Board of Governors of the Federal Reserve System

Annual Report of Holding Companies—FR Y-6

Report at the close of business as of the end of fiscal year

This Report is required by law: Section 5(c)(1)(A) of the Bank Holding Company Act (12 U.S.C. § 1844(c)(1)(A)); sections 8(a) and 13(a) of the International Banking Act (12 U.S.C. §§ 3106(a) and 3108(a)); sections 11(a)(1), 25, and 25A of the Federal Reserve Act (12 U.S.C. §§ 248(a)(1), 602, and 611a); and sections 113, 165, 312, 618, and 809 of the Dodd-Frank Act (12 U.S.C. §§ 5361, 5365, 5412, 1850a(c)(1), and 5468(b)(1)). Return to the appropriate Federal Reserve Bank the original and the number of copies specified.

This report form is to be filed by all top-tier bank holding companies, top-tier savings and loan holding companies, and U.S. intermediate holding companies organized under U.S. law, and by any foreign banking organization that does not meet the requirements of and is not treated as a qualifying foreign banking organization under Section 211.23 of Regulation K (12 C.F.R. § 211.23). (See page one of the general instructions for more detail of who must file.) The Federal Reserve may not conduct or sponsor, and an organization (or a person) is not required to respond to, an information collection unless it displays a currently valid OMB control number.

NOTE: The *Annual Report of Holding Companies* must be signed by one director of the top-tier holding company. This individual should also be a senior official of the top-tier holding company. In the event that the top-tier holding company does not have an individual who is a senior official and is also a director, the chairman of the board must sign the report. If the holding company is an ESOP/ESOT formed as a corporation or is an LLC, see the General Instructions for the authorized individual who must sign the report.

I, Brian D Campbell
Name of the Holding Company Director and Official

Chairman and CEO
Title of the Holding Company Director and Official

attest that the *Annual Report of Holding Companies* (including the supporting attachments) for this report date has been prepared in conformance with the instructions issued by the Federal Reserve System and are true and correct to the best of my knowledge and belief.

With respect to information regarding individuals contained in this report, the Reporter certifies that it has the authority to provide this information to the Federal Reserve. The Reporter also certifies that it has the authority, on behalf of each individual, to consent or object to public release of information regarding that individual. The Federal Reserve may assume, in the absence of a request for confidential treatment submitted in accordance with the Board's "Rules Regarding Availability of Information," 12 C.F.R. Part 261, that the Reporter and individual consent to public release of all details in the report concerning that individual.

Signature of Holding Company Director and Official

9/13/2021
Date of Signature

For holding companies not registered with the SEC–
Indicate status of Annual Report to Shareholders:

- [x] is included with the FR Y-6 report
- [ ] will be sent under separate cover
- [ ] is not prepared

For Federal Reserve Bank Use Only

RSSD ID ____________
C.I. ____________

Date of Report (top-tier holding company's fiscal year-end):
12/31/2020
Month / Day / Year

N/A
Reporter's Legal Entity Identifier (LEI) (20-Character LEI Code)

Reporter's Name, Street, and Mailing Address

Central Louisiana Capital Corporation
Legal Title of Holding Company

310 Texas Street
(Mailing Address of the Holding Company) Street / P.O. Box

City	State	Zip Code
Vidalia	Louisiana	71373

Physical Location (if different from mailing address)

Person to whom questions about this report should be directed:

Wanda A Wiggins — CFO
Name / Title

318/336-5257
Area Code / Phone Number / Extension

318/336-5255
Area Code / FAX Number

wwiggins@deltabk.com
E-mail Address

N/A
Address (URL) for the Holding Company's web page

Is confidential treatment requested for any portion of this report submission? (0=No, 1=Yes) 0

In accordance with the General Instructions for this report (check only one),

1. a letter justifying this request is being provided along with the report .... ☐
2. a letter justifying this request has been provided separately ... ☐

NOTE: Information for which confidential treatment is being requested must be provided separately and labeled as "confidential."

CENTRAL LOUISIANA CAPITAL CORPORATION AND SUBSIDIARIES

VIDALIA, LOUISIANA

DECEMBER 31, 2020 AND 2019

CENTRAL LOUISIANA CAPITAL CORPORATION AND SUBSIDIARIES

VIDALIA, LOUISIANA

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AUDITED CONSOLIDATED FINANCIAL STATEMENTS

HEARD, MCELROY, & VESTAL
LLC
CERTIFIED PUBLIC ACCOUNTANTS
333 TEXAS STREET, SUITE 1525
SHREVEPORT, LOUISIANA 71101
318-429-1525 PHONE • 318-429-2070 FAX

March 17, 2021

To the Board of Directors
Central Louisiana Capital Corporation and Subsidiaries
Vidalia, Louisiana

Independent Auditor's Report

Report on the Financial Statements

We have audited the accompanying consolidated financial statements of Central Louisiana Capital Corporation and Subsidiaries, which comprise the consolidated balance sheets as of December 31, 2020 and 2019, and the related consolidated statements of income, comprehensive income, changes in stockholders' equity, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Central Louisiana Capital Corporation and Subsidiaries as of December 31, 2020 and 2019, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Consolidating Information

Our audit was conducted for the purpose of forming an opinion on the basic consolidated financial statements taken as a whole. The consolidating information included on pages 41 through 44 is presented for purposes of additional analysis and is not a required part of the basic consolidated financial statements. 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 consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United State of America. In our opinion, this information is fairly stated in all material respects in relation to the consolidated financial statements taken as a whole.

Heard, McElroy & Vestal LLC

Shreveport, Louisiana

CENTRAL LOUISIANA CAPITAL CORPORATION AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

DECEMBER 31, 2020 AND 2019

A S S E T S	2020	2019
Assets:		
Cash and due from banks	$ 6,939,155	$ 6,659,533
Interest-bearing deposits with other financial institutions	49,671,423	22,130,373
Debt securities available-for-sale	61,882,608	31,821,230
Debt securities held-to-maturity	13,970,085	18,540,572
Restricted stock	1,309,300	1,297,500
Loans, net of allowance for loan losses	234,471,260	220,496,806
Paycheck Protection Program loans	10,190,754	-
Premises and equipment, net	4,399,031	4,680,450
Accrued interest receivable	2,705,055	2,630,290
Other assets	1,630,102	1,710,907
Total assets	387,168,773	309,967,661
LIABILITIES AND STOCKHOLDERS' EQUITY		
Liabilities:		
Deposits		
Noninterest-bearing deposits	75,213,803	60,550,305
Interest-bearing deposits	276,420,605	218,174,362
Total deposits	351,634,408	278,724,667
Federal Home Loan Bank advances	64,608	131,675
Accrued interest payable	296,634	375,671
Other liabilities	1,513,830	1,272,136
Total liabilities	353,509,480	280,504,149
Stockholders' equity:		
Common stock of $6 par value; authorized 500,000 shares; 276,359 and 275,359 shares issued and outstanding for 2020 and 2019, respectively	1,658,154	1,652,154
Additional paid-in capital	6,739,302	6,592,302
Retained earnings	23,770,389	20,741,136
Unearned ESOP shares	(48,694)	(99,410)
Accumulated other comprehensive income	1,540,142	577,330
Total stockholders' equity	33,659,293	29,463,512
Total liabilities and stockholders' equity	$ 387,168,773	$ 309,967,661

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

CENTRAL LOUISIANA CAPITAL CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF INCOME

FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

	2020	2019
Interest income:		
Interest and fees on loans	$ 14,604,819	$ 13,530,876
Interest and dividends on investment securities and other:		
Taxable interest	774,566	917,473
Tax exempt interest	829,295	813,018
Interest-bearing bank balances	148,698	348,299
Total interest income	16,357,378	15,609,666
Interest expense:		
Interest on deposits	2,496,148	2,321,244
Interest on short-term borrowings	72	5,549
Interest on other borrowings	5,131	181,420
Total interest expense	2,501,351	2,508,213
Net interest income	13,856,027	13,101,453
Provision for loan losses	360,000	292,840
Net interest income, after provision for loan losses	13,496,027	12,808,613
Other income:		
Service fees	1,509,516	1,766,440
Other income	2,076,406	1,164,238
Total other income	3,585,922	2,930,678
Noninterest expense:		
Salaries and employee benefits	6,961,299	6,366,294
Occupancy expenses	1,401,384	1,290,749
Equipment and data processing expenses	736,045	963,033
Other expenses	1,862,511	2,329,404
Total noninterest expenses	10,961,239	10,949,480
Net income	$ 6,120,710	$ 4,789,811
Net income per share - basic	22.22	17.48

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

CENTRAL LOUISIANA CAPITAL CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

	2020	2019
Net income	6,120,710	4,789,811
Other comprehensive income:		
Unrealized holding gains arising during the period	862,757	793,342
Reclassification adjustment for gains included in net income	100,055	-
Other comprehensive income	962,812	793,342
Total comprehensive income	7,083,522	5,583,153

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

CENTRAL LOUISIANA CAPITAL CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY

FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

	Common Stock Shares	Common Stock Amount	Additional Paid-In Capital	Retained Earnings	Unearned ESOP Shares	Accumulated Other Comprehensive Income	Total Stockholders' Equity
Balances, December 31, 2018	274,859	1,649,154	6,525,302	18,865,912	(147,562)	(216,012)	26,676,794
Net income	-	-	-	4,789,811	-	-	4,789,811
Change in unrealized (losses) on securities available-for-sale	-	-	-	-	-	793,342	793,342
Issuance of common stock	500	3,000	67,000	-	-	-	70,000
Release of unearned ESOP shares	-	-	-	-	48,152	-	48,152
Dividends paid	-	-	-	(2,962,863)	-	-	(2,962,863)
Balances, December 31, 2019, as previously stated	275,359	1,652,154	6,592,302	20,692,860	(99,410)	577,330	29,415,236
Prior period adjustment	-	-	-	48,276	-	-	48,276
Balances, December 31, 2019, as restated	275,359	1,652,154	6,592,302	20,741,136	(99,410)	577,330	29,463,512
Net income	-	-	-	6,120,710	-	-	6,120,710
Change in unrealized gains on securities available-for-sale	-	-	-	-	-	962,812	962,812
Issuance of common stock	1,000	6,000	147,000	-	-	-	153,000
Release of unearned ESOP shares	-	-	-	-	50,716	-	50,716
Dividends paid	-	-	-	(3,091,457)	-	-	(3,091,457)
Balances, December 31, 2020	276,359	1,658,154	6,739,302	23,770,389	(48,694)	1,540,142	33,659,293

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

CENTRAL LOUISIANA CAPITAL CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

	2020	2019
Cash flows from operating activities:		
Net income	6,120,710	4,789,811
Adjustments to reconcile net income to net cash provided by operating activities:		
Provision for loan loss	360,000	292,840
Depreciation	486,711	482,156
Net gain on sale of investment securities	(100,055)	-
Net gain on sale of premises and equipment	(10,015)	-
Real estate owned valuation adjustment	28,014	138,916
Net loss on sale of other real estate owned	12,200	-
Stock dividends on Federal Home Loan Bank stock	(11,800)	(29,300)
Amortization of investment security premiums	487,181	277,264
Accretion of investment security discounts	(23,987)	(42,006)
Release of unearned ESOP shares	50,716	48,152
Increase in cash surrender value on bank owned life insurance	(21,959)	(20,912)
(Increase) decrease in accrued interest receivable	(74,765)	62,785
(Increase) decrease in other assets	(28,753)	1,184
(Decrease) increase in accrued interest payable	(79,037)	5,759
Increase (decrease) in other liabilities	241,694	(71,444)
Net cash provided by operating activities	7,436,855	5,935,205
Cash flows from investing activities:		
Increase in interest-bearing deposits with other institutions	(27,541,050)	(1,055,920)
Purchases of available-for-sale securities	(37,020,550)	(6,901,855)
Proceeds from maturities of available-for-sale securities	51,250	650,000
Proceeds from calls of available-for-sale securities	506,250	-
Proceeds from principal collected on available-for-sale securities	7,059,332	5,197,972
Purchases of held-to-maturity securities	-	(4,136,490)
Proceeds of maturities of held-to-maturity securities	232,000	358,000
Proceeds from sales and calls of held-to-maturity securities	4,280,500	7,607,400
Federal Home Loan Bank stock transactions, net	-	(182,200)
Net increase in loans	(14,429,454)	(16,153,842)
Increase in Paycheck Protection Program loans	(10,190,754)	-
Proceeds from sale of premises and equipment	18,250	-
Purchases of premises and equipment	(213,527)	(174,135)
Proceeds from sale of other real estate and repossessed assets	186,303	284,253
Net cash used by investing activities	(77,061,450)	(14,506,817)

