# 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**

## Part I Annual Report Identification Information

For calendar plan year 2021 or fiscal plan year beginning 11/01/2021 and ending 10/31/2022

**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
HISCO 401(K) PLAN

**1b** Three-digit plan number (PN) ▶ 001

**1c** Effective date of plan 02/01/1972

**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)
HIS COMPANY, INC.

6650 CNCORD PARK DRIVE
HOUSTON, TX 77040

**2b** Employer Identification Number (EIN)
74-1697282

**2c** Plan Sponsor's telephone number
713-934-1673

**2d** Business code (see instructions)
424990

**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. | 08/14/2023 | ISLALI RECENDIZ |
| | **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 |

**3a** Plan administrator's name and address [X] 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** | 552 |
| **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)** | 412 |
| **a(2)** Total number of active participants at the end of the plan year | **6a(2)** | 417 |
| **b** Retired or separated participants receiving benefits | **6b** | 2 |
| **c** Other retired or separated participants entitled to future benefits | **6c** | 121 |
| **d** Subtotal. Add lines **6a(2)**, **6b**, and **6c** | **6d** | 540 |
| **e** Deceased participants whose beneficiaries are receiving or are entitled to receive benefits. | **6e** | 0 |
| **f** Total. Add lines **6d** and **6e** | **6f** | 540 |
| **g** Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item) | **6g** | 528 |
| **h** Number of participants who terminated employment during the plan year with accrued benefits that were less than 100% vested | **6h** | 34 |
| **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 2T 2E 2F 2J 2G 3D

**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)** | [X] | 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)** | [X] | 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)** | [X] | **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)** | [X] | | **H** (Financial Information) |
| **(2)** | [ ] | | **I** (Financial Information – Small Plan) |
| **(3)** | [ ] | 0 | **A** (Insurance Information) |
| **(4)** | [X] | | **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) | Service Provider Information | OMB No. 1210-0110 |
|---|---|---|
| Department of the Treasury<br>Internal Revenue Service<br>Department of Labor<br>Employee Benefits Security Administration<br>Pension Benefit Guaranty Corporation | This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA).<br>▶ **File as an attachment to Form 5500.** | **2021**<br>**This Form is Open to Public Inspection.** |

For calendar plan year 2021 or fiscal plan year beginning 11/01/2021 and ending 10/31/2022

| **A** Name of plan | **B** Three-digit plan number (PN) ▶ |
|---|---|
| HISCO 401(K) PLAN | 001 |

| **C** Plan sponsor's name as shown on line 2a of Form 5500 | **D** Employer Identification Number (EIN) |
|---|---|
| HIS COMPANY, INC. | 74-1697282 |

## Part I Service Provider Information (see instructions)

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).. . . . . [X] 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

FIDELITY INVESTMENTS INSTITUTIONAL

04-2647786

**(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)

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04-2647786

| (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? |
|---|---|---|---|---|---|---|
| 37 64 65 | RECORDKEEPER | 58377 | Yes [X] No [ ] | Yes [X] No [ ] | 0 | Yes [ ] No [ ] |

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

STRATEGIC ADVISORS, INC.

04-2654524

| (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 | ADVISOR | 14387 | Yes [ ] No [X] | Yes [ ] No [ ] | | Yes [ ] No [ ] |

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

| (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? |
|---|---|---|---|---|---|---|
| | | | Yes [ ] No [ ] | Yes [ ] No [ ] | | 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 |
|---|---|---|
| | | |

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

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

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

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

| **Part III** | **Termination Information on Accountants and Enrolled Actuaries (see instructions)**<br>(complete as many entries as needed) |
|---|---|

**a** Name:

**b** EIN:

**c** Position:

**d** Address:

**e** Telephone:

Explanation:

**a** Name:

**b** EIN:

**c** Position:

**d** Address:

**e** Telephone:

Explanation:

**a** Name:

**b** EIN:

**c** Position:

**d** Address:

**e** Telephone:

Explanation:

