

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 2023 This Form is Open to Public Inspection
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Part I	Annual Report Identification Information
For calendar plan year 2023 or fiscal plan year beginning 01/01/2023 and ending 12/31/2023	
A	This return/report is for: ☐ a multiemployer plan ☒ a single-employer plan ☐ a multiple-employer plan (Filers checking this box must provide participating employer information in accordance with the form instructions.) ☐ a DFE (specify) _____
B	This return/report is: ☐ the first return/report ☒ an amended return/report ☐ the final 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 FIRST STATE BANK 401(K) PROFIT SHARING AND EMPLOYEE STOCK OWNERSHIP PLAN
1b	Three-digit plan number (PN) ▶ 002
1c	Effective date of plan 12/01/1959
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) FIRST STATE BANK, GAINESVILLE, TEXAS P.O. BOX 10 GAINESVILLE, TX 76241-0010
2b	Employer Identification Number (EIN) 75-0270410
2c	Plan Sponsor's telephone number 940-665-1711
2d	Business code (see instructions) 522110

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.	11/22/2024	BRIAN MCCAIN
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE	Filed with authorized/valid electronic signature.	11/22/2024	BRIAN MCCAIN
	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

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	5 401
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(1) Number of participants with account balances as of the beginning of the plan year (only defined contribution plans complete this item) g(2) 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) 285 6a(2) 266 6b 18 6c 83 6d 367 6e 3 6f 370 6g(1) 361 6g(2) 367 6h 24
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 2H 2I 2J 2K 2O 2Q 2T 3I

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
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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
- (4) ☐ **DCG** (Individual Plan Information) – Number Attached 0
- (5) ☐ **MEP** (Multiple-Employer Retirement Plan Information)

b General Schedules

- (1) ☒ **H** (Financial Information)
- (2) ☐ **I** (Financial Information – Small Plan)
- (3) ☒ **A** (Insurance Information) – Number Attached 2
- (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 2023 Form M-1 annual report. If the plan was not required to file the 2023 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 A

(Form 5500)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

Insurance 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.

► Insurance companies are required to provide the information pursuant to ERISA section 103(a)(2).

OMB No. 1210-0110

2023

This Form is Open to Public Inspection

For calendar plan year 2023 or fiscal plan year beginning 01/01/2023 and ending 12/31/2023

A Name of plan

FIRST STATE BANK 401(K) PROFIT SHARING AND EMPLOYEE STOCK OWNERSHIP PLAN

B Three-digit plan number (PN)

002

C Plan sponsor's name as shown on line 2a of Form 5500

FIRST STATE BANK, GAINESVILLE, TEXAS

D Employer Identification Number (EIN)

75-0270410

Part I

Information Concerning Insurance Contract Coverage, Fees, and Commissions

Provide information for each contract on a separate Schedule A. Individual contracts grouped as a unit in Parts II and III can be reported on a single Schedule A.

1 Coverage Information:

(a) Name of insurance carrier

PRINCIPAL LIFE INSURANCE COMPANY

(b) EIN	(c) NAIC code	(d) Contract or identification number	(e) Approximate number of persons covered at end of policy or contract year	Policy or contract year	
				(f) From	(g) To
42-0127290	61271	613953	320	01/01/2023	12/31/2023

2 Insurance fee and commission information. Enter the total fees and total commissions paid. List in line 3 the agents, brokers, and other persons in descending order of the amount paid.

(a) Total amount of commissions paid	(b) Total amount of fees paid
1916	0

3 Persons receiving commissions and fees. (Complete as many entries as needed to report all persons).

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

WOODBURY FINANCIAL SERVICES500 BIELENBERG DR
WOODBURY, MN 55125-4447

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	
1916	0		3

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	

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	(c) Amount	(d) Purpose	

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	

Part II Investment and Annuity Contract Information

Where individual contracts are provided, the entire group of such individual contracts with each carrier may be treated as a unit for purposes of this report.

4 Current value of plan's interest under this contract in the general account at year end	4	0
5 Current value of plan's interest under this contract in separate accounts at year end.....	5	0

6 Contracts With Allocated Funds:**a** State the basis of premium rates ▶

b Premiums paid to carrier	6b	
c Premiums due but unpaid at the end of the year.....	6c	
d If the carrier, service, or other organization incurred any specific costs in connection with the acquisition or retention of the contract or policy, enter amount. Specify nature of costs ▶	6d	

e Type of contract: (1) ☐ individual policies (2) ☐ group deferred annuity
(3) ☐ other (specify) ▶

f If contract purchased, in whole or in part, to distribute benefits from a terminating plan, check here ▶ ☐**7** Contracts With Unallocated Funds (Do not include portions of these contracts maintained in separate accounts)

a Type of contract: (1) ☐ deposit administration (2) ☐ immediate participation guarantee
(3) ☐ guaranteed investment (4) ☒ other ▶ CUSTODIAL GUARANTEED INTEREST CONTRACT

b Balance at the end of the previous year	7b	919498
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c Additions: (1) Contributions deposited during the year	7c(1)	32200	
	7c(2)		
	7c(3)	17100	
	7c(4)		
	7c(5)	324324	

▶ LOAN PAYMENT, ROLLOVER, OUTSIDE INVESTMENT TRANSFER

(6) Total additions	7c(6)	373624
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d Total of balance and additions (add lines 7b and 7c(6))	7d	1293122
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e Deductions: (1) Disbursed from fund to pay benefits or purchase annuities during year (2) Administration charge made by carrier	7e(1)	6887	
	7e(2)	4095	
	7e(3)		
	7e(4)	6596	

▶ LOAN WITHDRAWAL, OUTSIDE INVESTMENT TRANSFER

(5) Total deductions	7e(5)	17578
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f Balance at the end of the current year (subtract line 7e(5) from line 7d)	7f	1275544
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Part III Welfare Benefit Contract Information

If more than one contract covers the same group of employees of the same employer(s) or members of the same employee organizations(s), the information may be combined for reporting purposes if such contracts are experience-rated as a unit. Where contracts cover individual employees, the entire group of such individual contracts with each carrier may be treated as a unit for purposes of this report.

8 Benefit and contract type (check all applicable boxes)

- a** ☐ Health (other than dental or vision)
b ☐ Dental
c ☐ Vision
d ☐ Life insurance
e ☐ Temporary disability (accident and sickness)
f ☐ Long-term disability
g ☐ Supplemental unemployment
h ☐ Prescription drug
i ☐ Stop loss (large deductible)
j ☐ HMO contract
k ☐ PPO contract
l ☐ Indemnity contract
m ☐ Other (specify) ▶

9 Experience-rated contracts:

a Premiums: (1) Amount received	9a(1)		
(2) Increase (decrease) in amount due but unpaid.....	9a(2)		
(3) Increase (decrease) in unearned premium reserve	9a(3)		
(4) Earned ((1) + (2) - (3)).....		9a(4)	
b Benefit charges (1) Claims paid.....	9b(1)		
(2) Increase (decrease) in claim reserves	9b(2)		
(3) Incurred claims (add (1) and (2)).....		9b(3)	
(4) Claims charged		9b(4)	
c Remainder of premium: (1) Retention charges (on an accrual basis) --			
(A) Commissions	9c(1)(A)		
(B) Administrative service or other fees	9c(1)(B)		
(C) Other specific acquisition costs	9c(1)(C)		
(D) Other expenses	9c(1)(D)		
(E) Taxes	9c(1)(E)		
(F) Charges for risks or other contingencies.....	9c(1)(F)		
(G) Other retention charges	9c(1)(G)		
(H) Total retention		9c(1)(H)	
(2) Dividends or retroactive rate refunds. (These amounts were ☐ paid in cash, or ☐ credited.).....		9c(2)	
d Status of policyholder reserves at end of year: (1) Amount held to provide benefits after retirement		9d(1)	
(2) Claim reserves		9d(2)	
(3) Other reserves.....		9d(3)	
e Dividends or retroactive rate refunds due. (Do not include amount entered in line 9c(2).)		9e	

10 Nonexperience-rated contracts:

a Total premiums or subscription charges paid to carrier	10a	
b If the carrier, service, or other organization incurred any specific costs in connection with the acquisition or retention of the contract or policy, other than reported in Part I, line 2 above, report amount	10b	

Specify nature of costs.

Part IV Provision of Information

11 Did the insurance company fail to provide any information necessary to complete Schedule A?..... ☐ Yes ☒ No

12 If the answer to line 11 is "Yes," specify the information not provided. ▶

SCHEDULE A (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Insurance 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. ▶ Insurance companies are required to provide the information pursuant to ERISA section 103(a)(2).	OMB No. 1210-0110 2023 This Form is Open to Public Inspection
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For calendar plan year 2023 or fiscal plan year beginning 01/01/2023 and ending 12/31/2023		
A Name of plan FIRST STATE BANK 401(K) PROFIT SHARING AND EMPLOYEE STOCK OWNERSHIP PLAN	B Three-digit plan number (PN) 002	
C Plan sponsor's name as shown on line 2a of Form 5500 FIRST STATE BANK, GAINESVILLE, TEXAS	D Employer Identification Number (EIN) 75-0270410	

Part I	Information Concerning Insurance Contract Coverage, Fees, and Commissions	Provide information for each contract on a separate Schedule A. Individual contracts grouped as a unit in Parts II and III can be reported on a single Schedule A.
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1 Coverage Information:

(a) Name of insurance carrier PRINCIPAL LIFE INSURANCE COMPANY					
(b) EIN	(c) NAIC code	(d) Contract or identification number	(e) Approximate number of persons covered at end of policy or contract year	Policy or contract year	
				(f) From	(g) To
42-0127290	61271	713773	1	01/01/2023	12/31/2023

2 Insurance fee and commission information. Enter the total fees and total commissions paid. List in line 3 the agents, brokers, and other persons in descending order of the amount paid.

