

Disclosure Statement Pursuant to the Pink Basic Disclosure Guidelines

The Monarch Cement Company

A Kansas Corporation

P.O Box 1000, Humboldt, Kansas

620-473-2222

www.monarchcement.com

shareholder.relations@monarchcement.com

3241 – Cement, Hydraulic
3273 – Ready-Mixed Concrete

Quarterly Report

For the Period Ending: September 30, 2023

Outstanding Shares

The number of shares outstanding of our Common Stock was:

2,561,149 of our Common Stock as of September 30, 2023
1,128,618 of our Class B Common Stock as of September 30, 2023
2,578,451 of our Common Stock as of December 31, 2022
1,130,425 of our Class B Common Stock as of December 31, 2022

Shell Status

Indicate by check mark whether the company is a shell company (as defined in Rule 405 of the Securities Act of 1933 and Rule 12b-2 of the Exchange Act of 1934):

Yes: No:

Indicate by check mark whether the company's shell status has changed since the previous reporting period:

Yes: No:

Change in Control

Indicate by check mark whether a Change in Control of the company has occurred over this reporting period:

Yes: No:

1) Name and address(es) of the issuer and its predecessors (if any)

In answering this item, please also provide any names used by predecessor entities and the dates of the name changes.

The Monarch Cement Company

The state of incorporation or registration of the issuer and of each of its predecessors (if any) during the past five years; Please also include the issuer's current standing in its state of incorporation (e.g. active, default, inactive):

Monarch was organized as a corporation under the laws of the State of Kansas on July 29, 1913 and is currently active.

Describe any trading suspension orders issued by the SEC concerning the issuer or its predecessors since inception:

None

List any stock split, stock dividend, recapitalization, merger, acquisition, spin-off, or reorganization either currently anticipated or that occurred within the past 12 months:

The Company issued 15,239 of Capital Stock in August 2022 as part of the consideration paid by the Company for the acquisition of American Concrete Company.

The address(es) of the issuer's principal executive office:

The Monarch Cement Company

449 1200 Street
P.O. Box 1000
Humboldt, KS 66748

The address(es) of the issuer's principal place of business:

Check box if principal executive office and principal place of business are the same address:

Has the issuer or any of its predecessors been in bankruptcy, receivership, or any similar proceeding in the past five years?

Yes: No:

2) Security Information

Transfer Agent

Name: The Monarch Cement Company
Address: 449 1200 Street
P.O. Box 1000
Humboldt, KS 66748-0900
Phone: 620-473-2222
Email: shareholder.relations@monarchcement.com

Is the Transfer Agent registered under the Exchange Act? Yes: No:

Publicly Quoted or Traded Securities:

Trading symbol:	MCEM
Exact title and class of securities outstanding:	Capital Stock
CUSIP:	609031307
Par or stated value:	\$2.50
Total shares authorized:	10,000,000 as of September 30, 2023
Total shares outstanding:	2,561,149 as of September 30, 2023

Trading symbol:	MCEM
Exact title and class of securities outstanding:	Class B Capital Stock
CUSIP:	609031406
Par or stated value:	\$2.50
Total shares authorized:	10,000,000 as of September 30, 2023
Total shares outstanding:	1,128,618 as of September 30, 2023

Number of shares in the Public Float:	3,186,829 as of September 30, 2023
Total number of shareholders of record:	325 as of September 30, 2023

Security Description:

1. **For common equity, describe any dividend, voting and preemption rights.**

Each issued and outstanding share of our Capital Stock as of the close of business on the record date is entitled to one vote on each matter submitted to a vote at the annual meeting, and each issued and outstanding share of our Class B Capital Stock as of the close of business on the record date is entitled to ten votes on each matter submitted to a vote at the annual meeting.

We pay the same dividend on both Capital Stock and Class B Capital Stock.

2. **For preferred stock, describe the dividend, voting, conversion, and liquidation rights as well as redemption or sinking fund provisions.**

None.

3. **Describe any other material rights of common or preferred stockholders.**

Class B shares have restrictions on transferability, but they can always be converted into Capital Stock.

4. Describe any material modifications to rights of holders of the company's securities that have occurred over the reporting period covered by this report.

None.

3) Issuance History

A. Changes to the Number of Outstanding Shares

Indicate by check mark whether there were any changes to the number of outstanding shares within the past two completed fiscal years:

No: Yes: (If yes, you must complete the table below)

Pursuant to the provisions of Monarch's Articles of Incorporation governing the conversion of its Class B Capital Stock into Capital Stock a total of 1,057 shares of Monarch's Capital Stock were issued in the first nine-month ended September 30, 2023, upon conversion of an equal number of shares of Monarch's Class B Capital Stock. The following changes occurred to shares during the past two years as indicated below:

Number of Shares outstanding as of 01/01/2021		Opening Balance: Capital: 2,609,104 Class B: 1,187,725							
Date of Transaction	Transaction type (e.g. new issuance, cancellation, shares returned to treasury)	Number of Shares Issued (or cancelled)	Class of Securities	Value of shares issued (\$/per share) at Issuance	Were the shares issued at a discount to market price at the time of issuance? (Yes/No)	Individual/ Entity Shares were issued to (entities must have individual with voting / investment control disclosed).	Reason for share issuance (e.g. for cash or debt conversion) OR Nature of Services Provided (if applicable)	Restricted or Unrestricted as of this filing?	Exemption or Registration Type?
1/28/21	Conversion	670	Class B to Capital						
2/5/21	Conversion	600	Class B to Capital						
4/1/21	Conversion	25	Class B to Capital						
5/19/21	Retirement	34,610	Class B						
6/15/21	Conversion	13,971	Class B to Capital						
12/15/21	Conversion	200	Class B to Capital						
12/21/21	Retirement	260	Capital						
1/17/22	Conversion	850	Class B to Capital						
8/1/22	Issuance	15,239	Capital						
9/16/22	Retirement	2,383	Capital						
9/19/22	Retirement	3,753	Capital						
9/20/22	Conversion	5,374	Class B to Capital						

10/7/22	Conversion	1,000	Class B to Capital						
12/12/22	Retirement	58,186	Capital						
12/19/22	Retirement	4,000	Capital						
2/23/23	Conversion	412	Class B to Capital						
6/8/23	Conversion	645	Class B to Capital						
6/23/23	Retirement	14,999	Capital						
8/28/23	Retirement	2,670	Capital						
9/8/23	Retirement	750	Class B						
9/22/23	Retirement	690	Capital						
Shares Outstanding on 09/30/2023:	Ending Balance: Capital: 2,561,149 Class B: 1,128,618								

The Company received no payment in connection with the issuances of such shares. No underwriters were involved with the issuance of such shares and no commissions were paid in connection with such issuances. There was no advertisement or general solicitation made in connection with the issuance of such shares. Except as described above, Monarch did not issue or sell any shares of its Capital Stock or Class B Capital Stock during the nine months ended September 30, 2023.

