

Form 5500 Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Annual Return/Report of Employee Benefit Plan This form is required to be filed for employee benefit plans under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and sections 6057(b) and 6058(a) of the Internal Revenue Code (the Code). ▶ Complete all entries in accordance with the instructions to the Form 5500.	OMB Nos. 1210-0110 1210-0089 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>CLONINGER FORD, INC 401(K) 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>001</u></td> </tr> <tr> <td colspan="2">1c Effective date of plan <u>10/01/1994</u></td> </tr> <tr> <td colspan="2">2b Employer Identification Number (EIN) <u>56-1465220</u></td> </tr> <tr> <td colspan="2">2c Plan Sponsor's telephone number <u>704-633-9321</u></td> </tr> <tr> <td colspan="2">2d Business code (see instructions) <u>441110</u></td> </tr> </table>	1b Three-digit plan number (PN) ▶	<u>001</u>	1c Effective date of plan <u>10/01/1994</u>		2b Employer Identification Number (EIN) <u>56-1465220</u>		2c Plan Sponsor's telephone number <u>704-633-9321</u>		2d Business code (see instructions) <u>441110</u>	
1b Three-digit plan number (PN) ▶	<u>001</u>										
1c Effective date of plan <u>10/01/1994</u>											
2b Employer Identification Number (EIN) <u>56-1465220</u>											
2c Plan Sponsor's telephone number <u>704-633-9321</u>											
2d Business code (see instructions) <u>441110</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>CLONINGER FORD, INC.</u> <u>511 JAKE ALEXANDER BLVD. S</u> <u>P.O. BOX 1788</u> <u>SALISBURY, NC 28145-1788</u>											

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

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

SIGN HERE	Filed with authorized/valid electronic signature.	04/20/2023	DEB PROULX
	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. 210624

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	335
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)	202
a(2) Total number of active participants at the end of the plan year		6a(2)	293
b Retired or separated participants receiving benefits.....		6b	0
c Other retired or separated participants entitled to future benefits		6c	143
d Subtotal. Add lines 6a(2) , 6b , and 6c		6d	436
e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits.		6e	0
f Total. Add lines 6d and 6e		6f	436
g Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item)		6g	382
h Number of participants who terminated employment during the plan year with accrued benefits that were less than 100% vested		6h	66
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: 2S 2E 3D 2G 2J 2K 2F 2T 3H			
b If the plan provides welfare benefits, enter the applicable welfare feature codes from the List of Plan Characteristics Codes in the instructions:			
9a Plan funding arrangement (check all that apply) (1) ☐ 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 C (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Service Provider Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA). ▶ File as an attachment to Form 5500.	OMB No. 1210-0110
		2021
		This Form is Open to Public Inspection.

For calendar plan year 2021 or fiscal plan year beginning 01/01/2021 and ending 12/31/2021		
A Name of plan CLONINGER FORD, INC 401(K) PLAN	B Three-digit plan number (PN) ▶	001
C Plan sponsor's name as shown on line 2a of Form 5500 CLONINGER FORD, INC.	D Employer Identification Number (EIN) 56-1465220	

Part I	Service Provider Information (see instructions)
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You must complete this Part, in accordance with the instructions, to report the information required for **each person** who received, directly or indirectly, \$5,000 or more in total compensation (i.e., money or anything else of monetary value) in connection with services rendered to the plan or the person's position with the plan during the plan year. If a person received **only** eligible indirect compensation for which the plan received the required disclosures, you are required to answer line 1 but are not required to include that person when completing the remainder of this Part.

1 Information on Persons Receiving Only Eligible Indirect Compensation

- a Check "Yes" or "No" to indicate whether you are excluding a person from the remainder of this Part because they received only eligible indirect compensation for which the plan received the required disclosures (see instructions for definitions and conditions)..... ☒ Yes ☐ No
- b If you answered line 1a "Yes," enter the name and EIN or address of each person providing the required disclosures for the service providers who received only eligible indirect compensation. Complete as many entries as needed (see instructions).

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation	
HILB GROUP RETIREMENT SVCS	7621 LITTLE AVE SUITE 113 CHARLOTTE, NC 28276

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

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2. Information on Other Service Providers Receiving Direct or Indirect Compensation. Except for those persons for whom you answered "Yes" to line 1a above, complete as many entries as needed to list each person receiving, directly or indirectly, \$5,000 or more in total compensation (i.e., money or anything else of value) in connection with services rendered to the plan or their position with the plan during the plan year. (See instructions).

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

GLOBAL RETIREMENT PARTNERS

4340 REDWOOD HIGHWAY
STE B-30
SAN RAFAEL, CA 94903

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
27 50	NONE	15708	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

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

ASCENSUS LLC

11-3665754

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
55 99 64 37 15 50 62	NONE	12108	Yes ☒ No ☐	Yes ☒ No ☐	291	Yes ☐ No ☒

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

JOHN HANCOCK

01-0233346

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
15 37 62 64	RECORDKEEPER	4649	Yes ☒ No ☐	Yes ☒ No ☐	0	Yes ☒ No ☐

Part I Service Provider Information (continued)

3. If you reported on line 2 receipt of indirect compensation, other than eligible indirect compensation, by a service provider, and the service provider is a fiduciary or provides contract administrator, consulting, custodial, investment advisory, investment management, broker, or recordkeeping services, answer the following questions for (a) each source from whom the service provider received \$1,000 or more in indirect compensation and (b) each source for whom the service provider gave you a formula used to determine the indirect compensation instead of an amount or estimated amount of the indirect compensation. Complete as many entries as needed to report the required information for each source.

(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	
(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	
(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	

Part II Service Providers Who Fail or Refuse to Provide Information

4 Provide, to the extent possible, the following information for each service provider who failed or refused to provide the information necessary to complete this Schedule.

(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
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(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide

Part III Termination Information on Accountants and Enrolled Actuaries (see instructions)
(complete as many entries as needed)

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

DFE/Participating Plan Information

This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA).

► **File as an attachment to Form 5500.**

OMB No. 1210-0110

2021

This Form is Open to Public Inspection.

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

A Name of plan
CLONINGER FORD, INC 401(K) PLAN

B	Three-digit plan number (PN)	▶	001
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C Plan or DFE sponsor's name as shown on line 2a of Form 5500
CLONINGER FORD, INC.

D	Employer Identification Number (EIN) 56-1465220
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Part I	Information on interests in MTIAs, CCTs, PSAs, and 103-12 IEs (to be completed by plans and DFEs) (Complete as many entries as needed to report all interests in DFEs)
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a Name of MTIA, CCT, PSA, or 103-12 IE: **JOHN HANCOCK STABLE VALUE R8**

b Name of sponsor of entity listed in (a): JOHN HANCOCK USA

c EIN-PN	80-6136981-001	d Entity code	C	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)	3085
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a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	d Entity code	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)
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a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	d Entity code	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)
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a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	d Entity code	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)
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a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	d Entity code	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)
-----------------	----------------------	---

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	d Entity code	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)
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a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	d Entity code	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)
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a Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
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103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
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code**e** Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
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103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)

Part II Information on Participating Plans (to be completed by DFEs)

(Complete as many entries as needed to report all participating plans)

a Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
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plan sponsor**c** EIN-PN**a** Plan name**b** Name of
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plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN

SCHEDULE H (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Financial Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA), and section 6058(a) of the Internal Revenue Code (the Code). ► File as an attachment to Form 5500.	OMB No. 1210-0110 2021 This Form is Open to Public Inspection
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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 CLONINGER FORD, INC 401(K) PLAN	B Three-digit plan number (PN) ►	001
C Plan sponsor's name as shown on line 2a of Form 5500 CLONINGER FORD, INC.	D Employer Identification Number (EIN) 56-1465220	

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		
b Receivables (less allowance for doubtful accounts):			
(1) Employer contributions	1b(1)	238550	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)	700195	0
(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)	132103	172097
(9) Value of interest in common/collective trusts	1c(9)		3085
(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)	5054042	7089793
(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)		
(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	6124890	7264975

Liabilities

g Benefit claims payable	1g		
h Operating payables	1h		
i Acquisition indebtedness.....	1i		
j Other liabilities.....	1j		
k Total liabilities (add all amounts in lines 1g through 1j)	1k	0	0

Net Assets

l Net assets (subtract line 1k from line 1f)	1l	6124890	7264975
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Part II Income and Expense Statement

