

Form 5500 Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Annual Return/Report of Employee Benefit Plan This form is required to be filed for employee benefit plans under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and sections 6057(b) and 6058(a) of the Internal Revenue Code (the Code). <p style="text-align: center;">▶ Complete all entries in accordance with the instructions to the Form 5500.</p>	OMB Nos. 1210-0110 1210-0089 2021 This Form is Open to Public Inspection
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Part I	Annual Report Identification Information
For calendar plan year 2021 or fiscal plan year beginning <u>01/01/2021</u> and ending <u>12/31/2021</u>	
A This return/report is for:	☐ a multiemployer plan ☐ a multiple-employer plan (Filers checking this box must attach a list of participating employer information in accordance with the form instructions.) ☒ a single-employer plan ☐ a DFE (specify) _____
B This return/report is:	☐ the first return/report ☐ the final return/report ☐ an amended return/report ☐ a short plan year return/report (less than 12 months)
C If the plan is a collectively-bargained plan, check here.	☐
D Check box if filing under:	☒ Form 5558 ☐ automatic extension ☐ the DFVC program ☐ special extension (enter description)
E If this is a retroactively adopted plan permitted by SECURE Act section 201, check here.	☐

Part II	Basic Plan Information—enter all requested information										
1a Name of plan <u>SPRINGFIELD ELECTRIC SUPPLY COMPANY EMPLOYEE STOCK OWNERSHIP PLAN</u>	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 80%;">1b Three-digit plan number (PN) ▶</td> <td style="width: 20%; text-align: center;"><u>003</u></td> </tr> <tr> <td colspan="2">1c Effective date of plan <u>01/01/2008</u></td> </tr> <tr> <td colspan="2">2b Employer Identification Number (EIN) <u>37-0739309</u></td> </tr> <tr> <td colspan="2">2c Plan Sponsor's telephone number <u>217-788-2100</u></td> </tr> <tr> <td colspan="2">2d Business code (see instructions) <u>423600</u></td> </tr> </table>	1b Three-digit plan number (PN) ▶	<u>003</u>	1c Effective date of plan <u>01/01/2008</u>		2b Employer Identification Number (EIN) <u>37-0739309</u>		2c Plan Sponsor's telephone number <u>217-788-2100</u>		2d Business code (see instructions) <u>423600</u>	
1b Three-digit plan number (PN) ▶	<u>003</u>										
1c Effective date of plan <u>01/01/2008</u>											
2b Employer Identification Number (EIN) <u>37-0739309</u>											
2c Plan Sponsor's telephone number <u>217-788-2100</u>											
2d Business code (see instructions) <u>423600</u>											
2a Plan sponsor's name (employer, if for a single-employer plan) Mailing address (include room, apt., suite no. and street, or P.O. Box) City or town, state or province, country, and ZIP or foreign postal code (if foreign, see instructions) <u>SPRINGFIELD ELECTRIC SUPPLY COMPANY</u> <div style="display: flex; justify-content: space-between;"> <div><u>P. O. BOX 4106</u> <u>SPRINGFIELD, IL 62702</u></div> <div><u>700 NORTH NINTH STREET</u> <u>SPRINGFIELD, IL 62702</u></div> </div>											

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

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

SIGN HERE	Filed with authorized/valid electronic signature.	10/08/2022	GREG LUTCHKA
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE			
	Signature of employer/plan sponsor	Date	Enter name of individual signing as employer or plan sponsor
SIGN HERE			
	Signature of DFE	Date	Enter name of individual signing as DFE

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3a Plan administrator's name and address ☒ Same as Plan Sponsor		3b Administrator's EIN	
		3c Administrator's telephone number	
4 If the name and/or EIN of the plan sponsor or the plan name has changed since the last return/report filed for this plan, enter the plan sponsor's name, EIN, the plan name and the plan number from the last return/report: a Sponsor's name c Plan Name		4b EIN 4d PN	
5 Total number of participants at the beginning of the plan year		5	386
6 Number of participants as of the end of the plan year unless otherwise stated (welfare plans complete only lines 6a(1) , 6a(2) , 6b , 6c , and 6d).			
a(1) Total number of active participants at the beginning of the plan year.....		6a(1)	343
a(2) Total number of active participants at the end of the plan year		6a(2)	329
b Retired or separated participants receiving benefits.....		6b	50
c Other retired or separated participants entitled to future benefits		6c	20
d Subtotal. Add lines 6a(2) , 6b , and 6c		6d	399
e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits.		6e	0
f Total. Add lines 6d and 6e		6f	399
g Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item)		6g	397
h Number of participants who terminated employment during the plan year with accrued benefits that were less than 100% vested		6h	0
7 Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item).....		7	
8a If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristics Codes in the instructions: 2I 2P 3H 2Q			
b If the plan provides welfare benefits, enter the applicable welfare feature codes from the List of Plan Characteristics Codes in the instructions:			
9a Plan funding arrangement (check all that apply) (1) ☐ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☒ Trust (4) ☐ General assets of the sponsor		9b Plan benefit arrangement (check all that apply) (1) ☐ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☒ Trust (4) ☐ General assets of the sponsor	
10 Check all applicable boxes in 10a and 10b to indicate which schedules are attached, and, where indicated, enter the number attached. (See instructions)			
a Pension Schedules (1) ☒ R (Retirement Plan Information) (2) ☐ MB (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary (3) ☐ SB (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary		b General Schedules (1) ☒ H (Financial Information) (2) ☐ I (Financial Information – Small Plan) (3) ☐ <u>0</u> A (Insurance Information) (4) ☐ C (Service Provider Information) (5) ☐ D (DFE/Participating Plan Information) (6) ☐ G (Financial Transaction Schedules)	