B. Promissory and Convertible Notes

The Company has a current credit agreement with BOKF, NA dba Bank of Oklahoma which provides for a \$15.0 million revolving note maturing on December 31, 2024; the previous agreement matured on December 31, 2021. As of September 30, 2023 and December 31, 2022, there was nothing borrowed against the revolving loan.

Indicate by check mark whether there are any outstanding promissory, convertible notes, convertible debentures, or any other debt instruments that may be converted into a class of the issuer's equity securities:

No: Yes: (If yes, you must complete the table below)

Date of Note Issuance	Outstanding Balance (\$)	Principal Amount at Issuance (\$)	Interest Accrued (\$)	Maturity Date	Conversion Terms (e.g. pricing mechanism for determining conversion of instrument to shares)	Name of Noteholder (entities must have individual with voting / investment control disclosed).	Reason for Issuance (e.g. Loan, Services, etc.)
_____	_____	_____	_____	_____	_____	_____	_____

4) Issuer's Business, Products and Services

A. Summarize the issuer's business operations

The Monarch Cement Company (Monarch) manufactures and sells portland cement. The manufacture of portland cement by Monarch involves the quarrying of clay and limestone and the crushing, drying and blending of these raw materials into the proper chemical ratio. The raw materials are then heated in kilns to 2800° Fahrenheit at which time chemical reactions occur forming a new compound called clinker. After the addition of a small amount of gypsum, the clinker is ground into a very fine powder that is known as portland cement. The term "portland cement" is not a brand name but is a term that distinguishes cement manufactured by this chemical process from natural cement, which is no longer widely used. Portland

cement is the basic material used in the production of ready-mixed concrete that is used in highway, bridge and building construction where strength and durability are primary requirements.

Subsidiaries of Monarch (which together with Monarch are referred to herein as the "Company") are engaged in the ready-mixed concrete, concrete products and sundry building materials business. Ready-mixed concrete is manufactured by combining aggregates with portland cement, water and chemical admixtures in batch plants. It is then loaded into mixer trucks and mixed in transit to the construction site where it is delivered to the contractor. Concrete products primarily include pre-formed components produced by the Company that are ready for use in the construction of commercial buildings and institutional facilities.

B. List any subsidiaries, parent company, or affiliated companies.

Subsidiaries of Monarch include: American Concrete Company, Inc., Beaver Lake Concrete, Inc., Capitol Concrete Products Co., Inc., City Wide Construction Products Co., Concrete Enterprises, Inc., Concrete Materials, Inc., Dodge City Concrete, Inc., Hays Ready-Mix, Inc., Joplin Concrete Company, Inc., Kansas Sand and Concrete, Inc., Kay Concrete Materials Co., Lion's Share Insurance, Inc., Monarch Cement of Iowa, Inc., Salina Concrete Products, Inc., Springfield Ready Mix Co. and Tulsa Dynaspan, Inc. These subsidiaries are 100% owned by Monarch and can be contacted through Monarch.

C. Describe the issuers' principal products or services.

The marketing area for Monarch's products, which is limited by the relatively high cost of transporting cement, consists primarily of the State of Kansas, the State of Iowa, southeast Nebraska, western Missouri, northwest Arkansas and northern Oklahoma. Included within this area are the metropolitan markets of Des Moines, Iowa; Kansas City, Missouri; Springfield, Missouri; Wichita, Kansas; Omaha, Nebraska; Lincoln, Nebraska; Fayetteville, Arkansas and Tulsa, Oklahoma. Sales of cement are made primarily to contractors, ready-mixed concrete plants, concrete products plants, building materials dealers and governmental agencies. Monarch cement is delivered either in bulk or in paper bags and is sold under the "MONARCH" brand name. The cement is distributed both by truck and rail, either common or private carrier.

Subsidiaries of Monarch sell ready-mixed concrete, concrete products and sundry building materials in Monarch's primary market.

5) Issuer's Facilities

The Company's corporate office and cement plant, including equipment and raw materials, are located at Humboldt, Kansas, approximately 110 miles southwest of Kansas City, Missouri. The Company owns approximately 5,000 acres of land on which the Humboldt plant, offices and all essential raw materials for the cement operations are located. Construction completed in 2006 increased our cement plant's capacity allowing us to produce in excess of one million tons of cement per year. Producing at that level, raw material reserves are estimated to be sufficient to maintain operations at this plant for more than 50 years, although not all reserves are currently accessible under existing governmental permits and approvals. The Company believes that this plant and equipment are suitable and adequate for its current level of operations and provides for increases in market demand.

The Company also owns approximately 250 acres of land in Des Moines, Iowa on which it operates a cement terminal. The Company transfers cement produced in Humboldt, Kansas to this terminal for distribution to Iowa customers. The Company also owns a rock quarry located near Earlham, Iowa, approximately 30 miles west of Des Moines, Iowa. Approximately 353 acres of this 400 acre tract have been quarried and the Company has contracted with a third party to quarry and sell the remaining rock. This quarry operation does not have a material effect on the Company's overall operations.

The Company owns various companies which sell ready-mixed concrete, concrete products and sundry building materials within the Humboldt cement plant's primary market. Various equipment and facility improvements in this line of business ensure these plants are suitable and adequate for their current level of operations and provide for increases in market demand. No single subsidiary's physical property is materially significant to the Company.

There are no material encumbrances on our properties.