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

CENTRAL LOUISIANA CAPITAL CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

	2020	2019
Cash flows from financing activities:		
Net increase in demand deposits	14,663,498	1,609,171
Net increase (decrease) in NOW, savings, and money market accounts	39,615,333	(5,045,869)
Net increase in certificates of deposit	18,630,910	13,483,762
Repayment of Federal Home Loan Bank advances	(67,067)	(620,079)
Proceeds from issuance of common stock	153,000	70,000
Dividends paid	(3,091,457)	(2,962,863)
Net cash provided by financing activities	69,904,217	6,534,122
Net increase (decrease) in cash and cash equivalents	279,622	(2,037,490)
Cash and cash equivalents at beginning of year	6,659,533	8,697,023
Cash and cash equivalents at end of year	6,939,155	6,659,533
Supplemental cash flow information:		
Interest paid	2,580,388	2,502,454
Supplemental schedule of significant noncash activities:		
Loan principal reduction due to foreclosure of real estate and other collateral	95,000	96,674

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

1. Nature of Operations and Significant Accounting Policies

The accounting and reporting policies of Central Louisiana Capital Corporation and Subsidiaries conform to accounting principles generally accepted in the United States of America and to general practices within the banking industry. The following is a description of the more significant policies.

Organization

Central Louisiana Capital Corporation was formed on December 22, 1983, as a holding company.

Principles of Consolidation

The accompanying consolidated financial statements of the Company include the accounts of the Company and its wholly-owned subsidiaries, as follows:

Delta Bank
Community Credit Center of Ferriday, LLC
Cencap Insurance Agency, LLC

Nature of Operations

Delta Bank ("the Bank") operates as a commercial bank and provides a full range of banking services through banking offices within the states of Louisiana and Mississippi. As a state chartered commercial bank, the Bank is subject to the regulations of certain federal and state agencies and undergoes periodic examination by those regulatory authorities. Community Credit Center of Ferriday, LLC ("CCC of Ferriday") operates as a finance company that provides lending services through offices in the state of Louisiana. In 2019, CCC of Ferriday ceased making new loans and exists solely to service existing loans. Cencap Insurance Agency, LLC operates as a general insurance agency.

Use of Estimates

The preparation of consolidated financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reported period. Actual results could differ from those estimates.

Material estimates that are particularly susceptible to significant change relate to the determination of the allowance for loan losses, fair value of financial instruments, and the valuation of real estate acquired in connection with foreclosures or in the satisfaction of loans. In connection with the determination of the estimated losses on loans, management obtains independent appraisals for significant collateral.

The Bank's loans are generally secured by specific items of collateral including real property, consumer assets, and business assets. Although the Bank has a diversified loan portfolio, a substantial portion of its debtors' ability to honor their contracts is dependent on local economic conditions.

1. Nature of Operations and Significant Accounting Policies (Continued)

While management uses available information to recognize losses on loans, further reductions in the carrying amounts of loans may be necessary based on changes in local economic conditions. In addition, regulatory agencies, as an integral part of their examination process, periodically review the estimated losses on loans. Such agencies may require the Bank to recognize additional losses based on their judgments about information available to them at the time of their examination. Because of these factors, it is reasonably possible that the estimated losses on loans may change materially in the near term. However, the amount of the change that is reasonably possible cannot be estimated.

Comprehensive Income

Accounting policies generally require that recognized revenue, expenses, gains, and losses be included in net income. Certain changes in assets and liabilities, such as unrealized gains and losses on available-for-sale debt securities, are reported as a separate component of the shareholders' equity section of the balance sheet. Such items, along with net income, are components of comprehensive income.

Cash and Cash Equivalents

In the accompanying consolidated statements of cash flows, the Company has defined cash equivalents as those amounts included in the consolidated balance sheet caption "cash and due from banks."

Investment Securities

U.S. GAAP requires that debt and equity securities be classified into one of three categories: held-to-maturity, available-for-sale, or trading. The Company has no investments classified as trading.

Debt securities are classified as held-to-maturity when the Bank has the positive intent and ability to hold the securities to maturity. Debt securities held-to-maturity are carried at amortized cost. The amortization of premiums and accretion of discounts are recognized in interest income using methods approximating the interest method over the period to maturity.

Debt securities not classified as held-to-maturity are classified as available-for sale. Debt securities available-for-sale are carried at fair value with unrealized gains and losses reported in other comprehensive income. Realized gains on securities available-for-sale are included in other income and, when applicable, are reported as a reclassification adjustment in other comprehensive income. Gains and losses on sales of securities are determined on the specific-identification method. Unrealized holding gains and losses are reported as a separate component of stockholders' equity. Amortization of premium and accretion of discount are computed using the interest method.

Declines in the fair value of securities available-for-sale below their cost that are deemed to be other than temporary are reflected in earnings as realized losses. In estimating other than temporary impairment losses, management considers (1) the length of time and the extent to which the fair value has been less than cost; (2) the financial condition and near-term prospects of the issuer; and (3) the intent and ability of the Bank to retain its investment in the issuer for a period of time sufficient to allow for any anticipated recovery in fair value.

Loans

Loans are stated at the principal amount outstanding, net of unearned income and an allowance for loan losses. Interest on loans is calculated using the simple interest method on daily balances of the principal amount outstanding. Interest on finance company loans is recognized as income over the terms of the loans using a method which approximates the interest method.

1. Nature of Operations and Significant Accounting Policies (Continued)

The accrual of interest on loans is discontinued when, in the opinion of management, there is an indication that the borrower may be unable to meet payments as they become due. Upon such discontinuance, all unpaid accrued interest is reversed. Loans are placed on nonaccrual or charged off when collection of principal or interest is considered doubtful.

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

Allowance for Loan Losses

The allowance for loan losses is established through provisions for loan losses charged against earnings. Loans deemed to be uncollectible are charged against the allowance for loan losses, and subsequent recoveries, if any, are credited to the allowance.

The allowance for loan losses is maintained at a level management believes to be adequate to absorb estimated probable loan losses. Management's periodic evaluation of the adequacy of the allowance for loan losses is based on estimated credit losses for specifically identified loans as well as estimated probable credit losses inherent in the remainder of the loan portfolio. Management considers a number of factors in estimating probable credit losses inherent in the loan portfolio including historical loan loss experience for various types of loans, composition of the loan portfolio, past due trends in the loan portfolio, current trends, current economic conditions, industry exposure, and allowance allocation percentages for various grades of loans. These grades are assigned to loans based on internal and external loan reviews, loan risk, loan performance, the estimated value of underlying collateral, evaluation of a borrower's financial condition, and other factors considered relevant in grading loans.

The allowance consists of specific, general, and unallocated components. The specific component relates to loans that are classified as doubtful, substandard, or special mention. For such loans that are also classified as impaired, an allowance is established when the discounted cash flows (or collateral value or observable market price) of the impaired loan is lower than the carrying value of that loan. The general component covers nonclassified loans and is based on historical loss experience adjusted for qualitative factors. An unallocated component is maintained to cover uncertainties that could affect management's estimate of probable losses. The unallocated component of the allowance reflects the margin of imprecision inherent in the underlying assumptions used in the methodologies for estimating specific and general losses in the portfolio.

A loan is considered impaired when, based on current information and events, it is probable that the Bank will be unable to collect the scheduled payments of principal or interest when due according to the contractual terms of the loan agreement. Factors considered by management in determining impairment include payment status, collateral value, and the probability of collecting scheduled principal and interest payments when due. Loans that experience insignificant payment delays and payment shortfalls generally are not classified as impaired. Management determines the significance of payment delays and payment shortfalls on a case-by-case basis, taking into consideration all of the circumstances surrounding the loan and the borrower, including the length of the delay, the reasons for the delay, the borrower's prior payment record, and the amount of the shortfall in relation to the principal and interest owed. Impairment is measured on a loan-by-loan basis by either the present value of expected future cash flows discounted at the loan's effective interest rate, the loan's obtainable market price, or the fair value of the collateral if the loan is collateral dependent.

1. Nature of Operations and Significant Accounting Policies (Continued)

Management's evaluation of the allowance for loan losses is inherently subjective as it requires material estimates. The actual amounts of loan losses realized in the near term could differ from the amounts estimated in arriving at the allowance for loan losses reported in the financial statements.

Troubled Debt Restructurings

In situations where, for economic or legal reasons related to a borrower's financial difficulties, the Bank grants a concession for other than an insignificant period of time to the borrower that the Bank would not otherwise consider, the related loan is classified as a troubled debt restructuring (TDR). The Bank strives to identify borrowers in financial difficulty early and work with them to modify to more affordable terms before their loan reaches nonaccrual status. These modified terms may include rate reductions, principal forgiveness, payment forbearance, and other actions intended to minimize the economic loss and to avoid foreclosure or repossession of the collateral. In cases where the Bank grants the borrower new terms that provide for a reduction of either interest or principal, the Bank measures any impairment on the restructuring as previously noted for impaired loans.

Loan Origination Fees and Costs

Loan origination fees and certain direct origination costs are recorded to income in the period in which received. These fees are not material to the financial statements.

Premises and Equipment

Land is carried at cost. Other premises and equipment are stated at cost net of accumulated depreciation. Depreciation expense is computed principally using the straight-line method and charged to operating expenses over the estimated useful lives of the respective assets. Costs of major additions and improvements are capitalized. Expenditures for maintenance and repairs are charged to expense as incurred. Gain and losses on dispositions are included in current operations.

Other Real Estate Owned

Real estate properties acquired through or in lieu of loan foreclosure are initially recorded at the fair value less estimated selling cost at the date of foreclosure. Any write-downs based on the asset's fair value at the date of acquisition are charged to the allowance for loan losses. After foreclosure, valuations are periodically performed by management and property held for sale is carried at the lower of the new cost basis or fair value less cost to sell. Impairment losses on property to be held and used are measured as the amount by which the carrying amount of a property exceeds its fair value. Costs of significant property improvements are capitalized, whereas costs relating to holding property are expensed. The portion of interest costs relating to development of real estate is capitalized. Valuations are periodically performed by management, and any subsequent write-downs are recorded as a charge to operations, if necessary, to reduce the carrying value of a property to the lower of its cost or fair value less cost to sell.

Revenue Recognition

The Bank's interest income is derived from loans, securities, and other short-term investments. The Bank recognizes interest income in accordance with the applicable guidance in U.S. GAAP for these assets. Non-interest income is composed of the following:

- Service fees on deposits consist primarily of monthly service charges on deposit accounts, transaction-based fees (such as overdraft fees and wire transfer fees), and other deposit account-related charges. The Bank's performance obligations for consumer deposit account service charges are typically satisfied over time while performance obligations for transaction-based fees are typically satisfied at a point in time. Revenues are recognized when or as the services are provided to the customer. Payments are typically collected from the customer directly from the related deposit account at the time the transaction is processed and/or at the end of the customer's statement cycle (typically monthly).

1. Nature of Operations and Significant Accounting Policies (Continued)

- Other income primarily includes ATM fees, income from operating leases, income from the Community Development Financial Institution Fund grants (if awarded), and other miscellaneous revenues and gains. For these fees, the Bank's performance obligations are generally satisfied when the transactions generating the fees are completed.

Advertising

The Company expenses advertising costs as incurred. Advertising expense costs were $418,383 and $419,519 for 2020 and 2019, respectively.