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

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

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

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

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

Receipt Confirmation Code _____

SCHEDULE H (Form 5500) <small>Department of the Treasury Internal Revenue Service</small> <small>Department of Labor Employee Benefits Security Administration</small> <small>Pension Benefit Guaranty Corporation</small>	Financial Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA), and section 6058(a) of the Internal Revenue Code (the Code). ► File as an attachment to Form 5500.	OMB No. 1210-0110 2021 This Form is Open to Public Inspection
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For calendar plan year 2021 or fiscal plan year beginning <u>01/01/2021</u> and ending <u>12/31/2021</u>		
A Name of plan <u>SPRINGFIELD ELECTRIC SUPPLY COMPANY EMPLOYEE STOCK OWNERSHIP PLAN</u>	B Three-digit plan number (PN) ►	<u>003</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>SPRINGFIELD ELECTRIC SUPPLY COMPANY</u>	D Employer Identification Number (EIN) <u>37-0739309</u>	

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

Assets		(a) Beginning of Year	(b) End of Year
a Total noninterest-bearing cash.....	1a	720583	1064659
b Receivables (less allowance for doubtful accounts):			
(1) Employer contributions	1b(1)	409443	0
(2) Participant contributions.....	1b(2)		
(3) Other	1b(3)		
c General investments:			
(1) Interest-bearing cash (include money market accounts & certificates of deposit)	1c(1)	2236614	4845751
(2) U.S. Government securities	1c(2)		
(3) Corporate debt instruments (other than employer securities):			
(A) Preferred	1c(3)(A)		
(B) All other	1c(3)(B)		
(4) Corporate stocks (other than employer securities):			
(A) Preferred	1c(4)(A)		
(B) Common	1c(4)(B)		
(5) Partnership/joint venture interests	1c(5)		
(6) Real estate (other than employer real property)	1c(6)		
(7) Loans (other than to participants)	1c(7)		
(8) Participant loans	1c(8)		
(9) Value of interest in common/collective trusts.....	1c(9)		
(10) Value of interest in pooled separate accounts	1c(10)		
(11) Value of interest in master trust investment accounts.....	1c(11)		
(12) Value of interest in 103-12 investment entities	1c(12)		
(13) Value of interest in registered investment companies (e.g., mutual funds)	1c(13)		
(14) Value of funds held in insurance company general account (unallocated contracts).....	1c(14)		
(15) Other.....	1c(15)		

		(a) Beginning of Year	(b) End of Year
1d	Employer-related investments:		
(1)	Employer securities.....	1d(1) 16454790	0
(2)	Employer real property.....	1d(2)	
e	Buildings and other property used in plan operation	1e	
f	Total assets (add all amounts in lines 1a through 1e)	1f 19821430	5910410
Liabilities			
g	Benefit claims payable	1g 0	204
h	Operating payables	1h	
i	Acquisition indebtedness.....	1i 2813360	0
j	Other liabilities.....	1j	
k	Total liabilities (add all amounts in lines 1g through 1j)	1k 2813360	204
Net Assets			
l	Net assets (subtract line 1k from line 1f)	1l 17008070	5910206

Part II Income and Expense Statement

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

		(a) Amount	(b) Total
a	Contributions:		
(1)	Received or receivable in cash from: (A) Employers	2a(1)(A) 1000000	
	(B) Participants	2a(1)(B)	
	(C) Others (including rollovers).....	2a(1)(C)	
(2)	Noncash contributions.....	2a(2)	
(3)	Total contributions. Add lines 2a(1)(A), (B), (C), and line 2a(2)	2a(3)	1000000
b	Earnings on investments:		
(1)	Interest:		
	(A) Interest-bearing cash (including money market accounts and certificates of deposit).....	2b(1)(A) 19820	
	(B) U.S. Government securities	2b(1)(B)	
	(C) Corporate debt instruments	2b(1)(C)	
	(D) Loans (other than to participants)	2b(1)(D)	
	(E) Participant loans.....	2b(1)(E)	
	(F) Other	2b(1)(F)	
	(G) Total interest. Add lines 2b(1)(A) through (F).....	2b(1)(G)	19820
(2)	Dividends: (A) Preferred stock.....	2b(2)(A)	
	(B) Common stock	2b(2)(B) 294030	
	(C) Registered investment company shares (e.g. mutual funds).....	2b(2)(C)	
	(D) Total dividends. Add lines 2b(2)(A), (B), and (C)	2b(2)(D)	294030
(3)	Rents	2b(3)	
(4)	Net gain (loss) on sale of assets: (A) Aggregate proceeds	2b(4)(A) 30544536	
	(B) Aggregate carrying amount (see instructions).....	2b(4)(B) 14991190	
	(C) Subtract line 2b(4)(B) from line 2b(4)(A) and enter result	2b(4)(C)	15553346
(5)	Unrealized appreciation (depreciation) of assets: (A) Real estate	2b(5)(A)	
	(B) Other	2b(5)(B)	
	(C) Total unrealized appreciation of assets. Add lines 2b(5)(A) and (B)	2b(5)(C)	0