(a) Total amount of commissions paid	(b) Total amount of fees paid
0	0

3 Persons receiving commissions and fees. (Complete as many entries as needed to report all persons).

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid
--

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid
--

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	

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(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	

Part II Investment and Annuity Contract Information

Where individual contracts are provided, the entire group of such individual contracts with each carrier may be treated as a unit for purposes of this report.

4 Current value of plan's interest under this contract in the general account at year end	4	0
5 Current value of plan's interest under this contract in separate accounts at year end.....	5	682376

6 Contracts With Allocated Funds:**a** State the basis of premium rates ▶**b** Premiums paid to carrier**6b****c** Premiums due but unpaid at the end of the year.....**6c****d** If the carrier, service, or other organization incurred any specific costs in connection with the acquisition or retention of the contract or policy, enter amount.**6d**

Specify nature of costs ▶

e Type of contract: (1) ☐ individual policies (2) ☐ group deferred annuity(3) ☐ other (specify) ▶**f** If contract purchased, in whole or in part, to distribute benefits from a terminating plan, check here ☐**7** Contracts With Unallocated Funds (Do not include portions of these contracts maintained in separate accounts)**a** Type of contract: (1) ☐ deposit administration (2) ☐ immediate participation guarantee(3) ☐ guaranteed investment (4) ☐ other ▶**b** Balance at the end of the previous year**7b****c** Additions: (1) Contributions deposited during the year**7c(1)**

(2) Dividends and credits

7c(2)

(3) Interest credited during the year

7c(3)

(4) Transferred from separate account.....

7c(4)

(5) Other (specify below)

7c(5)

▶

(6) Total additions.....

7c(6)**d** Total of balance and additions (add lines **7b** and **7c(6)**)**7d****e** Deductions:

(1) Disbursed from fund to pay benefits or purchase annuities during year

7e(1)

(2) Administration charge made by carrier

7e(2)

(3) Transferred to separate account.....

7e(3)

(4) Other (specify below)

7e(4)

▶

(5) Total deductions.....

7e(5)**f** Balance at the end of the current year (subtract line **7e(5)** from line **7d**)**7f**

0

Part III Welfare Benefit Contract Information

If more than one contract covers the same group of employees of the same employer(s) or members of the same employee organizations(s), the information may be combined for reporting purposes if such contracts are experience-rated as a unit. Where contracts cover individual employees, the entire group of such individual contracts with each carrier may be treated as a unit for purposes of this report.

8 Benefit and contract type (check all applicable boxes)

- a** ☐ Health (other than dental or vision)
b ☐ Dental
c ☐ Vision
d ☐ Life insurance
e ☐ Temporary disability (accident and sickness)
f ☐ Long-term disability
g ☐ Supplemental unemployment
h ☐ Prescription drug
i ☐ Stop loss (large deductible)
j ☐ HMO contract
k ☐ PPO contract
l ☐ Indemnity contract
m ☐ Other (specify) ▶

9 Experience-rated contracts:

a Premiums: (1) Amount received	9a(1)		
(2) Increase (decrease) in amount due but unpaid.....	9a(2)		
(3) Increase (decrease) in unearned premium reserve	9a(3)		
(4) Earned ((1) + (2) - (3)).....		9a(4)	
b Benefit charges (1) Claims paid.....	9b(1)		
(2) Increase (decrease) in claim reserves	9b(2)		
(3) Incurred claims (add (1) and (2)).....		9b(3)	
(4) Claims charged		9b(4)	
c Remainder of premium: (1) Retention charges (on an accrual basis) --			
(A) Commissions	9c(1)(A)		
(B) Administrative service or other fees	9c(1)(B)		
(C) Other specific acquisition costs	9c(1)(C)		
(D) Other expenses	9c(1)(D)		
(E) Taxes	9c(1)(E)		
(F) Charges for risks or other contingencies.....	9c(1)(F)		
(G) Other retention charges	9c(1)(G)		
(H) Total retention		9c(1)(H)	
(2) Dividends or retroactive rate refunds. (These amounts were ☐ paid in cash, or ☐ credited.).....		9c(2)	
d Status of policyholder reserves at end of year: (1) Amount held to provide benefits after retirement		9d(1)	
(2) Claim reserves		9d(2)	
(3) Other reserves.....		9d(3)	
e Dividends or retroactive rate refunds due. (Do not include amount entered in line 9c(2).)		9e	

10 Nonexperience-rated contracts:

a Total premiums or subscription charges paid to carrier	10a	
b If the carrier, service, or other organization incurred any specific costs in connection with the acquisition or retention of the contract or policy, other than reported in Part I, line 2 above, report amount	10b	

Specify nature of costs.

Part IV Provision of Information

11 Did the insurance company fail to provide any information necessary to complete Schedule A?..... ☐ Yes ☒ No

12 If the answer to line 11 is "Yes," specify the information not provided. ▶

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
		2023
		This Form is Open to Public Inspection.

For calendar plan year 2023 or fiscal plan year beginning 01/01/2023 and ending 12/31/2023		
A Name of plan FIRST STATE BANK 401(K) PROFIT SHARING AND EMPLOYEE STOCK OWNERSHIP PLAN	B Three-digit plan number (PN) ▶	002
C Plan sponsor's name as shown on line 2a of Form 5500 FIRST STATE BANK, GAINESVILLE, TEXAS	D Employer Identification Number (EIN) 75-0270410	

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
PRINCIPAL LIFE INSURANCE COMPANY
42-0127290

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

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(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	86186	Yes ☒ No ☐	Yes ☒ No ☐	0	Yes ☐ No ☒

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

WOODBURY FINANCIAL SERVICES

41-0944586

(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?
49 55 99	OTHER SERVICES	0	Yes ☒ No ☐	Yes ☐ No ☒	34339	Yes ☐ No ☒

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

WILSHIRE ADVISORS LLC

95-2755361

(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 72	INVESTMENT ADVISORY	0	Yes ☒ No ☐	Yes ☐ No ☒	0	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
WOODBURY FINANCIAL SERVICES	49 55 99	34339

(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.
PRINCIPAL LIFE INSURANCE COMPANY 42-0127290	COMMISSIONS AND REFERRAL/SERVICE FEE

(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
WILSHIRE ADVISORS LLC	27 72	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.
PRINCIPAL LIFE INSURANCE COMPANY 42-0127290	1 BASIS POINT ANNUALLY ON ELIGIBLE PLAN ASSETS IN WILSHIRE 3(21) OR WILSHIRE 3(21) AUTO-EXECUTE FIDUCIARY SERVICE.

(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 D (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration	DFE/Participating Plan 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 2023 This Form is Open to Public Inspection.
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For calendar plan year 2023 or fiscal plan year beginning 01/01/2023 and ending 12/31/2023

A Name of plan <u>FIRST STATE BANK 401(K) PROFIT SHARING AND EMPLOYEE STOCK OWNERSHIP PLAN</u>	B Three-digit plan number (PN) ▶ <u>002</u>
--	--

C Plan or DFE sponsor's name as shown on line 2a of Form 5500 <u>FIRST STATE BANK, GAINESVILLE, TEXAS</u>	D Employer Identification Number (EIN) <u>75-0270410</u>
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Part I	Information on interests in MTIAs, CCTs, PSAs, and 103-12 IEs (to be completed by plans and DFEs) (Complete as many entries as needed to report all interests in DFEs)
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a Name of MTIA, CCT, PSA, or 103-12 IE: PRIN LIFETIME HYBR 2010 CIT Z

b Name of sponsor of entity listed in (a): PRINCIPAL GLOBAL INVESTORS TRUST CO

c EIN-PN <u>26-6447574-001</u>	d Entity code <u>C</u>	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) <u>0</u>
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a Name of MTIA, CCT, PSA, or 103-12 IE: PRIN LIFETIME HYBR 2015 CIT Z

b Name of sponsor of entity listed in (a): PRINCIPAL GLOBAL INVESTORS TRUST CO

c EIN-PN <u>26-6447574-002</u>	d Entity code <u>C</u>	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) <u>109293</u>
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a Name of MTIA, CCT, PSA, or 103-12 IE: PRIN LIFETIME HYBR 2020 CIT Z

b Name of sponsor of entity listed in (a): PRINCIPAL GLOBAL INVESTORS TRUST CO

c EIN-PN <u>26-6447574-003</u>	d Entity code <u>C</u>	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) <u>756589</u>
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a Name of MTIA, CCT, PSA, or 103-12 IE: PRIN LIFETIME HYBR 2025 CIT Z

b Name of sponsor of entity listed in (a): PRINCIPAL GLOBAL INVESTORS TRUST CO

c EIN-PN <u>26-6447574-004</u>	d Entity code <u>C</u>	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) <u>2692697</u>
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a Name of MTIA, CCT, PSA, or 103-12 IE: PRIN LIFETIME HYBR 2030 CIT Z

b Name of sponsor of entity listed in (a): PRINCIPAL GLOBAL INVESTORS TRUST CO

c EIN-PN <u>26-6447574-005</u>	d Entity code <u>C</u>	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) <u>1968509</u>
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a Name of MTIA, CCT, PSA, or 103-12 IE: PRIN LIFETIME HYBR 2035 CIT Z

b Name of sponsor of entity listed in (a): PRINCIPAL GLOBAL INVESTORS TRUST CO

c EIN-PN <u>26-6447574-006</u>	d Entity code <u>C</u>	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) <u>1945851</u>
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a Name of MTIA, CCT, PSA, or 103-12 IE: PRIN LIFETIME HYBR 2040 CIT Z