Income Taxes

The Company, effective January 1, 2001, with the consent of its shareholders, has elected under the Internal Revenue Code to be an S corporation. In lieu of corporation income taxes, the shareholders of an S corporation are taxed on their proportionate share of the Company's taxable income. The Company and subsidiaries file consolidated income tax returns.

The Company and Bank file consolidated federal, Louisiana, and Mississippi income tax returns.

The Company does not have uncertain tax positions that are deemed material and did not recognize any adjustments for unrecognized tax benefits. The Company's policy is to recognize interest and penalties on income taxes in other noninterest expense. The Company remains subject to examination for income tax returns for the previous three years.

Net Income per Share

Basic income per share is computed by dividing net income by the weighted average number of shares outstanding during the period. Common shares held in the Employee Stock Ownership Plan that have not yet been released to plan participants are not considered as outstanding shares for the purpose of computing income per share. The weighted average number of shares outstanding were 275,401 in 2020 and 274,078 in 2019.

Reclassifications

Certain reclassifications have been made to the 2019 financial statements presentation to correspond to the current year's format. Total shareholders' equity and net income are unchanged due to these reclassifications.

Prior Period Adjustment

During the year, it was discovered that an investment in the Federal Agricultural Mortgage Corporation that had been recorded at cost should have been adjusted to fair market value with changes run through the income statement. The prior year impact of $48,276 resulted in an increase to other assets and retained earnings.

Coronavirus 2019 (COVID-19) Pandemic

On March 11, 2020, the World Health Organization declared COVID-19, the disease caused by the novel coronavirus, a pandemic as a result of the global spread of the coronavirus illness. The COVID-19 pandemic has adversely affected, and may continue to adversely affect economic activity globally, nationally, and locally. In response to the outbreak, federal and state authorities in the United States introduced various measures to try to limit or slow the spread of the virus, including travel restrictions, nonessential business closures, stay-at-home orders, and strict social distancing. The full impact of the COVID-19 pandemic is unknown and rapidly evolving. It has caused substantial disruption in international and U.S. economies, markets, and employment. The COVID-19 pandemic may continue to have a significant adverse impact on certain industries the Bank serves, including consumer spending, restaurants, hotels, retail, and the auto industry.

1. Nature of Operations and Significant Accounting Policies (Continued)

Because of the significant uncertainties related to the ultimate duration of the COVID-19 pandemic and its potential effects on customers and prospects, and on the national and local economy as a whole, there can be no assurances as to how the crisis may ultimately affect the Bank's loan portfolio. It is unknown how long the adverse conditions associated with the COVID-19 pandemic will last and what the complete financial effect will be to the Bank. It is reasonably possible that estimates made in the financial statements could be materially and adversely impacted in the near term as a result of these conditions, including expected credit losses on loans and off-balance sheet credit exposures.

Paycheck Protection Program (PPP) Loans

On March 27, 2020, the Coronavirus Aid, Relief, and Economic Security Act (the CARES Act), a stimulus package intended to provide relief to businesses and consumers in the United States struggling as a result of the pandemic, was signed into law. A provision in the CARES Act included a $349 billion fund for the creation of the Paycheck Protection Program (PPP) through the Small Business Administration (SBA) and Treasury Department. The PPP is intended to provide loans to small businesses to pay their employees, rent, mortgage interest and utilities. PPP loans are forgivable, in whole or in part, if the proceeds are used for payroll and other permitted purposes in accordance with the requirements of the PPP. If not forgiven, in whole or in part, these loans carry a fixed rate of 1.00% per annum with payments deferred until the date the SBA remits the borrower's loan forgiveness amount to the lender (or, if the borrower does not apply for loan forgiveness, ten months after the end of the borrower's loan forgiveness covered period). Originally, the loans carried a term of two years under SBA rules implemented by the CARES Act, but a June 5, 2020 amendment to the CARES Act provided for a five-year minimum loan term for loans made beginning as of such date, and permitted lenders and borrowers to mutually agree to amend existing two-year loans to have terms of five years. The loans are 100% guaranteed by the SBA. The SBA pays the originating bank a processing fee ranging from 1.0% to 5.0%, based on the size of the loan. The SBA stopped accepting applications for PPP loans on August 8, 2020. On December 27, 2020, the Consolidated Appropriations Act 2021 was signed into law and, among other things, allows a second PPP loan to small businesses who meet certain qualifications.

At December 31, 2020, the Bank had outstanding 181 PPP loans totaling $10.2 million. Due to amount and nature of the PPP loans, these loans were not included in the loans held for investment portfolio and are presented separately in the accompanying consolidated balance sheet. The PPP loans are fully guaranteed by the SBA; therefore, no additional allowance for credit losses was estimated for these loans.

Subsequent Events

The Company has evaluated the accompanying consolidated financial statements for subsequent events and transactions through March 17, 2021, the date these financial statements were available for issue, based on Financial Accounting Standards Board ("FASB") Accounting Standard Codification ("ASC") 855, *Subsequent Events,* and have determined that no material subsequent events have occurred that would affect the information presented in the accompanying consolidated financial statements or require additional disclosure.

Off-Balance Sheet Financial Instruments

In the ordinary course of business, the Bank has entered into off-balance sheet financial instruments consisting of commitments to extend credit, commercial letters-of-credit, and standby letters-of-credit. Such financial instruments are recorded in the financial statements when they become payable.

1. Nature of Operations and Significant Accounting Policies (Continued)

Accounting Standards Adopted in 2020

In March 2016, the FASB issued ASU 2017-08, *Receivables-Nonrefundable Fees and Other Costs (Subtopic 310-20); Premium Amortization on Purchased Callable Debt Securities*. This standard amends the amortization period for certain purchased callable debt securities held at a premium. In particular, this amendment requires the premium to be amortized to the earliest call date. The amendments do not, however, require an accounting change for securities held at a discount; instead, the discount continues to be amortized to maturity. Notably, the amendments in this ASU more closely align the amortization period of premiums and discounts to expectations incorporated in market pricing of the underlying securities. Securities within the scope of ASU 2017-08 are purchased debt securities that have explicit, non-contingent call features that are callable at fixed prices and on preset dates. The amendments of ASU 2017-08 become effective for fiscal years, and for interim periods within those fiscal years, beginning after December 15, 2019. The adoption of the standard did not have a material impact on the Company's financial statements.

Recent Accounting Pronouncements

In June 2016, the FASB issued ASU 2016-13, *Financial Instruments – Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments*. Under current U.S. GAAP, companies generally recognize credit losses when it is probable that the loss has been incurred. The amendments in this ASU replace the incurred loss model for recognition of credit losses with a methodology that reflects expected credit losses over the life of the loan and requires consideration based on historical experience, current conditions, and reasonable and supportable forecasts. The new standard also requires enhanced disclosures related to the significant estimates and judgments used in estimating credit losses, as well as the credit quality and underwriting standards of an organization's portfolio. In addition, ASU 2016-13 amends the accounting for credit losses on available-for-sale debt securities and purchased financial assets with credit deterioration. ASU 2016-13 will be effective for fiscal years beginning after December 15, 2022, including interim periods within those fiscal years. The Company is currently evaluating the potential impact of ASU 2016-13 on its financial statements.

In February 2016, the FASB issued ASU 2016-02, *Leases* (Topic 842). Under the new guidance, lessees will be required to recognize the following for all leases (with the exception of short-term leases) at the commencement date:

- A lease liability, which is a lessee's obligation to make lease payments arising from a lease, measured on a discounted basis; and

- A right-of-use asset, which is an asset that represents the lessee's right to use, or control the use of, a specified asset for the lease term.

Additional qualitative and quantitative disclosures will be required so that users can understand more about the nature of an entity's leasing activities. Also, the new lease guidance simplified the accounting for sale and leaseback transactions primarily because lessees must recognize lease assets and lease liabilities. Lessees will no longer be provided with a source of off-balance sheet financing.

1. Nature of Operations and Significant Accounting Policies (Continued)

ASU 2016-02 will be effective for fiscal years beginning after December 15, 2021 and interim periods within fiscal years beginning after December 15, 2022. Lessees (for capital and operating leases) and lessors (for sales-type, direct financing, and operating leases) must apply a modified retrospective transition approach for leases existing at, or entered into after, the beginning of the earliest comparative period presented in the financial statements. The modified retrospective approach would not require any transition accounting for leases that expired before the earliest comparative period presented. The Bank is currently evaluating the potential impact of adopting this guidance on its financial statements.

2. Investment Securities

Investment securities have been classified in the consolidated balance sheet according to management's intent. The following is a summary of the amortized cost and their approximate fair values of securities available-for-sale and held-to-maturity:

	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Estimated Fair Value
Securities available for sale-				
December 31, 2020:				
U.S. Government agencies	2,599,887	45,948	-	2,645,835
Mortgage-backed securities	9,245,364	215,774	(1,787)	9,459,351
States and political subdivisions	34,634,360	1,087,614	(58,868)	35,663,106
Other debt securities	13,811,026	329,418	(26,128)	14,114,316
	60,290,637	1,678,754	(86,783)	61,882,608
Securities held to maturity-				
December 31, 2020:				
States and political subdivisions	13,970,085	1,072,678	-	15,042,763

	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Estimated Fair Value
Securities available for sale-				
December 31, 2019:				
U.S. Government agencies	2,611,034	11,690	-	2,622,724
Mortgage-backed securities	6,499,027	116,344	(4,152)	6,611,219
States and political subdivisions	8,525,075	327,182	(35,266)	8,816,991
Other debt securities	13,567,981	208,727	(6,412)	13,770,296
	31,203,117	663,943	(45,830)	31,821,230
Securities held to maturity-				
December 31, 2019:				
States and political subdivisions	18,540,572	756,848	-	19,297,420

2. Investment Securities (Continued)

The amortized cost and estimated fair value of securities available-for-sale and securities held-to-maturity as of December 31, 2020, by contractual maturity, are as follows:

	Available for Sale		Held to Maturity	
	Amortized Cost	Fair Value	Amortized Cost	Fair Value
Due in one year or less	4,407,958	4,482,884	238,000	240,038
Due from 1 year through 5 years	21,286,896	21,718,573	948,389	983,696
Due from 5 years through 10 years	2,987,803	3,048,225	3,186,098	3,408,602
Due after 10 years	31,607,980	32,632,926	9,597,598	10,410,427
	60,290,637	61,882,608	13,970,085	15,042,763

Expected maturities will differ from contractual maturities because issuers may have the right to call or prepay obligations with or without call or prepayment penalties.

Proceeds from calls of available-for-sale securities during 2020 and 2019 were $506,250 and $-0-, respectively. No gains or losses were realized from transactions involving available-for-sale securities in 2020 and 2019. Proceeds from maturities of available-for-sale securities during 2020 and 2019, were $51,250 and $650,000, respectively. Principal pay-downs of available-for-sale securities during 2020 and 2019, were $7,059,332 and $5,197,972, respectively.

Proceeds from sales and calls of held-to-maturity securities during years 2020 and 2019, were $4,280,500 and $7,607,400, respectively. Gross realized gains during 2020 and 2019 were $100,055 and $-0-, respectively. No losses were realized from transactions involving held-to-maturity securities in 2020 or 2019. Proceeds from maturities of held-to-maturity securities during the years 2020 and 2019, were $232,000 and $358,000, respectively.

In October 2013, management at the Bank chose to transfer $22,445,728 in states and political subdivisions securities from available-for-sale to held-to-maturity. Management has the intent and ability to hold these securities to maturity. The amount of unrealized gain on these securities at transfer date was $582,585. This amount is being amortized over the lives of these held-to-maturity securities.