		(a) Amount	(b) Total
(6) Net investment gain (loss) from common/collective trusts.....	2b(6)		
(7) Net investment gain (loss) from pooled separate accounts.....	2b(7)		
(8) Net investment gain (loss) from master trust investment accounts.....	2b(8)		
(9) Net investment gain (loss) from 103-12 investment entities.....	2b(9)		
(10) Net investment gain (loss) from registered investment companies (e.g., mutual funds).....	2b(10)		
c Other income.....	2c		
d Total income. Add all income amounts in column (b) and enter total.....	2d		16867196
Expenses			
e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers.....	2e(1)	27904657	
(2) To insurance carriers for the provision of benefits.....	2e(2)		
(3) Other.....	2e(3)		
(4) Total benefit payments. Add lines 2e(1) through (3).....	2e(4)		27904657
f Corrective distributions (see instructions).....	2f		
g Certain deemed distributions of participant loans (see instructions).....	2g		
h Interest expense.....	2h		59683
i Administrative expenses: (1) Professional fees.....	2i(1)		
(2) Contract administrator fees.....	2i(2)		
(3) Investment advisory and management fees.....	2i(3)		
(4) Other.....	2i(4)	720	
(5) Total administrative expenses. Add lines 2i(1) through (4).....	2i(5)		720
j Total expenses. Add all expense amounts in column (b) and enter total.....	2j		27965060
Net Income and Reconciliation			
k Net income (loss). Subtract line 2j from line 2d.....	2k		-11097864
l Transfers of assets:			
(1) To this plan.....	2l(1)		
(2) From this plan.....	2l(2)		

Part III Accountant's Opinion

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

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

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

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

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

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

(1) Name: KERBER, ECK, & BRAECKEL

(2) EIN: 43-0352985

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

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

Part IV Compliance Questions

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

During the plan year:

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

	Yes	No	Amount
4a		X	

	Yes	No	Amount
b Were any loans by the plan or fixed income obligations due the plan in default as of the close of the plan year or classified during the year as uncollectible? Disregard participant loans secured by participant's account balance. (Attach Schedule G (Form 5500) Part I if "Yes" is checked.)			
4b		X	
c Were any leases to which the plan was a party in default or classified during the year as uncollectible? (Attach Schedule G (Form 5500) Part II if "Yes" is checked.)			
4c		X	
d Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 4a. Attach Schedule G (Form 5500) Part III if "Yes" is checked.)			
4d		X	
e Was this plan covered by a fidelity bond?	X		1000000
f Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?		X	
4f		X	
g Did the plan hold any assets whose current value was neither readily determinable on an established market nor set by an independent third party appraiser?			
4g		X	
h Did the plan receive any noncash contributions whose value was neither readily determinable on an established market nor set by an independent third party appraiser?			
4h		X	
i Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.)			
4i		X	
j Were any plan transactions or series of transactions in excess of 5% of the current value of plan assets? (Attach schedule of transactions if "Yes" is checked and see instructions for format requirements.)	X		
4j	X		
k Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?			
4k		X	
l Has the plan failed to provide any benefit when due under the plan?			
4l		X	
m If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.)			
4m		X	
n If 4m was answered "Yes," check the "Yes" box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3.			
4n			
5a Has a resolution to terminate the plan been adopted during the plan year or any prior plan year? ☒ Yes ☐ No If "Yes," enter the amount of any plan assets that reverted to the employer this year 0			
5b If, during this plan year, any assets or liabilities were transferred from this plan to another plan(s), identify the plan(s) to which assets or liabilities were transferred. (See instructions.)			
5b(1) Name of plan(s)	5b(2) EIN(s)	5b(3) PN(s)	
5c Was the plan a defined benefit plan covered under the PBGC insurance program at any time during this plan year? (See ERISA section 4021 and instructions.) ☐ Yes ☐ No ☐ Not determined If "Yes" is checked, enter the My PAA confirmation number from the PBGC premium filing for this plan year			

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

A Name of plan SPRINGFIELD ELECTRIC SUPPLY COMPANY EMPLOYEE STOCK OWNERSHIP PLAN	B Three-digit plan number (PN) ► 003
C Plan sponsor's name as shown on line 2a of Form 5500 SPRINGFIELD ELECTRIC SUPPLY COMPANY	D Employer Identification Number (EIN) 37-0739309

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

1 Total value of distributions paid in property other than in cash or the forms of property specified in the instructions.....	1	0
2 Enter the EIN(s) of payor(s) who paid benefits on behalf of the plan to participants or beneficiaries during the year (if more than two, enter EINs of the two payors who paid the greatest dollar amounts of benefits): EIN(s): 61-1568673		
Profit-sharing plans, ESOPs, and stock bonus plans, skip line 3.		
3 Number of participants (living or deceased) whose benefits were distributed in a single sum, during the plan year	3	

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

Part III	Amendments
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9 If this is a defined benefit pension plan, were any amendments adopted during this plan year that increased or decreased the value of benefits? If yes, check the appropriate box. If no, check the "No" box.....	☐ Increase	☐ Decrease	☐ Both	☐ No
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Part IV	ESOPs (see instructions). If this is not a plan described under section 409(a) or 4975(e)(7) of the Internal Revenue Code, skip this Part.
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10 Were unallocated employer securities or proceeds from the sale of unallocated securities used to repay any exempt loan?	☐ Yes	☒ No
11 a Does the ESOP hold any preferred stock?	☐ Yes	☒ No
b If the ESOP has an outstanding exempt loan with the employer as lender, is such loan part of a "back-to-back" loan? (See instructions for definition of "back-to-back" loan.)	☐ Yes	☒ No
12 Does the ESOP hold any stock that is not readily tradable on an established securities market?	☐ Yes	☒ No

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Schedule R (Form 5500) 2021
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Part V Additional Information for Multiemployer Defined Benefit Pension Plans

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

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

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

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

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

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

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

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

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

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

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

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

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

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

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

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

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

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

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

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

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

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

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

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

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

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

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

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

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

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

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

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

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

14a

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

14b

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

14c

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

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

15a

b The corresponding number for the second preceding plan year

15b

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

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

16a

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

16b

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

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

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

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

a Enter the percentage of plan assets held as:

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

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

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

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

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

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

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

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

☐ Yes.