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

Income

		(a) Amount	(b) Total
a Contributions:			
(1) Received or receivable in cash from: (A) Employers	2a(1)(A)	182161	
(B) Participants	2a(1)(B)	625480	
(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)		807641
b Earnings on investments:			
(1) Interest:			
(A) Interest-bearing cash (including money market accounts and certificates of deposit).....	2b(1)(A)		
(B) U.S. Government securities	2b(1)(B)		
(C) Corporate debt instruments	2b(1)(C)		
(D) Loans (other than to participants)	2b(1)(D)		
(E) Participant loans.....	2b(1)(E)	7950	
(F) Other	2b(1)(F)		
(G) Total interest. Add lines 2b(1)(A) through (F).....	2b(1)(G)		7950
(2) Dividends: (A) Preferred stock.....	2b(2)(A)		
(B) Common stock	2b(2)(B)		
(C) Registered investment company shares (e.g. mutual funds).....	2b(2)(C)	295799	
(D) Total dividends. Add lines 2b(2)(A) , (B), and (C)	2b(2)(D)		295799
(3) Rents	2b(3)		
(4) Net gain (loss) on sale of assets: (A) Aggregate proceeds	2b(4)(A)	13913862	
(B) Aggregate carrying amount (see instructions).....	2b(4)(B)	11994853	
(C) Subtract line 2b(4)(B) from line 2b(4)(A) and enter result	2b(4)(C)		1919009
(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)		1
(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)		-1436745
c Other income.....	2c		
d Total income. Add all income amounts in column (b) and enter total.....	2d		1593655
Expenses			
e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers.....	2e(1)	422515	
(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)		422515
f Corrective distributions (see instructions).....	2f		
g Certain deemed distributions of participant loans (see instructions).....	2g		
h Interest expense.....	2h		
i Administrative expenses: (1) Professional fees.....	2i(1)		
(2) Contract administrator fees.....	2i(2)	29465	
(3) Investment advisory and management fees.....	2i(3)	1590	
(4) Other.....	2i(4)		
(5) Total administrative expenses. Add lines 2i(1) through (4).....	2i(5)		31055
j Total expenses. Add all expense amounts in column (b) and enter total.....	2j		453570
Net Income and Reconciliation			
k Net income (loss). Subtract line 2j from line 2d.....	2k		1140085
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: TURLINGTON AND COMPANY LLP

(2) EIN: 56-0817345

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		400000
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.)	X		
4i	X		
j Were any plan transactions or series of transactions in excess of 5% of the current value of plan assets? (Attach schedule of transactions if "Yes" is checked and see instructions for format requirements.)			
4j		X	
k Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?			
4k		X	
l Has the plan failed to provide any benefit when due under the plan?			
4l		X	
m If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.)			
4m	X		
n If 4m was answered "Yes," check the "Yes" box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3.			
4n	X		
5a Has a resolution to terminate the plan been adopted during the plan year or any prior plan year?..... ☐ Yes ☒ No If "Yes," enter the amount of any plan assets that reverted to the employer this year _____.			
5b If, during this plan year, any assets or liabilities were transferred from this plan to another plan(s), identify the plan(s) to which assets or liabilities were transferred. (See instructions.)			
5b(1) Name of plan(s)	5b(2) EIN(s)	5b(3) PN(s)	
5c Was the plan a defined benefit plan covered under the PBGC insurance program at any time during this plan year? (See ERISA section 4021 and instructions.) ☐ Yes ☐ No ☐ Not determined If "Yes" is checked, enter the My PAA confirmation number from the PBGC premium filing for this plan year _____.			

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

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

A Name of plan CLONINGER FORD, INC 401(K) PLAN	B Three-digit plan number (PN) ► 001
C Plan sponsor's name as shown on line 2a of Form 5500 CLONINGER FORD, INC.	D Employer Identification Number (EIN) 56-1465220

Part I	Distributions
---------------	----------------------

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

1 Total value of distributions paid in property other than in cash or the forms of property specified in the instructions.....	1	0
2 Enter the EIN(s) of payor(s) who paid benefits on behalf of the plan to participants or beneficiaries during the year (if more than two, enter EINs of the two payors who paid the greatest dollar amounts of benefits): EIN(s): 45-0404698 80-0709115		
Profit-sharing plans, ESOPs, and stock bonus plans, skip line 3.		
3 Number of participants (living or deceased) whose benefits were distributed in a single sum, during the plan year	3	

Part II	Funding Information (If the plan is not subject to the minimum funding requirements of section 412 of the Internal Revenue Code or ERISA section 302, skip this Part.)
----------------	---

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

Part III	Amendments
-----------------	-------------------

9 If this is a defined benefit pension plan, were any amendments adopted during this plan year that increased or decreased the value of benefits? If yes, check the appropriate box. If no, check the "No" box.....	☐ Increase	☐ Decrease	☐ Both	☐ No
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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.
----------------	---

10 Were unallocated employer securities or proceeds from the sale of unallocated securities used to repay any exempt loan?	☐ Yes	☐ No
11 a Does the ESOP hold any preferred stock?	☐ Yes	☐ No
b If the ESOP has an outstanding exempt loan with the employer as lender, is such loan part of a "back-to-back" loan? (See instructions for definition of "back-to-back" loan.)	☐ Yes	☐ No
12 Does the ESOP hold any stock that is not readily tradable on an established securities market?	☐ Yes	☐ No

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

Schedule R (Form 5500) 2021
v. 201209

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 _____

**CLONINGER FORD, INC. 401(K) PLAN
INDEPENDENT AUDITORS' REPORTS
FINANCIAL STATEMENTS
AND
SUPPLEMENTARY INFORMATION**

**As of and for the Years Ended
December 31, 2021 and 2020**

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Turlington and Company, L.L.P.

Certified Public Accountants

INDEPENDENT AUDITORS' REPORT

To the Trustee
Cloninger Ford, Inc. 401(k) Plan
Salisbury, North Carolina

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

We have performed the audit of the financial statements of Cloninger Ford, Inc. 401(k) Plan, an employee benefit plan subject to the Employee Retirement Income Security Act of 1974 (ERISA), as permitted by ERISA Section 103(a)(3)(C) (ERISA Section 103(a)(3)(C) audit). The financial statements comprise the statement of net assets available for benefits as of December 31, 2021, and the related statement of changes in net assets available for benefits for the year then ended, and the related notes to the financial statements.

Management having determined it is permissible in the circumstances, has elected to have the audit of Cloninger Ford, Inc. 401(k) Plan's financial statements performed in accordance with ERISA Section 103(a)(3)(C) pursuant to 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA. As permitted by ERISA Section 103(a)(3)(C), our audit need not extend to any statements or information related to assets held for investment of the plan (investment information) by a bank or similar institution or insurance carrier that is regulated, supervised, and subject to periodic examination by a state or federal agency, provided that the statements or information regarding assets so held are prepared and certified to by the bank or similar institution or insurance carrier in accordance with 29 CFR 2520.103-5 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA (qualified institution).

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

Opinion

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

- The amounts and disclosures in the accompanying financial statements, other than those agreed to or derived from the certified investment information, are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America.
- The information in the accompanying financial statements related to assets held by and certified to by a qualified institution agrees to, or is derived from, in all material respects, the information prepared and certified by an institution that management determined meets the requirements of ERISA Section 103(a)(3)(C).

Basis for Opinion

We conducted our audit 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 Cloninger Ford, Inc. 401(k) Plan and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our ERISA Section 103(a)(3)(C) audit opinion on the financial statements.

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INDEPENDENT AUDITORS' REPORT (CONTINUED)

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error. Management's election of the ERISA Section 103(a)(3)(C) audit does not affect management's responsibility for the financial statements.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Cloninger Ford, Inc. 401(k) 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

Except as described in the Scope and Nature of the ERISA Section 103(a)(3)(C) Audit section of our report, our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an 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 Cloninger Ford, Inc. 401(k) 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 Cloninger Ford, Inc. 401(k) Plan's ability to continue as a going concern for a reasonable period of time.

Our audit did not extend to the certified investment information, except for obtaining and reading the certification, comparing the certified investment information with the related information presented and disclosed in the financial statements, and reading the disclosures relating to the certified investment information to assess whether they are in accordance with the presentation and disclosure requirements of accounting principles generally accepted in the United States of America.

INDEPENDENT AUDITORS' REPORT (CONTINUED)

Auditors' Responsibilities for the Audit of the Financial Statements (Continued)

Accordingly, the objective of an ERISA Section 103(a)(3)(C) audit is not to express an opinion about whether the financial statements as a whole are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America.

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

Other Matter - Supplemental Schedule Required by ERISA

The supplemental schedule of Schedule of Assets (Held at End of Year) is presented for purposes of additional analysis and is not a required part of the financial statements but is supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information included in the supplemental schedule, other than that agreed to or derived from the certified investment information, has been subjected to auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with GAAS. For information included in the supplemental schedule that agreed to or is derived from the certified investment information, we compared such information to the related certified investment information.

In forming our opinion on the supplemental schedule, we evaluated whether the supplemental schedule, other than the information agreed to or derived from the certified investment information, including its form and content, is presented in conformity with the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA.

In our opinion:

- The form and content of the supplemental schedule, other than the information in the supplemental schedule that agreed to or is derived from the certified investment information, is presented, in all material respects, in conformity with the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA.
- The information in the supplemental schedule related to assets held by and certified to by a qualified institution agrees to, or is derived from, in all material respects, the information prepared and certified by an institution that management determined meets the requirements of ERISA Section 103(a)(3)(C).

Furlington and Company, L.L.P.