2. Investment Securities (Continued)

The following is a summary of the amortized cost and fair value of investment securities which were pledged to secure public deposits, short-term borrowings, and for other purposes required or permitted by law:

	Available for Sale		Held to Maturity	
	Amortized Cost	Estimated Fair Value	Amortized Cost	Estimated Fair Value
December 31, 2020	36,268,793	37,620,105	13,502,407	14,513,110
December 31, 2019	21,708,057	22,058,013	18,049,671	18,770,838

Information pertaining to securities with gross unrealized losses at December 31, 2020 and 2019, aggregated by investment category and length of time that individual securities have been in a continuous loss position, follows:

	Less Than 12 Months		12 Months or More		Total	
	Fair Value	Gross Unrealized Losses	Fair Value	Gross Unrealized Losses	Fair Value	Gross Unrealized Losses
Securities available for sale-						
December 31, 2020:						
U.S. Government agencies	-	-	-	-	-	-
Mortgage-backed securities	2,533,566	(977)	102,037	(810)	2,635,603	(1,787)
States and political subdivisions	8,212,368	(37,541)	392,450	(21,327)	8,604,818	(58,868)
Other debt securities	5,010,202	(26,128)	-	-	5,010,202	(26,128)
	15,756,136	(64,646)	494,487	(22,137)	16,250,623	(86,783)
Securities held to maturity-						
December 31, 2020:						
States and political subdivisions	-	-	-	-	-	-
Securities available for sale-						
December 31, 2019:						
U.S. Government agencies	-	-	-	-	-	-
Mortgage-backed securities	693,518	(3,856)	21,160	(296)	714,678	(4,152)
States and political subdivisions	-	-	691,605	(35,266)	691,605	(35,266)
Other debt securities	622,004	(1,306)	288,793	(5,106)	910,797	(6,412)
	1,315,522	(5,162)	1,001,558	(40,668)	2,317,080	(45,830)
Securities held to maturity-						
December 31, 2019:						
States and political subdivisions	-	-	-	-	-	-

2. Investment Securities (Continued)

Management evaluates securities for other-than-temporary impairment, at least on a quarterly basis, and more frequently when economic or market concerns warrant such evaluation. Consideration is given to (1) the length of time and the extent to which the fair value has been less than cost, (2) the financial condition and near-term prospects of the issuer, and (3) the intent and ability of the Bank to retain its investment in the issuer for a period of time sufficient to allow for any anticipated recovery in fair value.

At December 31, 2020, the nineteen debt securities with unrealized losses have depreciated 0.5% from the Company's amortized cost basis. All of these securities are guaranteed by state and local governments or secured by mortgage loans. These unrealized losses relate principally to current interest rates for similar types of securities. In analyzing an issuer's financial condition, management considers whether the securities are issued by the federal government, its agencies, or other governments, whether downgrades by bond rating agencies have occurred, and the results of reviews of the issuer's financial condition. As management has the ability to hold debt securities until maturity, or for the foreseeable future if classified as available-for-sale, no declines are deemed to be other-than-temporary.

Restricted Stock

As of December 31, 2020 and 2019, respectively, the bank held $1,309,300 and $1,297,500 in Federal Home Loan Bank stock, which is classified as restricted on the balance sheet.

3. Loans and Allowances for Loan Losses

The loan portfolio includes commercial, agricultural, consumer, and real estate loans primarily in the banking and finance subsidiaries' market areas. Although these subsidiaries have diversified loan portfolios, the subsidiaries have concentration of credit risks related to the agricultural economy, the real estate market, and general economic conditions in the subsidiaries' market areas. The following is a summary of loans at December 31, 2020 and 2019:

	2020	2019
Loans secured by real estate:		
Construction and land development	4,013,826	7,215,086
Farmland	52,138,653	42,558,946
1-4 family residential	77,495,980	66,434,414
Multi family residential	212,118	218,152
Nonfarm nonresidential	47,447,775	46,042,078
Agricultural production	29,406,913	35,272,691
Commercial and industrial	27,247,977	15,629,518
Loans to individuals	7,697,003	7,285,421
States and political subdivisions	1,798,632	1,874,078
Other loans	22,599	680,793
Total loans	247,481,476	223,211,177
Allowance for loan losses	(2,819,462)	(2,714,371)
Net loans	244,662,014	220,496,806

PPP loans originated during 2020 under the SBA program are included in commercial and industrial loans.

3. Loans and Allowances for Loan Losses (Continued)

An analysis of the change in the allowance for loan losses is as follows:

	December 31,	
	2020	2019
Balance-beginning of year	2,714,371	2,271,159
Provision charged to operations	360,000	292,840
Loans charged off	(310,953)	(167,398)
Recoveries	56,044	317,770
Balance-end of year	2,819,462	2,714,371

Loans on which the accrual of interest has been discontinued amounted to $533,271 and $413,290 at December 31, 2020 and 2019, respectively. If interest on these loans had been accrued, such income would have approximated $39,071 and $236,225 at December 31, 2020 and 2019, respectively. Loans past due 90 days or longer and still accruing interest amounted to approximately $244,163 and $319,975 at December 31, 2020 and 2019, respectively.

The following tables detail the allowance for loan loss disaggregated by impairment method at December 31, 2020 and 2019:

	2020		
	Allowance for Loan Losses Disaggregated by Impairment Method		
	Individually	Collectively	Total
Loans secured by real estate:			
Construction and land development	-	-	-
Farmland	-	262,485	262,485
1-4 family residential	-	844,223	844,223
Multi family residential	-	-	-
Nonfarm nonresidential	40,000	226,371	266,371
Agricultural production	-	176,074	176,074
Commercial and industrial	97,000	175,382	272,382
Loans to individuals	-	53,187	53,187
States and political subdivisions	-	-	-
Other loans	-	10,950	10,950
Unallocated	-	933,790	933,790
	137,000	2,682,462	2,819,462

3. **Loans and Allowances for Loan Losses** **(Continued)**

	2019		
	Allowance for Loan Losses Disaggregated by Impairment Method		
	Individually	Collectively	Total
Loans secured by real estate:			
Construction and land development	-	-	-
Farmland	-	233,248	233,248
1-4 family residential	28,000	760,954	788,954
Multi family residential	-	-	-
Nonfarm nonresidential	-	233,248	233,248
Agricultural production	-	176,074	176,074
Commercial and industrial	106,000	75,575	181,575
Loans to individuals	-	41,662	41,662
States and political subdivisions	-	-	-
Other loans	-	75,150	75,150
Unallocated	-	984,460	984,460
	134,000	2,580,371	2,714,371

The following is an analysis of the allowance for loan losses by class of loans for the years ended December 31, 2020 and 2019:

	2020				
	Balance January 1, 2020	Charge-offs	Recoveries	Provision For Loan Losses	Balance December 31, 2020
Loans secured by real estate:					
Construction and land development	-	-	-	-	-
Farmland	233,248	-	-	29,237	262,485
1-4 family residential	788,954	(61,367)	900	115,736	844,223
Multi family residential	-	-	-		-
Nonfarm nonresidential	233,248	-	-	33,123	266,371
Agricultural production	176,074	-	-		176,074
Commercial and industrial	181,575	(247)	-	91,054	272,382
Loans to individuals	41,662	(119,806)	49,811	81,520	53,187
States and political subdivisions	-	-	-		-
Other loans	75,150	(129,533)	5,333	60,000	10,950
Unallocated	984,460	-	-	(50,670)	933,790
Total	2,714,371	(310,953)	56,044	360,000	2,819,462

3. **Loans and Allowances for Loan Losses** (Continued)

	2019				
	Balance January 1, 2019	Charge-offs	Recoveries	Provision For Loan Losses	Balance December 31, 2019
Loans secured by real estate:					
Construction and land development	-	-	-	-	-
Farmland	326,477	-	-	(93,229)	233,248
1-4 family residential	832,650	-	2,950	(46,646)	788,954
Multi family residential	-	-	-	-	-
Nonfarm nonresidential	600,209	-	567	(367,528)	233,248
Agricultural production	219,987	-	-	(43,913)	176,074
Commercial and industrial	184,553	(2,712)	272,500	(272,766)	181,575
Loans to individuals	41,460	(115,460)	39,043	76,619	41,662
States and political subdivisions	-	-	-	-	-
Other loans	38,826	(49,226)	2,710	82,840	75,150
Unallocated	26,997	-	-	957,463	984,460
Total	2,271,159	(167,398)	317,770	292,840	2,714,371

Credit Indicators

Loans are categorized into risk categories based on relevant information about the ability of borrowers to service their debt, such as: current financial information, historical payment experience, credit documentation, public information, and current economic trends, among other factors. The following definitions are utilized for risk rating, which are consistent with the definitions used for supervisory guidance:

Watch - Loans described as watch have a potential weakness that deserves management's close attention. Factors that trigger a watch classification include consistently delinquent or sporadic payments, declining cash flow or earnings trends, as well as known adverse economic, industry, or management factors.

Substandard - Loans classified as substandard have a well-defined weakness to the extent the credit is considered a problem. The Bank's primary source of repayment may have been crippled or rendered inadequate to repay the loan as planned. Collateral pledged, if any, may have deteriorated or be subject to market fluctuations. While ultimate repayment is not seriously in doubt, orderly repayment has ceased or is in jeopardy.

Doubtful - Loans classified as doubtful have all the weaknesses inherent in those classified as substandard, with the added characteristic that the weaknesses make collection or liquidation in full, on the basis of currently existing facts, conditions, and values, highly questionable or improbable.

Loss - Loans classified as loss are to be written off as uncollectible.

Loans not meeting the criteria above that are analyzed individually as part of the above described process are considered to be nonclassified loans.

3. Loans and Allowances for Loan Losses (Continued)

As of December 31, 2020 and 2019, and based on the most recent analysis performed, the risk category of loans by class of loans is as follows:

	2020					
	Non-Classified	Watch	Sub-standard	Doubtful	Loss	Total
Construction and land development	3,939,038	23,274	51,514	-	-	4,013,826
Farmland	52,138,653	-	-	-	-	52,138,653
1-4 family residential	74,490,367	1,271,400	1,734,213	-	-	77,495,980
Multi family residential	212,118	-	-	-	-	212,118
Nonfarm nonresidential	45,374,405	-	2,073,370	-	-	47,447,775
Agricultural production	29,406,913	-	-	-	-	29,406,913
Commercial and industrial	26,930,947	160,931	156,099	-	-	27,247,977
Loans to individuals	7,168,959	474,090	53,954	-	-	7,697,003
States and political subdivisions	1,798,632	-	-	-	-	1,798,632
Other loans	20,854	100	1,645	-	-	22,599
	241,480,886	1,929,795	4,070,795	-	-	247,481,476

	2019					
	Non-Classified	Watch	Sub-standard	Doubtful	Loss	Total
Construction and land development	7,114,463	100,623	-	-	-	7,215,086
Farmland	42,349,852	-	209,094	-	-	42,558,946
1-4 family residential	63,541,039	1,784,322	1,109,053	-	-	66,434,414
Multi family residential	218,152	-	-	-	-	218,152
Nonfarm nonresidential	45,882,190	159,888	-	-	-	46,042,078
Agricultural production	35,271,598	1,093	-	-	-	35,272,691
Commercial and industrial	15,159,495	307,811	162,212	-	-	15,629,518
Loans to individuals	7,228,223	32,224	24,974	-	-	7,285,421
States and political subdivisions	1,874,078	-	-	-	-	1,874,078
Other loans	646,571	5,780	11,165	17,277	-	680,793
	219,285,661	2,391,741	1,516,498	17,277	-	223,211,177

3. **<u>Loans and Allowances for Loan Losses</u>** **(Continued)**

The following tables detail loans by type which were individually and collectively evaluated for impairment at December 31, 2020 and 2019:

	2020		
	Loans Evaluated for Impairment		
	Individually	Collectively	Total
Construction and land development	51,514	3,962,312	4,013,826
Farmland	-	52,138,653	52,138,653
1-4 family residential	619,096	76,876,884	77,495,980
Multi family residential	-	212,118	212,118
Nonfarm nonresidential	1,923,616	45,524,159	47,447,775
Agricultural production	-	29,406,913	29,406,913
Commercial and industrial	156,099	27,091,878	27,247,977
Loans to individuals	38,803	7,658,200	7,697,003
States and political subdivisions	-	1,798,632	1,798,632
Other loans	-	22,599	22,599
	2,789,128	244,692,348	247,481,476