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

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

☐ No. Other. Provide explanation _____



Financial Statements and Independent Auditors' Report



Employee Stock Ownership Plan

December 31, 2021 and 2020

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Independent Auditors' Report

To the Trustee and Participants of
Springfield Electric Supply Company
Employee Stock Ownership Plan

Opinion

We have audited the financial statements of Springfield Electric Supply Company Employee Stock Ownership Plan (the Plan), an employee benefit plan subject to the Employee Retirement Income Security Act of 1974 (ERISA), which comprise the statements of net assets available for benefits as of December 31, 2021 (in liquidation) and 2020 (ongoing), and the related statement of changes in net assets available for benefits for the year ended December 31, 2021 (in liquidation), and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the net assets available for benefits of Springfield Electric Supply Company Employee Stock Ownership Plan as of December 31, 2021 (in liquidation) and 2020 (ongoing), and the changes in net assets available for benefits for the year ended December 31, 2021 (in liquidation), in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Springfield Electric Supply Company Employee Stock Ownership Plan and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of Matter - Terminating Plan and Liquidation Basis of Accounting

As further discussed in Note K to the financial statements, the Board of Directors of Springfield Electric Supply Company, the Plan's sponsor, voted on August 12, 2021 to terminate the plan and management determined liquidation was imminent. As a result, the Springfield Electric Supply Company Employee Stock Ownership Plan changed its basis of accounting from the going-concern basis of accounting used in presenting the 2020 financial statements to the liquidation basis of accounting used in presenting the 2021 financial statements. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Springfield Electric Supply Company Employee Stock Ownership Plan's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Springfield Electric Supply Company Employee Stock Ownership Plan's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Supplemental Schedules Required by ERISA

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The supplemental schedule of assets (held at end of year) and schedule of reportable transactions are presented for purposes of additional analysis and are not a required part of the financial statements but are supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audits of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with GAAS.

In forming our opinion on the supplemental schedules, we evaluated whether the supplemental schedules, including their form and content, are presented in conformity with the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA.

In our opinion, the information in the accompanying schedules is fairly stated, in all material respects, in relation to the financial statements as a whole, and the form and content are presented in conformity with the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA.

Kerber, Eck, + Braeckel LLP

Springfield, Illinois
October 5, 2022

Springfield Electric Supply Company Employee Stock Ownership Plan
STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS
December 31

	2021			2020		
	<u>Allocated</u>	(In Liquidation) <u>Unallocated</u>	<u>Total</u>	<u>Allocated</u>	(Ongoing) <u>Unallocated</u>	<u>Total</u>
ASSETS						
Investment in Sponsor						
Company common stock						
at estimated fair value	\$ -	\$ -	\$ -	\$ 12,939,019	\$ 3,515,771	\$ 16,454,790
Receivables						
Employer contributions	-	-	-	-	409,443	409,443
Cash	5,910,410	-	5,910,410	2,957,197	-	2,957,197
Total assets	5,910,410	-	5,910,410	15,896,216	3,925,214	19,821,430
LIABILITIES AND NET ASSETS						
Due to Sponsor Company	-	-	-	-	409,443	409,443
Loan payable	-	-	-	-	2,403,917	2,403,917
Benefits payable	204	-	204	-	-	-
Total liabilities	204	-	204	-	2,813,360	2,813,360
Net assets available for benefits	<u>\$ 5,910,206</u>	<u>\$ -</u>	<u>\$ 5,910,206</u>	<u>\$ 15,896,216</u>	<u>\$ 1,111,854</u>	<u>\$ 17,008,070</u>

The accompanying notes are an integral part of these statements.

Springfield Electric Supply Company Employee Stock Ownership Plan
STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS
Year ended December 31

	2021		
	(In Liquidation)		
	<u>Allocated</u>	<u>Unallocated</u>	<u>Total</u>
ADDITIONS			
Investment income			
Net realized gain on allocated shares	\$ 15,553,346	\$ -	15,553,346
Interest	19,820	-	19,820
Dividends	294,030	-	294,030
Employer contributions	-	1,000,000	1,000,000
Allocation of 46,243.947 shares of common stock of Sponsor Company, at sale price of \$ 55.28 per share	2,556,365	-	2,556,365
Allocation of 47,223.250 shares of common stock of Sponsor Company, at estimated fair value	1,019,089	-	1,019,089
Cancellation of 22,872.000 shares of common stock of Sponsor Company	-	1,463,600	1,463,600
Total additions	19,442,650	2,463,600	21,906,250
DEDUCTIONS			
Interest expense	59,683	-	59,683
Allocation of 46,243.947 shares of common stock of Sponsor Company, at sale price of \$ 55.28 per share	-	2,556,365	2,556,365
Allocation of 47,223.250 shares of common stock of Sponsor Company, at estimated fair value	-	1,019,089	1,019,089
Cancellation of 22,872.000 shares of common stock of Sponsor Company	1,463,600	-	1,463,600
Distributions to participants	27,904,657	-	27,904,657
Plan expenses	720	-	720
Total deductions	29,428,660	3,575,454	33,004,114
Net decrease in net assets available for benefits	(9,986,010)	(1,111,854)	(11,097,864)
Net assets available for benefits			
Beginning of year	15,896,216	1,111,854	17,008,070
End of year	\$ 5,910,206	\$ -	\$ 5,910,206

The accompanying notes are an integral part of this statement.

Springfield Electric Supply Company Employee Stock Ownership Plan
NOTES TO FINANCIAL STATEMENTS
December 31, 2021 and 2020

NOTE A | DESCRIPTION OF PLAN

1. General

The following brief description of the Springfield Electric Supply Company Employee Stock Ownership Plan (the Plan) is provided for general information purposes only. Participants should refer to the Plan agreement for complete information.