6) Officers, Directors, and Control Persons

Name of Officer/Director and Control Person	Affiliation with Company (e.g. Officer/Director/Owner of more than 5%)	Residential Address (City / State Only)	Number of shares owned	Share type/class	Ownership Percentage of Class Outstanding	Names of control person(s) if a corporate entity

Walter H. Wulf, Jr.	Officer/Director	Humboldt, KS	169,452	Capital	6.62%	
			195,525	Class B	17.32%	
Kent A. Webber	Officer/Director	Chanute, KS	4,300	Capital	*	
Robert M. Kissick	Officer/Director	Leawood, KS	13,982	Capital	*	
			39,903	Class B	3.54%	
Tony D. Kasten	Officer	Chanute, KS	110	Capital	*	
Lisa J. Fontaine	Officer	Iola, KS	2,500	Capital	*	
Kenneth G. Miller	Officer	Humboldt, KS	2,200	Capital	*	
Douglas W. Sommers	Officer	Chanute, KS	700	Capital	*	
Mark A. Callaway	Director	Wichita, KS	5,993	Class B	*	
David L. Deffner	Director	Gulf Shores, AL	11,863	Class B	1.05%	
Gayle C. McMillen	Director	Salina, KS	34,410	Class B	3.05%	
Byron J. Radcliff	Director	Steamboat Springs, CO	4,250	Capital	*	
			1,000	Class B	*	
Robert K. Radcliff	Director	Chicago, IL	4,250	Capital	*	
Steve W. Sloan	Director	Pittsburg, KS	2,000	Capital	*	
Michael R. Wachter	Director	Kent, WA	1,600	Capital	*	
			600	Class B	*	
Walter H. Wulf, III	Director	Birmingham, MI	3,800	Capital	*	
			4,500	Class B	*	
Paula D. Radcliff	Owner of more than 5%	Dexter, KS	199,760	Capital	7.80%	
			211,960	Class B	18.78%	

*Less than one percent.

7) Legal/Disciplinary History

A. Please identify whether any of the persons listed above have, in the past 10 years, been the subject of:

1. A conviction in a criminal proceeding or named as a defendant in a pending criminal proceeding (excluding traffic violations and other minor offenses);
None
2. The entry of an order, judgment, or decree, not subsequently reversed, suspended or vacated, by a court of competent jurisdiction that permanently or temporarily enjoined, barred, suspended or otherwise limited such person's involvement in any type of business, securities, commodities, or banking activities;
None
3. A finding or judgment by a court of competent jurisdiction (in a civil action), the Securities and Exchange Commission, the Commodity Futures Trading Commission, or a state securities regulator of a violation of

federal or state securities or commodities law, which finding or judgment has not been reversed, suspended, or vacated; or

None

4. The entry of an order by a self-regulatory organization that permanently or temporarily barred, suspended, or otherwise limited such person's involvement in any type of business or securities activities.

None

- B. Describe briefly any material pending legal proceedings, other than ordinary routine litigation incidental to the business, to which the issuer or any of its subsidiaries is a party or of which any of their property is the subject. Include the name of the court or agency in which the proceedings are pending, the date instituted, the principal parties thereto, a description of the factual basis alleged to underlie the proceeding and the relief sought. Include similar information as to any such proceedings known to be contemplated by governmental authorities.

None

8) Third Party Service Providers

Securities Counsel

Firm: Stinson LLP
Address 1: 1201 Walnut Street, Suite 2900
Address 2: Kansas City, MO 64106-2150

Accountant or Auditor

Firm: Grant Thornton, LLP
Address 1: 1201 Walnut Street, Suite 2200
Address 2: Kansas City, MO 64106
Phone: (816) 412-2400

Investor Relations Consultant

Firm: Stinson LLP
Address 1: 1201 Walnut Street, Suite 2900
Address 2: Kansas City, MO 64106-2150

9) Financial Statements

- A. The following financial statements were prepared in accordance with:

U.S. GAAP
 IFRS

- B. The financial statements for this reporting period were prepared by (name of individual):

Name: Tony Kasten
Title: Chief Financial Officer, Sec./Tres.
Relationship to Issuer: Officer

Describe the qualifications of the person or persons who prepared the financial statements: Mr. Kasten is a CPA with over 20 years of experience working with complex consolidated financial statements. He has served the company as Chief Financial Officer since 2019 and has a B.B.A in Finance and an M.B.A. with an emphasis in Accounting.

10) Issuer Certification

Principal Executive Officer:

I, Walter H. Wulf, Jr. certify that:

1. I have reviewed this Disclosure Statement for The Monarch Cement Company;
2. Based on my knowledge, this disclosure statement does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this disclosure statement; and
3. Based on my knowledge, the financial statements, and other financial information included or incorporated by reference in this disclosure statement, fairly present in all material respects the financial condition, results of operations and cash flows of the issuer as of, and for, the periods presented in this disclosure statement.

November 13, 2023

/s/ Walter H. Wulf, Jr.
Chairman of the Board and
Chief Executive Officer

Principal Financial Officer:

I, Tony Kasten certify that:

1. I have reviewed this Disclosure Statement for The Monarch Cement Company;
2. Based on my knowledge, this disclosure statement does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this disclosure statement; and
3. Based on my knowledge, the financial statements, and other financial information included or incorporated by reference in this disclosure statement, fairly present in all material respects the financial condition, results of operations and cash flows of the issuer as of, and for, the periods presented in this disclosure statement.

