated to their KSOP Stock Account, but only to the extent required by Sections 401(a)(22) and 409(e)(3) of the IRC and the regulations promulgated thereunder. In that event, the Trustee would vote allocated shares for which it had received no direction and unallocated shares in accordance with the fiduciary standards of Title I of ERISA.

Happy Bancshares, Inc.
ESOP with 401(k) Provisions
Notes to Financial Statements
December 31, 2022 (In Liquidation) and 2021 (Ongoing)

Diversification

Diversification was offered to participants close to retirement so that they had the opportunity to move part of the value of their investment in the Company's common stock into investments which are more diversified. Participants who were at least age 55 with at least 10 years of participation in the Plan might elect to diversify a portion of their account. Upon eligibility, participants might diversify up to 25 percent of the number of the Company's common stock shares allocated to his or her account, less any shares previously diversified. After four years, participants might elect to diversify up to 50 percent.

Forfeited Accounts

At December 31, 2022 and 2021, there were no forfeited non-vested accounts.

Note 2: Summary of Significant Accounting Policies

Basis of Accounting

Due to the decision to terminate the Plan in 2022 and determination that liquidation of the Plan was imminent, the accompanying 2022 financial statements were prepared on the liquidation basis of accounting. The accompanying 2021 financial statements were prepared on the accrual basis of accounting.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America required management to make estimates and assumptions that affected the reported amounts of net assets and changes in net assets and disclosure of contingent assets and liabilities at the date of the financial statements. Actual results could differ from those estimates.

Investment Valuation and Income Recognition

Investments were reported at fair value. Quoted market prices, if available, were used to value investments. Mutual funds were valued at the net asset value of shares held by the Plan at year-end.

The Company's common stock was valued at estimated fair value, as determined by an annual independent appraisal using comparable market information, such as weighted-average cost of capital, long-term revenue growth rate, and discount for lack of marketability.

The carrying amount of interest-bearing cash approximated fair value.

Happy Bancshares, Inc.
ESOP with 401(k) Provisions
Notes to Financial Statements
December 31, 2022 (In Liquidation) and 2021 (Ongoing)

For all investments, fair value approximated the amount the Plan expects to collect in liquidation.

Purchases and sales of securities were recorded on a trade-date basis. Interest income was recorded on the accrual basis. Dividends were recorded on the ex-dividend date. Net appreciation (depreciation) in fair value of investments included the Plan's gains and losses on investments bought and sold, as well as held during the year.

Notes Receivable From Participants

Notes receivable from participants were measured at their unpaid principal balance plus any accrued but unpaid interest. Delinquent participant loans were reclassified as distributions based upon the terms of the *Plan Document*.

Payment of Benefits

Benefit payments to participants were recorded upon distribution.

Administrative Expenses

Administrative expenses were paid by the Company or the Plan, at the Company's discretion.

Note 3: Certification of Plan Custodian

The Plan Administrator had elected the method of annual reporting compliance permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA. Accordingly, Principal, a qualified institution, had certified the following information included in the accompanying financial statements are complete and accurate:

- Mutual funds account investments and non-ESOP notes receivables from participants as shown in the statements of net assets available for benefits as of December 31, 2022 and 2021.
- Net appreciation (depreciation) in fair value of mutual funds and interest income on non-ESOP notes receivables from participants held by Principal for the years ended December 31, 2022 and 2021.

Happy Bancshares, Inc. ESOP with 401(k) Provisions

Notes to Financial Statements

December 31, 2022 (In Liquidation) and 2021 (Ongoing)

The Plan's independent auditors did not perform auditing procedures with respect to this certified investment information, except for comparing such certified investment information to the related investment information included in the financial statements.

Note 4: Related-party and Party-in-interest Transactions

Party-in-interest transactions include those with fiduciaries or employees of the Plan, any person who provides services to the Plan, an employer whose employees are covered by the Plan, an employee organization whose members are covered by the Plan, a person who owns 50 percent or more of such an employer or employee association, or relatives of such persons.