Springfield Electric Supply Company (Sponsor Company) established the Plan effective as of January 1, 2008. The Plan operates, in relevant part, as a leveraged employee stock ownership plan (ESOP), and is designed to comply with Section 4975(e)(7) and the regulations thereunder of the Internal Revenue Code of 1986 (Code), as amended, and is subject to the applicable provisions of the Employee Retirement Income Security Act of 1974 (ERISA), as amended. The Plan is administered by an ESOP Committee comprising up to five persons.

The Plan purchased 544,500 of the Sponsor Company common shares on July 29, 2008, using the proceeds of a Promissory Note from the Sponsor Company (see Note G). The Promissory Note is to be repaid over a period of 20 years by fully deductible Sponsor Company contributions to the trust fund. As the Plan makes each payment of principal and interest, an appropriate percentage of stock will be allocated to eligible employees' accounts in accordance with applicable regulations under the Code.

The Plan and Trust established under the Plan have entered into a Pledge Agreement where the Plan and Trust have agreed to pledge unallocated shares of Company stock back to the Sponsor Company to secure the payments under the Promissory Note. Each Plan year, shares will be released from the Pledge Agreement equal to the number of shares allocated to participants' accounts. The Sponsor Company has no rights against shares once they are allocated under the Pledge Agreement. Accordingly, the financial statements of the Plan as of December 31, 2021 and 2020, present separately the assets and liabilities and changes therein pertaining to:

- (a) the accounts of employees with vested rights in allocated stock (allocated) and
- (b) stock not yet allocated to employees (unallocated).

On August 12, 2021, the Board of Directors of the Plan approved and adopted an amendment for the termination of the Plan effective August 31, 2021 (termination date).

Springfield Electric Supply Company Employee Stock Ownership Plan
NOTES TO FINANCIAL STATEMENTS
December 31, 2021 and 2020

NOTE A | DESCRIPTION OF PLAN

2. Eligibility

Employees of the Sponsor Company and its subsidiary, Ronk Electrical Industries, Inc., until its sale on August 18, 2021, were eligible to participate in the Plan on the entry date of January 1 or July 1, following one year of employment provided they worked at least 1,000 hours during such year. The Plan identified three groups of employees who are ineligible to participate in the Plan: 1) an employee whose terms of employment with the Company are covered by a collective bargaining agreement; 2) leased employees; and, 3) an employee who is a nonresident alien. Unless employment terminates during the Plan year because of death, disability or retirement, participants who work 1,000 hours or more and are employed at the end of the Plan year continue to share in the allocation of Sponsor Company contributions for such year. As of January 1, 2018, the Plan was amended to include the hours of Valley Electric Supply Corporation employees towards their hours of service while employed at Valley Electric Supply Corporation on or before January 1, 2018.

3. Contributions

Contributions to the Plan are discretionary and are determined by the Sponsor Company each Plan year. The Sponsor Company will make any necessary cash contributions to enable the Plan to make the regularly scheduled principal and interest payments on the acquisition loan.

Employees are not required nor permitted to make contributions to the Plan.

4. Benefit Payments

Distribution of a participant's balance of his or her ESOP account will be made when the participant retires, dies or otherwise terminates employment with the Sponsor Company or its subsidiary. Distribution of a participant's balance shall commence as soon as administratively feasible following the close of the Plan year in which such event occurs beginning no later than one (1) year after the close of the Plan year in which such event occurs. Distributions will be made in a lump sum. The amount to be distributed is based upon the immediately preceding valuation date.

5. Voting Rights

The Trustee receives instructions from the Plan Committee, and all Sponsor Company Stock held by the Trust established under the Plan is voted by the Trustee in accordance with instructions from the Plan Committee. Notwithstanding the foregoing, participants (or their beneficiaries) shall be entitled to direct the voting of any voting shares of Company Stock allocated to the participants Sponsor Company Stock Account with respect to any vote required for the approval or disapproval of any corporate merger or consolidation, recapitalization, reclassification, liquidation, dissolution, or sale of substantially all the assets of a trade or business. In accordance with instructions from the Plan Committee, the Trustee shall vote any unallocated shares held by the Trust as well as any allocated shares for which a Participant has failed to give timely voting direction.

Springfield Electric Supply Company Employee Stock Ownership Plan
NOTES TO FINANCIAL STATEMENTS
December 31, 2021 and 2020

NOTE A | DESCRIPTION OF PLAN

6. Participant Accounts and Forfeitures

The Plan is a defined contribution plan under which a separate individual account is established for each participant. Each participant's account is credited as of the last day of each Plan year with an allocation of shares of the Sponsor Company's common stock released by the Trustee from the unallocated account and forfeitures of terminated participants' nonvested accounts. Only those participants who are eligible employees of the Sponsor Company as of the last day of the Plan year will receive an allocation. Allocations are based on a participant's eligible compensation relative to total eligible compensation. Plan earnings are allocated to each participant's account based on the ratio of the participant's account balance.

Employer contributions and Plan forfeitures are allocated to each participant's account based on the proportion of a participant's covered compensation, as defined by the Plan, to covered compensation for all participants each Plan year. There were no forfeitures in 2021.

7. Vesting

If a participant's employment with the Sponsor Company ends for any reason other than retirement, permanent disability or death, he or she will vest in his or her account balance based on total years of service with the Company. Prior to the termination of the Plan, participants vested 20% per year after two years of service and were 100% vested after six years of service.

8. Operating Expenses

Prior to plan termination, plan administration expenses were primarily paid by the Sponsor Company. Subsequent to plan termination, plan administration expenses and costs associated with the termination of the plan will be paid out of a sales transaction escrow account.