b Name of sponsor of entity listed in (a): PRINCIPAL GLOBAL INVESTORS TRUST CO

c EIN-PN <u>26-6447574-007</u>	d Entity code <u>C</u>	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) <u>1841054</u>
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a Name of MTIA, CCT, PSA, or 103-12 IE: PRIN LIFETIME HYBR 2045 CIT Z		
b Name of sponsor of entity listed in (a): PRINCIPAL GLOBAL INVESTORS TRUST CO		
c EIN-PN 26-6447574-008	d Entity code C	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 1198313
a Name of MTIA, CCT, PSA, or 103-12 IE: PRIN LIFETIME HYBR 2050 CIT Z		
b Name of sponsor of entity listed in (a): PRINCIPAL GLOBAL INVESTORS TRUST CO		
c EIN-PN 26-6447574-009	d Entity code C	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 1225256
a Name of MTIA, CCT, PSA, or 103-12 IE: PRIN LIFETIME HYBR 2055 CIT Z		
b Name of sponsor of entity listed in (a): PRINCIPAL GLOBAL INVESTORS TRUST CO		
c EIN-PN 26-6447574-010	d Entity code C	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 797369
a Name of MTIA, CCT, PSA, or 103-12 IE: PRIN LIFETIME HYBR INC CIT Z		
b Name of sponsor of entity listed in (a): PRINCIPAL GLOBAL INVESTORS TRUST CO		
c EIN-PN 26-6447574-011	d Entity code C	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 11048
a Name of MTIA, CCT, PSA, or 103-12 IE: PRIN LIFETIME HYBR 2060 CIT Z		
b Name of sponsor of entity listed in (a): PRINCIPAL GLOBAL INVESTORS TRUST CO		
c EIN-PN 26-6447574-012	d Entity code C	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 534451
a Name of MTIA, CCT, PSA, or 103-12 IE: PRIN LIFETIME HYBR 2065 CIT Z		
b Name of sponsor of entity listed in (a): PRINCIPAL GLOBAL INVESTORS TRUST CO		
c EIN-PN 26-6447574-013	d Entity code C	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 271835
a Name of MTIA, CCT, PSA, or 103-12 IE: SMALL CAP GROWTH FUND II R1		
b Name of sponsor of entity listed in (a): GREAT GRAY TRUST COMPANY		
c EIN-PN 38-4126288-592	d Entity code C	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 291547
a Name of MTIA, CCT, PSA, or 103-12 IE: INTERNATIONAL GROWTH II R1 FD		
b Name of sponsor of entity listed in (a): GREAT GRAY TRUST COMPANY		
c EIN-PN 38-4139842-619	d Entity code C	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 98473
a Name of MTIA, CCT, PSA, or 103-12 IE: LARGE CAP GRWTH FD III CL R1		
b Name of sponsor of entity listed in (a): GREAT GRAY TRUST COMPANY		
c EIN-PN 38-7275327-001	d Entity code C	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 665364
a Name of MTIA, CCT, PSA, or 103-12 IE: PRIN LIFETIME HYB 2070 CIT Z		
b Name of sponsor of entity listed in (a): PRINCIPAL GLOBAL INVESTORS TRUST CO		
c EIN-PN 26-6447574-014	d Entity code C	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 4701

a Name of MTIA, CCT, PSA, or 103-12 IE: PRIN LIQUID ASSETS SEP ACCT-R3**b** Name of sponsor of entity listed in (a): PRINCIPAL LIFE INSURANCE COMPANY

c EIN-PN 42-0127290-024	d Entity code P	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 682376
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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)
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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)
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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)
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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)
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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)
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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)
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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)
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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)
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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)
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Part II Information on Participating Plans (to be completed by DFEs, other than DCGs)

(Complete as many entries as needed to report all participating plans. DCGs must report each participating plan using Schedule DCG.)

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
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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
		2023
		This Form is Open to Public Inspection

For calendar plan year 2023 or fiscal plan year beginning 01/01/2023 and ending 12/31/2023		
A Name of plan FIRST STATE BANK 401(K) PROFIT SHARING AND EMPLOYEE STOCK OWNERSHIP PLAN	B Three-digit plan number (PN) ▶	002
C Plan sponsor's name as shown on line 2a of Form 5500 FIRST STATE BANK, GAINESVILLE, TEXAS	D Employer Identification Number (EIN) 75-0270410	

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)		645155
(2) Participant contributions	1b(2)		
(3) Other	1b(3)	632456	2550000
c General investments:			
(1) Interest-bearing cash (include money market accounts & certificates of deposit)	1c(1)		
(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)	303485	360004
(9) Value of interest in common/collective trusts	1c(9)	10584566	14412351
(10) Value of interest in pooled separate accounts.....	1c(10)	778435	682376
(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)	5794708	5621968
(14) Value of funds held in insurance company general account (unallocated contracts)	1c(14)	919498	1275544
(15) Other.....	1c(15)		

1d Employer-related investments:		(a) Beginning of Year	(b) End of Year
(1) Employer securities	1d(1)	16878004	14054877
(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	35891152	39602275
Liabilities			
g Benefit claims payable	1g		
h Operating payables	1h	160	160
i Acquisition indebtedness	1i		
j Other liabilities	1j	1200000	2550000
k Total liabilities (add all amounts in lines 1g through 1j)	1k	1200160	2550160
Net Assets			
l Net assets (subtract line 1k from line 1f)	1l	34690992	37052115

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)	1305092	
(B) Participants	2a(1)(B)	1216650	
(C) Others (including rollovers)	2a(1)(C)	664818	
(2) Noncash contributions	2a(2)		
(3) Total contributions. Add lines 2a(1)(A) , (B) , (C) , and line 2a(2)	2a(3)		3186560
b Earnings on investments:			
(1) Interest:			
(A) Interest-bearing cash (including money market accounts and certificates of deposit)	2b(1)(A)		
(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)	23344	
(F) Other	2b(1)(F)	17100	
(G) Total interest. Add lines 2b(1)(A) through (F)	2b(1)(G)		40444
(2) Dividends: (A) Preferred stock	2b(2)(A)		
(B) Common stock	2b(2)(B)	136664	
(C) Registered investment company shares (e.g. mutual funds)	2b(2)(C)	92278	
(D) Total dividends. Add lines 2b(2)(A) , (B) , and (C)	2b(2)(D)		228942
(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)	-240734	
(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)		2035021
(7) Net investment gain (loss) from pooled separate accounts.....	2b(7)		61467
(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)		637778
c Other income	2c		-25022
d Total income. Add all income amounts in column (b) and enter total	2d		5924456

Expenses

e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	3477146	
(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)		3477146
f Corrective distributions (see instructions)	2f		
g Certain deemed distributions of participant loans (see instructions)	2g		
h Interest expense	2h		
i Administrative expenses:			
(1) Salaries and allowances	2i(1)		
(2) Contract administrator fees.....	2i(2)	86187	
(3) Recordkeeping fees.....	2i(3)		
(4) IQPA audit fees.....	2i(4)		
(5) Investment advisory and investment management fees	2i(5)		
(6) Bank or trust company trustee/custodial fees	2i(6)		
(7) Actuarial fees	2i(7)		
(8) Legal fees	2i(8)		
(9) Valuation/appraisal fees	2i(9)		
(10) Other trustee fees and expenses	2i(10)		
(11) Other expenses	2i(11)		
(12) Total administrative expenses. Add lines 2i(1) through (11)	2i(12)		86187
j Total expenses. Add all expense amounts in column (b) and enter total	2j		3563333

Net Income and Reconciliation

k Net income (loss). Subtract line 2j from line 2d	2k		2361123
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: **PAYNE & SMITH, LLC**

(2) EIN: **27-0316262**

d The opinion of an independent qualified public accountant is **not attached** as part of Schedule H because:

(1) ☐ This form is filed for a CCT, PSA, DCG 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. DCGs do not complete lines 4e, 4f, 4k, 4l, and 5, and DCGs generally complete the rest of Part IV collectively for all plans in the DCG, except as otherwise provided (see instructions).

During the plan year:

	Yes	No	Amount
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.)		☒	
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.)		☒	
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.)		☒	
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.)		☒	
e Was this plan covered by a fidelity bond?	☒		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?		☒	
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?		☒	
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?		☒	
i Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.)	☒		
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.)		☒	
k Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?		☒	
l Has the plan failed to provide any benefit when due under the plan?		☒	
m If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.)		☒	
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.			

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 2023 This Form is Open to Public Inspection.	
For calendar plan year 2023 or fiscal plan year beginning 01/01/2023 and ending 12/31/2023					
A Name of plan FIRST STATE BANK 401(K) PROFIT SHARING AND EMPLOYEE STOCK OWNERSHIP PLAN				B Three-digit plan number (PN) ▶	002
C Plan sponsor's name as shown on line 2a of Form 5500 FIRST STATE BANK, GAINESVILLE, TEXAS				D Employer Identification Number (EIN) 75-0270410	
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					
For Paperwork Reduction Act Notice, see the Instructions for Form 5500.				Schedule R (Form 5500) 2023 v. 230707	

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: ☐ 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) and (b):

a Enter the percentage of plan assets held as:

Public Equity: _____% Private Equity: _____% Investment-Grade Debt and Interest Rate Hedging Assets: _____%

High-Yield Debt: _____% Real Assets: _____% Cash or Cash Equivalents: _____% Other: _____%

b Provide the average duration of the Investment-Grade Debt and Interest Rate Hedging Assets:

☐ 0-5 years ☐ 5-10 years ☐ 10-15 years ☐ 15 years or more

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. _____

Part VII IRS Compliance Questions

21a Does the plan satisfy the coverage and nondiscrimination tests of Code sections 410(b) and 401(a)(4) by combining this plan with any other plans under the permissive aggregation rules? ☐ Yes ☒ No

21b If this is a Code section 401(k) plan, check all boxes that apply to indicate how the plan is intended to satisfy the nondiscrimination requirements for employee deferrals and employer matching contributions (as applicable) under Code sections 401(k)(3) and 401(m)(2).