	2019		
	Loans Evaluated for Impairment		
	Individually	Collectively	Total
Construction and land development	-	7,215,086	7,215,086
Farmland	209,094	42,349,852	42,558,946
1-4 family residential	976,144	65,458,270	66,434,414
Multi family residential	-	218,152	218,152
Nonfarm nonresidential	-	46,042,078	46,042,078
Agricultural production	-	35,272,691	35,272,691
Commercial and industrial	181,482	15,448,036	15,629,518
Loans to individuals	-	7,285,421	7,285,421
States and political subdivisions	-	1,874,078	1,874,078
Other loans	-	680,793	680,793
	1,366,720	221,844,457	223,211,177

3. **Loans and Allowances for Loan Losses** **(Continued)**

The following tables present loans individually evaluated for impairment as of December 31, 2020 and 2019:

	2020				
	Recorded Investment	Unpaid Principal Balance	Related Allowance	Average Recorded Investment	Interest Income Recognized
With no impairment allowance recorded:					
Loans secured by real estate:					
Construction and land development	51,514	51,514	-	50,865	1,954
Farmland	-	-	-	-	-
1-4 family residential	619,096	615,118	-	622,139	12,156
Multi family residential	-	-	-	-	-
Nonfarm nonresidential	1,844,129	1,844,129	-	1,394,144	89,758
Agricultural production	-	-	-	-	-
Commercial and industrial	-	-	-	-	-
Loans to individuals	38,803	38,803		42,270	1,560
States and political subdivisions	-	-	-	-	-
Other loans	-	-	-	-	-
Subtotal	2,553,542	2,549,564	-	2,109,418	105,428
With an impairment allowance recorded:					
Loans secured by real estate:					
Construction and land development	-	-	-	-	-
Farmland	-	-	-	-	-
1-4 family residential	-	-	-	-	-
Multi family residential	-	-	-	-	-
Nonfarm nonresidential	79,487	74,526	40,000	79,239	1,932
Agricultural production	-	-	-	-	-
Commercial and industrial	156,099	156,099	97,000	170,369	12,583
Loans to individuals	-	-	-	-	-
States and political subdivisions	-	-	-	-	-
Other loans	-	-	-	-	-
Subtotal	235,586	230,625	137,000	249,608	14,515
Total:					
Loans secured by real estate:					
Construction and land development	51,514	51,514	-	50,865	1,954
Farmland	-	-	-	-	-
1-4 family residential	619,096	615,118	-	622,139	12,156
Multi family residential	-	-	-	-	-
Nonfarm nonresidential	1,923,616	1,918,655	40,000	1,473,383	91,690
Agricultural production	-	-	-	-	-
Commercial and industrial	156,099	156,099	97,000	170,369	12,583
Loans to individuals	38,803	38,803	-	42,270	1,560
States and political subdivisions	-	-	-	-	-
Other loans	-	-	-	-	-
Total	2,789,128	2,780,189	137,000	2,359,026	119,943

3. Loans and Allowances for Loan Losses (Continued)

	2019				
	Recorded Investment	Unpaid Principal Balance	Related Allowance	Average Recorded Investment	Interest Income Recognized
With no impairment allowance recorded:					
Loans secured by real estate:					
Construction and land development	-	-	-	-	-
Farmland	209,094	209,094	-	214,396	13,586
1-4 family residential	895,006	859,777	-	988,192	37,066
Multi family residential	-	-	-	-	-
Nonfarm nonresidential	-	-	-	-	-
Agricultural production	-	-	-	-	-
Commercial and industrial	-	-	-	-	-
Loans to individuals	-	-	-	-	-
States and political subdivisions	-	-	-	-	-
Other loans	-	-	-	-	-
Subtotal	1,104,100	1,068,871	-	1,202,588	50,652
With an impairment allowance recorded:					
Loans secured by real estate:					
Construction and land development	-	-	-	-	-
Farmland	-	-	-	-	-
1-4 family residential	116,367	116,367	28,000	115,981	7,055
Multi family residential	-	-	-	-	-
Nonfarm nonresidential	-	-	-	-	-
Agricultural production	-	-	-	-	-
Commercial and industrial	181,482	181,482	106,000	186,375	4,533
Loans to individuals	-	-	-	-	-
States and political subdivisions	-	-	-	-	-
Other loans	-	-	-	-	-
Subtotal	297,849	297,849	134,000	302,356	11,588
Total:					
Loans secured by real estate:					
Construction and land development	-	-	-	-	-
Farmland	209,094	209,094	-	214,396	13,586
1-4 family residential	1,011,373	976,144	28,000	1,104,173	44,121
Multi family residential	-	-	-	-	-
Nonfarm nonresidential	-	-	-	-	-
Agricultural production	-	-	-	-	-
Commercial and industrial	181,482	181,482	106,000	186,375	4,533
Loans to individuals	-	-	-	-	-
States and political subdivisions	-	-	-	-	-
Other loans	-	-	-	-	-
Total	1,401,949	1,366,720	134,000	1,504,944	62,240

3. Loans and Allowances for Loan Losses (Continued)

A summary of current, past due, and nonaccrual loans as of December 31, 2020 and 2019, was as follows:

	2020					
	Past Due	Past Due 90 Days		Total		Total
	30-89 Days	Accruing	Non-Accrual	Past Due	Current	Loans
Loans secured by real estate:						
Construction and land development	12,382	-	51,514	63,896	3,949,930	4,013,826
Farmland	285,502	-	-	285,502	51,853,151	52,138,653
1-4 family residential	1,018,965	269,073	350,132	1,638,170	75,857,810	77,495,980
Multi family residential	-	-	-	-	212,118	212,118
Nonfarm nonresidential	109,494	-	74,526	184,020	47,263,755	47,447,775
Agricultural production	-	-	-	-	29,406,913	29,406,913
Commercial and industrial	624,848	40,875	18,296	684,019	26,563,958	27,247,977
Loans to individuals	97,500	13,115	38,803	149,418	7,547,585	7,697,003
States and political subdivisions	-	-	-	-	1,798,632	1,798,632
Other loans	270	1,645	-	1,915	20,684	22,599
Total loans	2,148,961	324,708	533,271	3,006,940	244,474,536	247,481,476

	2019					
	Past Due	Past Due 90 Days		Total		Total
	30-89 Days	Accruing	Non-Accrual	Past Due	Current	Loans
Loans secured by real estate:						
Construction and land development	15,174	-	-	15,174	7,199,912	7,215,086
Farmland	165,419	362,422	-	527,841	42,031,105	42,558,946
1-4 family residential	359,945	442,812	394,876	1,197,633	65,236,781	66,434,414
Multi family residential	-	-	-	-	218,152	218,152
Nonfarm nonresidential	336,195	-	-	336,195	45,705,883	46,042,078
Agricultural production	60,765	-	-	60,765	35,211,926	35,272,691
Commercial and industrial	893,331	68,126	-	961,457	14,668,061	15,629,518
Loans to individuals	74,875	4,589	18,414	97,878	7,187,543	7,285,421
States and political subdivisions	-	-	-	-	1,874,078	1,874,078
Other loans	16,945	17,277	-	34,222	646,571	680,793
Total loans	1,922,649	895,226	413,290	3,231,165	219,980,012	223,211,177

The following table summarizes information relative to loan modifications determined to be troubled debt restructurings. As of December 31, 2020 and 2019, all the troubled debt restructurings are included in impaired loans.

3. Loans and Allowances for Loan Losses (Continued)

	2020		
	Number of Contracts	Pre-Modification Outstanding Recorded Investment	Post-Modification Outstanding Recorded Investment
Land	2	14,703	14,514
Loans secured by real estate:			
1-4 family residential	15	1,028,738	916,080
Nonfarm nonresidential	1	362,450	361,521
Total real estate loans	16	1,391,188	1,277,601
Consumer	3	17,843	17,095
	21	1,423,734	1,309,210

	2019		
	Number of Contracts	Pre-Modification Outstanding Recorded Investment	Post-Modification Outstanding Recorded Investment
Land	2	17,535	17,535
Loans secured by real estate:			
1-4 family residential	14	1,225,479	1,225,479
Nonfarm nonresidential	1	368,582	368,582
Total real estate loans	15	1,594,061	1,594,061
Consumer	2	23,781	23,781
	19	1,635,377	1,635,377

None of the troubled debt restructurings have subsequently defaulted.

On March 27, 2020, the CARES Act, a stimulus package intended to provide relief to businesses and consumers in the United States struggling as a result of the pandemic, was signed into law. Section 4013 of the CARES Act also addressed COVID-19- related modifications and specified that COVID-19 related modifications executed between March 1, 2020 and the earlier of (i) 60 days after the date of termination of the national emergency declared by the President and (ii) December 31, 2020, on loans that were current as of December 31, 2019 are not TDRs. Additionally, under guidance from the federal banking agencies, other short-term modifications made on a good faith basis in response to COVID-19 to borrowers that were current prior to any relief are not TDRs under ASC Subtopic 310-40, “Troubled Debt Restructuring by Creditors.” These modifications include short-term (e.g., up to six months) modifications such as payment deferrals, fee waivers, extensions of repayment terms, or delays in payment that are insignificant. Borrowers considered current are those that are less than 30 days past due on their contractual payments at the time a modification program is implemented.

3. <u>Loans and Allowances for Loan Losses</u> (Continued)

On December 27, 2020, the Consolidated Appropriations Act, 2021, was signed into law and, among other things, extended the relief of classifying COVID-19 modifications to the earlier of January 1, 2022 or 60 days after the national emergency terminates. The Bank modified 15 individual loans with aggregate principal balances totaling $1,445,349 through December 31, 2020 without treating such modifications as TDRs. Concessions were primarily either interest only for 90 days or full payment deferrals for 90 days.

4. Premises and Equipment

The following is a summary of premises and equipment at December 31, 2020 and 2019:

	2020	2019
Land	1,078,431	1,078,431
Buildings and improvements	7,967,811	7,967,811
Furniture, fixtures, and equipment	4,864,471	4,708,842
Construction in progress	3,000	-
	13,913,713	13,755,084
Less-accumulated depreciation	(9,514,682)	(9,074,634)
	4,399,031	4,680,450

Depreciation expense for premises and equipment amounted to $486,711 and $482,156 in 2020 and 2019, respectively.

5. Other Assets

The following is a summary of other assets at December 31, 2020 and 2019:

	2020	2019
Other real estate repossessed	96,285	231,227
Cash surrender value of life insurance	704,052	682,093
Prepaid expenses	193,991	178,662
Other assets	635,774	618,925
	1,630,102	1,710,907

6. Deposits

The following is a summary of categories of deposits at December 31, 2020 and 2019:

	2020	2019
Noninterest bearing deposits	75,213,803	60,550,305
NOW, savings, and money market accounts	152,240,833	112,625,500
Certificates of deposit of $250,000 or more	43,599,024	22,359,940
Other certificates of deposit	80,580,748	83,188,922
Total interest-bearing deposits	276,420,605	218,174,362
Total deposits	351,634,408	278,724,667

The scheduled maturities of certificates of deposit at December 31, 2020, are as follows:

2021	70,545,264
2022	40,672,940
2023	10,624,945
2024	1,535,056
2025	801,567
	124,179,772

The Bank held related party deposits of $15,751,810 and $11,045,292 at December 31, 2020 and 2019, respectively.

7. Federal Home Loan Bank Advances

The Bank has advances from the Federal Home Loan Bank of Dallas (FHLB) which are collateralized by specific first mortgage loans and by a blanket lien on first mortgage and other qualifying loans. These advances require monthly or annual principal payments and monthly interest payments. Some of these advances have balloon features. The following is information related to interest rates and maturities:

	2020	2019
Range of interest rates	5.47%	4.92% - 5.47%
Final maturity dates	2026	2020 - 2026

The following is a summary of scheduled principal payments on these advances at December 31, 2020:

2021	-
2022	-
2023	-
2024	-
2025 and after	64,608
	64,608

7. Federal Home Loan Bank Advances (Continued)

The Company's available secured line-of-credit with the Federal Home Loan Bank was $64,137,488 and $76,540,798 at December 31, 2020 and 2019, respectively.