Springfield Electric Supply Company Employee Stock Ownership Plan
NOTES TO FINANCIAL STATEMENTS
December 31, 2021 and 2020

NOTE A | DESCRIPTION OF PLAN

9. Put Option

Under Federal income tax regulations, the employer stock that is held by the Plan and its participants and is not readily tradeable on an established market, or is subject to trading limitations, includes a put option. The put option is a right to demand that the Company buy any shares of its stock distributed to participants for which there is no market. The put price is representative of the current value of the stock. The Company can pay for the purchase either in a single payment or in up to five equal annual installments with interest.

10. Diversification

Diversification was offered to participants close to retirement so that they may have the opportunity to transfer some of their investment in Sponsor Company common stock into investments which were more diversified. Participants who were at least age 55 with at least 10 years of participation in the Plan may have elected to diversify a portion of their account. Diversification was offered to each eligible participant for the six consecutive years after they became eligible. The option allowed a participant to diversify up to 25% of their Sponsor Company common stock in each of the first five years they were eligible. In the last, or sixth, year in which the diversification was available, a participant may have elected a diversification of a cumulative amount up to 50% of their Sponsor Company common stock. The Plan Committee would either permit a participant to diversify their account and offer at least three investment options if they made an election under this provision, or in lieu of offering such investment options in the Plan, the Plan Committee would direct that all amounts subject to the participant's diversification elections be distributed.

Springfield Electric Supply Company Employee Stock Ownership Plan
NOTES TO FINANCIAL STATEMENTS
December 31, 2021 and 2020

NOTE B | SUMMARY OF ACCOUNTING POLICIES

1. Basis of Accounting

The accompanying financial statements are prepared on the liquidation basis of accounting for 2021 and the accrual basis of accounting for 2020.

2. Allocations

The financial statements of the Plan present separately the assets and liabilities and changes therein pertaining to (a) the accounts of employees with rights in allocated stock and (b) stock not yet allocated to employees, including shares that are committed to be released. Shares are released from collateral and become allocated generally in the period in which debt service is actually paid.

3. Certificates of Deposit

The Plan had no certificates of deposit at December 31, 2021 and \$ 1,200,000 at December 31, 2020 included in cash in the accompanying financial statements. The certificates bear interest of 2.15% at December 31, 2020, and matured on September 1, 2021.

4. Investments

The Plan held no shares of common stock of the Sponsor Company at December 31, 2021. The common shares of the Sponsor Company were valued at fair value as determined by an annual independent appraisal on December 31, 2020. See Note F for discussions of fair value measurements.

Purchases and sales of securities are recorded on a trade-date basis. Realized gains and losses from security transactions are reported on the average cost method. Net appreciation (depreciation) includes the Plan's gains and losses on investments bought and sold as well as held during the year.

5. Payment of Benefits

Benefits are recorded when paid.

6. Estimates

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

Springfield Electric Supply Company Employee Stock Ownership Plan
NOTES TO FINANCIAL STATEMENTS
December 31, 2021 and 2020

NOTE B | SUMMARY OF ACCOUNTING POLICIES

7. Subsequent Events

Management has evaluated subsequent events for recognition and disclosure in the financial statements through October 5, 2022, which is the date the financial statements were available to be issued. Through October 5, 2022, there are no subsequent events that require recognition or disclosure in the financial statements.

NOTE C | TAX STATUS

The Plan has received a determination letter from the Internal Revenue Service (IRS) dated June 26, 2015, stating that the Plan is qualified under the Internal Revenue Code. Although the Plan has been amended since this determination letter, the Company's management believes the Plan is designed and is currently being operated in compliance with applicable requirements of the Internal Revenue Code and that the related trust is tax-exempt at the financial statement date. The Plan filed a determination request with the IRS on December 27, 2021, regarding the termination of the Plan.

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

NOTE D | ADMINISTRATION OF PLAN ASSETS

The Plan's assets, which consists of cash as of December 31, 2021, and principally of Sponsor Company common shares as of December 31, 2020, are held by the Trustee of the Plan.

Sponsor Company contributions are held and managed by the Trustee, who invests cash received, interest, dividend income, and makes distributions to participants.

Certain administrative functions are performed by officers and employees of the Company. No such individual receives compensation from the Plan. Administrative expenses for the Trustee's fees are paid out of a sales transaction escrow account.

Springfield Electric Supply Company Employee Stock Ownership Plan
NOTES TO FINANCIAL STATEMENTS
December 31, 2021 and 2020

NOTE E | INVESTMENTS

The Plan liquidated the Sponsor Company common stock on August 31, 2021 due to termination of the Plan. As such, the Plan had no investments at December 31, 2021. The Plan's investments are presented in the following table as of December 31, 2020:

	<u>2020</u>	
Sponsor Company common stock	<u>Allocated</u>	<u>Unallocated</u>
Number of shares	<u>428,160.80</u>	<u>116,339.20</u>
Cost	<u>\$ 7,312,986</u>	<u>\$ 1,987,074</u>
Estimated fair value	<u>\$ 12,939,019</u>	<u>\$ 3,515,771</u>

NOTE F | FAIR VALUE MEASUREMENTS

The Plan follows the fair value measurement guidance for financial assets and financial liabilities. The guidance defines fair value, establishes a framework for measuring value and expands disclosure about fair value measurements. In addition, the guidance permits an entity to measure eligible financial instruments and other items at fair value. The Plan has not made any fair value elections.

Fair value is defined to be 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. A three-level hierarchy has been established for fair value measurements based upon the inputs to the valuation of an asset or liability as follows:

Level 1 - Valuation is based on quoted prices for identical assets and liabilities in active markets.

Level 2 - Valuation is derived from inputs, other than quoted prices included in Level 1, which are observable for the asset or liability either directly or indirectly. Investments classified as Level 2 are generally valued by benchmarking model-derived prices to quoted market prices and trade data for identical or comparable securities. The significant inputs used in this approach include interest rates, prepayment timing, yield spreads, maturities, credit losses and credit ratings of the securities.