November 13, 2023

/s/ Tony Kasten
Chief Financial Officer
Secretary-Treasurer

THE MONARCH CEMENT COMPANY AND SUBSIDIARIES

CONDENSED CONSOLIDATED BALANCE SHEETS

SEPTEMBER 30, 2023 (UNAUDITED) AND DECEMBER 31, 2022

ASSETS	2023	2022
Current Assets:		
Cash and cash equivalents (including \$4,088,518 and \$1,918,736 of restricted cash at September 30, 2023 and December 31, 2022, respectively)	\$ 37,785,147	\$ 55,908,662
Receivables, less allowances of \$448,500 in 2023 and \$403,500 in 2022 for doubtful accounts	29,773,077	22,528,265
Inventories		
Finished cement	\$ 6,222,422	\$ 6,242,794
Work in process	6,149,295	4,696,724
Building products	3,456,898	3,090,572
Fuel, gypsum, paper sacks and other	11,398,397	9,651,643
Operating and maintenance supplies	25,844,786	23,000,051
Total inventories	\$ 53,071,798	\$ 46,681,784
Derivative financial instruments	2,305,657	1,869,466
Prepaid expenses	5,381,378	2,985,587
Total current assets	\$ 128,317,057	\$ 129,973,764
Property, Plant and Equipment, at cost, less accumulated depreciation and depletion of \$299,792,619 in 2023 and \$294,443,621 in 2022	148,276,975	123,660,153
Prepaid Pension	10,008,354	9,827,053
Investments	49,008,242	42,158,560
Investments in Affiliates	15,076,431	13,643,815
Other Assets	4,922,524	4,925,833
TOTAL ASSETS	\$ 355,609,583	\$ 324,189,178
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current Liabilities:		
Accounts payable	\$ 8,453,655	\$ 8,402,305
Accrued liabilities		
Dividends	-	2,262,414
Compensation and benefits	3,349,990	4,221,621
Federal and state income taxes	2,083,173	549,268
Miscellaneous taxes	1,244,989	674,232
Other	2,505,154	2,557,229
Total current liabilities	\$ 17,636,961	\$ 18,667,069
Deferred Income Taxes	8,769,145	6,495,845
Accrued Compensation and benefits	211,104	211,104
Accrued Postretirement Benefits	11,155,713	11,125,917
Stockholders' Equity:		
Capital stock, par value \$2.50 per share, one vote per share - Authorized 10,000,000 shares, Issued and Outstanding 2,561,149 shares at 09/30/2023 and 2,578,451 shares at 12/31/2022	\$ 6,402,873	\$ 6,446,128
Class B capital stock, par value \$2.50 per share, supervoting rights of ten votes per share, restricted transferability, convertible at all times into Capital Stock on a share-for-share basis - Authorized 10,000,000 shares, Issued and Outstanding 1,128,618 shares at 09/30/2023 and 1,130,425 shares at 12/31/2022	2,821,545	2,826,063
Additional paid-in-capital	4,047,123	4,047,123
Retained earnings	310,395,278	280,297,580
Accumulated other comprehensive loss	(5,830,159)	(5,927,651)
Total Stockholders' Equity	\$ 317,836,660	\$ 287,689,243
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$ 355,609,583	\$ 324,189,178

See accompanying Notes to the Consolidated Financial Statements

THE MONARCH CEMENT COMPANY AND SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENTS OF INCOME AND RETAINED EARNINGS
FOR THE THREE MONTHS AND THE NINE MONTHS ENDED SEPTEMBER 30, 2023 AND 2022 (UNAUDITED)

	For the Three Months Ended		For the Nine Months Ended	
	Sept. 30, 2023	Sept. 30, 2022	Sept. 30, 2023	Sept. 30, 2022
NET SALES	\$ 72,698,735	\$ 73,540,208	\$ 194,639,547	\$ 169,386,508
COST OF SALES	45,585,115	48,484,183	127,985,018	116,119,292
Gross profit from operations	\$ 27,113,620	\$ 25,056,025	\$ 66,654,529	\$ 53,267,216
SELLING, GENERAL AND ADMINISTRATIVE EXPENSES	5,057,560	5,210,387	16,287,812	16,047,923
Income from operations	\$ 22,056,060	\$ 19,845,638	\$ 50,366,717	\$ 37,219,293
OTHER INCOME (EXPENSE):				
Interest income	\$ 484,133	\$ 101,642	\$ 998,581	\$ 193,821
Interest expense	(597)	(72)	(2,619)	(6,111)
Gain on sale of equity investments	334,408	1,293,885	808,365	6,821,292
Unrealized gain (loss) on equity investments	(4,530,000)	(950,000)	7,900,000	(14,200,000)
Dividend income	428,596	755,616	1,179,583	957,908
Other, net	(648,671)	(649,092)	642,642	1,433,379
	<u>\$ (3,932,131)</u>	<u>\$ 551,979</u>	<u>\$ 11,526,552</u>	<u>\$ (4,799,711)</u>
Income before income taxes	\$ 18,123,929	\$ 20,397,617	\$ 61,893,269	\$ 32,419,582
PROVISION FOR INCOME TAXES	3,810,000	4,285,000	13,000,000	6,810,000
Equity in affiliate earnings, net of tax	732,629	66,344	1,520,701	695,759
NET INCOME	\$ 15,046,558	\$ 16,178,961	\$ 50,413,970	\$ 26,305,341
RETAINED EARNINGS, beg. of period	\$ 311,436,770	\$ 270,542,598	\$ 280,297,580	\$ 262,711,013
Less cash dividends	15,503,069	11,331,594	18,025,105	13,626,389
Less purchase and retirement of capital stock	584,981	626,140	2,291,167	626,140
RETAINED EARNINGS, end of period	\$ 310,395,278	\$ 274,763,825	\$ 310,395,278	\$ 274,763,825
Basic earnings per share	\$ 4.08	\$ 4.29	\$ 13.61	\$ 6.99
Cash dividends per share	\$ 4.20	\$ 3.00	\$ 4.88	\$ 3.61

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE THREE MONTHS AND THE NINE MONTHS ENDED SEPTEMBER 30, 2023 AND 2022 (UNAUDITED)

	For the Three Months Ended		For the Nine Months Ended	
	Sept. 30, 2023	Sept. 30, 2022	Sept. 30, 2023	Sept. 30, 2022
NET INCOME	\$ 15,046,558	\$ 16,178,961	\$ 50,413,970	\$ 26,305,341
OTHER COMPREHENSIVE INCOME (LOSS), net of deferred tax				
AMORTIZATION OF PENSION AND POSTRETIREMENT PRIOR SERVICE COST (Net of deferred tax benefit of \$98,000, \$(17,000), \$(104,000) and \$(304,000), respectively)	280,990	(45,592)	(295,233)	(863,145)
AMORTIZATION OF PENSION AND POSTRETIREMENT LOSS (Net of deferred tax expense (benefit) of \$(50,000), \$(119,000), \$138,000 and \$282,000, respectively)	(142,011)	(340,455)	392,725	802,101
TOTAL OTHER COMPREHENSIVE INCOME (LOSS), net of deferred tax	\$ 138,979	\$ (386,047)	\$ 97,492	\$ (61,044)
COMPREHENSIVE INCOME	\$ 15,185,537	\$ 15,792,914	\$ 50,511,462	\$ 26,244,297