8. Notes Payable

Under an agreement with First National Bankers Bank, dated April 30, 2020, the Company has an authorized, unsecured Federal Funds line-of-credit for $11,100,000. This amount was unused at December 31, 2020 and 2019.

9. Other Liabilities

The following is a summary of other liabilities at December 31, 2020 and 2019:

	2020	2019
Deferred compensation	306,119	353,712
Other liabilities	1,207,711	918,424
Total other liabilities	1,513,830	1,272,136

10. Employee Benefit Plans

The Company has a 401(k) profit sharing plan covering substantially all full time employees of the Company and subsidiaries with three months of service. Participants may make contributions to the Plan in accordance with applicable regulations of the Plan's provisions. The Company may make matching contributions equal to a percentage of employee contributions. Total expenses related to this plan were $97,509 in 2020 and $95,435 in 2019.

The Company has an Employee Stock Ownership Plan (ESOP) covering substantially all full time employees who have completed one year of service and have attained the age of 21.

In 2014, the ESOP distributed 2,981 shares of Company stock with a value of $327,910 to a former Participant of the ESOP. The ESOP then borrowed funds from the Company to finance the repurchase of the shares from the former Participant. The ESOP borrowed $327,910 to be repaid over 84 months at a rate of 3.75%. The ESOP loan balance as of December 31, 2020, was $48,694.

In 2020, the ESOP distributed 4,144.52 shares of Company stock with a value of $655,442 to a former Participant of the ESOP. The ESOP then borrowed funds from the Bank to finance the repurchase of the shares from the former Participant. The ESOP borrowed $655,442 to be repaid over 123 months at a rate of 5.0%. The ESOP loan balance as of December 31, 2020, was $646,104.

The Company makes discretionary contributions to the ESOP, as well as paying dividends on unallocated shares to the ESOP, and the ESOP uses funds it receives to repay the loans. When loan payments are made, ESOP shares are allocated to participants based on relative compensation and expense is recorded. Dividends on allocated shares increase participants accounts.

Total expense related to the plan include contributions and interest expense that amounted to $118,480 in 2020 and $53,123 in 2019. The ESOP owned 23,826 shares of the Company's common stock at December 31, 2020 and 2019. The fair value per share as of December 31, 2019, the date of the last valuation, was $158.00 per share. The unallocated shares at this valuation date were 819 shares.

10. Employee Benefit Plans (Continued)

The Company has deferred retirement arrangements for the benefit of certain officers and directors, which generally provide for the payment of monthly benefits to participants at age 65 for a specified period of years. The Company is accruing the present value of the projected benefits to the date of retirement of the respective participants using discount rates ranging from 5% to 8.11%. The following is a summary of deferred compensation liability:

	2020	2019
Beginning balance	353,712	410,341
Expense accrued	20,961	23,855
Payments	(68,554)	(80,484)
Ending balance	306,119	353,712

11. Share Based Compensation

The Company implemented a stock grant agreement in 2018 with the intention to retain and motivate the Company's chief executive officer. The agreement grants 500 shares of the Company's stock on an annual basis for ten years starting in 2019. The annual stock grant is fully vested at the time of grant. Compensation cost of $74,000 and $70,000 was recognized in the financial statements for the Holding Company for the year ended December 31, 2020 and 2019, respectively.

12. Noninterest Expenses

Noninterest expense included in the consolidated statements of income for the years ended December 31, 2020 and 2019, included the following:

	2020	2019
Salaries and wages	5,745,344	5,257,937
Payroll taxes	349,553	358,382
Employee insurance	546,934	469,156
Other employee benefits	319,468	280,819
Building related expenses	580,391	491,882
Furniture and fixtures related expenses	372,548	395,790
Other occupancy expenses	448,445	403,077
Service bureau charges and ATM fees	398,778	680,082
Other data processing expenses	337,267	282,951
Professional fees	412,544	776,079
Advertising	418,383	419,519
Banking agency assessments	115,166	85,695
Insurance	21,694	31,012
General and administrative	894,724	1,017,099
	10,961,239	10,949,480

13. Related Party Transaction

In the ordinary course of business, the Bank has granted loans to certain officers, directors, and their affiliates (related parties) amounting to $8,174,025 and $13,488,860 at December 31, 2020 and 2019, respectively.

13. Related Party Transaction (Continued)

An analysis of changes in these loans follows:

	2020	2019
Balance-beginning of year	13,488,860	15,457,965
New loans	14,333,499	12,360,122
Repayments	(13,576,540)	(14,329,227)
Balance-end of year	14,245,819	13,488,860

The Bank rents office space from the Company. Total rent paid was $96,000 for the years ending 2020 and 2019. The Finance Company rents space from the Bank. Total rent paid was $9,000 for the years ending 2020 and 2019. These amounts are eliminated in consolidation.

Note 6 discloses the amount of related party deposits at December 31, 2020 and 2019.

14. Financial Instruments with Off-Balance Sheet Risk

In the normal course of business, the Bank has outstanding commitments and contingent liabilities, such as commitments to extend credit and standby letters-of-credit, which are not included in the accompanying consolidated financial statements.

The Bank is a party to credit related financial instruments with off balance sheet risk in the normal course of business to meet the financing needs of its customers. These financial instruments include commitments to extend credit, standby letters-of-credit, and commercial letters-of-credit. These instruments involve, to varying degrees, elements of credit and interest rate risk.

Commitments to extend credit are agreements to lend money to customers pursuant to certain specified conditions and generally have fixed expiration dates or other termination clauses. Since many of these commitments are expected to expire without being drawn upon, the total commitment amounts do not necessarily represent future cash requirements. When making these commitments, the Bank applies the same credit policies and standards as it does in the normal lending process. Collateral is obtained based upon the Bank's assessment of a customer's credit worthiness.

Standby and commercial letters-of-credit are conditional commitments issued by the Bank to guarantee the performance of a customer to a third party. When issuing letters-of-credit, the Bank applies the same credit policies and standards as it does in the normal lending process. Collateral is obtained based upon the Bank's assessment of a customer's credit worthiness.

The Bank's maximum credit exposure in the event of nonperformance for loan commitments and standby and commercial letters-of-credit is represented by the contract amount of the instruments. A summary of these instruments at December 31, 2020 and 2019, is as follows:

	2020	2019
Commitments to extend credit	40,792,832	34,730,574
Standby letters of credit	584,300	602,175
	41,377,132	35,332,749

15. Regulatory Matters

The Bank is subject to various regulatory capital requirements administered by the federal banking agencies. Failure to meet minimum capital requirements can initiate certain mandatory (and possibly additional discretionary) actions by regulators that, if undertaken, could have a direct material effect on the Bank's financial statements. Under capital adequacy guidelines and the regulatory framework for prompt corrective action, the Bank must meet specific capital guidelines that involve quantitative measures of the Bank's assets, liabilities, and certain off-balance-sheet items as calculated under regulatory accounting practices. The Bank's capital amounts and classification are also subject to qualitative judgments by the regulators about component, risk weighting, and other factors. Management believes as of December 31, 2020, the Bank meets all capital adequacy requirements to which it is subject.

Quantitative measures established by regulation to ensure capital adequacy require the Bank to maintain minimum amounts and ratios (set forth in the table below) of total and Tier I capital (as defined in the regulations) to risk-weighted assets (as defined), and of Tier I capital (as defined) to average assets (as defined). As of December 31, 2019, the most recent notification from the FDIC categorized the Bank as well capitalized under the regulatory framework for prompt corrective action.

In 2019, the federal banking agencies jointly issued a final rule that provides for an optional, simplified measure of capital adequacy, the community bank leverage ratio framework (CBLR framework), for qualifying community banking organizations, consistent with Section 201 of the Economic Growth, Regulatory Relief, and Consumer Protection Act. The final rule became effective on January 1, 2020 and was elected by the Bank as of December 31, 2020. In April 2020, the federal banking agencies issued an interim final rule that makes temporary changes to the CBLR framework, pursuant to section 4012 of the Coronavirus Aid, Relief, and Economic Security (CARES) Act, and a second interim final rule that provides a graduated increase in the community bank leverage ratio requirement after the expiration of the temporary changes implemented pursuant to section 4012 of the CARES Act.

The community bank leverage ratio removes the requirement for qualifying banking organizations to calculate and report risk-based capital but rather only requires a Tier I to average assets (leverage) ratio. Qualifying banking organizations that elect to use the community bank leverage ratio framework and that maintain a leverage ratio of greater than required minimums will be considered to have satisfied the generally applicable risk based and leverage capital requirements in the agencies' capital rules (generally applicable rule) and, if applicable, will be considered to have met the well capitalized ratio requirements for purposes of section 38 of the Federal Deposit Insurance Act. Under the interim final rules, the community bank leverage ratio minimum requirement is 8% as of December 31, 2020, 8.5% for calendar year 2021, and 9% for calendar year 2022 and beyond. The interim rule allows for a two-quarter grace period to correct a ratio that falls below the required amount, provided that the bank maintains a leverage ratio of 7% as of December 31, 2020, 7.5% for calendar year 2021, and 8% for calendar year 2022 and beyond.

Under the final rule, an eligible banking organization can opt out of the CBLR framework and revert back to the risk-weighting framework without restriction. As of December 31, 2020, both the Company and Bank were qualifying community banking organizations as defined by the federal banking agencies and elected to measure capital adequacy under the CBLR framework.

15. Regulatory Matters (Continued)

Actual and required capital amounts and ratios are presented below at year-end.

	Actual		Minimum To Be Well Capitalized Under Prompt Corrective Action Provisions	
	Amount	Ratio	Amount	Ratio
As of December 31, 2020:				
Tier 1 Capital				
(to average assets):				
Consolidated	$ 32,168	8.35%	≥ $ 30,826	≥8.0%
Bank	$ 31,278	8.14%	≥ $ 30,754	≥8.0%

	Actual		Minimum For Capital Adequacy Purposes		Minimum To Be Well Capitalized Under Prompt Corrective Action Provisions	
	Amount	Ratio	Amount	Ratio	Amount	Ratio
As of December 31, 2019:						
Total Capital						
(to risk-weighted assets):						
Consolidated	$ 34,987	15.56%	≥ $ 17,985	≥8.0%	≥ $ 22,482	≥10.0%
Bank	$ 30,457	13.60%	≥ $ 17,913	≥8.0%	≥ $ 22,392	≥10.0%
Tier 1 Capital						
(to risk weighted assets):						
Consolidated	$ 32,168	14.31%	≥ $ 13,489	≥6.0%	≥ $ 17,985	≥8.0%
Bank	$ 27,241	12.17%	≥ $ 13,435	≥6.0%	≥ $ 17,913	≥8.0%
Common Equity Tier 1 Capital						
(to risk weighted assets):						
Consolidated	$ 32,168	14.31%	≥ $ 10,117	≥4.5%	≥ $ 14,613	≥6.5%
Bank	$ 27,241	12.17%	≥ $ 10,076	≥4.5%	≥ $ 14,554	≥6.5%
Tier 1 Capital						
(to average assets):						
Consolidated	$ 32,168	10.51%	≥ $ 24,484	≥4.0%	≥ $ 15,303	≥5.0%
Bank	$ 27,241	8.93%	≥ $ 24,412	≥4.0%	≥ $ 15,258	≥5.0%

16. **Commitments and Contingent Liabilities**

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

17. **Concentration of Credit Risk**

The Bank grants agribusiness, commercial, and residential loans to customers in the surrounding parishes of Louisiana. Although the Bank has a diversified loan portfolio, a substantial portion of its debtors' ability to honor their contracts is dependent upon the agribusiness economic sector.

Effective January 1, 2013, certain individual concentrations under due from banks no longer have unlimited FDIC coverage and will be subject to the $250,000 limit. At December 31, 2020, the Bank had no concentrations under due from banks.