Winston-Salem, North Carolina
October 5, 2022



Turlington and Company, L.L.P.

Certified Public Accountants

INDEPENDENT AUDITORS' REPORT

To the Trustee
Cloninger Ford, Inc. 401(k) Plan
Salisbury, North Carolina

Report on the Financial Statements

We were engaged to audit the accompanying financial statements of Cloninger Ford, Inc. 401(k) Plan, which comprise the statement of net assets available for benefits as of December 31, 2020, and the related statement of changes in net assets available for benefits for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on conducting the audit in accordance with auditing standards generally accepted in the United States of America. Because of the matter described in the Basis for Disclaimer of Opinion paragraph, however, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion.

Basis for Disclaimer of Opinion

As permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974, the plan administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the information summarized in Note 3, which was certified by Acensus Trust Company, the trustee of the Plan, except for comparing the information with the related information included in the financial statements. We have been informed by the plan administrator that the trustee holds the Plan's investment assets and executes investment transactions. The plan administrator has obtained a certification from the trustee as of December 31, 2020, that the information provided to the plan administrator by the trustee is complete and accurate.

Disclaimer of Opinion

Because of the significance of the matter described in the Basis for Disclaimer of Opinion paragraph, we have not been able to obtain sufficient, appropriate audit evidence to provide a basis for an audit opinion on the financial statements. Accordingly, we do not express an opinion on these financial statements.

INDEPENDENT AUDITORS' REPORT (CONTINUED)

Report on Form and Content in Compliance with DOL Rules and Regulations

The form and content of the information included in the financial statements, other than that derived from the information certified by the trustee, have been audited by us in accordance with auditing standards generally accepted in the United States of America and, in our opinion, are presented in compliance with the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974.

Furlington and Company, L.P.

Winston-Salem, North Carolina
October 5, 2022

CLONINGER FORD, INC. 401(K) PLAN

STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS

	December 31	
	2021	2020
ASSETS		
Investments at fair value:		
Shares of registered investment companies	\$ 7,089,793	\$ 5,054,041
Investments at contract value:		
Interest in collective investment trust	3,085	-
Total investments	<u>7,092,878</u>	<u>5,054,041</u>
Receivables:		
Participant contributions	14,557	8,871
Employer contribution	89,150	238,550
Notes receivable from participants	<u>173,257</u>	<u>131,189</u>
Total receivables	<u>276,964</u>	<u>378,610</u>
Cash and cash equivalents	<u>-</u>	<u>700,195</u>
Total assets	<u>7,369,842</u>	<u>6,132,846</u>
LIABILITIES		
Return of excess contributions	<u>-</u>	<u>3,462</u>
Net assets available for benefits	<u>\$ 7,369,842</u>	<u>\$ 6,129,384</u>

The accompanying notes are an integral part of the financial statements

CLONINGER FORD, INC. 401(K) PLAN

STATEMENTS OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS

	Years Ended December 31	
	2021	2020
Additions:		
Additions to net assets attributed to:		
Investment income:		
Net appreciation in fair value of investments	\$ 481,777	\$ 705,291
Dividends	296,491	63,539
Interest	-	1,101
	<u>778,268</u>	<u>769,931</u>
Less, investment expenses	<u>28,604</u>	<u>23,330</u>
Total investment income	<u>749,664</u>	<u>746,601</u>
Interest income on notes receivable from participants	<u>7,066</u>	<u>6,348</u>
Contributions:		
Employer	307,347	238,550
Participants	<u>631,166</u>	<u>418,241</u>
	<u>938,513</u>	<u>656,791</u>
Total additions	<u>1,695,243</u>	<u>1,409,740</u>
Deductions:		
Deductions from net assets attributed to:		
Benefits paid to participants	450,938	215,538
Administrative expenses	<u>3,847</u>	<u>2,820</u>
Total deductions	<u>454,785</u>	<u>218,358</u>
Net increase	1,240,458	1,191,382
Net assets available for benefits:		
Beginning of years	<u>6,129,384</u>	<u>4,938,002</u>
End of years	<u>\$ 7,369,842</u>	<u>\$ 6,129,384</u>

The accompanying notes are an integral part of the financial statements

CLONINGER FORD, INC. 401(K) PLAN

NOTES TO FINANCIAL STATEMENTS

As of and for the Years Ended December 31, 2021 and 2020

1. Description of Plan:

The following description of the Cloninger Ford, Inc. 401(k) Plan provides only general information. Participants should refer to the Plan Agreement for a more complete description of the plan's provisions.

General

Cloninger Ford, Inc. 401(k) Plan (the "Plan") is a defined contribution plan covering all employees of Cloninger Ford, Inc., Cloninger, LLC, Armstrong Ford, Inc., and Cloninger Ford of Morganton (the "Company") who have three (3) months of service and are age eighteen (18) or older. It is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA). The Trustee determines the appropriateness of the Plan's investment offerings and monitors investment performance.

Contributions

Each year, participants may contribute between 1% and 15% of pre-tax compensation, as defined in the Plan. Participants who have attained age fifty (50) before the end of the Plan year are eligible to make catch-up contributions. Participants may also contribute amounts representing distributions from other qualified defined benefit or contribution plans. Effective January 1, 2019, the Plan was amended to include an auto-enrollment provision whereby all newly eligible employees are automatically enrolled in the Plan unless they affirmatively elect not to participate in the Plan. Automatically enrolled participants have their deferral rate set at 2% of eligible compensation and their contributions are invested in a designated fund until changed by the participant. The amount contributed is tax deferred in accordance with Section 401(k) of the Internal Revenue Code.

Matching contributions are subject to approval by the Company and may vary from year to year when the Company determines net profits are sufficient for such contributions. The matching rate for 2021 and 2020 was 100% of base compensation that a participant contributes to the Plan with a maximum match of 2% of base compensation that a participant contributes to the Plan.

Additional amounts may be contributed at the option of the Company.

Contributions are subject to certain limitations.

Participant Accounts

Each participant's account is credited with the participant's contribution and allocations of (a) the Company's contribution and (b) Plan earnings and charged with an allocation of administrative expenses. Allocations are based on participant earnings or account balances, as defined. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account.

Vesting

Participants are vested immediately in their contributions plus actual earnings thereon. Participants' accounts also become fully vested upon attainment of the normal retirement age or in the event of death or total disability. A participant becomes 20% vested in the employer's contributions after two (2) years of vesting service. The vesting increases in increments of 20% for each year of vesting service thereafter, with a participant becoming 100% vested after six (6) years of credited vesting service.

Notes Receivable from Participants

Participants may borrow from their accounts a minimum of one thousand dollars (\$1,000) up to a maximum equal to the lesser of fifty thousand dollars (\$50,000) or 50% of their vested account balance. The loans are secured by the balance in the participant's account and bear interest at rates that are commensurate with local prevailing rates as determined annually. Principal and interest are paid ratably through payroll deductions.

CLONINGER FORD, INC. 401(K) PLAN

NOTES TO FINANCIAL STATEMENTS

1. Description of Plan (Continued):

Investment Options

During the years ended December 31, 2021 and 2020, participants could direct the investment of their contributions into various mutual funds with each offering different degrees of risk and return.

Payment of Benefits

On termination of service due to death, disability, retirement, or other reasons, a participant may elect to receive either a lump-sum amount equal to the value of the participant's vested interest in his/her account, or equal annual installments, or maintain his/her vested account balance in the Plan. When a participant terminates employment and the vested benefit is between \$1,000 and \$5,000 and the participant does not consent to a distribution of the vested balance, the vested benefit automatically will be rolled over to an IRA selected by the Plan administrator. A participant with a vested account balance in excess of \$5,000 may elect to receive a distribution from the Plan as soon as administratively possible following termination of employment. If the participant does not consent to a distribution of the vested balance, the balance will remain in the Plan.

Participants may withdraw vested amounts from the Plan while still employed by meeting the requirements for in-service distributions. No in-service withdrawal may be made prior to age 59½ other than a distribution made on account of hardship. In certain hardship situations, as described in the Plan Agreement, participants may withdraw part of their account balances while actively employed, but such withdrawals are limited to the amount dictated by the hardship. Participants' withdrawals are limited to deferred account balances and may not include any earnings thereon.

Required minimum payments will begin no later than the 1st of April following the year in which the retired participant reaches age 70½.

2. Summary of Accounting Policies:

Basis of Reporting

The accompanying financial statements have been prepared on the accrual basis of accounting and present net assets available for benefits and changes in those net assets.

Investments held by a defined contribution plan are required to be reported at fair value except for fully benefit-responsive investment contracts. Contract value is the relevant measure for the portion of the net assets available for benefits of a defined contribution plan attributable to fully benefit-responsive investment contracts because contract value is the amount participants normally would receive if they were to initiate permitted transactions under the terms of the Plan.

Investment Valuation and Income Recognition

Investments are reported at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Plan's Trustee determines the Plan's valuation policies utilizing information provided by the investment advisors and custodians. See Note 4 for discussion of fair value measurements.

Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date. Net appreciation (depreciation) includes the Plan's gains and losses on investments bought and sold as well as held during the year.

CLONINGER FORD, INC. 401(K) PLAN

NOTES TO FINANCIAL STATEMENTS

2. Summary of Accounting Policies (Continued):

Notes Receivable from Participants

Notes receivable from participants are measured at their unpaid principal balance plus any accrued but unpaid interest. Interest income is recorded on the accrual basis. Related fees are recorded as administrative expenses and are expensed when they are incurred. No allowance for credit losses has been recorded as of December 31, 2021 and 2020. If a participant ceases to make loan repayments and the Plan administrator deems the participant loan to be in default, the participant loan balance is reduced and a benefit payment is recorded.

Payment of Benefits

Benefits are recorded when paid.

Expenses

The Plan's administrative expenses are paid by either the Plan or the Company (and are excluded from these financial statements), as provided by the Plan document. Certain administrative functions are performed by the employees of the Company. No such employee receives compensation from the Plan.

Fees related to third-party administration and the administration of notes receivable from participants are charged directly to the participant's account and are included in administrative expenses. Investment related expenses are included in net appreciation in fair value of investments.

Use of 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 and disclosures. Accordingly, actual results may differ from those estimates.

3. Information Certified by Trustee:

The accompanying financial statements include the following unaudited information as of December 31, 2021 and 2020, and for the years then ended, that was obtained from data prepared and certified to be complete and accurate by Ascensus Trust Company and John Hancock Trust Company, LLC, the Plan's trustees.

	<u>2021</u>	<u>2020</u>
Investments at fair value:		
Shares of registered investment companies	\$ 7,089,793	\$ 5,054,041
Investments at contract value:		
Interest in collective investment trust	<u>3,085</u> 7,092,878	<u>-</u> 5,054,041
Notes receivable from participants	173,257	131,189
Cash and cash equivalents	<u>-</u>	<u>700,195</u>
	<u>\$ 7,266,135</u>	<u>\$ 5,885,425</u>

CLONINGER FORD, INC. 401(K) PLAN

NOTES TO FINANCIAL STATEMENTS

3. Information Certified by Trustee (Continued):

	Years Ended December 31	
	2021	2020
Investment income:		
Net appreciation in fair value of investments	\$ 481,777	\$ 705,291
Dividends	296,491	63,539
Interest	-	1,101
Total investment income	<u>\$ 778,268</u>	<u>\$ 769,931</u>
Interest income on notes receivable from participants	<u>\$ 7,066</u>	<u>\$ 6,348</u>
Investment expenses	<u>\$ 28,604</u>	<u>\$ 23,330</u>
Administrative expenses	<u>\$ 3,847</u>	<u>\$ 2,820</u>

4. Fair Value Measurements:

The framework for measuring fair value provides for a hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted market prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). The three levels of the fair value hierarchy under FASB ASC 820 are described as follows:

Level 1 - Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the plan has the ability to access.

Level 2 - Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 - Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodology used for assets measured at fair value. There have been no changes in the methodology used at December 31, 2021 and 2020.

Shares of registered investment companies - Valued at the daily closing price as reported by the fund. Shares of registered investment companies held by the Plan are open-end funds that are registered with the Securities and Exchange Commission. These funds are required to publish their daily net asset value (NAV) and to transact at that price. The shares of registered investment companies held by the Plan are deemed to be actively traded.

The preceding method described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Plan believes its valuation method is appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

CLONINGER FORD, INC. 401(K) PLAN

NOTES TO FINANCIAL STATEMENTS

4. Fair Value Measurements (Continued):

The following tables set forth by level, within the fair value hierarchy, the Plan's assets at fair value as of December 31, 2021 and 2020:

Description	Assets at Fair Value as of December 31, 2021			
	Total	Level 1	Level 2	Level 3
Shares of registered investment companies:				
Mutual funds	<u>\$ 7,089,793</u>	<u>\$ 7,089,793</u>		
Assets at Fair Value as of December 31, 2020				
Shares of registered investment companies:				
Mutual funds	<u>\$ 5,054,041</u>	<u>\$ 5,054,041</u>		

5. Parties-in-Interest Transactions:

Fees paid during the year for investment advisory and asset management services rendered by parties-in-interest were based on customary and reasonable rates for such services and totaled \$28,604 and \$23,330, respectively, for the years ended December 31, 2021 and 2020.

Fees paid during the year for administrative services rendered by parties-in-interest were based on customary and reasonable rates for such services and totaled \$3,847 and \$2,820, respectively, for the years ended December 31, 2021 and 2020.

During the years ended December 31, 2021 and 2020, Cloninger Ford, Inc., Cloninger, LLC, Armstrong Ford, Inc., and Cloninger Ford of Morganton paid all other administrative expenses charged to the Plan and provided the Plan with certain accounting and administrative services for which no fees are charged. Cloninger Ford, Inc., Cloninger, LLC, Armstrong Ford, Inc., and Cloninger Ford of Morganton are the Plan Administrator and Plan Sponsor for the Plan.

6. Stable Value Fund:

The Plan invests in fully benefit-responsive synthetic guaranteed investment contracts (GICs) with an insurance company as part of offering the John Hancock Stable Value Fund (the "Fund") investment option to participants. Contributions to this Fund are invested in a portfolio of high-quality short and intermediate-term U.S. bonds, including U.S. government treasuries, corporate debt securities, and other high-credit-quality asset-backed securities. The GIC issuers are contractually obligated to repay the principal and a specified interest rate that is guaranteed to the Plan. There are no reserves against contract values for credit risk of the contract issuers or otherwise.

The wrapper contract in which the fund has entered is with an insurance company under which the insurance company provides guarantees with respect to the return of funds to make distributions from this investment option. These insurance contracts are carried at contract value in the participant accounts.

Participant accounts in the Fund are credited with interest at a fixed rate that is evaluated monthly. The primary variables affecting the future crediting rates include (1) the current yield of the assets underlying the contract, (2) the duration of the assets underlying the contracts, and (3) the existing difference between the fair value of the securities and the contract value of the assets within the insurance contract. The crediting rate of security-backed contracts will track current market yields on a trailing basis. The rate reset allows the contract value to converge with the fair value of the underlying portfolio over time, assuming the portfolio continues to earn the current yield for a period of time equal to the current portfolio duration.

CLONINGER FORD, INC. 401(K) PLAN

NOTES TO FINANCIAL STATEMENTS

6. Stable Value Fund (Continued):

To the extent that the underlying portfolio has unrealized and/or realized losses, a positive adjustment is made when reconciling from fair value to contract value under contract value accounting. As a result, the future crediting rate may be lower over time than the current market rates. Similarly, if the underlying portfolio generates unrealized and/or realized gains, a negative adjustment is made when reconciling from fair value to contract value, and in the future, the crediting rate may be higher than the current market rates. The insurance contracts cannot credit an interest rate that is less than 0%.

7. Income Tax Status:

Cloninger Ford, Inc. 401(k) Plan has adopted the Ascensus, Inc. Prototype Non-standardized Profit Sharing Plan with CODA. This plan received a favorable opinion letter from the Internal Revenue Service dated March 31, 2014 which stated that the plan, as then designed, was in compliance with the applicable requirements of the Internal Revenue Code (IRC). The Plan has not obtained a separate determination letter; however, the Plan Administrator and the Plan's tax counsel believe that the Plan is currently designed and being operated in compliance with the applicable requirements of the IRC. Therefore, no provision for income taxes has been included in the Plan's financial statements.

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 (or asset) 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 Administrator has analyzed the tax positions taken by the Plan, and has concluded that as of December 31, 2021, there are no uncertain positions taken or expected to be taken that would require recognition of a liability (or asset) or disclosure in the financial statements. The Plan is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. The Plan Administrator believes it is no longer subject to income tax examinations for years prior to 2019.

8. Plan Termination:

Although it has not expressed any intent to do so, the Company has the right under the Plan to discontinue its contributions at any time and to terminate the Plan subject to the provisions of ERISA. In the event of Plan termination, participants will become 100% vested in their accounts.

9. Forfeited Nonvested Accounts:

The Plan had forfeited nonvested accounts at December 31, 2021 and 2020 of \$6,983 and \$3,994, respectively. The Plan requires that these forfeited amounts be used to reduce future employer contributions. Forfeitures of \$0 were used to reduce employer contributions for the years ended December 31, 2021 and 2020, respectively.

10. Terminated Participants Entitled to Distribution:

One hundred forty-seven (147) participants who terminated from the Plan prior to December 31, 2021 are entitled to distribution of their vested account balances totaling \$1,276,982 as of December 31, 2021.

11. Risks and Uncertainties:

The Plan invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the participants' account balances and the amounts reported in the statements of net assets available for benefits.

CLONINGER FORD, INC. 401(K) PLAN

NOTES TO FINANCIAL STATEMENTS

12. Reclassification:

Certain items in the December 31, 2020 financial statements have been reclassified to conform to the December 31, 2021 financial statement presentation.