See accompanying Notes to the Condensed Consolidated Financial Statements

THE MONARCH CEMENT COMPANY AND SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2023 AND 2022 (UNAUDITED)

	2023	2022
OPERATING ACTIVITIES:		
Net income	\$ 50,413,970	\$ 26,305,341
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation, depletion and amortization	11,799,374	11,382,779
Income from derivative financial instruments	(436,190)	(3,132,299)
Income from equity method investments, net of dividends received	(1,432,616)	(618,417)
Decrease in long-term notes receivable	-	13,113
Deferred income taxes	2,239,300	(3,770,042)
Gain on disposal of assets	(1,424,656)	(1,687,082)
Realized gain on sale of equity investments	(808,365)	(6,821,292)
Unrealized holding (gain) loss	(7,900,000)	14,200,000
Postretirement benefits and pension expense	(20,013)	(632,807)
Change in assets and liabilities:		
Receivables, net	(7,244,812)	(8,665,039)
Inventories	(6,390,014)	(4,156,676)
Prepaid expenses	(2,395,791)	(1,509,084)
Other assets	3,309	6,437
Accounts payable and accrued liabilities	973,008	3,022,542
Net cash provided by operating activities	<u>\$ 37,376,504</u>	<u>\$ 23,937,474</u>
INVESTING ACTIVITIES:		
Acquisition of property, plant and equipment	\$ (36,414,670)	\$ (27,686,168)
Proceeds from disposals of property, plant and equipment	1,682,428	1,927,237
Payment for acquisition of business, net of cash acquired	-	84,121
Payment for purchases of equity investments	(57,800)	(3,998,981)
Proceeds from disposals of equity investments	1,916,482	14,478,886
Payment for acquisition of equity method investments	-	(543,500)
Payment for purchases of derivative financial instruments	-	2,600,000
Net cash used for investing activities	<u>\$ (32,873,560)</u>	<u>\$ (13,138,405)</u>
FINANCING ACTIVITIES:		
Payments on other long-term debt	\$ -	\$ 194,159
Cash dividends paid	(20,287,519)	(15,695,466)
Purchase of capital stock	(2,338,940)	(641,480)
Net cash used for financing activities	<u>\$ (22,626,459)</u>	<u>\$ (16,142,787)</u>
Net increase in cash and cash equivalents	\$ (18,123,515)	\$ (5,343,718)
Cash and Cash Equivalents, beginning of year	<u>55,908,662</u>	<u>53,719,765</u>
Cash and Cash Equivalents, end of period	<u>\$ 37,785,147</u>	<u>\$ 48,376,047</u>
Supplemental disclosures:		
Interest paid, net of amount capitalized	\$ 2,022	\$ 6,111
Income taxes paid	10,175,000	10,142,672
Income tax refund	-	(23,142)
Capital equipment additions included in accounts payable and accrued liabilities	433,543	1,699,984
Capital stock repurchases included in accrued liabilities	4,650	4,650

See accompanying Notes to the Condensed Consolidated Financial Statements

CONDENSED CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2023 (UNAUDITED) AND YEARS ENDED DECEMBER 31, 2022 AND 2021

		Company Stockholders						Total
		Capital Stock	Class B Capital Stock	Additional Paid-In- Capital	Retained Earnings	Treasury Stock	Accumulated Other Comprehensive Income (Loss), Net of Tax	Total
Balance								
	January 01, 2021	\$ 6,522,760	2,969,313	2,485,125	229,424,207	-	(26,176,251)	215,225,154
	Net Income	-	-	-	59,703,180	-	-	59,703,180
	Dividends declared (\$5.60 per share)	-	-	-	(21,055,339)	-	-	(21,055,339)
	Transfer of shares	38,665	(38,665)	-	-	-	-	-
	Retirement of capital stock	(650)	(86,525)	-	(3,437,035)	-	-	(3,524,210)
	Pension and Postretirement current year actuarial gain	-	-	-	-	-	9,442,962	9,442,962
	Amortization of Pension and Postretirement prior service cost	-	-	-	-	-	(1,589,346)	(1,589,346)
	Amortization of Pension and Postretirement loss	-	-	-	-	-	2,219,829	2,219,829
Balance								
	December 31, 2021	\$ 6,560,775	2,844,123	2,485,125	264,635,013	-	(16,102,806)	260,422,230
	Net Income	-	-	-	40,876,176	-	-	40,876,176
	Dividends declared (\$4.83 per share)	-	-	-	(18,153,658)	-	-	(18,153,658)
	Transfer of shares	18,060	(18,060)	-	-	-	-	-
	Retirement of capital stock	(170,805)	-	-	(7,059,951)	-	-	(7,230,756)
	Issuance of 15,239 shares with market value \$105.00 per share	38,098	-	1,561,998	-	-	-	1,600,096
	Pension and Postretirement current year actuarial gain	-	-	-	-	-	10,265,438	10,265,438
	Pension and Postretirement current year prior service credit	-	-	-	-	-	(9,559)	(9,559)
	Amortization of Pension and Postretirement prior service cost	-	-	-	-	-	(1,151,194)	(1,151,194)
	Amortization of Pension and Postretirement loss	-	-	-	-	-	1,070,470	1,070,470
Balance								
	December 31, 2022	\$ 6,446,128	2,826,063	4,047,123	280,297,580	-	(5,927,651)	287,689,243
	Net Income	-	-	-	50,413,970	-	-	50,413,970
	Dividends declared (\$4.88 per share)	-	-	-	(18,025,105)	-	-	(18,025,105)
	Transfer of shares	2,643	(2,643)	-	-	-	-	-
	Retirement of capital stock	(45,898)	(1,875)	-	(2,291,167)	-	-	(2,338,940)
	Amortization of Pension and Postretirement prior service cost	-	-	-	-	-	(295,233)	(295,233)
	Amortization of Pension and Postretirement loss	-	-	-	-	-	392,725	392,725
Balance								
	September 30, 2023	\$ 6,402,873	2,821,545	4,047,123	310,395,278	-	(5,830,159)	317,836,660

See accompanying Notes to the Condensed Consolidated Financial Statements

(1) NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Monarch Cement Company (Monarch) is principally engaged in the manufacture and sale of portland cement. The marketing area for Monarch's products consists primarily of the State of Kansas, the State of Iowa, southeast Nebraska, western Missouri, northwest Arkansas and northern Oklahoma. Sales are made primarily to contractors, ready-mixed concrete plants, concrete products plants, building materials dealers and governmental agencies. Subsidiaries of Monarch (which together with Monarch are referred to herein as the "Company") sell ready-mixed concrete, concrete products and sundry building materials within Monarch's marketing area.