☐ Design-based safe harbor method

☐ "Prior year" ADP test

☒ "Current year" ADP test

☐ N/A

22 If the plan sponsor is an adopter of a pre-approved plan that received a favorable IRS Opinion Letter, enter the date of the Opinion Letter ____/____/____ (MM/DD/YYYY) and the Opinion Letter serial number _____.

***FIRST STATE BANK
401(k) PROFIT SHARING AND
EMPLOYEE STOCK
OWNERSHIP PLAN***

**Financial Statements and
Supplemental Schedule**

December 31, 2023 and 2022

(With Independent Auditor's Report Thereon)

TABLE OF CONTENTS

	<u>Page</u>
INDEPENDENT AUDITOR'S REPORT	1 - 3
FINANCIAL STATEMENTS:	
Statements of Net Assets Available for Benefits	4
Statement of Changes in Net Assets Available for Benefits	5
NOTES TO FINANCIAL STATEMENTS	6 - 15
SUPPLEMENTAL SCHEDULE:	
Schedule H - Part IV, Line 4 (i) - Schedule of Assets (Held at End of Year)	17 - 18



Independent Auditor's Report

To the Sponsor
First State Bank of Gainesville, Texas
401(k) Profit Sharing and Employee Stock
Ownership Plan and Trust
Gainesville, Texas

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

We have performed audits of the financial statements of First State Bank 401(k) Profit Sharing and Employee Stock Ownership Plan ("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, 2023 and 2022, and the related statement of changes in net assets available for benefits for the year ended December 31, 2023, and the related notes to the financial statements.

Management, having determined it is permissible in the circumstances, has elected to have the audits of the Plan's 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, 2023 and 2022, and for the year ended December 31, 2023, stating that the certified investment information, as described in Note 3 to the financial statements, is complete and accurate.

Opinion on the Financial Statements

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 financial statements referred to above, 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 financial statements referred to above 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 Financial Statements

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. 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 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 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 the Plan's ability to continue as a going concern for one year after the date 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 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 generally accepted auditing standards 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 generally accepted auditing standards, 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 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 Matters

Supplemental Schedule Required by ERISA

The supplemental Schedule of Assets (Held at End of Year) as of or for the year ended December 31, 2023 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 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 generally accepted auditing standards. 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 their 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, is 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).

Payne & Smith, LLC

October 14, 2024

FIRST STATE BANK
401(K) PROFIT SHARING AND EMPLOYEE STOCK
OWNERSHIP PLAN

STATEMENTS OF NET ASSETS
AVAILABLE FOR BENEFITS

December 31, 2023 and 2022

<u>ASSETS</u>	<u>2023</u>	<u>2022</u>
Investments, at fair value:		
General securities:		
Collective investment trusts	\$ 14,412,351	\$ 10,584,566
Pooled separate accounts	682,376	778,435
Mutual funds	5,621,968	5,794,708
Guaranteed investment contract with insurance company	<u>1,275,544</u>	<u>919,498</u>
Total general securities	<u>21,992,239</u>	<u>18,077,207</u>
Sponsor company common stock	<u>14,054,877</u>	<u>16,878,004</u>
Total investments, at fair value	<u>36,047,116</u>	<u>34,955,211</u>
Receivables:		
Employer's contributions	645,155	581,207
Other employer's contributions allocated for repayment		
of note payable to Plan Sponsor	<u>201</u>	<u>-</u>
Total employer's contributions receivable	645,356	581,207
Accrued dividends on Sponsor company stock	-	51,249
Proceeds due from sale of Sponsor company common stock		
allocated for repayment of note payable to Plan Sponsor	2,549,799	-
Notes receivable from participants	<u>360,004</u>	<u>303,485</u>
Total receivables	<u>3,555,159</u>	<u>935,941</u>
Total assets	<u>39,602,275</u>	<u>35,891,152</u>
 <u>LIABILITIES</u>		
Accounts payable:		
Note payable to Plan Sponsor	2,550,000	1,200,000
Accrued contract administration fees	<u>160</u>	<u>160</u>
Total liabilities	<u>2,550,160</u>	<u>1,200,160</u>
 NET ASSETS AVAILABLE FOR BENEFITS	 <u>\$ 37,052,115</u>	 <u>\$ 34,690,992</u>

The accompanying notes are an integral part of these financial statements.

FIRST STATE BANK
401(K) PROFIT SHARING AND EMPLOYEE STOCK
OWNERSHIP PLAN

STATEMENT OF CHANGES IN NET ASSETS
AVAILABLE FOR BENEFITS

For the Year Ended December 31, 2023

ADDITIONS TO NET ASSETS ATTRIBUTED TO:

Investment income:

Net appreciation in fair value of investments	\$ 2,501,330
Interest and dividend income on general securities	92,278
Dividend income on Sponsor company common stock	<u>136,664</u>
Total investment income	<u>2,730,272</u>

Interest income on notes receivable from participants	23,344
---	--------

Contributions:

Employer	1,305,092
Participants'	1,216,650
Rollover	<u>664,818</u>
Total contributions	<u>3,186,560</u>

Total additions	<u>5,940,176</u>
-----------------	------------------

DEDUCTIONS FROM NET ASSETS ATTRIBUTED TO:

Benefit payments to participants	3,460,148
Contract administrator fees	<u>86,311</u>
Total deductions	<u>3,546,459</u>

NET INCREASE IN NET ASSETS AVAILABLE

FOR BENEFITS	2,393,717
--------------	-----------

NET ASSETS AVAILABLE FOR BENEFITS:

Beginning of year - unadjusted	34,690,992
Prior period adjustment to fair value of Sponsor common stock allocated to note payable	<u>(32,594)</u>
Beginning of year - adjusted	<u>34,658,398</u>
End of year	<u>\$ 37,052,115</u>

The accompanying notes are an integral part of these financial statements.

FIRST STATE BANK
401(K) PROFIT SHARING AND EMPLOYEE STOCK
OWNERSHIP PLAN

NOTES TO FINANCIAL STATEMENTS

December 31, 2023 and 2022

1. Description of the Plan

The following description of the First State Bank 401(k) Profit Sharing and Employee Stock Ownership Plan (the Plan) provides only general information. Participants should refer to the Plan document for a more complete description of the Plan's provisions.

General

The Plan is a defined contribution plan, specifically, an employee stock ownership plan with 401(k) provisions that is intended to invest primarily in Red River BanCorp, Inc. (referred to as the Plan Sponsor or Company) common stock and managed investments which are funded by contributions from both the participants and the Plan Sponsor. The Plan was adopted on December 1, 1959 and is subject to the requirements of the Employee Retirement Income Security Act of 1974 (ERISA). The Plan is administered by a Plan Administrator and overseen by the Company's Administrative Committee which reports to the Company's board of directors. The Company's Administrative Committee determines the suitability of the Plan's investments and monitors the Plan's investments performance.

Eligibility

Employees become eligible for participation on the first eligibility date that coincides with or immediately follows completion of four months of service following their respective hire date. The Plan entry date is the immediate semi-annual date (January 1 or July 1) falling on or after the eligibility requirements are met.

Contributions

Each year, participants may contribute between 4% and 50% of their pre-tax annual compensation (as defined) subject to certain maximum limitations imposed by the Internal Revenue Code ("the Code"), as defined in the Plan. Participants may elect to make pre-tax deferrals or Roth deferrals. Participants who attain age 50 before the end of the Plan year are eligible to make catch-up contributions. Rollover contributions are allowed only if such contributions will not jeopardize the tax-exempt status of the Plan and may be made prior to meeting the eligibility requirements for participation in the Plan. The Company may make discretionary contributions and discretionary matching contributions. During 2023, Company ESOP discretionary contribution, and Company discretionary matching contributions included in Employer contributions on the accompanying statement of changes in net assets available for benefits totaled \$654,366 and \$650,726, respectively.

Investment Options

The Plan currently offers participants the opportunity to direct investment investments in pooled separate account funds, collective investment trust funds ("CIT"), mutual funds, and Sponsor company common stock. Participants must direct contributions to the investment options made available and determined by the Plan Administrator. Participants may change their investment elections at any time throughout the year via internet or direct phone access to Principal. The Plan's Qualified Default Investment Alternative ("QDIA") for those participants, including beneficiaries, who have not provided investment directions is the Principal LifeTime Hybrid target-date retirement CIT group of funds. Contributions are automatically invested in the QDIA fund until changed by the participant.

FIRST STATE BANK
401(K) PROFIT SHARING AND EMPLOYEE STOCK
OWNERSHIP PLAN

Participant Accounts

Each participant's account is credited with the participant's contribution and an allocation of the Company's discretionary matching contributions (100% match on the first 4% of the participant's eligible compensation), plan earnings and losses, and charged with an allocation of plan expenses. Allocations are based on participants' investment elections and earnings or account balances, as defined in the Plan. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account balance.

Vesting

Participants are always fully vested in their contributions plus earnings and losses thereon. Vesting in the Company's contributions portion of discretionary matching and discretionary profit-sharing contributions is based on years of continuous service.