13. Excess Contributions:

Contributions received from participants for the year ended December 31, 2020 are net of payments of \$3,462 made in 2021 to certain active participants to return to them excess deferral contributions as required to satisfy the relevant nondiscrimination provisions of the Plan.

These amounts are also included as a liability in the Plan's statements of net assets available for benefits as "Return of excess contributions" at December 31, 2020.

14. Reconciliation of Financial Statements to Form 5500:

The following is a reconciliation of net assets available for benefits per the financial statements at December 31, 2021 and 2020 to Form 5500:

	<u>2021</u>	<u>2020</u>
Net assets available for benefits per the financial statements	\$ 7,369,842	\$ 6,129,384
Add:		
Accrued interest receivable	-	915
Return of excess contributions	-	3,462
Less:		
Participants' contributions receivable	(14,557)	(8,871)
Employer's contributions receivable	(89,150)	-
Accrued interest receivable	(1,160)	-
Net assets available for benefits per Form 5500	<u>\$ 7,264,975</u>	<u>\$ 6,124,890</u>

The following is a reconciliation of changes in net assets available for benefits per the financial statements for the year ended December 31, 2021 to Form 5500:

	<u>Year Ended December 31 2021</u>
Net increase per the financial statements	\$ 1,240,458
Add:	
Participants' contributions receivable	8,871
Accrued interest receivable - current year	1,160
Less:	
Participants' contributions receivable	(14,557)
Accrued interest receivable - prior year	(3,235)
Return of excess contributions - prior year	(3,462)
Employer's contributions receivable - current year	(89,150)
Net increase per Form 5500	<u>\$ 1,140,085</u>

15. Subsequent Events:

Plan management has evaluated all subsequent events through October 5, 2022, the date the financial statements were available to be issued. No events were identified that would require adjustment of or disclosure in the financial statements.

CLONINGER FORD, INC. 401(K) PLAN

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

Employer Identification Number - 56-1465220

Three-digit Plan Number - 001

(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
*	American Cap World Gr & Inc R5	Mutual Fund; 347.500 Shares	\$ 22,897	\$ 22,125
*	American New Perspective R5	Mutual Fund; 873.987 Shares	62,567	57,980
*	American Small Cap World R6	Mutual Fund; 404.852 Shares	38,622	33,611
	AMG Yacktmann Fund I	Mutual Fund; 37.613 Shares	883	922
	Federated Hermes Int HiYd Bd I	Mutual Fund; 314.992 Shares	3,095	3,128
	Fidelity 500 Index Fd	Mutual Fund; 249.191 Shares	40,431	41,196
	Fidelity International Idx Fd	Mutual Fund; 92.824 Shares	4,421	4,575
	Fidelity LC Grth Idx Inst Prem	Mutual Fund; 1,851.689 Shares	55,776	54,884
	Fidelity LC Val Idx Inst Prem	Mutual Fund; 197.277 Shares	3,096	3,224
	Fidelity Mid Cap Index Fund	Mutual Fund; 1,264.812 Shares	41,621	40,461
	Fidelity Sm Cap Index Fund	Mutual Fund; 1,070.179 Shares	32,327	29,494
	Fidelity US Bond Index Fd	Mutual Fund; 330.412 Shares	3,968	3,958
	Guggenheim Total Ret Bd I	Mutual Fund; 138.705 Shares	3,970	3,961
	Jensen Quality Value I	Mutual Fund; .058 Shares	1	1
*	JHancock MMngr 2020 Lftm R6	Mutual Fund; 7,673.774 Shares	83,063	75,433
*	JHancock MMngr 2025 Lftm R6	Mutual Fund; 94,870.888 Shares	1,150,585	1,050,221
*	JHancock MMngr 2030 Lftm R6	Mutual Fund; 203,424.595 Shares	2,613,512	2,400,410
*	JHancock MMngr 2035 Lftm R6	Mutual Fund; 100,151.919 Shares	1,363,396	1,245,890
*	JHancock MMngr 2040 Lftm R6	Mutual Fund; 39,052.492 Shares	548,141	502,606
*	JHancock MMngr 2045 Lftm R6	Mutual Fund; 22,026.915 Shares	306,086	281,284
*	JHancock MMngr 2050 Lftm R6	Mutual Fund; 40,005.271 Shares	622,241	568,475
*	JHancock MMngr 2055 Lftm R6	Mutual Fund; 20,259.313 Shares	295,671	270,462
*	JHancock MMngr 2060 Lftm R6	Mutual Fund; 18,708.188 Shares	306,969	282,681
*	John Hancock Emerg Mkts Eq R6	Mutual Fund; 2,226.708 Shares	30,657	27,233
*	John Hancock Stable Value R8	Common/Collective Trust; 3,085.070 Shares	3,085	3,085
	JP Morgan U.S. Equity Fd R6	Mutual Fund; 20.819 Shares	443	462
	JPMorgan US Govt MMkt Cap C1	Mutual Fund; 6,983.500 Shares	6,984	6,984
	MSIF Growth Portfolio I	Mutual Fund; 422.380 Shares	43,796	31,379
	MSIF Mid Cap Growth Port I	Mutual Fund; 58.872 Shares	2,205	1,661
	Thornburg Ltd Term Income R5	Mutual Fund; 320.986 Shares	4,407	4,404
	Vanguard Balanced Index Ad	Mutual Fund; 46.166 Shares	2,246	2,263
	Vanguard International Value	Mutual Fund; 11.086 Shares	444	461
	Vanguard MidCap Grwth Ind Adm	Mutual Fund; 316.681 Shares	35,929	34,692
	Vanguard Mid-Cap Val Index Adm	Mutual Fund; 5.941 Shares	443	462
	Vanguard Sm Cap Val Ind (Adm)	Mutual Fund; 30.527 Shares	2,227	2,345
	Vanguard Small Growth Adm1	Mutual Fund; 4.696 Shares	444	465
	Notes receivable from participants	Interest rates 5.25% - 7.25%	-	173,257

* Represents a party-in-interest

Form 5500 Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Annual Return/Report of Employee Benefit Plan This form is required to be filed for employee benefit plans under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and sections 6057(b) and 6058(a) of the Internal Revenue Code (the Code). ▶ Complete all entries in accordance with the instructions to the Form 5500.	OMB Nos. 1210-0110 1210-0089 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 CLONINGER FORD, INC 401(K) PLAN	1b Three-digit plan number (PN) ▶	001
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) CLONINGER FORD, INC. 511 JAKE ALEXANDER BLVD. S P.O. BOX 1788 SALISBURY NC 28145-1788		1c Effective date of plan 10/01/1994 2b Employer Identification Number (EIN) 56-1465220 2c Plan Sponsor's telephone number 704-633-9321 2d Business code (see instructions) 441110

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		10/15/2022	Deb Proulx
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE		Date	Enter name of individual signing as employer or plan sponsor
	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

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		5 335
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) 202
a(2) Total number of active participants at the end of the plan year		6a(2) 293
b Retired or separated participants receiving benefits.....		6b 0
c Other retired or separated participants entitled to future benefits		6c 143
d Subtotal. Add lines 6a(2) , 6b , and 6c		6d 436
e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits.		6e 0
f Total. Add lines 6d and 6e		6f 436
g Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item)		6g 382
h Number of participants who terminated employment during the plan year with accrued benefits that were less than 100% vested		6h 66
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: 2S 2E 3D 2G 2J 2K 2F 2T 3H		
b If the plan provides welfare benefits, enter the applicable welfare feature codes from the List of Plan Characteristics Codes in the instructions:		
9a Plan funding arrangement (check all that apply) (1) ☐ 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) ☐ 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 _____

**CLONINGER FORD, INC. 401(K) PLAN
INDEPENDENT AUDITORS' REPORTS
FINANCIAL STATEMENTS
AND
SUPPLEMENTARY INFORMATION**

**As of and for the Years Ended
December 31, 2021 and 2020**

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Turlington and Company, L.L.P.

Certified Public Accountants

INDEPENDENT AUDITORS' REPORT

To the Trustee
Cloninger Ford, Inc. 401(k) Plan
Salisbury, North Carolina

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

We have performed the audit of the financial statements of Cloninger Ford, Inc. 401(k) Plan, an employee benefit plan subject to the Employee Retirement Income Security Act of 1974 (ERISA), as permitted by ERISA Section 103(a)(3)(C) (ERISA Section 103(a)(3)(C) audit). The financial statements comprise the statement of net assets available for benefits as of December 31, 2021, and the related statement of changes in net assets available for benefits for the year then ended, and the related notes to the financial statements.

Management having determined it is permissible in the circumstances, has elected to have the audit of Cloninger Ford, Inc. 401(k) Plan's financial statements performed in accordance with ERISA Section 103(a)(3)(C) pursuant to 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA. As permitted by ERISA Section 103(a)(3)(C), our audit need not extend to any statements or information related to assets held for investment of the plan (investment information) by a bank or similar institution or insurance carrier that is regulated, supervised, and subject to periodic examination by a state or federal agency, provided that the statements or information regarding assets so held are prepared and certified to by the bank or similar institution or insurance carrier in accordance with 29 CFR 2520.103-5 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA (qualified institution).