For a summary of accounting policies, the reader should refer to Note 1 of the consolidated financial statements included in our Company's most recent annual report.

Certain amounts in the prior periods presented have been reclassified to conform to the current period financial statement presentation. These reclassifications have no effect on previously reported net income.

(2) PROPERTY, PLANT AND EQUIPMENT

As of September 30, 2023, the amount of accounts payable related to property, plant and equipment was approximately \$434,000 compared to December 31, 2022 which was approximately \$174,000.

(3) INVENTORIES

During the fourth quarter of the fiscal year ended December 31, 2022, the Company elected to change its method for valuing finished cement and work in process from the last-in, first-out (LIFO) method to the average cost method, whereas in all prior years, inventory was valued using the LIFO method. The Company believes that the average cost method of inventory valuation is preferable because (1) the costs of the Company's inventories have remained fairly level during the past several years, which has substantially negated the financial reporting benefits of the LIFO method, which provides a better matching of current costs with current revenues in periods of rising costs, (2) the average cost method results in the valuation of inventories at more current costs on the consolidated balance sheet, which provides a more meaningful presentation for investors and (3) average cost method is prevalent in the industry in which the Company operates and provides more comparable information to other entities within the industry for investors' consideration.

Other inventories are purchased from outside suppliers. Fuel and other materials are priced by the first-in, first-out (FIFO) method while operating and maintenance supplies are recorded using the average cost method.

Inventories of fuel, gypsum, paper sacks and other are used in the manufacture of cement. The operating and maintenance supplies consist primarily of spare parts for our cement manufacturing equipment.

(4) REVENUE RECOGNITION

The Company records revenue from the sale of cement, ready-mixed concrete, concrete products and sundry building materials following delivery of the products to customers, which is the point in time when the Company's performance obligation with the customer is satisfied. In the event the Company receives advance payment on orders, we defer revenue recognition until the product is delivered.

(5) LINES OF BUSINESS

Corporate assets for 2023 and 2022 include cash and cash equivalents, investments and other assets. Following is a summary of the Company's business segment results for the periods indicated:

	Cement Business	Ready-Mixed Concrete Business	Adjustments and Eliminations	Consolidated
For the Three Months Ended 09/30/2023				
Sales to unaffiliated customers	\$ 44,187,302	\$ 28,511,433	\$ -	\$ 72,698,735
Intersegment sales	5,883,339	931,231	(6,814,570)	-
Total net sales	<u>\$ 50,070,641</u>	<u>\$ 29,442,664</u>	<u>\$ (6,814,570)</u>	<u>\$ 72,698,735</u>
Income from operations	<u>\$ 18,883,710</u>	<u>\$ 3,172,350</u>		<u>\$ 22,056,060</u>
Other loss, net				(3,932,131)
Income before income taxes				<u>\$ 18,123,929</u>
Capital Expenditures	\$ 16,574,406	\$ 3,717,243		\$ 20,291,649
For the Three Months Ended 09/30/2022				
Sales to unaffiliated customers	\$ 45,719,414	\$ 27,820,794	\$ -	\$ 73,540,208
Intersegment sales	5,406,788	432,198	(5,838,986)	-
Total net sales	<u>\$ 51,126,202</u>	<u>\$ 28,252,992</u>	<u>\$ (5,838,986)</u>	<u>\$ 73,540,208</u>
Income from operations	<u>\$ 18,495,234</u>	<u>\$ 1,350,404</u>		<u>\$ 19,845,638</u>
Other income, net				551,979
Income before income taxes				<u>\$ 20,397,617</u>
Capital Expenditures	\$ 8,510,974	\$ 989,984		\$ 9,500,958
For the Nine Months Ended 09/30/2023				
Sales to unaffiliated customers	\$ 115,973,203	\$ 78,666,344	\$ -	\$ 194,639,547
Intersegment sales	15,972,772	1,842,926	(17,815,698)	-
Total net sales	<u>\$ 131,945,975</u>	<u>\$ 80,509,270</u>	<u>\$ (17,815,698)</u>	<u>\$ 194,639,547</u>
Income from operations	<u>\$ 43,742,663</u>	<u>\$ 6,624,054</u>		<u>\$ 50,366,717</u>
Other income, net				11,526,552
Income before income taxes				<u>\$ 61,893,269</u>
Capital Expenditures	\$ 29,667,906	\$ 7,006,062		\$ 36,673,968
For the Nine Months Ended 09/30/2022				
Sales to unaffiliated customers	\$ 101,153,055	\$ 68,323,453	\$ -	\$ 169,476,508
Intersegment sales	13,731,544	941,457	(14,673,001)	-
Total net sales	<u>\$ 114,884,599</u>	<u>\$ 69,264,910</u>	<u>\$ (14,673,001)</u>	<u>\$ 169,476,508</u>
Income from operations	<u>\$ 36,067,712</u>	<u>\$ 1,151,581</u>		<u>\$ 37,219,293</u>
Other loss, net				(4,799,711)
Income before income taxes				<u>\$ 32,419,582</u>
Capital Expenditures	\$ 19,860,314	\$ 9,043,816		\$ 28,904,130
Balance at 09/30/2023				
Identifiable Assets	<u>\$ 185,092,827</u>	<u>\$ 51,410,401</u>		\$ 236,503,228
Corporate Assets				119,106,355
				<u>\$ 355,609,583</u>
Balance at 12/31/2022				
Identifiable Assets	<u>\$ 148,348,955</u>	<u>\$ 47,506,834</u>		\$ 195,855,789
Corporate Assets				128,333,389
				<u>\$ 324,189,178</u>

(6) FAIR VALUE

Realized gains (losses) on equity investments are computed using the specific identification method. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market

participants at the measurement date. The Company applies mark-to-market accounting to derivative instruments that are not accounted for as hedges.