Vesting in Company contributions and dividends allocated to participant accounts with respect to dividends attributable to shares of Sponsor company common stock made prior to January 1, 2022, shall be subject to the vesting schedule set forth below:

<u>Years of Vesting Service</u>	<u>Percentage Payable</u>
Less than 2 years	0%
2 but less than 3 years	20%
3 but less than 4 years	40%
4 but less than 5 years	60%
5 but less than 6 years	80%
At least 6 years	100%

Vesting in Company contributions and dividends allocated to participant accounts with respect to dividends attributable to shares of Sponsor company common stock made on or after January 1, 2022, shall be subject to the vesting schedule set forth below:

<u>Years of Vesting Service</u>	<u>Percentage Payable</u>
Less than 1 years	0%
1 but less than 2 years	20%
2 but less than 3 years	40%
3 but less than 4 years	60%
4 but less than 5 years	80%
At least 5 years	100%

Notes Receivable From Participants

Participants may borrow from their accounts a minimum of \$1,000 as long as the borrowed amount does not exceed the lesser of: (a) one-half of the participant's vested account balance or (b) \$50,000 reduced by the participant's greatest outstanding loan balance during the 12 months preceding the date of the loan. The loans are secured by the balance in the participant's account and bear interest at rates ranging from 4.25% to 9.50% which are commensurate with local prevailing rates as determined periodically by the Plan administrator. Loans are required to be repaid within 5 years of the date of the loan except for loans to acquire a principal residence, which may be repaid over a period not to exceed 30 years. Principal and interest are repaid ratably through payroll deductions.

FIRST STATE BANK
401(K) PROFIT SHARING AND EMPLOYEE STOCK
OWNERSHIP PLAN

Forfeitures

Terminated participants may forfeit the non-vested portion of their Employer Account balance. A forfeiture will occur in the Plan Year that a terminated participant receives a distribution of the entire vested Account, or after five consecutive one-year breaks in service for terminated participants who do not receive a distribution. However, forfeited account balances of a terminated participant will be restored according to the Plan when the participant is re-hired before incurring five consecutive one-year breaks in service, and the participant repays the full amount of all distributions made before the end of the five-year period that begins on the date of re-employment. Unrestored forfeitures are retained in the Plan and are used to first offset the Plan's administrative expenses then to reduce future Employer contributions. At December 31, 2023 and 2022, forfeited non-vested accounts totaled \$79,363 and \$110,740, respectively. During 2023, new forfeitures totaled \$33,930 and net losses totaled \$27,576. The Plan used \$8,433 to reduce administrative expenses, and \$29,298 to reduce Company contributions. See Note 7 for other disclosures of related party and party-in-interest transactions.

Payment of Benefits

Upon termination of service due to death, disability or retirement, participants may receive a lump sum payment equal to their vested account balance.

Participants aged 59½ years or older can make withdrawals from their vested account resulting from 401(k) elective deferral contributions, matching contributions, discretionary contributions, employee stock ownership component (ESOP) discretionary matching contributions, and ESOP discretionary contributions. To comply with certain requirements of the SECURE Act and IRS regulations, the Plan requires participants to take their first RMD in the year they reach age 73.

Participants who are also active employees can request a hardship withdrawal up to their vested account balance, subject to certain conditions and restrictions. An active participant with a financial hardship may be able to withdraw all or any part of their vested account resulting from 401(k) elective deferral contributions provided the hardship distribution is for: (1) payment of medical expenses that would be tax deductible; (2) purchase of a primary home; (3) stop eviction from primary home, or stop foreclosure on such home; (4) payment of tuition, related educational fees, and room and board expenses for up to the next 12 months of post-secondary education of the participant, spouse, children, or dependents defined in the Plan; (5) burial or funeral expenses for a deceased parent, spouse, child, or dependents defined in the Plan; and (6) expenses to repair damage to primary home that would be tax deductible. To comply with certain requirements of the SECURE Act and IRS regulations, the Plan waived certain aspects of the substantiation rule requirements, and the six-month elective deferrals suspension rule for hardship distributions.

Put Option

Under federal income tax regulations, the Sponsor company common stock that is held by the Plan and its participants and is not readily tradable on an established market or is subject to trading limitations includes a put option. The put option is a right to demand that the Company buy back shares of its stock distributed to participants for which there is no market. The put price is representative of the current value of the stock. The Company may pay the purchase price in a single cash payment or in substantially equal periodic payments over a period of five years.

Diversification

Diversification is offered to participants close to retirement so that they may have the opportunity to move part of the value of their investment in Company common stock into investments which are more diversified. Participants who are at least age 55 with at least ten years of participation in the Plan may elect to diversify a portion of their ESOP account. Diversification is offered to each eligible participant over a six-year period. In the first five years, eligible participants may diversify up to 25 percent of their post-1986 shares in the Company stock (at fair market value of the Sponsor company common stock based on the most recent valuation) allocated to their individual ESOP accounts. The 25 percent allocation is cumulative for all five years and is reduced in any year by any amounts previously diversified. In the sixth year, eligible participants may elect to cumulatively diversify up to 50 percent of their ESOP account.

FIRST STATE BANK
401(K) PROFIT SHARING AND EMPLOYEE STOCK
OWNERSHIP PLAN

2. Summary of Significant Accounting Policies

Date of Management's Review and Subsequent Events

The Plan has evaluated events and transactions for potential recognition or disclosure through October 14, 2024, which is the date the financial statements were available to be issued.

Use of Estimates

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

Basis of Accounting

The financial statements of the Plan are prepared on the accrual basis of accounting.

Investment Valuation and Income Recognition

Investments of the Plan are stated 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 5 for discussion of fair value measurements.

The net appreciation in the fair value of investments consists of the realized gains and losses on investments bought and sold as well as held during the year and unrealized appreciation (depreciation) of investments. The net change in unrealized appreciation (depreciation) in the fair value of investments is determined by the change in fair value from the beginning of the year to the end of the year or change in fair value from date of the purchase to the end of the year.

Purchases and sales are recorded on a trade date basis. Interest income and dividends are recorded on the accrual basis.

Notes Receivable From Participants

Notes receivable from participants are measured at their unpaid principal balance plus any accrued but unpaid interest. Related fees are charged directly to the borrowing participant's account and are included in administrative expenses when incurred. As of December 31, 2023 and 2022, no allowance for credit losses has been recorded.

If a participant does not make loan repayments and the plan administrator considers the participant loan to be in default, the loan balance is reduced, and the delinquent participant note receivable is recorded as a benefit payment based on the terms of the Plan document. The fair value disclosures for financial instruments are not required for participant loans. Also, participant loans continue to be considered as investments for Form 5500 reporting purposes.

Administrative Expenses

Officers or employees of the Company perform certain administrative functions of the Plan. However, such officers and employees receive no compensation from the Plan. Administrative expenses are paid by the Plan.

Payment of Benefits

Benefits are recorded when paid.

Prior Period Adjustment

Certain amounts previously reported have been adjusted to conform to the current format. As presented in the accompanying statement of changes in net assets available for benefits, the adjustment in fair value of Company common stock allocated to the ESOP note payable at December 31, 2022 decreased the beginning 2023 net assets available for benefits, and the related change in net assets available for benefits by \$32,594.

FIRST STATE BANK
401(K) PROFIT SHARING AND EMPLOYEE STOCK
OWNERSHIP PLAN

3. Information Certified by Trustee

The following information included in the accompanying financial statements and supplemental schedule was obtained from data that has been prepared and certified to as complete and accurate by Principal Trust Company, the trustee of the Plan.

	<u>2023</u>	<u>2022</u>
General securities, at fair value:		
Collective investment trusts	\$ 14,412,351	\$ 10,584,566
Pooled separate accounts	682,376	778,435
Mutual funds	5,621,968	5,794,708
Guaranteed interest contract with insurance company	<u>1,275,544</u>	<u>919,498</u>
Total general securities, at fair value	<u>\$ 21,992,239</u>	<u>\$ 18,077,207</u>
Notes receivable from participants	<u>\$ 360,004</u>	<u>\$ 303,485</u>
Interest and dividend income on general securities	<u>\$ 92,278</u>	
Dividend income on Sponsor company common stock	<u>\$ 136,664</u>	
Interest income on notes receivable from participants	<u>\$ 23,344</u>	

4. Investment Contract with Insurance Company

The Plan entered into a benefit-responsive guaranteed investment contract (Custodial Guaranteed Interest Contract) with Principal Life Insurance Company (Principal). Principal maintains the contributions in a general account. The account is credited with earnings on the underlying investments and charged for participant withdrawals and administrative expenses. The guaranteed investment contract issuer is contractually obligated to repay the principal and a specified interest rate that is guaranteed to the Plan.

Contract value is the relevant measurement attribute for that portion of the net assets available for benefits attributable to the fully benefit-responsive guaranteed investment contracts. However, the guaranteed investment contract is benefit-responsive and is presented on the statement of net assets available for benefits at fair value because contract value approximates fair value. Contract value, as reported to the Plan by Principal, represents contributions made under the contract, plus earnings, less participant withdrawals and administrative expenses. Participants may ordinarily direct the withdrawal or transfer of all or a portion of their investment at contract value. The fair value of the investment contracts at December 31, 2023 and 2022 was \$1,275,544 and \$919,498, respectively. The crediting interest rate is based on a formula agreed upon with the issuer. Such interest rates are reviewed on a quarterly basis for resetting.

Certain events may limit the Plan's ability to transact at contract value with Principal. Such events include the following: (a) amendments to the plan documents (including complete or partial plan termination or merger with another plan), (b) changes to the plan's prohibition on competing investment options or deletion of equity wash provisions, (c) bankruptcy of the plan sponsor or other plan sponsor events (for example, divestitures or spin-offs of a subsidiary) that cause a significant withdrawal from the plan, or (d) the failure of the trust to qualify for exemption from federal income taxes or any required prohibited transaction exemption under ERISA. The Plan administrator does not believe that any events that would limit the Plan's ability to transact at contract value with Plan participants are probable of occurring.