18. **Fair Value of Financial Instruments**

Fair value measurements are used to record fair value adjustments to certain assets and liabilities and to determine fair value disclosures, as well as the methodology and significant assumptions used in estimating fair values. In accordance with FASB ASC 820, "*Fair Value Measurement and Disclosures*," the fair value of a financial instrument is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value is best determined based upon quoted market prices. However, in many instances, there are no quoted market prices for various financial instruments. In cases where quoted market prices are not available, fair values are based on estimates using present value or other valuation techniques. Those techniques are significantly affected by the assumptions used, including the discount rate and estimates of future cash flows. All nonfinancial instruments, by definition, have been excluded from these disclosure requirements. Accordingly, the fair value estimates do not represent the underlying value of the Company and may not be realized in an immediate settlement of the instrument.

The fair value guidance provides a consistent definition of fair value, which focuses on exit price in an orderly transaction (that is, not a forced liquidation or distressed sale) between market participants at the measurement date under current market conditions. If there has been a significant decrease in the volume and level of activity for the asset or liability, a change in valuation technique or the use of multiple valuation techniques may be appropriate. In such instances, determining the price at which willing market participants would transact at the measurement date under current market conditions depends on the facts and circumstances and requires the use of significant judgment. The fair value is a reasonable point within the range that is most representative of fair value under current market conditions.

Fair Value Hierarchy. In accordance with this guidance, financial assets and financial liabilities, generally measured at fair value, are grouped in three levels, based on the markets in which the assets and liabilities are traded and the reliability of the assumptions used to determine fair value.

18. **<u>Fair Value of Financial Instruments</u>** **(Continued)**

Level 1 – Valuation is based on quoted prices in active markets for identical assets or liabilities that the reporting entity has the ability to access at the measurement date. Level 1 assets and liabilities generally include debt and equity securities that are traded in an active exchange market. Valuations are obtained from readily available pricing sources for market transactions involving identical assets or liabilities.

Level 2 – Valuation is based on inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly. The valuation may be based on quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the asset or liability.

Level 3 – Valuation is based on unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities. Level 3 assets and liabilities include financial instruments whose value is determined using pricing models, discounted cash flow methodologies, or similar techniques, as well as instruments for which determination of fair value requires significant management judgment or estimation.

A financial instrument's categorization within the valuation hierarchy is based upon the lowest level of input that is significant to the fair value measurement.

The following methods and assumptions were used in estimating fair value disclosures for financial instruments.

Fair values of assets and liabilities measured at fair value on a recurring basis at December 31, 2020 and 2019, are as follows:

	2020			
	Level 1	Level 2	Level 3	Fair Value
Securities available for sale				
U. S. Government agencies	-	2,645,835	-	2,645,835
Mortgage-back securities	-	9,459,351	-	9,459,351
States and political subdivisions	-	35,663,106	-	35,663,106
Other debt securities	-	14,114,316	-	14,114,316
Total	-	61,882,608	-	61,882,608

	2019			
	Level 1	Level 2	Level 3	Fair Value
Securities available for sale				
U. S. Government agencies	-	2,622,724	-	2,622,724
Mortgage-back securities	-	6,611,219	-	6,611,219
States and political subdivisions	-	8,816,991	-	8,816,991
Other debt securities	-	13,770,296	-	13,770,296
Total	-	31,821,230	-	31,821,230

19. Summarized Financial Information of Parent Company Only

CENTRAL LOUISIANA CAPITAL CORPORATION

BALANCE SHEETS

DECEMBER 31, 2020 AND 2019

	2020	2019
A S S E T S		
Assets:		
Cash and cash equivalents	316,809	401,171
Investment in banking subsidiary	32,818,161	27,866,497
Investment in finance subsidiary	59,597	699,180
Investment in insurance subsidiary	15,479	15,015
Premises and equipment, net	164,544	187,637
Cash surrender value of life insurance	419,506	408,620
Other assets	305,219	301,575
Total assets	34,099,315	29,879,695
LIABILITIES AND STOCKHOLDERS' EQUITY		
Liabilities:		
Deferred compensation liability	172,778	207,983
Other liabilities	267,244	208,200
Total liabilities	440,022	416,183
Stockholders' Equity:		
Common stock	1,658,154	1,652,154
Additional paid-in capital	6,739,302	6,592,302
Retained earnings	23,770,389	20,741,136
Unearned ESOP shares	(48,694)	(99,410)
Accumulated other comprehensive income	1,540,142	577,330
Total stockholders' equity	33,659,293	29,463,512
Total liabilities and stockholders' equity	34,099,315	29,879,695

19. Summarized Financial Information of Parent Company Only (Continued)

CENTRAL LOUISIANA CAPITAL CORPORATION

STATEMENTS OF INCOME

DECEMBER 31, 2020 AND 2019

	2020	2019
Income:		
Dividends received from banking subsidiary	2,850,000	3,465,000
Dividends received from finance subsidiary	450,000	250,000
Equity in earnings of:		
Banking subsidiary	3,189,852	1,914,674
Finance subsidiary	(639,583)	(284,611)
Insurance subsidiary	464	(87)
Management fee income	8,400	8,400
Interest income	356	904
Other income	907,446	108,575
Total income	6,766,935	5,462,855
Expenses:		
Salaries and employee benefits	421,883	434,199
Occupancy expenses	23,093	21,792
Equipment and data processing expenses	2,126	1,915
Other expenses	199,123	215,138
Total expenses	646,225	673,044
Net income	6,120,710	4,789,811

19. Summarized Financial Information of Parent Company Only (Continued)

CENTRAL LOUISIANA CAPITAL CORPORATION

STATEMENTS OF CASH FLOWS

DECEMBER 31, 2020 AND 2019

	2020	2019
Cash flows from operating activities:		
Net income	6,120,710	4,789,811
Adjustments to reconcile net income to net cash provided by operating activities:		
Equity in undistributed earnings of:		
Banking subsidiary	(3,189,852)	(1,914,674)
Finance subsidiary	639,583	284,611
Insurance subsidiary	(464)	87
Depreciation	23,093	21,792
Release of unearned ESOP shares	50,716	48,152
Other, net	(789,691)	(77,229)
Net cash provided by operating activities	2,854,095	3,152,550
Cash flows from investing activities:		
Purchases of premises and equipment	-	(34,700)
Net cash (used) for investing activities	-	(34,700)
Cash flows from financing activities:		
Stock grant awarded	153,000	70,000
Dividends paid	(3,091,457)	(2,962,863)
Net cash (used) for financing activities	(2,938,457)	(2,892,863)
Net (decrease) increase in cash	(84,362)	224,987
Cash - beginning of year	401,171	176,184
Cash - end of year	316,809	401,171

OTHER FINANCIAL INFORMATION

CENTRAL LOUISIANA CAPITAL CORPORATION AND SUBSIDIARIES

CONSOLIDATING BALANCE SHEETS

DECEMBER 31, 2020

	Central Louisiana Capital Corporation	Delta Bank	Community Credit Centers	CENCAP Insurance Agency	Eliminations	Consolidated
A S S E T S						
Assets:						
Cash and due from banks	196,999	6,939,155	38,617	15,479	(251,095)	6,939,155
Interest-bearing deposits with other financial institutions	119,810	49,671,423	53,466	-	(173,276)	49,671,423
Debt securities available-for-sale	-	61,882,608	-	-	-	61,882,608
Debt securities held-to-maturity	-	13,970,085	-	-	-	13,970,085
Restricted stock	-	1,309,300	-	-	-	1,309,300
Loans, net of allowance for loan losses	-	234,459,611	11,649	-	-	234,471,260
Paycheck Protection Program loans	-	10,190,754	-	-	-	10,190,754
Premises and equipment, net	164,544	4,234,487	-	-	-	4,399,031
Accrued interest receivable	-	2,705,055	-	-	-	2,705,055
Investment in subsidiaries	32,893,237	-	-	-	(32,893,237)	-
Other assets	724,725	905,317	60	-	-	1,630,102
Total assets	34,099,315	386,267,795	103,792	15,479	(33,317,608)	387,168,773

CENTRAL LOUISIANA CAPITAL CORPORATION AND SUBSIDIARIES

CONSOLIDATING BALANCE SHEETS

DECEMBER 31, 2020

	Central Louisiana Capital Corporation	Delta Bank	Community Credit Centers	CENCAP Insurance Agency	Eliminations	Consolidated
LIABILITIES AND STOCKHOLDERS' EQUITY						
Liabilities:						
Deposits	-	352,058,779	-	-	(424,371)	351,634,408
Federal Home Loan Bank advances	-	64,608	-	-	-	64,608
Accrued interest payable	-	296,634	-	-	-	296,634
Other liabilities	440,022	1,029,613	44,195	-	-	1,513,830
Total liabilities	440,022	353,449,634	44,195	-	(424,371)	353,509,480
Stockholders' equity:						
Common stock	1,658,154	200,000	75,000	10	(275,010)	1,658,154
Additional paid-in capital	6,739,302	12,599,000	377,059	4,990	(12,981,049)	6,739,302
Retained earnings	23,770,389	18,479,019	(392,462)	10,479	(18,097,036)	23,770,389
Unearned ESOP shares	(48,694)	-	-	-	-	(48,694)
Accumulated other comprehensive income	1,540,142	1,540,142	-	-	(1,540,142)	1,540,142
Total stockholders' equity	33,659,293	32,818,161	59,597	15,479	(32,893,237)	33,659,293
Total liabilities and stockholders' equity	34,099,315	386,267,795	103,792	15,479	(33,317,608)	387,168,773

CENTRAL LOUISIANA CAPITAL CORPORATION AND SUBSIDIARIES

CONSOLIDATING STATEMENTS OF INCOME

FOR THE YEAR ENDED DECEMBER 31, 2020

	Central Louisiana Capital Corporation	Delta Bank	Community Credit Centers	CENCAP Insurance Agency	Eliminations	Consolidated
Interest income:						
Interest and fees on loans	-	14,556,115	48,704	-	-	14,604,819
Interest and dividends on investment securities and other	-	1,603,861	-	-	-	1,603,861
Interest-bearing bank balances	356	148,342	-	-	-	148,698
Total interest income	356	16,308,318	48,704	-	-	16,357,378
Interest expense:						
Interest on deposits	-	2,496,148	-	-	-	2,496,148
Interest on short-term borrowings	-	72	-	-	-	72
Interest on other borrowings	-	5,131	-	-	-	5,131
Total interest expense	-	2,501,351	-	-	-	2,501,351
Net interest income	356	13,806,967	48,704	-	-	13,856,027
Provision for loan losses	-	300,000	60,000	-	-	360,000
Net interest income (expense), after provision for loan losses	356	13,506,967	(11,296)	-	-	13,496,027

CENTRAL LOUISIANA CAPITAL CORPORATION AND SUBSIDIARIES

CONSOLIDATING STATEMENTS OF INCOME

FOR THE YEAR ENDED DECEMBER 31, 2020

	Central Louisiana Capital Corporation	Delta Bank	Community Credit Centers	CENCAP Insurance Agency	Eliminations	Consolidated
Other income:						
Dividends received from banking subsidiary	2,850,000	-	-	-	(2,850,000)	-
Dividends received from finance subsidiary	450,000	-	-	-	(450,000)	-
Equity in undistributed earnings of:						
Banking subsidiary	3,189,852	-	-	-	(3,189,852)	-
Finance subsidiary	(639,583)	-	-	-	639,583	-
Insurance subsidiary	464	-	-	-	(464)	-
Service fees	-	1,509,516	-	-	-	1,509,516
Management fee income	8,400	10,000	-	-	(18,400)	-
Other income	907,446	1,263,758	(344)	10,546	(105,000)	2,076,406
Total other income	6,766,579	2,783,274	(344)	10,546	(5,974,133)	3,585,922
Noninterest expense:						
Salaries and employee benefits	421,883	6,406,924	132,492	-	-	6,961,299
Occupancy expenses	23,093	1,353,423	24,868	-	-	1,401,384
Equipment and data processing expenses	2,126	836,919	2,000	-	(105,000)	736,045
Other expenses	199,123	1,653,123	18,583	10,082	(18,400)	1,862,511
Total noninterest expenses	646,225	10,250,389	177,943	10,082	(123,400)	10,961,239
Net income	6,120,710	6,039,852	(189,583)	464	(5,850,733)	6,120,710

CENTRAL LOUISIANA CAPITAL CORPORATION
2020

* No LEI is available for any of the companies listed below

CENTRAL LOUISIANA CAPITAL CORPORATION
VIDALIA, LA
Louisiana Corporation

Delta Bank
Vidalia, LA
100%
Louisiana Corp

Cencap Insurance
Agency, LLC
Vidalia, LA
100%
Louisiana Org
Managing Member

Community Credit Centers
of Ferriday, LLC
Ferriday, LA
100%
Louisana Org
Managing Member

Results: A list of branches for your depository institution: DELTA BANK (ID_RSSD: 975256).
This depository institution is held by CENTRAL LOUISIANA CAPITAL CORPORATION (1109571) of VIDALIA, LA.
The data are as of 12/31/2020. Data reflects information that was received and processed through 01/15/2021.