Cash and cash equivalents, receivables, accounts payable and short and long-term debt have carrying values that approximate fair values. The Company's valuation techniques used to measure the fair value of its marketable equity securities were derived from quoted prices in active markets for identical assets. Equity investments that do not have readily determinable market prices were remeasured to fair value upon the occurrence of an observable price change.

The Company has no liabilities at either date requiring remeasurement to fair value on a recurring basis in the balance sheet. The Company has no additional assets or liabilities at either date requiring remeasurement to fair value on a non-recurring basis in the balance sheet.

(7) DERIVATIVE FINANCIAL INSTRUMENTS

The Company has entered into derivative transactions to hedge its exposures to commodity price fluctuations. The Company does not enter into derivative transactions for trading purposes.

The Company enters into energy commodity-based derivatives in order to protect cash flows from fluctuations caused by volatility in the commodity prices in order to protect gross margins from potentially adverse effects of market and price volatility on diesel fuel. These hedges are not designated as effective hedges for accounting purposes. For derivative instruments that are not accounted for as hedges, the Company applies mark-to-market accounting with the change in fair value that is recorded through earnings in the period of change. Derivative fair market gains and losses are included in the results of operations and are included in cost of sales.

As part of the hedging activity, the Company is required to maintain certain levels of cash (margin deposits) with the clearing broker. The net of the margin deposits and equity value of the open positions must be a positive balance or additional cash is required. At times, this balance will be negative, thus requiring additional cash deposits within a specified time period. If the balance is negative as of the date of the balance sheets, this is reported as a current liability on the balance sheets. The corresponding market value of the open positions is reported as a current asset (or liability) on the consolidated balance sheets.

The following table provides the fair value (see Note 6) of the Company's derivative financial instruments not designated as hedging instruments:

<u>Derivatives Not Designated as Hedging Instruments</u>	<u>Balance Sheet Classification</u>	<u>September 30, 2023</u>	<u>December 31, 2022</u>
Futures Contracts (Level 2)	Derivative financial instruments	\$ 2,305,657	\$ 1,869,466

The net effect of derivatives not designated as hedges on the Statement of Income for the three months ended September 30, 2023 and 2022:

<u>Derivatives Not Designated as Hedging Instruments</u>	<u>Income Statement Classification</u>	<u>September 30, 2023</u>	<u>September 30, 2022</u>
Futures Contracts (Level 2)	Cost of Sales	\$ (1,469,546)	\$ 733,259

The net effect of derivatives not designated as hedges on the Statement of Income for the nine months ended September 30, 2023 and 2022:

<u>Derivatives Not Designated as Hedging Instruments</u>	<u>Income Statement Classification</u>	<u>September 30, 2023</u>	<u>September 30, 2022</u>
Futures Contracts (Level 2)	Cost of Sales	\$ (436,190)	\$ (3,132,299)

(8) INVESTMENTS

Equity Investments

The following table shows the gross unrealized gains (losses) recorded in the income statement aggregated by investment category at:

	<u>September 30, 2023</u>	<u>September 30, 2022</u>
Cement industry	\$ 3,420,000	\$ (8,400,000)
General building materials industry	1,765,000	(7,255,000)
Oil & gas refining and marketing industry	1,275,000	2,990,000
Residential construction industry	1,440,000	(1,535,000)
Total	<u>\$ 7,900,000</u>	<u>\$ (14,200,000)</u>

The following table shows the fair value of the Company's investments aggregated by investment category at:

	<u>September 30, 2023</u>	<u>December 31, 2022</u>
Cement industry	\$ 17,991,100	\$ 14,568,743
General building materials industry	15,863,591	14,100,667
Oil & gas refining and marketing industry	10,754,981	9,423,321
Residential construction industry	4,398,570	4,065,829
Total	<u>\$ 49,008,242</u>	<u>\$ 42,158,560</u>

Equity Method Investments

The Company owns common stock of GFI, a privately-owned company in the brick industry. The Company has determined that it has the ability to exercise significant influence, but not control, over the operating and financial policies of GFI. Consequently, the equity method of accounting is used for the investment.

Pertinent information about the Company's investment in GFI is as follows:

	<u>September 30, 2023</u>	<u>December 31, 2022</u>
Carrying value	\$ 15,076,431	\$ 13,643,815
Ownership percentage	36.14%	36.14%
Cash dividends received	88,084	77,342
Undistributed earnings	10,060,298	8,540,114
Difference between carrying amount and the underlying equity in net assets*	137,691	225,775
	<u>September 30, 2023</u>	<u>September 30, 2022</u>
Equity in earnings	1,520,701	695,759

* The difference between carrying amount and the underlying equity in net assets is in a memo account allocated to goodwill.

During the three months ended September 30, 2023 and 2022, the Company purchased \$0.2 million and \$0.2 million, respectively, of brick from GFI in arm's length transactions in the normal course of business for resale to third parties. During the nine months ended September 30, 2023 and 2022, the Company purchased \$0.9 million and \$0.6 million, respectively, of brick from GFI in arm's length transactions in the normal course of business for resale to third parties. The Company eliminated intra-entity profits or losses for its proportionate share of GFI's common stock for inventory still remaining with the Company until such profits or losses were realized in transactions with third parties. Amounts due to GFI for Company purchases were not significant at September 30, 2023 and 2022.

The Company's equity method investment is reviewed for impairment on a periodic basis or if an event occurs or circumstances change that indicate the carrying amount may be impaired. This assessment is based on a review of the investment's performance and a review of indicators of impairment to determine if there is evidence of a loss in value of the investment. Factors the Company considers include:

- Absence of the Company's ability to recover the carrying amount;
- Inability of the equity affiliate to sustain an earnings capacity which would justify the carrying amount of the investment; and
- Significant litigation, bankruptcy or other events that could impact recoverability.

For an equity investment with impairment indicators, the Company measures fair value on the basis of discounted cash flows or other appropriate valuation methods. If it is probable that the Company will not recover the carrying amount of its investment, the impairment is recorded in earnings, and the equity investment balance is reduced to its fair value accordingly. After review, the Company does not consider its equity method investment, for which fair value approximates carrying value, to be impaired at September 30, 2023 or December 31, 2022.