FIRST STATE BANK
401(K) PROFIT SHARING AND EMPLOYEE STOCK
OWNERSHIP PLAN

5. Fair Value Measurements

ASC Topic 820, *Fair Value Measurements and Disclosures* establishes a fair value hierarchy for valuation inputs that gives the highest priority to quoted prices in active markets for identical assets or liabilities and the lowest priority to unobservable inputs. The three broad levels of the fair value hierarchy are as follows:

- Level 1 inputs consist of unadjusted quoted prices in active markets for identical assets and have the highest priority.
- Level 2 inputs consist of observable inputs other than quoted prices for identical assets (Level 1).
- Level 3 inputs consist of unobservable inputs and have the lowest priority.

The Plan uses appropriate valuation techniques based on the available inputs to measure the fair value of its investments. When available, the Plan measures fair value using Level 1 inputs because they generally provide the most reliable evidence of fair value. Level 2 inputs are used for investments for which Level 1 inputs are not available. Level 3 inputs would only be used if Level 1 or Level 2 inputs are not available.

Level 1 Fair Value Measurements

Mutual funds - The fair value of mutual funds is based on quoted net asset values of the shares as reported by the fund. The mutual funds held by the Plan are open-end mutual funds registered with the U.S. Securities and Exchange Commission. The funds must publish their daily net asset value and transact at that price. The mutual funds held by the Plan are considered to be actively traded.

Level 2 Fair Value Measurements

Collective investment trusts - The Plan's interest in the collective investment trust is based on the fair value of the collective trust's underlying investments based on information reported by the trustee using the audited financial statements of the collective trust at year end. Investments in this fund can be redeemed on a daily basis to meet benefit payments and other participant-initiated withdrawals.

Pooled separate accounts - Pooled separate accounts ("PSAs") invests in mutual funds. The fair value of a mutual fund is a publicly quoted pricing input used in determining the net asset value ("NAV") of the PSA, which is not publicly quoted but is available to current investors via the Employer website or when plan participants access their account values. The NAV is the basis for current transactions and the PSAs can be redeemed at NAV as of the measurement date. The fair value of the underlying mutual fund is based on third-party pricing vendors and utilize observable market information. PSAs typically can be redeemed on a daily basis.

Level 3 Fair Value Measurements

Guaranteed interest account - The Plan's investment contract with insurance company is an annuity contract backed by the assets in the general account of an insurance company. Due to the nature of this contract, there are not specific underlying assets assigned. Since these contracts cannot be sold, transferred, or assigned externally, there is limited market data to support valuation. Because most participant transactions are executed using contract value without adjustment, the Plan believes contract value (determined on a quarterly basis) approximates fair value.

Employer securities - The fair value of Sponsor company common stock is measured at estimated fair market value based on the valuation of an independent third-party valuation specialist. The value per share (excluding market/liquidity constraints) is determined using a combined valuation approach which considers the fair market value per share of blocks of Company common stock owned by the Plan using the income value approach and the market value approach. The determined fair value is then discounted to account for lack of marketability/liquidity. During each of the years presented, the marketability/liquidity discount was 5%. At December 31, 2023, the estimated fair value for each of the 57,839 shares of Company common stock included in Plan investments and the 10,493 shares of Company common stock included in receivables for proceeds due from sale of ESOP note payable was \$243 per share. At December 31, 2022, the estimated fair value for each of the 68,332 shares of Company common stock included in Plan investments was \$247 per share. See Note 7 for additional disclosures of parties-in-interest transactions.

FIRST STATE BANK
401(K) PROFIT SHARING AND EMPLOYEE STOCK
OWNERSHIP PLAN

The following sets forth, by level within the fair value hierarchy, the Plan's investments at fair value as of December 31, 2023 and 2022:

		Fair Value Measurements Using:			
		<u>Quoted Prices in</u>	<u>Other</u>		
		<u>Active Markets for</u>	<u>Observable</u>	<u>Unobservable</u>	
	<u>Fair Value</u>	<u>Identical Assets</u>	<u>Inputs</u>	<u>Inputs</u>	
		<u>(Level 1)</u>	<u>(Level 2)</u>	<u>(Level 3)</u>	
December 31, 2023:					
Collective investment trusts	\$ 14,412,351	\$ -	\$ 14,412,351	\$ -	
Pooled separate accounts	682,376	-	682,376	-	
Mutual funds	5,621,968	5,621,968	-	-	
Guaranteed interest contract	1,275,544	-	-	1,275,544	
Sponsor company common stock	<u>14,054,877</u>	<u>-</u>	<u>-</u>	<u>14,054,877</u>	
Total investments, at fair value	<u>\$ 36,047,116</u>	<u>\$ 5,621,968</u>	<u>\$ 15,094,727</u>	<u>\$ 15,330,421</u>	
December 31, 2022:					
Collective investment trusts	\$ 10,584,566	\$ -	\$ 10,584,566	\$ -	
Pooled separate accounts	778,435	-	778,435	-	
Mutual funds	5,794,708	5,794,708	-	-	
Guaranteed interest contract	919,498	-	-	919,498	
Sponsor company common stock	<u>16,878,004</u>	<u>-</u>	<u>-</u>	<u>16,878,004</u>	
Total investments, at fair value	<u>\$ 34,955,211</u>	<u>\$ 5,794,708</u>	<u>\$ 11,363,001</u>	<u>\$ 17,797,502</u>	

Gains and losses included in changes in net assets available for benefits for the year ended December 31, 2023 are reported in net appreciation in fair value of investments.

**FIRST STATE BANK
401(K) PROFIT SHARING AND EMPLOYEE STOCK
OWNERSHIP PLAN**

6. Note Payable to Plan Sponsor

On November 10, 2022, the First State Bank 401(k) Profit Sharing and Employee Stock Ownership Trust (“the Plan or borrower”) entered into a 80-26 Loan Agreement with the Company (“Plan Sponsor or lender”) in the amount of \$1,200,000 for the purpose of providing liquidity to fund the Plan’s 2022 ESOP obligations to: (1) certain participants desiring to utilize the diversification provisions of Section 4.02(b) of the Plan to diversify a portion of their Accounts holding Company common stocks into other investment alternatives offered within the Plan; and, (2) certain terminated participants currently entitled to distributions from the Plan and utility of the diversification provisions of Section 4.02(b) of the Plan. The related Term Note from the Plan is executed in favor of the Plan Sponsor and is unsecured, interest-free, and intended to comply with the provisions of United States Department of Labor (“DOL”) Prohibited Transaction Class Exemption Number 80-26, as amended. As such, the Plan is required to exclusively use the loan proceeds for the payment of ordinary operating expenses of the Plan, including the payment of benefits in accordance with the terms of the Plan. The 2022 Term Note principal balance of \$1,200,000, included in liabilities on the accompanying 2022 statement of net assets available for benefits was timely paid in full during 2023.

On December 20, 2023, the First State Bank 401(k) Profit Sharing and Employee Stock Ownership Trust (“the Plan or borrower”) entered into a 80-26 Loan Agreement with the Company (“Plan Sponsor or lender”) in the amount of \$2,550,000 for the purpose of providing liquidity to fund the Plan’s 2023 ESOP obligations to: (1) certain participants desiring to utilize the diversification provisions of Section 4.02(b) of the Plan to diversify a portion of their Accounts holding Company common stocks into other investment alternatives offered within the Plan; and, (2) certain terminated participants currently entitled to distributions from the Plan and utility of the diversification provisions of Section 4.02(b) of the Plan. The related Term Note from the Plan is executed in favor of the Plan Sponsor and is unsecured, interest-free, and intended to comply with the provisions of DOL Prohibited Transaction Class Exemption Number 80-26, as amended. As such, the Plan is required to exclusively use the loan proceeds for the payment of ordinary operating expenses of the Plan, including the payment of benefits in accordance with the terms of the Plan. The 2023 Term Note’s outstanding principal balance of \$2,550,000, included in liabilities on the accompanying 2023 statement of net assets available for benefits, is due and payable in full on or before December 20, 2024. At December 31, 2023, the Company has recorded a receivable of proceeds due from sale of Company common stock in the amount of \$2,549,799 representing an allocation of 10,493 Company common stock shares (at \$243 per share), and \$201 included in other employer’s contributions receivable to facilitate the full settlement of the ESOP note payable principal balance of \$2,550,000.

The 80-26 loan transactions qualified as a party-in-interest transaction that are exempt from the prohibited transaction rules of ERISA. See Note 7 for additional disclosures of related party and party-in-interest transactions.

FIRST STATE BANK
401(K) PROFIT SHARING AND EMPLOYEE STOCK
OWNERSHIP PLAN

7. Related Party and Party-in-Interest Transactions

Parties-in-interest are defined under DOL regulations as any fiduciary of the Plan or any party rendering services to the Plan, the Company, and certain others.

Certain plan investments are shares or units of collective investment trusts, pooled separate accounts, mutual funds, and guaranteed interest contract managed by the trustee of the Plan, Principal Trust Company ("PTC"), a member company of the Principal Financial Group ("PFG"). Therefore, PTC is a party-in-interest under ERISA and transactions with PTC qualify as party-in-interest transactions. Fees paid by the Plan for investment management services are included in net appreciation in fair value of investments on the accompanying statement of changes in net assets available for benefits, as they are paid through revenue sharing arrangements rather than direct payment arrangements.