Level 3 -Valuation is derived from unobservable inputs that are not corroborated by market data.

Springfield Electric Supply Company Employee Stock Ownership Plan
NOTES TO FINANCIAL STATEMENTS
December 31, 2021 and 2020

NOTE F | FAIR VALUE MEASUREMENTS

The Plan held no investments at December 31, 2021. The following table presents the Plan's fair value hierarchy for the Plan's investment in Sponsor Company common stock at December 31, 2020.

	<u>Fair Value</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
<u>2020</u>				
Investments				
Sponsor Company				
common stock	<u>\$ 16,454,790</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 16,454,790</u>

The following table presents a reconciliation of the Level 3 assets measured at fair value on a recurring basis for the year ended December 31, 2021:

Beginning balance	\$ 16,454,790
Sale of Sponsor Company common stock	(30,544,536)
Gain on sale of Sponsor Company common stock	15,553,346
Cancellation of 22,872 shares	<u>(1,463,600)</u>
Ending balance	<u>\$ -</u>

The Plan's policy is to recognize transfers into and out of Level 3 as of the date of the event or change in circumstances that causes the transfer. For the year ended December 31, 2021, the Plan liquidated Sponsor Company common stock resulting in a transfer out of Level 3 to cash. For the year ended December 31, 2020, there were no transfers into or out of Level 3.

The Plan liquidated Sponsor Company common stock in 2021. The following is a description of the valuation methodologies used for assets measured at fair value at December 31, 2020. The Sponsor Company's common stock held by the Plan was reported at fair value based upon an independent appraisal. This appraisal was based upon income valuation techniques using discounted cash flows and was consistent with prior years. The Sponsor Company was valued as a going-concern based on business, economic, market and other conditions as they existed and can be evaluated as of the valuation date. Such valuation techniques were consistent with prior years as illustrated in the following table:

Springfield Electric Supply Company Employee Stock Ownership Plan
NOTES TO FINANCIAL STATEMENTS
December 31, 2021 and 2020

NOTE F | FAIR VALUE MEASUREMENTS

<i>Instrument</i>	<i>Fair Value</i>	<i>Principal Valuation Technique</i>	<i>Unobservable Inputs</i>
SESCO common stock	2020 - \$ 16,454,790	Income	EBITDA Net income Normalized net income Future cash flows Discount rate Discount for lack of marketability

The valuation process involved the selection of an appraiser. Plan management accumulated the data for the appraiser from the historical and projected financial information of the Company. The appraiser prepared a report of estimated per share value that a participant could have received upon distribution. The ESOP Committee reviewed in detail, discussed, and approved the valuation.

The preceding method described could have produced a fair value calculation that was not indicative of net realizable value or reflective of future fair values. Furthermore, although the Plan believed its valuation methods were appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could have resulted in a different fair value measurement at the reporting date.

NOTE G | LOAN PAYABLE

The Plan entered into a \$ 9,300,060 term loan agreement with the Sponsor Company on July 29, 2008. The proceeds of the loan were used to purchase Sponsor Company's common stock. Unallocated shares were collateral for the loan. Shares were released from collateral and allocated to participants when principal and interest payments were made. The number of shares released in any year is the number of shares held as collateral, multiplied by the ratio of the current year payments, divided by the total of this year's payments, plus all future years' principal and interest payments. This resulted in approximately 47,223 shares being released and allocated for the Plan year ended December 31, 2021. The Plan made a payment on the loan in the amount of \$ 1,000,000 for the year ended December 31, 2021. Due to the termination of the Plan effective August 31, 2021, the remaining loan balance of \$ 1,463,600 was forgiven by Springfield Electric Supply Company on July 19, 2021. The forgiveness of the remaining loan balance resulted in the cancellation of 22,872 shares and the allocation of 46,244 shares. Prior to forgiveness, the agreement provided for the loan to be repaid with annual payments of \$ 409,443 through December 31, 2027. The outstanding balance at December 31, 2020, was \$ 2,403,917 with an interest at a rate of 4.6%.

Springfield Electric Supply Company Employee Stock Ownership Plan
NOTES TO FINANCIAL STATEMENTS
December 31, 2021 and 2020

NOTE H | CONCENTRATION OF CREDIT RISK

The Plan maintains its cash balances in a major financial institution located in Springfield, Illinois. These balances at times may exceed Federally insured limits. The Plan has not experienced any losses in such accounts as of December 31, 2021, and through the date of this report.

NOTE I | RISKS AND UNCERTAINTIES

The Plan investments consisted primarily of the Sponsor Company's common stock prior to the termination date, which was exposed to various risks, including interest rate, market, and credit risks, as well as valuation assumptions based on earnings and cash flows. Due to the level of risk associated with the investment in Sponsor Company common stock and to uncertainties inherent in the estimations and assumptions process, it was at least reasonably possible that changes in the values of Sponsor Company common stock could occur and that such changes could materially affect participants' account balances and the amounts reported in the statement of net assets available for benefits.

NOTE J | RELATED-PARTY AND PARTY-IN-INTEREST TRANSACTIONS

Prior to the termination date, the Plan invested in Sponsor Company common stock and had indebtedness to the Sponsor Company. These were related-party and party-in-interest transactions. The Plan has a number of service providers. Such parties are parties-in-interest under ERISA guidelines.