Certain Plan investments were mutual funds managed by the custodian, or affiliates thereof, of the non-ESOP portion of the Plan and, therefore, these transactions qualified as party-in-interest transactions. Fees incurred by the Plan for the investment management services were included in net appreciation in fair value of the related investment, as they were paid through revenue sharing, rather than a direct payment.

The Company directly paid any other fees related to the Plan's operations. The Company was the custodian of the ESOP portion of the Plan. As of December 31, 2022 and 2021, the Plan owed \$0 to the Company for the purchase of common stock credited to participant accounts at year-end.

The Plan was invested in 0 and 1,563,423 shares of the Company's common stock at December 31, 2022 and 2021, respectively. The Plan's cost in the Company's common stock was \$0 and \$31,991,978 at December 31, 2022 and 2021, respectively.

The Plan had a number of service providers, such providers are parties interest under ERISA. The Plan paid \$306,861 and \$134,113 of recordkeeping fees to Principal for the Plan during 2022 and 2021, respectively. The Company provided certain administrative services at no cost to the Plan.

Note 5: Net Assets by Participant and Nonparticipant-directed Investments

Information about the net assets and the significant components of the changes in net assets relating to the participant and nonparticipant-directed investments is as follows.

Happy Bancshares, Inc. ESOP with 401(k) Provisions

Notes to Financial Statements

December 31, 2022 (In Liquidation) and 2021 (Ongoing)

	2022		
	Nonparticipant- directed Funds	Participant- directed Funds	Total
Additions:			
Investment income:			
Net appreciation (depreciation) in fair value of investments	\$ -	\$ (7,198,274)	\$ (7,198,274)
Interest	-	8	8
Dividends and other income	-	685,702	685,702
	0	(6,512,564)	(6,512,564)
Net investment income (loss)			
Interest income on notes receivable from participants	0	16,591	16,591
Contributions:			
Participants	-	1,247,617	1,247,617
Employer	984,115	-	984,115
Rollovers	-	246,483	246,483
	984,115	1,494,100	2,478,215
Total contributions			
Total additions (reductions)	984,115	(5,001,873)	(4,017,758)
Deductions:			
Benefits paid to participants	30,017,905	69,877,574	99,895,479
Administrative expenses	-	306,861	306,861
	30,017,905	70,184,435	100,202,340
Total deductions			
Net increase	(29,033,790)	(75,186,308)	(104,220,098)
Net assets available for benefits, beginning of year	29,033,790	75,186,308	104,220,098
Net assets available for benefits, end of year	\$ 0	\$ 0	\$ 0

Happy Bancshares, Inc. ESOP with 401(k) Provisions

Notes to Financial Statements

December 31, 2022 (In Liquidation) and 2021 (Ongoing)

	2021		
	Nonparticipant- directed Funds	Participant- directed Funds	Total
Additions:			
Investment income (loss):			
Net appreciation (depreciation) in fair value of investments	\$ (1,021,211)	\$ 989,407	\$ (31,804)
Interest	-	27	27
Dividends	-	322,164	322,164
	(1,021,211)	1,311,598	290,387
Net investment income (loss)			
Interest income on notes receivable from participants	0	23,800	23,800
	0	23,800	23,800
Contributions:			
Participants	-	4,530,218	4,530,218
Employer	3,519,805	-	3,519,805
Rollovers	-	4,760,376	4,760,376
	3,519,805	9,290,594	12,810,399
Total contributions			
Total additions	2,498,594	10,625,992	13,124,586
	2,498,594	10,625,992	13,124,586
Deductions:			
Benefits paid to participants	1,627,918	4,060,578	5,688,496
Administrative expenses	-	134,113	134,113
	1,627,918	4,194,691	5,822,609
Total deductions			
Net increase	870,676	6,431,301	7,301,977
Net assets available for benefits, beginning of year	28,163,114	68,755,007	96,918,121
	28,163,114	68,755,007	96,918,121
Net assets available for benefits, end of year	\$ 29,033,790	\$ 75,186,308	\$ 104,220,098
	\$ 29,033,790	\$ 75,186,308	\$ 104,220,098

Happy Bancshares, Inc. ESOP with 401(k) Provisions

Notes to Financial Statements

December 31, 2022 (In Liquidation) and 2021 (Ongoing)

Note 6: Disclosures About Fair Value of Plan Assets and Liabilities

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

- Level 1** Quoted prices in active markets for identical assets or liabilities.
- Level 2** Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.
- Level 3** Unobservable inputs supported by little or no market activity and are significant to the fair value of the assets or liabilities.