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

Opinion

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

- The amounts and disclosures in the accompanying financial statements, other than those agreed to or derived from the certified investment information, are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America.
- The information in the accompanying financial statements related to assets held by and certified to by a qualified institution agrees to, or is derived from, in all material respects, the information prepared and certified by an institution that management determined meets the requirements of ERISA Section 103(a)(3)(C).

Basis for Opinion

We conducted our audit 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 Cloninger Ford, Inc. 401(k) Plan and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our ERISA Section 103(a)(3)(C) audit opinion on the financial statements.

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INDEPENDENT AUDITORS' REPORT (CONTINUED)

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error. Management's election of the ERISA Section 103(a)(3)(C) audit does not affect management's responsibility for the financial statements.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Cloninger Ford, Inc. 401(k) 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

Except as described in the Scope and Nature of the ERISA Section 103(a)(3)(C) Audit section of our report, our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an 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 Cloninger Ford, Inc. 401(k) 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 Cloninger Ford, Inc. 401(k) Plan's ability to continue as a going concern for a reasonable period of time.

Our audit did not extend to the certified investment information, except for obtaining and reading the certification, comparing the certified investment information with the related information presented and disclosed in the financial statements, and reading the disclosures relating to the certified investment information to assess whether they are in accordance with the presentation and disclosure requirements of accounting principles generally accepted in the United States of America.

INDEPENDENT AUDITORS' REPORT (CONTINUED)

Auditors' Responsibilities for the Audit of the Financial Statements (Continued)

Accordingly, the objective of an ERISA Section 103(a)(3)(C) audit is not to express an opinion about whether the financial statements as a whole are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America.

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

Other Matter - Supplemental Schedule Required by ERISA

The supplemental schedule of Schedule of Assets (Held at End of Year) is presented for purposes of additional analysis and is not a required part of the financial statements but is supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information included in the supplemental schedule, other than that agreed to or derived from the certified investment information, has been subjected to auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with GAAS. For information included in the supplemental schedule that agreed to or is derived from the certified investment information, we compared such information to the related certified investment information.

In forming our opinion on the supplemental schedule, we evaluated whether the supplemental schedule, other than the information agreed to or derived from the certified investment information, including its form and content, is presented in conformity with the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA.

In our opinion:

- The form and content of the supplemental schedule, other than the information in the supplemental schedule that agreed to or is derived from the certified investment information, is presented, in all material respects, in conformity with the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA.
- The information in the supplemental schedule related to assets held by and certified to by a qualified institution agrees to, or is derived from, in all material respects, the information prepared and certified by an institution that management determined meets the requirements of ERISA Section 103(a)(3)(C).

Furlington and Company, L.L.P.

Winston-Salem, North Carolina
October 5, 2022



Turlington and Company, L.L.P.

Certified Public Accountants

INDEPENDENT AUDITORS' REPORT

To the Trustee
Cloninger Ford, Inc. 401(k) Plan
Salisbury, North Carolina

Report on the Financial Statements

We were engaged to audit the accompanying financial statements of Cloninger Ford, Inc. 401(k) Plan, which comprise the statement of net assets available for benefits as of December 31, 2020, and the related statement of changes in net assets available for benefits for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on conducting the audit in accordance with auditing standards generally accepted in the United States of America. Because of the matter described in the Basis for Disclaimer of Opinion paragraph, however, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion.

Basis for Disclaimer of Opinion

As permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974, the plan administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the information summarized in Note 3, which was certified by Acensus Trust Company, the trustee of the Plan, except for comparing the information with the related information included in the financial statements. We have been informed by the plan administrator that the trustee holds the Plan's investment assets and executes investment transactions. The plan administrator has obtained a certification from the trustee as of December 31, 2020, that the information provided to the plan administrator by the trustee is complete and accurate.

Disclaimer of Opinion

Because of the significance of the matter described in the Basis for Disclaimer of Opinion paragraph, we have not been able to obtain sufficient, appropriate audit evidence to provide a basis for an audit opinion on the financial statements. Accordingly, we do not express an opinion on these financial statements.

INDEPENDENT AUDITORS' REPORT (CONTINUED)

Report on Form and Content in Compliance with DOL Rules and Regulations

The form and content of the information included in the financial statements, other than that derived from the information certified by the trustee, have been audited by us in accordance with auditing standards generally accepted in the United States of America and, in our opinion, are presented in compliance with the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974.

Furlington and Company, L.P.

Winston-Salem, North Carolina
October 5, 2022

CLONINGER FORD, INC. 401(K) PLAN

STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS

	December 31	
	2021	2020
	<u> </u>	<u> </u>
ASSETS		
Investments at fair value:		
Shares of registered investment companies	\$ 7,089,793	\$ 5,054,041
Investments at contract value:		
Interest in collective investment trust	3,085	-
Total investments	<u>7,092,878</u>	<u>5,054,041</u>
Receivables:		
Participant contributions	14,557	8,871
Employer contribution	89,150	238,550
Notes receivable from participants	<u>173,257</u>	<u>131,189</u>
Total receivables	<u>276,964</u>	<u>378,610</u>
Cash and cash equivalents	<u>-</u>	<u>700,195</u>
Total assets	<u>7,369,842</u>	<u>6,132,846</u>
LIABILITIES		
Return of excess contributions	<u>-</u>	<u>3,462</u>
Net assets available for benefits	<u>\$ 7,369,842</u>	<u>\$ 6,129,384</u>

The accompanying notes are an integral part of the financial statements

CLONINGER FORD, INC. 401(K) PLAN

STATEMENTS OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS

	Years Ended December 31	
	2021	2020
Additions:		
Additions to net assets attributed to:		
Investment income:		
Net appreciation in fair value of investments	\$ 481,777	\$ 705,291
Dividends	296,491	63,539
Interest	-	1,101
	<u>778,268</u>	<u>769,931</u>
Less, investment expenses	<u>28,604</u>	<u>23,330</u>
Total investment income	<u>749,664</u>	<u>746,601</u>
Interest income on notes receivable from participants	<u>7,066</u>	<u>6,348</u>
Contributions:		
Employer	307,347	238,550
Participants	<u>631,166</u>	<u>418,241</u>
	<u>938,513</u>	<u>656,791</u>
Total additions	<u>1,695,243</u>	<u>1,409,740</u>
Deductions:		
Deductions from net assets attributed to:		
Benefits paid to participants	450,938	215,538
Administrative expenses	<u>3,847</u>	<u>2,820</u>
Total deductions	<u>454,785</u>	<u>218,358</u>
Net increase	1,240,458	1,191,382
Net assets available for benefits:		
Beginning of years	<u>6,129,384</u>	<u>4,938,002</u>
End of years	<u>\$ 7,369,842</u>	<u>\$ 6,129,384</u>

The accompanying notes are an integral part of the financial statements

CLONINGER FORD, INC. 401(K) PLAN

NOTES TO FINANCIAL STATEMENTS

As of and for the Years Ended December 31, 2021 and 2020

1. Description of Plan:

The following description of the Cloninger Ford, Inc. 401(k) Plan provides only general information. Participants should refer to the Plan Agreement for a more complete description of the plan's provisions.

General

Cloninger Ford, Inc. 401(k) Plan (the "Plan") is a defined contribution plan covering all employees of Cloninger Ford, Inc., Cloninger, LLC, Armstrong Ford, Inc., and Cloninger Ford of Morganton (the "Company") who have three (3) months of service and are age eighteen (18) or older. It is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA). The Trustee determines the appropriateness of the Plan's investment offerings and monitors investment performance.

Contributions

Each year, participants may contribute between 1% and 15% of pre-tax compensation, as defined in the Plan. Participants who have attained age fifty (50) before the end of the Plan year are eligible to make catch-up contributions. Participants may also contribute amounts representing distributions from other qualified defined benefit or contribution plans. Effective January 1, 2019, the Plan was amended to include an auto-enrollment provision whereby all newly eligible employees are automatically enrolled in the Plan unless they affirmatively elect not to participate in the Plan. Automatically enrolled participants have their deferral rate set at 2% of eligible compensation and their contributions are invested in a designated fund until changed by the participant. The amount contributed is tax deferred in accordance with Section 401(k) of the Internal Revenue Code.

Matching contributions are subject to approval by the Company and may vary from year to year when the Company determines net profits are sufficient for such contributions. The matching rate for 2021 and 2020 was 100% of base compensation that a participant contributes to the Plan with a maximum match of 2% of base compensation that a participant contributes to the Plan.

Additional amounts may be contributed at the option of the Company.

Contributions are subject to certain limitations.

Participant Accounts

Each participant's account is credited with the participant's contribution and allocations of (a) the Company's contribution and (b) Plan earnings and charged with an allocation of administrative expenses. Allocations are based on participant earnings or account balances, as defined. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account.