Plan transactions and records are administered by Principal Life Insurance Company ("PLI"), a member company of PFG. PLI is also the Plan's third-party contract administrator. Therefore, PLI is a party-in-interest under ERISA and transactions with PLI qualify as party-in-interest transactions. Fees paid by the Plan to PLI for contract administration and recordkeeping services are presented as administrative expenses on the accompanying statement of changes in net assets available for benefits. During 2023, the Plan paid \$86,311 in administrative expenses to PLI.

Wilshire Associates, Inc., ("WAI"), is the Plan's third-party provider of investments advisory services. Therefore, PFA is a party-in-interest under ERISA and transactions with WAI qualify as party-in-interest transactions. Fees paid by the Plan for investment advisory services are included in net appreciation in fair value of investments on the accompanying statement of changes in net assets available for benefits, as they are paid through revenue sharing arrangements rather than direct payment arrangements.

Woodbury Financial Services, Inc., ("WFS"), is the Plan's third-party provider of brokerage services. Therefore, PFA is a party-in-interest under ERISA and transactions with WFS qualify as party-in-interest transactions. WFS receives indirect compensation from the investment product companies affiliated with the Plan Trustee. Indirect compensation paid to WFS for brokerage services are netted in net appreciation in fair value of investments on the accompanying statement of changes in net assets available for benefits, as they are paid through revenue sharing arrangements rather than direct payment arrangements.

Certain plan investments are shares of common stock of Red River Bancorp, Inc. (Sponsor company common stock) managed by the Trust department of the Plan Sponsor. At December 31, 2023 and 2022, the Sponsor company common stock included in the accompanying financial statements are recorded at estimated fair value based on an annual valuation independently prepared for the Plan by The Bank Advisory Group, LLC ("BAG"), a third-party valuation specialist. The Plan Sponsor, its Trust department, and BAG are parties-in-interest under ERISA and transactions with the Plan Sponsor, its Trust department, and BAG qualify as party-in-interest transactions. No fees are charged for transactions between the Plan and the Sponsor or its Trust Department. Fees incurred by the Plan for Company common stock valuation services provided by BAG are paid by the Plan Sponsor and are not accrued, not included, and not disclosed in the accompanying statements financial statements. See Note 5 for additional disclosures on Sponsor company common stock.

Payne & Smith, LLC is the Plan's independent public accountant ("IPA") as defined by the Plan. Therefore, the IPA is a party-in-interest under ERISA and transactions with the IPA qualify as party-in-interest transactions. Fees incurred by the Plan for audit and nonattest services provided by the IPA are paid by the Plan Sponsor and are not accrued, not included, and not disclosed in the accompanying statements financial statements.

As more fully discussed in Note 6, in December 2023 and November 2022, the Plan entered into separate 80-26 Loan agreements between the Plan and the Plan Sponsor for the purpose of providing the Plan with liquidity to fund the Plan's ESOP obligations incurred during 2023 and 2022, respectively. The Plan Sponsor is a party-in-interest under ERISA and transactions with the Plan Sponsor qualify as party-in-interest transactions. The 2023 Term Note's outstanding principal balance of \$2,550,000 at December 31, 2023 is due and payable in full on or before December 20, 2024 and at December 31, 2023, the Plan has accrued an allocation of 10,493 Sponsor company common stock (equivalent to \$2,549,799), and \$201 in other employer's contribution to furnish the full settlement of the ESOP note payable principal balance. The 2022 Term Note's outstanding principal balance of \$1,200,000 at December 31, 2022 was timely repaid in full during 2023.

These party-in-interest transactions are exempt from the prohibited transaction rules of ERISA.

FIRST STATE BANK
401(K) PROFIT SHARING AND EMPLOYEE STOCK
OWNERSHIP PLAN

8. Tax Status

The Plan sponsor is an adopter of a pre-approved plan that received a favorable Internal Revenue Service ("IRS") Opinion Letter dated June 30, 2020, in which the IRS stated that the Plan was in compliance with the applicable requirements of the Internal Revenue Code ("IRC"). Although the Plan has been amended and restated since receiving the Opinion Letter, the Plan Administrator believes this Plan is designed and is being operated in compliance with the applicable provisions of the IRC.

Accounting principles generally accepted in the United States of America require the plan administrator to evaluate tax positions taken by the Plan and recognize a tax liability for any uncertain position that more likely than not would not be sustained upon examination by the IRS. The Plan is subject to routine audits by tax authorities; however, there are currently no audits for any tax periods in progress.

9. Plan Termination

While there is no intention to do so, the Company reserves the right to terminate the Plan. In the event of termination of the Plan, the participants become fully vested in their employer contribution balances, and the net assets of the Plan will be distributed to the participants of the Plan in accordance with the provisions of ERISA.

10. Risks and Uncertainties

The Plan provides for various investment options in investment securities. Investment securities are exposed to various risks, such as interest rate, market and credit risks. Due to the level of risks associated with investment securities, and the level of uncertainty related to changes in the value of these securities, it is at least reasonably possible that changes in risks in the near term would materially affect participants' account balances and the amounts reported in the statements of net assets available for benefits and changes in net assets available for benefits.

The following table presents concentrations of investments that represented 5% or more of the Plan's net assets at December 31, 2023 and 2022:

	<u>2023</u>	<u>2022</u>
Collective investment trusts:		
Principal LifeTime Hybrid 2025 CIT Fund	\$ 2,692,697	\$ 2,467,993
Principal LifeTime Hybrid 2030 CIT Fund	1,968,509	***
Principal LifeTime Hybrid 2035 CIT Fund	1,945,851	***
Employer securities-		
Sponsor company common stock	14,054,877	16,878,004

*** Investment concentrations did not represent 5% or more of the Plan's net assets as of the year end presented.

SUPPLEMENTAL SCHEDULE

FIRST STATE BANK
401(K) PROFIT SHARING AND EMPLOYEE STOCK
OWNERSHIP PLAN

SCHEDULE H, PART IV, LINE 4 (i) – SCHEDULE OF ASSETS
(HELD AT END OF YEAR)

December 31, 2023

EIN: 75-0270410

PN: 002

(a)	(b)	(c)	(d)	(e)
Identity of issuer, borrower, lessor or similar party	Description of investment	Units(Shares)	Cost	Current Value
Collective investment trusts				
Principal Life Insurance Company				
	Great Gray Trust Co. Large Cap Growth FD III R1	Mutual fund	56,820.1810	** \$ 665,364
	Great Gray Trust Co. Small Cap Growth FD II R1	Mutual fund	28,695.5955	** 291,547
	MFS International Growth II R1 Fund	Mutual fund	8,058.3813	** 98,474
*	Principal Lifetime Hybrid 2015 CIT Fund	Stable value	3,832.1673	** 109,293
*	Principal Lifetime Hybrid 2020 CIT Fund	Stable value	23,814.5678	** 756,589
*	Principal Lifetime Hybrid 2025 CIT Fund	Stable value	77,554.6429	** 2,692,697
*	Principal Lifetime Hybrid 2030 CIT Fund	Stable value	52,662.1035	** 1,968,509
*	Principal Lifetime Hybrid 2035 CIT Fund	Stable value	48,500.7687	** 1,945,851
*	Principal Lifetime Hybrid 2040 CIT Fund	Stable value	43,308.7267	** 1,841,054
*	Principal Lifetime Hybrid 2045 CIT Fund	Stable value	26,855.9505	** 1,198,313
*	Principal Lifetime Hybrid 2050 CIT Fund	Stable value	26,934.6265	** 1,225,256
*	Principal Lifetime Hybrid 2055 CIT Fund	Stable value	17,210.6419	** 797,369
*	Principal Lifetime Hybrid 2060 CIT Fund	Stable value	23,955.6593	** 534,451
*	Principal Lifetime Hybrid 2065 CIT Fund	Stable value	17,526.4172	** 271,835
*	Principal Lifetime Hybrid 2070 CIT Fund	Stable value	419.3301	** 4,701
*	Principal Lifetime Hybrid Income CIT Fund	Stable value	541.5833	** 11,048
Total Collective investment trusts				<u>14,412,351</u>
Pooled separate accounts				
*	Principal Money Market Separate Acct	Money market	14,665.7672	** <u>682,376</u>
Mutual Funds				
	Allspring Discovery R6 Fund	Mutual fund	3,385.3893	** 97,228
	American Funds New Perspective R6 Fund	Mutual fund	5,865.4595	** 328,055
	Blackrock Health Sci Op Inv A Fund	Mutual fund	6,846.1790	** 479,506
	Delaware Corp Bond Instl Fund	Mutual fund	3,727.7587	** 57,631
	Delaware Value Fund	Mutual fund	9,579.6547	** 160,651
	Fidelity Advisor Energy T Fund	Mutual fund	4,707.4726	** 213,060
	Fidelity Advisor FC Emerging Markets Z Fund	Mutual fund	712.1852	** 20,269
	JP Morgan Govt Bond Fund	Mutual fund	2,507.5545	** 23,922
	Oakmark International Fund Institutional	Mutual fund	5,448.9089	** 145,867
	PGIM Global Total Return R6 Fund	Mutual fund	8,344.4583	** 44,059
	PIMCO Income Institutional Fund	Mutual fund	23,059.0330	** 244,887
*	Principal Large Cap S&P 500 Index Fund	Mutual fund	69,946.8061	** 1,663,335
*	Principal Mid Cap S&P 400 Index Fund	Mutual fund	31,077.7268	** 716,652
*	Principal Real Estate Securities Fund	Mutual fund	6,978.7136	** 185,913
*	Principal Small Cap S&P 600 Index Fund	Mutual fund	11,581.4978	** <u>316,407</u>
(Mutual funds continued on next page)				\$ 4,697,442

See accompanying independent auditor's report and notes thereto.