NOTE K | PLAN TERMINATION

On April 6, 2021, the Sponsor Company executed a Letter of Intent for the purchase of the Sponsor Company's stock. As a result, management determined that liquidation of the Plan was imminent at that time in accordance with ASC 205, Presentation of Financial Statements – Liquidation Basis of Accounting, and changed its basis of accounting to the liquidation basis for the year ended December 31, 2021. At that time, each participant account became 100% vested and nonforfeitable. The interest of each participant in the trust fund is being distributed to such participant or his or her beneficiary at the time prescribed by the Plan terms and the Code. Upon termination of the Plan, the ESOP Committee directed the Trustee to pay all liabilities and expenses of the trust fund and to sell shares of financed stock held in the loan suspense account.

The Plan liquidated the 521,628 allocated shares of Sponsor Company common stock on August 31, 2021, at a price of \$ 55.28 per share based on the sale price of Springfield Electric Supply Company. Participants began taking distributions in December of 2021. Remaining Plan assets are to be distributed in two distributions with the first expected to occur upon the receipt of a favorable determination letter from the IRS and the final distribution expected to occur following final settlement of the representation and warranties escrow account 36 months from the date of the sales transaction. The Plan filed a determination request with the IRS on December 27, 2021. As of October 5, 2022, the Plan has not received a favorable determination letter from the IRS. The amount of funds available for distribution is contingent on settlement of transaction escrow accounts.

Supplementary Information

Springfield Electric Supply Company Employee Stock Ownership Plan
EIN 37-0739309
Plan Number 003
SCHEDULE H, LINE 4i - SCHEDULE OF ASSETS (HELD AT END OF YEAR)
December 31, 2021

(a)	(b) Identity of Issue, Borrower, Lessor, or Similar Party	(c) Description of Investment Including Maturity Date, Rate of Interest, Collateral, Par or Maturity Value	(d) Cost	(e) Current Value
Cash				
	US Bank	Money Market	\$ 200,052	\$ 200,052
	Cash	N/A	<u>5,710,358</u>	<u>5,710,358</u>
			<u>\$ 5,910,410</u>	<u>\$ 5,910,410</u>

* Party-in-interest

Springfield Electric Supply Company Employee Stock Ownership Plan
 EIN 37-0739309
 Plan Number 003
 SCHEDULE H, LINE 4j - SCHEDULE OF REPORTABLE TRANSACTIONS
 December 31, 2021

(a) Identity of Party Involved	(b) Description of Asset (including interest rate and maturity in case of a loan)	(c) Purchase Price	(d) Selling Price	(g) Cost of Asset	(h) Current Value of Asset on Transaction Date	(i) Net Gain (Loss)
Single Transaction						
SPONSOR COMPANY COMMON STOCK	Common Stock	\$ -	\$ 30,544,536	\$ 14,991,190	\$ 30,544,536	\$ 15,553,346

* Transactions or a series of transactions exceeding 5% of the current value of plan assets at the beginning of the plan year.

Form 5500Department of the Treasury
Internal Revenue ServiceDepartment of Labor
Employee Benefits Security
Administration

Pension Benefit Guaranty Corporation

Annual Return/Report of Employee Benefit Plan

This form is required to be filed for employee benefit plans under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and sections 6057(b) and 6058(a) of the Internal Revenue Code (the Code).

▶ **Complete all entries in accordance with the instructions to the Form 5500.**OMB Nos. 1210-0110
1210-0089**2021****This Form is Open to Public Inspection****Part I Annual Report Identification Information**

For calendar plan year 2021 or fiscal plan year beginning 01/01/2021 and ending 12/31/2021

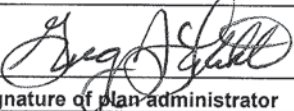
- A** This return/report is for: ☐ a multiemployer plan ☐ a multiple-employer plan (Filers checking this box must attach a list of participating employer information in accordance with the form instructions.)
- ☒ a single-employer plan ☐ a DFE (specify) _____
- B** This return/report is: ☐ the first return/report ☐ the final return/report
- ☐ an amended return/report ☐ a short plan year return/report (less than 12 months)
- C** If the plan is a collectively-bargained plan, check here. ☐
- D** Check box if filing under: ☒ Form 5558 ☐ automatic extension ☐ the DFVC program
- ☐ special extension (enter description) _____
- E** If this is a retroactively adopted plan permitted by SECURE Act section 201, check here. ☐

Part II Basic Plan Information—enter all requested information

1a Name of plan SPRINGFIELD ELECTRIC SUPPLY COMPANY EMPLOYEE STOCK OWNERSHIP PLAN	1b Three-digit plan number (PN) ▶ 003
	1c Effective date of plan 01/01/2008
2a Plan sponsor's name (employer, if for a single-employer plan) Mailing address (include room, apt., suite no. and street, or P.O. Box) City or town, state or province, country, and ZIP or foreign postal code (if foreign, see instructions) SPRINGFIELD ELECTRIC SUPPLY COMPANY P. O. BOX 4106 SPRINGFIELD IL 62702 700 NORTH NINTH STREET SPRINGFIELD IL 62702	2b Employer Identification Number (EIN) 37-0739309
	2c Plan Sponsor's telephone number 217-788-2100
	2d Business code (see instructions) 423600

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

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

SIGN HERE		10/8/22	GREG LUTCHKA
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE			
	Signature of employer/plan sponsor	Date	Enter name of individual signing as employer or plan sponsor
SIGN HERE			
	Signature of DFE	Date	Enter name of individual signing as DFE

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

Form 5500 (2021)
v. 201209

Name of Plan: ▶ Springfield Electric Supply Company ESOP

Employer Identification Number (EIN): ▶ 37-0739309 Three-digit plan number: ▶ 003

For the plan year beginning/ending: ▶ 1/1/2021 - 12/31/2021

[illegible]

Name of Plan: Springfield Electric Supply Company ESOP

For plan year (beginning/ending):► 1/1/2021 - 12/31/2021

[illegible]