Vesting

Participants are vested immediately in their contributions plus actual earnings thereon. Participants' accounts also become fully vested upon attainment of the normal retirement age or in the event of death or total disability. A participant becomes 20% vested in the employer's contributions after two (2) years of vesting service. The vesting increases in increments of 20% for each year of vesting service thereafter, with a participant becoming 100% vested after six (6) years of credited vesting service.

Notes Receivable from Participants

Participants may borrow from their accounts a minimum of one thousand dollars (\$1,000) up to a maximum equal to the lesser of fifty thousand dollars (\$50,000) or 50% of their vested account balance. The loans are secured by the balance in the participant's account and bear interest at rates that are commensurate with local prevailing rates as determined annually. Principal and interest are paid ratably through payroll deductions.

CLONINGER FORD, INC. 401(K) PLAN

NOTES TO FINANCIAL STATEMENTS

1. Description of Plan (Continued):

Investment Options

During the years ended December 31, 2021 and 2020, participants could direct the investment of their contributions into various mutual funds with each offering different degrees of risk and return.

Payment of Benefits

On termination of service due to death, disability, retirement, or other reasons, a participant may elect to receive either a lump-sum amount equal to the value of the participant's vested interest in his/her account, or equal annual installments, or maintain his/her vested account balance in the Plan. When a participant terminates employment and the vested benefit is between \$1,000 and \$5,000 and the participant does not consent to a distribution of the vested balance, the vested benefit automatically will be rolled over to an IRA selected by the Plan administrator. A participant with a vested account balance in excess of \$5,000 may elect to receive a distribution from the Plan as soon as administratively possible following termination of employment. If the participant does not consent to a distribution of the vested balance, the balance will remain in the Plan.

Participants may withdraw vested amounts from the Plan while still employed by meeting the requirements for in-service distributions. No in-service withdrawal may be made prior to age 59½ other than a distribution made on account of hardship. In certain hardship situations, as described in the Plan Agreement, participants may withdraw part of their account balances while actively employed, but such withdrawals are limited to the amount dictated by the hardship. Participants' withdrawals are limited to deferred account balances and may not include any earnings thereon.

Required minimum payments will begin no later than the 1st of April following the year in which the retired participant reaches age 70½.

2. Summary of Accounting Policies:

Basis of Reporting

The accompanying financial statements have been prepared on the accrual basis of accounting and present net assets available for benefits and changes in those net assets.

Investments held by a defined contribution plan are required to be reported at fair value except for fully benefit-responsive investment contracts. Contract value is the relevant measure for the portion of the net assets available for benefits of a defined contribution plan attributable to fully benefit-responsive investment contracts because contract value is the amount participants normally would receive if they were to initiate permitted transactions under the terms of the Plan.

Investment Valuation and Income Recognition

Investments are reported at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Plan's Trustee determines the Plan's valuation policies utilizing information provided by the investment advisors and custodians. See Note 4 for discussion of fair value measurements.

Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date. Net appreciation (depreciation) includes the Plan's gains and losses on investments bought and sold as well as held during the year.

CLONINGER FORD, INC. 401(K) PLAN

NOTES TO FINANCIAL STATEMENTS

2. Summary of Accounting Policies (Continued):

Notes Receivable from Participants

Notes receivable from participants are measured at their unpaid principal balance plus any accrued but unpaid interest. Interest income is recorded on the accrual basis. Related fees are recorded as administrative expenses and are expensed when they are incurred. No allowance for credit losses has been recorded as of December 31, 2021 and 2020. If a participant ceases to make loan repayments and the Plan administrator deems the participant loan to be in default, the participant loan balance is reduced and a benefit payment is recorded.

Payment of Benefits

Benefits are recorded when paid.

Expenses

The Plan's administrative expenses are paid by either the Plan or the Company (and are excluded from these financial statements), as provided by the Plan document. Certain administrative functions are performed by the employees of the Company. No such employee receives compensation from the Plan.

Fees related to third-party administration and the administration of notes receivable from participants are charged directly to the participant's account and are included in administrative expenses. Investment related expenses are included in net appreciation in fair value of investments.

Use of 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 and disclosures. Accordingly, actual results may differ from those estimates.

3. Information Certified by Trustee:

The accompanying financial statements include the following unaudited information as of December 31, 2021 and 2020, and for the years then ended, that was obtained from data prepared and certified to be complete and accurate by Ascensus Trust Company and John Hancock Trust Company, LLC, the Plan's trustees.

	<u>2021</u>	<u>2020</u>
Investments at fair value:		
Shares of registered investment companies	\$ 7,089,793	\$ 5,054,041
Investments at contract value:		
Interest in collective investment trust	<u>3,085</u>	<u>-</u>
	7,092,878	5,054,041
Notes receivable from participants	173,257	131,189
Cash and cash equivalents	<u>-</u>	<u>700,195</u>
	<u>\$ 7,266,135</u>	<u>\$ 5,885,425</u>

CLONINGER FORD, INC. 401(K) PLAN

NOTES TO FINANCIAL STATEMENTS

3. Information Certified by Trustee (Continued):

	Years Ended December 31	
	2021	2020
Investment income:		
Net appreciation in fair value of investments	\$ 481,777	\$ 705,291
Dividends	296,491	63,539
Interest	-	1,101
Total investment income	<u>\$ 778,268</u>	<u>\$ 769,931</u>
 Interest income on notes receivable from participants	 <u>\$ 7,066</u>	 <u>\$ 6,348</u>
Investment expenses	<u>\$ 28,604</u>	<u>\$ 23,330</u>
Administrative expenses	<u>\$ 3,847</u>	<u>\$ 2,820</u>

4. Fair Value Measurements:

The framework for measuring fair value provides for a hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted market prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). The three levels of the fair value hierarchy under FASB ASC 820 are described as follows:

Level 1 - Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the plan has the ability to access.

Level 2 - Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 - Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodology used for assets measured at fair value. There have been no changes in the methodology used at December 31, 2021 and 2020.

Shares of registered investment companies - Valued at the daily closing price as reported by the fund. Shares of registered investment companies held by the Plan are open-end funds that are registered with the Securities and Exchange Commission. These funds are required to publish their daily net asset value (NAV) and to transact at that price. The shares of registered investment companies held by the Plan are deemed to be actively traded.

The preceding method described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Plan believes its valuation method is appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

CLONINGER FORD, INC. 401(K) PLAN

NOTES TO FINANCIAL STATEMENTS

4. Fair Value Measurements (Continued):

The following tables set forth by level, within the fair value hierarchy, the Plan's assets at fair value as of December 31, 2021 and 2020:

<u>Description</u>	<u>Assets at Fair Value as of December 31, 2021</u>			
	<u>Total</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Shares of registered investment companies:				
Mutual funds	<u>\$ 7,089,793</u>	<u>\$ 7,089,793</u>		
<u>Assets at Fair Value as of December 31, 2020</u>				
Shares of registered investment companies:				
Mutual funds	<u>\$ 5,054,041</u>	<u>\$ 5,054,041</u>		

5. Parties-in-Interest Transactions:

Fees paid during the year for investment advisory and asset management services rendered by parties-in-interest were based on customary and reasonable rates for such services and totaled \$28,604 and \$23,330, respectively, for the years ended December 31, 2021 and 2020.

Fees paid during the year for administrative services rendered by parties-in-interest were based on customary and reasonable rates for such services and totaled \$3,847 and \$2,820, respectively, for the years ended December 31, 2021 and 2020.

During the years ended December 31, 2021 and 2020, Cloninger Ford, Inc., Cloninger, LLC, Armstrong Ford, Inc., and Cloninger Ford of Morganton paid all other administrative expenses charged to the Plan and provided the Plan with certain accounting and administrative services for which no fees are charged. Cloninger Ford, Inc., Cloninger, LLC, Armstrong Ford, Inc., and Cloninger Ford of Morganton are the Plan Administrator and Plan Sponsor for the Plan.

6. Stable Value Fund:

The Plan invests in fully benefit-responsive synthetic guaranteed investment contracts (GICs) with an insurance company as part of offering the John Hancock Stable Value Fund (the "Fund") investment option to participants. Contributions to this Fund are invested in a portfolio of high-quality short and intermediate-term U.S. bonds, including U.S. government treasuries, corporate debt securities, and other high-credit-quality asset-backed securities. The GIC issuers are contractually obligated to repay the principal and a specified interest rate that is guaranteed to the Plan. There are no reserves against contract values for credit risk of the contract issuers or otherwise.

The wrapper contract in which the fund has entered is with an insurance company under which the insurance company provides guarantees with respect to the return of funds to make distributions from this investment option. These insurance contracts are carried at contract value in the participant accounts.