FIRST STATE BANK
401(K) PROFIT SHARING AND EMPLOYEE STOCK
OWNERSHIP PLAN

SCHEDULE H, PART IV, LINE 4 (i) – SCHEDULE OF ASSETS
(HELD AT END OF YEAR)

December 31, 2023

EIN: 75-0270410

PN: 002

(a)	(b)	(c)	(d)	(e)
Identity of issuer, borrower, lessor or similar party	Description of investment	Units(Shares)	Cost	Current Value
		(Total collective investment trusts from previous page)		\$ 14,412,351
		(Total pooled separate accounts from previous page)		682,376
		(Continuation of mutual funds from previous page)		4,697,442
	Undisc Mgrs Behav Value R6 Fund	Mutual fund 677.7400	**	54,165
	Van Eck CM Commodity Index Fund	Mutual fund 2,598.0525	**	174,303
	Vanguard Int-Tm Bond Index Admiral Fund	Mutual fund 18,591.2712	**	192,606
	Victory Incore Fund for Inc R6 Fund	Mutual fund 8,768.0757	**	60,237
	Victory Sycamore Est Val R6 Fund	Mutual fund 7,381.1973	**	342,635
	Victory Triv Intl Small Cap R6 Fund	Mutual fund 6,904.2135	**	100,580
	Total mutual funds			5,621,968
Investment contract with				
Principal Life Insurance Company				
*	Fixed Income Guaranteed Option	85,492.2265	**	1,275,544
Employer securities				
*	Red River BanCorp, Inc.	Common stock 57,839.0000	2,715,935	14,054,877
	Total investments, at fair value			36,047,116
Notes receivable from participants				
	Participant loans	Interest rates range from 4.25% to 9.50%, various maturity dates through September 2028		360,004
	TOTAL ASSETS HELD FOR INVESTMENT AT DECEMBER 31, 2023			\$ 36,407,120

* Denotes Party in interest to the Plan.

** Cost is not required for participant-directed investments.

See accompanying independent auditor's report and notes thereto.

SCHEDULE H, line 4i - SCHEDULE OF ASSETS (HELD AT END OF YEAR)

SCHEDULE H, line 4i - SCHEDULE OF ASSETS (HELD AT END OF YEAR)

FIRST STATE BANK 401(K) PROFIT SHARING AND EM
AN
EIN 75 0270410
PLAN NUMBER 002
PLAN YEAR 01/01/2023 TO 12/31/2023

(A)	(B) Identity of issuer, borrower, lessor or similar party.	(C) Description of investment including maturity date, rate of interest, collateral, par or maturity value.	(D) Cost	(E) Current Value
	SEI TRUST COMPANY	Registered Investment Company Allspring Disc SMID Cp Gr R6	\$ 0.00	\$ 97,228.38
	The American Funds	Registered Investment Company American Funds NewPrsp R6 End	\$ 0.00	\$ 328,055.15
	BlackRock	Registered Investment Company BlackRock Hlth Sci Ops K Fd	\$ 0.00	\$ 479,506.38
	Delaware Investments	Registered Investment Company Delaware Corp Bond Instl Fund	\$ 0.00	\$ 57,631.15
	Delaware Investments	Registered Investment Company Delaware Value R6 Fund	\$ 0.00	\$ 160,650.81
	Fidelity Investments	Registered Investment Company Fidelity Advisor Energy I Fund	\$ 0.00	\$ 213,060.21
	Fidelity Investments	Registered Investment Company FIDELITY ADV FC EMERG MKTS Z	\$ 0.00	\$ 20,268.79
	GREAT GRAY TRUST COMPANY	Common/Collective Trust INTERNATIONAL GROWTH II R1 FD	\$ 0.00	\$ 98,473.42
	JP Morgan Funds	Registered Investment Company JP Morgan Govt Bond R6 Fund	\$ 0.00	\$ 23,922.07
	GREAT GRAY TRUST COMPANY	Common/Collective Trust LARGE CAP GROWTH FD III CL R1	\$ 0.00	\$ 665,364.32
	Oakmark	Registered Investment Company Oakmark Int'l Fund-Inst	\$ 0.00	\$ 145,867.29
*	Principal Life Insurance Company	Insurance Company General Prin Fixed Inc Guar Option	\$ 0.00	\$ 1,275,544.02
*	Principal Funds Inc	Registered Investment Company Prin LgCap S&P 500 Idx R5 Fund	\$ 0.00	\$ 1,663,335.05
*	Principal Global Investors Trust Co	Common/Collective Trust Prin LifeTime Hybr Inc CIT Z	\$ 0.00	\$ 11,048.30
*	Principal Global Investors Trust Co	Common/Collective Trust Prin LifeTime Hybr 2015 CIT Z	\$ 0.00	\$ 109,293.41

SCHEDULE H, line 4i - SCHEDULE OF ASSETS (HELD AT END OF YEAR)

FIRST STATE BANK 401(K) PROFIT SHARING AND EM
AN
EIN 75 0270410
PLAN NUMBER 002
PLAN YEAR 01/01/2023 TO 12/31/2023

(A)	(B) Identity of issuer, borrower, lessor or similar party.	(C) Description of investment including maturity date, rate of interest, collateral, par or maturity value.	(D) Cost	(E) Current Value
*	Principal Global Investors Trust Co	Common/Collective Trust Prin LifeTime Hybr 2020 CIT Z	\$ 0.00	\$ 756,588.82
*	Principal Global Investors Trust Co	Common/Collective Trust Prin LifeTime Hybr 2025 CIT Z	\$ 0.00	\$ 2,692,697.20
*	Principal Global Investors Trust Co	Common/Collective Trust Prin LifeTime Hybr 2030 CIT Z	\$ 0.00	\$ 1,968,509.43
*	Principal Global Investors Trust Co	Common/Collective Trust Prin LifeTime Hybr 2035 CIT Z	\$ 0.00	\$ 1,945,850.84
*	Principal Global Investors Trust Co	Common/Collective Trust Prin LifeTime Hybr 2040 CIT Z	\$ 0.00	\$ 1,841,053.97
*	Principal Global Investors Trust Co	Common/Collective Trust Prin LifeTime Hybr 2045 CIT Z	\$ 0.00	\$ 1,198,312.51
*	Principal Global Investors Trust Co	Common/Collective Trust Prin LifeTime Hybr 2050 CIT Z	\$ 0.00	\$ 1,225,256.16
*	Principal Global Investors Trust Co	Common/Collective Trust Prin LifeTime Hybr 2055 CIT Z	\$ 0.00	\$ 797,369.04
*	Principal Global Investors Trust Co	Common/Collective Trust Prin LifeTime Hybr 2060 CIT Z	\$ 0.00	\$ 534,450.76
*	Principal Global Investors Trust Co	Common/Collective Trust Prin LifeTime Hybr 2065 CIT Z	\$ 0.00	\$ 271,834.73
*	Principal Life Insurance Company	Pooled Separate Accounts Prin Liquid Assets Sep Acct-R3	\$ 0.00	\$ 682,376.17
*	Principal Funds Inc	Registered Investment Company Prin MidCap S&P 400 Idx R5 Fd	\$ 0.00	\$ 716,652.38
*	Principal Funds Inc	Registered Investment Company Prin Real Estate Secs R5 Fund	\$ 0.00	\$ 185,912.93
*	Principal Funds Inc	Registered Investment Company Prin SmCap S&P 600 Idx R5 Fund	\$ 0.00	\$ 316,406.52
	PGIM Investments	Registered Investment Company PGIM Global Total Ret R6 Fd	\$ 0.00	\$ 44,058.74

SCHEDULE H, line 4i - SCHEDULE OF ASSETS (HELD AT END OF YEAR)

SCHEDULE H, line 4i - SCHEDULE OF ASSETS (HELD AT END OF YEAR)

FIRST STATE BANK 401(K) PROFIT SHARING AND EM
AN
EIN 75 0270410
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PLAN YEAR 01/01/2023 TO 12/31/2023

(A)	(B) Identity of issuer, borrower, lessor or similar party.	(C) Description of investment including maturity date, rate of interest, collateral, par or maturity value.	(D) Cost	(E) Current Value
	PIMCO Funds	Registered Investment Company PIMCO Income Institutional Fd	\$ 0.00	\$ 244,886.93
*	Principal Global Investors Trust Co	Common/Collective Trust PRIN LIFETIME HYB 2070 CIT Z	\$ 0.00	\$ 4,700.69
	FIRST STATE BANK OF GAINESVILLE	Employer Security Red River Bancorp - Employer S	\$ 0.00	\$ 14,041,977.71
	GREAT GRAY TRUST COMPANY	Common/Collective Trust SMALL CAP GROWTH FUND II R1	\$ 0.00	\$ 291,547.25
	JP Morgan Funds	Registered Investment Company Undisc Mgrs Behav Value R6 Fd	\$ 0.00	\$ 54,164.98
	Van Eck	Registered Investment Company Van Eck CM Commodity Idx Y Fd	\$ 0.00	\$ 174,303.34
	Vanguard Group	Registered Investment Company Vanguard Int-Tm Bd Idx Adm Fd	\$ 0.00	\$ 192,605.57
	Victory Funds	Registered Investment Company Vic Triv Intl Small Cap R6 Fd	\$ 0.00	\$ 100,579.82
	Victory Funds	Registered Investment Company Victory Fund For Income R6 Fd	\$ 0.00	\$ 60,236.68
	Victory Funds	Registered Investment Company Victory Sycamore Est Val R6 Fd	\$ 0.00	\$ 342,635.18
*	Participant Loans	Range of Interest Rates Rates Range From 4.25% To 9.50%	\$ 0.00	\$ 360,004.00