Recurring Measurements

The following table presents the fair value measurements of assets recognized in the accompanying statements of net assets available for benefits measured at fair value on a recurring basis and the level within the fair value hierarchy in which the fair value measurements fall at December 31, 2021. There were no investments held by the Plan at December 31, 2022.

	Fair Value	Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
2021:				
Pooled separate accounts	\$ 22,758,542	\$ 22,758,542	\$ -	\$ -
Interest-bearing cash	35,080	35,080	-	-
Company's common stock	80,828,969	-	-	80,828,969
Total investments at fair value	<u>\$ 103,622,591</u>	<u>\$ 22,793,622</u>	<u>\$ 0</u>	<u>\$ 80,828,969</u>

Happy Bancshares, Inc. ESOP with 401(k) Provisions

Notes to Financial Statements

December 31, 2022 (In Liquidation) and 2021 (Ongoing)

Following is a description of the valuation methodologies and inputs used for assets measured at fair value on a recurring basis and recognized in the accompanying statements of net assets available for benefits, as well as the general classification of such assets pursuant to the valuation hierarchy. There have been no significant changes in the valuation techniques during the years ended December 31, 2022 and 2021. The Plan had no liabilities measured at fair value on a recurring basis. In addition, the Plan had no assets or liabilities measured at fair value on a nonrecurring basis.

Investments

Where quoted market prices are available in an active market, securities are classified within Level 1 of the valuation hierarchy. If quoted market prices are not available, then fair values are estimated by using quoted prices of securities with similar characteristics or independent asset pricing services and pricing models, the inputs of which are market-based or independently sourced market parameters, including, but not limited to, yield curves, interest rates, volatilities, prepayments, defaults, cumulative loss projections and cash flows. Such securities are classified in Level 2 of the valuation hierarchy. In certain cases where Level 1 or Level 2 inputs are not available, securities are classified within Level 3 of the hierarchy. See the table below for inputs and valuation techniques used for Level 3 securities.

Level 3 Activity

In 2022, there was no activity for Level 3 investments, except all Company common stock was converted to HOMB stock when the Company merged with HOMB. Activity for 2021 is as follows:

	Company's Common Stock
2021:	
Purchases	\$ 4,346,655

Note 7: Tax Status

The Internal Revenue Service had determined and informed the Company by a letter dated August 9, 2017, that the Plan and related trust, as then designed, was in compliance with applicable sections of the IRC and therefore not subject to tax. The Plan had been amended since receiving the determination letter. However, the Plan Administrator believed that the Plan and related trust were currently designed and being operated in compliance with the applicable requirements of the IRC as of the financial statement date.

Happy Bancshares, Inc.
ESOP with 401(k) Provisions
Notes to Financial Statements
December 31, 2022 (In Liquidation) and 2021 (Ongoing)

Note 8: Nonexempt Transactions

Defined contribution plans are required to remit employee contributions to the Plan as soon as they can be reasonably segregated from the employer's general assets, but no later than the 15th business day of the month following the month in which the participant contributions are withheld by the employer. While the Company remitted all employee contributions to the Plan, contributions of \$26,817 were not remitted within the required time period for the year ended December 31, 2022.

Note 9: Subsequent Events

Subsequent events have been evaluated through October 9, 2023, which is the date the financial statements were available to be issued.

Supplemental Schedule

**Happy Bancshares, Inc.
ESOP with 401(k) Provisions**

**Schedule H, Line 4a – Schedule of Delinquent Participant Contributions
December 31, 2022 (In Liquidation)**

Contributions Transferred Late to Plan	Total that Constitute Nonexempt Prohibited Transactions
\$ 26,817	\$ 26,817