Reconciliation and Verification Steps
1. In the **Data Action** column of each branch row, enter one or more of the actions specified below
2. If required, enter the date in the **Effective Date** column

Actions
OK: If the branch information is correct, enter 'OK' in the **Data Action** column.
Change: If the branch information is incorrect or incomplete, revise the data, enter 'Change' in the **Data Action** column and the date when this information first became valid in the **Effective Date** column.
Close: If a branch listed was sold or closed, enter 'Close' in the **Data Action** column and the sale or closure date in the **Effective Date** column.
Delete: If a branch listed was never owned by this depository institution, enter 'Delete' in the **Data Action** column.
Add: If a reportable branch is missing, insert a row, add the branch data, and enter 'Add' in the **Data Action** column and the opening or acquisition date in the **Effective Date** column.

If printing this list, you may need to adjust your page setup in MS Excel. Try using landscape orientation, page scaling, and/or legal sized paper.

Submission Procedure
When you are finished, send a saved copy to your FRB contact. See the detailed instructions on this site for more information.
If you are e-mailing this to your FRB contact, put your institution name, city and state in the subject line of the e-mail.

Note:
To satisfy the **FR Y-10 reporting requirements**, you must also submit FR Y-10 Domestic Branch Schedules for each branch with a **Data Action** of Change, Close, Delete, or Add.
The FR Y-10 report may be submitted in a hardcopy format or via the FR Y-10 Online application - https://y10online.federalreserve.gov.

* FDIC UNINUM, Office Number, and ID_RSSD columns are for reference only. Verification of these values is not required.

Data Action	Effective Date	Branch Service Type	Branch ID_RSSD*	Popular Name	Street Address	City	State	Zip Code	County	Country	FDIC UNINUM*	Office Number*	Head Office	Head Office ID_RSSD*	Comments
OK		Full Service (Head Office)	975256	DELTA BANK	1617 CARTER ST	VIDALIA	LA	71373	CONCORDIA	UNITED STATES	Not Required	Not Required	DELTA BANK	975256	
OK		Full Service	180153	FERRIDAY BRANCH	302 LOUISIANA AVENUE	FERRIDAY	LA	71334-2830	CONCORDIA	UNITED STATES	Not Required	Not Required	DELTA BANK	975256	
OK		Full Service	599559	LAKE PROVIDENCE BRANCH	406 LAKE STREET	LAKE PROVIDENCE	LA	71254	EAST CARROLL	UNITED STATES	Not Required	Not Required	DELTA BANK	975256	
OK		Full Service	3394867	TALLULAH BRANCH	401 SOUTH CEDAR	TALLULAH	LA	71282	MADISON	UNITED STATES	Not Required	Not Required	DELTA BANK	975256	
OK		Full Service	4716484	NATCHEZ OFFICE	173 HIGHWAY 61 SOUTH	NATCHEZ	MS	39120	ADAMS	UNITED STATES	Not Required	Not Required	DELTA BANK	975256	

Form FR Y-6

Central Louisiana Capital Corp
Vidalia, LA
Fiscal Year Ending 12/31/2020

Report Item 3: Securities Holders

Current Securities Holders with ownership, control or holdings of 5% or more with power to vote as of fiscal year ending 12/31/2020			Securities Holders not listed in 3(1)(a) through (3)(1)(c) that had ownership, control or holdings of 5% or more with power to vote during the fiscal year ending 12/31/2020 (but not at fiscal year-end)		
(1)(a) Name & Address (City, State, Country)	(1)(b) Country of Citizenship or Incorporation	(1)(c) Number and Percentage of Each Class of Voting Securities	(2)(a) Name & Address (City, State, Country)	(2)(b) Country of Citizenship or Incorporation	(2)(c) Number and Percentage of Each Class of Voting Securities
		Common Stock Only			
Campbell Family Baton Rouge, LA	USA	130,336 47.36%	None		
Brian D Campbell Baton Rouge, LA	USA	49,424 17.85%			
Judith L Campbell St Francisville, LA	USA	30,852 11.14%			
Dale C. Fairbanks Gulf Breeze, FL	USA	28,631 9.62%			
Central Louisiana Capital Corp ESOP - Brian D Campbell, Trustee Vidalia, LA	USA	23,826 8.61%			

Form FR Y-6

Central Louisiana Capital Corp
Vidalia, LA
Fiscal Year Ending 12/31/2019

Report Item 4: Insiders

(1) Name & Address (City, State, Country)	(2) Principal Occupation, if other than with holding company	(3)(a) Title/Position with holding company	(3)(b) Title/Position with Subsidiaries (including subsidiary name)	(3)(c) Title/Position with Other Businesses (including business name)	(4)(a) Percentage of Voting Securities in holding company	(4)(b) Percentage of Voting Securities in Subsidiaries (including subsidiary name)	(4)(c) Percentage of Voting Securities in any other co. (including co. name) if ≥ 25%
Don W Ater Ferriday, LA	Retired Farming Interest	Director/Secretary/Vice Chairman	Director/Secretary Delta Bank Director/Secretary Cencap Insurance Agency LLC Director/Secretary Cencap Insurance Agency LLC	Don W Ater Farms - Owner Weecama Farms LLP - Member Vidalia Center LLC - Member Richard B Sharp Marital Trust - Trustee Richard B Sharp Childrens Trust - Trustee Masco Wireline Inc - Director	4.95%	0.00%	Don W Ater Farms - 100% Weecama Farms LLP - 50% Vidalia Center LLC - 33%
Philip Brown Lake Providence, LA	Farmer	Director	Director Community Credit Centers of Ferriday, LLC Director Cencap Insurance Agency LLC	Philip Brown Trust - Trustee	0.76%	0.00%	
Brian D Campbell Baton Rouge, LA	Real Estate Developer	Director/ Chairman and CEO	Director/Chairman - Delta Bank Director - Community Credit Centers of Ferriday LLC	Highland Market Place II LLC - Member BDC Davis Island LLC	26.46%	0.00%	Highland Market Place II LLC - 50% BDC Davis Island LLC - 85%

			Director/Chairman - Cencap Insurance Agency, LLC	Big Horn Dev, LLC - Member Highland Market Place LLC - Member Baldwin Rowe Townhomes LLC - Member Baldwin Rowe Townhomes II LLC - Member ABBA V LLC - Member ABBA III LLC - Member Pecue Properties LLC - Member Hoot Aero, LLC ABR, LLC - Member Edge Family Properties, LLC - Member Brian D Campbell Family Trust - Trustee Brian D and Donna M Campbell Trust - Trustee Brian and Donna Insurance Trust Trustee			Big Horn Dev, LLC - 50% Highland Market Place LLC - 75% Baldwin Rowe Townhomes LLC - 100% Baldwin Rowe Townhomes II LLC - 50% ABBA V LLC -99% ABBA III LLC - 99% Pecue Properties LLC - 50% Hoote Aero LLC - 100% ABR, LLC - 33% Edge Family Properties, LLC - 33%
Gerald F Delaune Jr Natchez, MS	Retired Dentist	Director	Director Community Credit Centers of Ferriday, LLC Director Cencap Insurance Agency LLC	Huntington Plaza - Owner	4.37%	0.00%	Huntington Plaza - 40%

Bobby D Flurry Natchez, MS	Retired Banker	Director and Assistant Secretary	Director and Assistant Secretary Delta Bank Director and Assistant Secretary Community Credit Centers of Ferriday, LLC Director and Assistant Secretary Cencap Insurance Agency LLC	B & J Enterprises LLC - Member	3.20%	0.00%	B & J Enterprises LLC - 50%
Darryl J Ellerbee, Jr. Tallulah, LA	Banker	Director - Emeritus	Director/President & CEO - Delta Bank Director/President Community Credit Centers of Ferriday LLC Director/President Cencap Insurance Agency, LLC	South Endzone Investments LLC - Member	0.54%	0.00%	South Endzone Investments LLC - 50%
Ted E Oliver Tallulah, LA	Farmer	Director	Director - Delta Bank Director Community Credit Centers of Ferriday, LLC Director Cencap Insurance Agency LLC	Oliver Farming Partnership - Partner Oliver Farms Inc - President Susannah Farms Partnership - Partner Joe Bayou Gin - stockholder L.A.S.T, LLC - Member	2.46%	0.00%	Oliver Farming Partnership - 50% Oliver Farms Inc - 50% President Susannah Farms Partnership - 25% L.A.S.T. LLC - 50%
Jimmy R. Smith, Natchez, MS	Hardware Store Owner and Real Estate Developer	Director	Director - Delta Bank Director Community Credit Centers of Ferriday, LLC	Natchez Hardware Center, Inc - Owner Hardware Management, LLC - Member	3.70%	0.00%	Natchez Hardware Center, Inc - 39% Hardware Management, LLC - 100%

			Director Cencap Insurance Agency LLC	V S Rentals - Member			V S Rentals - 100%
				Main and Pearl, LLC - Member American Plan and Build, LLC - Member			Main and Pearl, LLC - 50% American Plan and Build, LLC - 50%
				Smith-Carter, LLC - Member Vidalia Center, LLC - Member Riverview Management, LLC - Member Riverview Real Estate, LLC - Member			Smith-Carter, LLC - 50% Vidalia Center, LLC - 33% Riverview Management, LLC - 50% Riverview Real Estate, LLC - 50%
Judith L Campbell St. Francisville, LA	Housewife	Principal Shareholder	None	Edgewood Exploration - Owner	11.14%	0.00%	Edgewood Exploration - 100%
Dale C. Fairbanks Gulf Breeze, FL	Artist	Principal Shareholder	None	Dale Fairbanks Studios - Owner Dale C. Fairbanks Family Trust - Trustee	9.62%	0.00%	Dale Fairbanks Studios - 100%
				Fairbanks Investment Group of Northwest Florida, Inc - Owner ABR LLC - Member			Fairbanks Investment Group of Northwest Florida, Inc - 50% ABR LLC - 33%
Brian Douglas Campbell, Jr. Baton Rouge, LA	Real Estate Developer	Director	Director - Delta Bank	Big Horn Dev, LLC - Member	0.66%	0.00%	Big Horn Dev, LLC - 50%
			Director - Community Credit Centers Inc	Highland Market Place LLC - Member			Highland Market Place LLC - 25%
			Director - Community Credit Centers of Ferriday LLC				
			Director - Cencap Insurance Agency, LLC	Pecue Properties LLC - Member			Pecue Properties LLC - 41.3%

				BDC Management LLC - Member Highland Market Place II LLC - Member			BDC Management LLC - 100% Highland Market Place II, LLC - 33.30%
Anna Kathryne Kronenberger Baton Rouge, LA	Lawyer	Director	Director - Community Credit Centers Inc	Kronenberger, Law, LLC - Member	1.40%	0.00%	Kronenberger, Law, LLC - 100%
			Director - Community Credit Centers of Ferriday LLC	Edgewood Cockfield Project, LLC - Member			
			Director - Cencap Insurance Agency, LLC	RAC, Jr. Family Bluebonnet, LLC - Member Brierfield-Hurricane LLC - Member			RAC, Jr. Family Bluebonnet, LLC - 25%