Participant accounts in the Fund are credited with interest at a fixed rate that is evaluated monthly. The primary variables affecting the future crediting rates include (1) the current yield of the assets underlying the contract, (2) the duration of the assets underlying the contracts, and (3) the existing difference between the fair value of the securities and the contract value of the assets within the insurance contract. The crediting rate of security-backed contracts will track current market yields on a trailing basis. The rate reset allows the contract value to converge with the fair value of the underlying portfolio over time, assuming the portfolio continues to earn the current yield for a period of time equal to the current portfolio duration.

CLONINGER FORD, INC. 401(K) PLAN

NOTES TO FINANCIAL STATEMENTS

6. Stable Value Fund (Continued):

To the extent that the underlying portfolio has unrealized and/or realized losses, a positive adjustment is made when reconciling from fair value to contract value under contract value accounting. As a result, the future crediting rate may be lower over time than the current market rates. Similarly, if the underlying portfolio generates unrealized and/or realized gains, a negative adjustment is made when reconciling from fair value to contract value, and in the future, the crediting rate may be higher than the current market rates. The insurance contracts cannot credit an interest rate that is less than 0%.

7. Income Tax Status:

Cloninger Ford, Inc. 401(k) Plan has adopted the Ascensus, Inc. Prototype Non-standardized Profit Sharing Plan with CODA. This plan received a favorable opinion letter from the Internal Revenue Service dated March 31, 2014 which stated that the plan, as then designed, was in compliance with the applicable requirements of the Internal Revenue Code (IRC). The Plan has not obtained a separate determination letter; however, the Plan Administrator and the Plan's tax counsel believe that the Plan is currently designed and being operated in compliance with the applicable requirements of the IRC. Therefore, no provision for income taxes has been included in the Plan's financial statements.

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 (or asset) 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 Administrator has analyzed the tax positions taken by the Plan, and has concluded that as of December 31, 2021, there are no uncertain positions taken or expected to be taken that would require recognition of a liability (or asset) or disclosure in the financial statements. The Plan is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. The Plan Administrator believes it is no longer subject to income tax examinations for years prior to 2019.

8. Plan Termination:

Although it has not expressed any intent to do so, the Company has the right under the Plan to discontinue its contributions at any time and to terminate the Plan subject to the provisions of ERISA. In the event of Plan termination, participants will become 100% vested in their accounts.

9. Forfeited Nonvested Accounts:

The Plan had forfeited nonvested accounts at December 31, 2021 and 2020 of \$6,983 and \$3,994, respectively. The Plan requires that these forfeited amounts be used to reduce future employer contributions. Forfeitures of \$0 were used to reduce employer contributions for the years ended December 31, 2021 and 2020, respectively.

10. Terminated Participants Entitled to Distribution:

One hundred forty-seven (147) participants who terminated from the Plan prior to December 31, 2021 are entitled to distribution of their vested account balances totaling \$1,276,982 as of December 31, 2021.

11. Risks and Uncertainties:

The Plan invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the participants' account balances and the amounts reported in the statements of net assets available for benefits.

CLONINGER FORD, INC. 401(K) PLAN

NOTES TO FINANCIAL STATEMENTS

12. Reclassification:

Certain items in the December 31, 2020 financial statements have been reclassified to conform to the December 31, 2021 financial statement presentation.

13. Excess Contributions:

Contributions received from participants for the year ended December 31, 2020 are net of payments of \$3,462 made in 2021 to certain active participants to return to them excess deferral contributions as required to satisfy the relevant nondiscrimination provisions of the Plan.

These amounts are also included as a liability in the Plan's statements of net assets available for benefits as "Return of excess contributions" at December 31, 2020.

14. Reconciliation of Financial Statements to Form 5500:

The following is a reconciliation of net assets available for benefits per the financial statements at December 31, 2021 and 2020 to Form 5500:

	<u>2021</u>	<u>2020</u>
Net assets available for benefits per the financial statements	\$ 7,369,842	\$ 6,129,384
Add:		
Accrued interest receivable	-	915
Return of excess contributions	-	3,462
Less:		
Participants' contributions receivable	(14,557)	(8,871)
Employer's contributions receivable	(89,150)	-
Accrued interest receivable	(1,160)	-
Net assets available for benefits per Form 5500	<u>\$ 7,264,975</u>	<u>\$ 6,124,890</u>

The following is a reconciliation of changes in net assets available for benefits per the financial statements for the year ended December 31, 2021 to Form 5500:

	<u>Year Ended December 31 2021</u>
Net increase per the financial statements	\$ 1,240,458
Add:	
Participants' contributions receivable	8,871
Accrued interest receivable - current year	1,160
Less:	
Participants' contributions receivable	(14,557)
Accrued interest receivable - prior year	(3,235)
Return of excess contributions - prior year	(3,462)
Employer's contributions receivable - current year	(89,150)
Net increase per Form 5500	<u>\$ 1,140,085</u>

15. Subsequent Events:

Plan management has evaluated all subsequent events through October 5, 2022, the date the financial statements were available to be issued. No events were identified that would require adjustment of or disclosure in the financial statements.

CLONINGER FORD, INC. 401(K) PLAN

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

Employer Identification Number - 56-1465220

Three-digit Plan Number - 001

(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
*	American Cap World Gr & Inc R5	Mutual Fund; 347.500 Shares	\$ 22,897	\$ 22,125
*	American New Perspective R5	Mutual Fund; 873.987 Shares	62,567	57,980
*	American Small Cap World R6	Mutual Fund; 404.852 Shares	38,622	33,611
	AMG Yacktmann Fund I	Mutual Fund; 37.613 Shares	883	922
	Federated Hermes Int HiYd Bd I	Mutual Fund; 314.992 Shares	3,095	3,128
	Fidelity 500 Index Fd	Mutual Fund; 249.191 Shares	40,431	41,196
	Fidelity International Idx Fd	Mutual Fund; 92.824 Shares	4,421	4,575
	Fidelity LC Grth Idx Inst Prem	Mutual Fund; 1,851.689 Shares	55,776	54,884
	Fidelity LC Val Idx Inst Prem	Mutual Fund; 197.277 Shares	3,096	3,224
	Fidelity Mid Cap Index Fund	Mutual Fund; 1,264.812 Shares	41,621	40,461
	Fidelity Sm Cap Index Fund	Mutual Fund; 1,070.179 Shares	32,327	29,494
	Fidelity US Bond Index Fd	Mutual Fund; 330.412 Shares	3,968	3,958
	Guggenheim Total Ret Bd I	Mutual Fund; 138.705 Shares	3,970	3,961
	Jensen Quality Value I	Mutual Fund; .058 Shares	1	1
*	JHancock MMngr 2020 Lftm R6	Mutual Fund; 7,673.774 Shares	83,063	75,433
*	JHancock MMngr 2025 Lftm R6	Mutual Fund; 94,870.888 Shares	1,150,585	1,050,221
*	JHancock MMngr 2030 Lftm R6	Mutual Fund; 203,424.595 Shares	2,613,512	2,400,410
*	JHancock MMngr 2035 Lftm R6	Mutual Fund; 100,151.919 Shares	1,363,396	1,245,890
*	JHancock MMngr 2040 Lftm R6	Mutual Fund; 39,052.492 Shares	548,141	502,606
*	JHancock MMngr 2045 Lftm R6	Mutual Fund; 22,026.915 Shares	306,086	281,284
*	JHancock MMngr 2050 Lftm R6	Mutual Fund; 40,005.271 Shares	622,241	568,475
*	JHancock MMngr 2055 Lftm R6	Mutual Fund; 20,259.313 Shares	295,671	270,462
*	JHancock MMngr 2060 Lftm R6	Mutual Fund; 18,708.188 Shares	306,969	282,681
*	John Hancock Emerg Mkts Eq R6	Mutual Fund; 2,226.708 Shares	30,657	27,233
*	John Hancock Stable Value R8	Common/Collective Trust; 3,085.070 Shares	3,085	3,085
	JP Morgan U.S. Equity Fd R6	Mutual Fund; 20.819 Shares	443	462
	JPMorgan US Govt MMkt Cap C1	Mutual Fund; 6,983.500 Shares	6,984	6,984
	MSIF Growth Portfolio I	Mutual Fund; 422.380 Shares	43,796	31,379
	MSIF Mid Cap Growth Port I	Mutual Fund; 58.872 Shares	2,205	1,661
	Thornburg Ltd Term Income R5	Mutual Fund; 320.986 Shares	4,407	4,404
	Vanguard Balanced Index Ad	Mutual Fund; 46.166 Shares	2,246	2,263
	Vanguard International Value	Mutual Fund; 11.086 Shares	444	461
	Vanguard MidCap Grwth Ind Adm	Mutual Fund; 316.681 Shares	35,929	34,692
	Vanguard Mid-Cap Val Index Adm	Mutual Fund; 5.941 Shares	443	462
	Vanguard Sm Cap Val Ind (Adm)	Mutual Fund; 30.527 Shares	2,227	2,345
	Vanguard Small Growth Adm1	Mutual Fund; 4.696 Shares	444	465
	Notes receivable from participants	Interest rates 5.25% - 7.25%	-	173,257

* Represents a party-in-interest