(9) PENSION AND OTHER POSTRETIREMENT BENEFITS

The following table presents the components of net periodic pension and postretirement benefit costs for the three months ended September 30, 2023 and 2022:

	Pension Benefits		Other Benefits	
	2023	2022	2023	2022
Service Cost	\$ 55,939	\$ 341,297	\$ (7,835)	\$ 72,778
Interest Cost	829,985	581,424	198,505	138,863
Less: Expected return on plan assets	716,914	1,294,709	-	-
Amortization of prior service cost	1,866	(10,795)	377,124	(51,798)
Recognized net actuarial loss	(122,780)	(420,211)	(69,230)	(39,243)
Net periodic (benefit) expense	<u>\$ 48,096</u>	<u>\$ (802,994)</u>	<u>\$ 498,564</u>	<u>\$ 120,600</u>

The following table presents the components of net periodic pension and postretirement benefit costs for the nine months ended September 30, 2023 and 2022:

	Pension Benefits		Other Benefits	
	2023	2022	2022	2022
Service Cost	\$ 832,445	\$ 1,164,761	\$ 151,819	\$ 239,482
Interest Cost	1,726,319	1,344,502	423,276	337,155
Less: Expected return on plan assets	2,739,894	3,034,471	-	-
Amortization of prior service cost	5,130	5,155	(404,363)	(1,172,301)
Recognized net actuarial loss	402,450	787,845	128,274	296,256
Net periodic (benefit) expense	<u>\$ 226,450</u>	<u>\$ 267,792</u>	<u>\$ 299,006</u>	<u>\$ (299,408)</u>

The components of net periodic benefit cost other than the service cost component are included in the line item Other, net in the income statement.

As previously disclosed in our financial statements for the year ended December 31, 2022, there are no minimum expected contributions to the pension plans for the year 2023. As of September 30, 2023, we have made no contributions to the plans.

The other benefits consist of postretirement benefits that are self-insured by Monarch and are paid out of Monarch's general assets. As previously disclosed in our financial statements for the year ended December 31, 2022, Monarch expects expenditures of approximately \$927,000 for this plan in 2023. As of September 30, 2023, we have contributed approximately \$545,000 and anticipate contributing an additional \$382,000 to this plan in 2023 for a total of \$927,000.

(10) RECLASSIFICATION OUT OF ACCUMULATED OTHER COMPREHENSIVE INCOME (LOSS)

The following table presents the reclassifications out of accumulated other comprehensive income (loss) and the affected line item in the statements where net income is presented for the three months ended September 30, 2023 and 2022:

Reclassification for	2023	2022
Net periodic pension and postretirement costs in:		
Other, net	\$ 186,979	\$ (522,047)
Tax benefit (expense)	(48,000)	136,000
Net of tax	<u>\$ 138,979</u>	<u>\$ (386,047)</u>

The following table presents the reclassifications out of accumulated other comprehensive income and the affected line item in the statements where net income is presented for the nine months ended September 30, 2023 and 2022:

Reclassification for	2023	2022
Net periodic pension and postretirement costs in:		
Other, net	\$ 131,492	\$ (83,044)
Tax benefit (expense)	(34,000)	22,000
Net of tax	<u>\$ 97,492</u>	<u>\$ (61,044)</u>

(11) OTHER NONOPERATING INCOME OR EXPENSE

Other, net contains miscellaneous nonoperating income (expense) items other than interest income, interest expense, gains on sale of equity investments, unrealized gains (losses) on equity investments and dividend income.

(12) EARNINGS PER SHARE

Basic earnings per share of capital stock has been calculated based on the weighted average shares outstanding during each of the reporting periods. The weighted average number of shares outstanding was 3,692,664 and 3,702,973 in the third quarter and first nine months of 2023, respectively. The weighted average number of shares outstanding was 3,771,081 and 3,765,033 in the third quarter and first nine months of 2022, respectively. The Company has no capital stock equivalents and therefore, does not report diluted earnings per share.

(13) INCOME TAXES

The Company, or one of its subsidiaries, files income tax returns in the U.S. Federal jurisdiction and various state jurisdictions. With few exceptions, the Company is no longer subject to U.S. Federal or state income tax examinations by tax authorities for years before 2019. The Company believes it is not subject to any significant tax risk. The Company does not have any accrued interest or penalties associated with any unrecognized tax benefits, nor were any significant interest expenses recognized during the nine months ended September 30, 2023 or September 30, 2022.

(14) ACQUISITION

Pursuant to a Stock Exchange Agreement among the Company and the owners of American Concrete Co., Inc., ("American Concrete"), on July 29, 2022, the Company acquired all of the issued and outstanding shares of common stock of American Concrete, a ready-mix concrete company located in southeast Kansas. The purpose of the acquisition was to expand our ready-mixed concrete business in the region. The aggregate consideration paid by the Company at closing was approximately \$1.6 million consisting of 15,239 shares of the Company's capital stock valued at \$1.6 million based on the July 29, 2022, price per share of \$105.00.

In accordance with Accounting Standards Codification (ASC) 805, the Company determined the assets and liabilities acquired constituted a business and applied purchase accounting to the assets acquired and the liabilities assumed. Since American Concrete is not a substantial subsidiary, pro forma information is not provided for the combined entity. The following table summarizes the consideration paid for acquisition of the assets acquired and the liabilities assumed at the acquisition date as well as the fair value at the acquisition date:

Consideration:	
Cash paid, gross	\$ 18,939
Fair value of Monarch stock given 15,239 shares at \$105.00 per share	<u>1,600,095</u>
	<u>1,619,034</u>
Fair Value of assets acquired and liabilities assumed:	
Assets	
Cash	\$ 103,060
Prepays	4,192
Accounts receivable	444,286
Inventories	111,665
Other current assets	195
Property, plant and equipment	1,540,480
Liabilities	
Accounts payable	(215,299)
Accrued liabilities	(32,545)
Deferred taxes	<u>(337,000)</u>
Total:	<u>\$ 1,619,034</u>

(15) SHARE REPURCHASES

On December 12, 2022, the Company purchased and immediately retired 58,186 Capital shares for \$106.00 per share, for a total of \$6.2 million.

On June 23, 2023, the Company purchased and immediately retired 9,999 Capital shares for \$116.88 per share and 5,000 Capital shares for \$115.00 per share, for a total of \$1.7 million.

(16) SUBSEQUENT EVENTS

Subsequent events have been evaluated through November 13, 2023, which is the date the financial statements were issued.