**a** Name:

**b** EIN:

**c** Position:

**d** Address:

**e** Telephone:

Explanation:

**a** Name:

**b** EIN:

**c** Position:

**d** Address:

**e** Telephone:

Explanation:

# SCHEDULE 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**

For calendar plan year 2021 or fiscal plan year beginning 11/01/2021 and ending 10/31/2022

**A** Name of plan
HISCO 401(K) PLAN

**B** Three-digit plan number (PN) ▶ 001

**C** Plan sponsor's name as shown on line 2a of Form 5500
HIS COMPANY, INC.

**D** Employer Identification Number (EIN)
74-1697282

## Part I Asset and Liability Statement

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

| Assets | | (a) Beginning of Year | (b) End of Year |
|---|---|---|---|
| **a** Total noninterest-bearing cash | 1a | 0 | 0 |
| **b** Receivables (less allowance for doubtful accounts): | | | |
| **(1)** Employer contributions | 1b(1) | 0 | 0 |
| **(2)** Participant contributions | 1b(2) | 0 | 0 |
| **(3)** Other | 1b(3) | 0 | 0 |
| **c** General investments: | | | |
| **(1)** Interest-bearing cash (include money market accounts & certificates of deposit) | 1c(1) | 2399 | 2591 |
| **(2)** U.S. Government securities | 1c(2) | 0 | 0 |
| **(3)** Corporate debt instruments (other than employer securities): | | | |
| **(A)** Preferred | 1c(3)(A) | 0 | 0 |
| **(B)** All other | 1c(3)(B) | 0 | 0 |
| **(4)** Corporate stocks (other than employer securities): | | | |
| **(A)** Preferred | 1c(4)(A) | 0 | 0 |
| **(B)** Common | 1c(4)(B) | 0 | 0 |
| **(5)** Partnership/joint venture interests | 1c(5) | 0 | 0 |
| **(6)** Real estate (other than employer real property) | 1c(6) | 0 | 0 |
| **(7)** Loans (other than to participants) | 1c(7) | 0 | 0 |
| **(8)** Participant loans | 1c(8) | 857362 | 1002383 |
| **(9)** Value of interest in common/collective trusts | 1c(9) | 0 | 0 |
| **(10)** Value of interest in pooled separate accounts | 1c(10) | 0 | 0 |
| **(11)** Value of interest in master trust investment accounts | 1c(11) | 0 | 0 |
| **(12)** Value of interest in 103-12 investment entities | 1c(12) | 0 | 0 |
| **(13)** Value of interest in registered investment companies (e.g., mutual funds) | 1c(13) | 30593126 | 24995691 |
| **(14)** Value of funds held in insurance company general account (unallocated contracts) | 1c(14) | 0 | 0 |
| **(15)** Other | 1c(15) | 12515759 | 10863573 |

| | | | **(a)** Beginning of Year | **(b)** End of Year |
|---|---|---|---|---|
| **1d** | Employer-related investments: | | | |
| | **(1)** Employer securities | **1d(1)** | 0 | 0 |
| | **(2)** Employer real property | **1d(2)** | 0 | 0 |
| **e** | Buildings and other property used in plan operation | **1e** | 0 | 0 |
| **f** | Total assets (add all amounts in lines 1a through 1e) | **1f** | 43968646 | 36864238 |
| | **Liabilities** | | | |
| **g** | Benefit claims payable | **1g** | 0 | 0 |
| **h** | Operating payables | **1h** | 0 | 0 |
| **i** | Acquisition indebtedness | **1i** | 0 | 0 |
| **j** | Other liabilities | **1j** | 0 | 0 |
| **k** | Total liabilities (add all amounts in lines 1g through1j) | **1k** | 0 | 0 |
| | **Net Assets** | | | |
| **l** | Net assets (subtract line 1k from line 1f) | **1l** | 43968646 | 36864238 |

## 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)** | 1266768 | |
| | **(B)** Participants | **2a(1)(B)** | 1784974 | |
| | **(C)** Others (including rollovers) | **2a(1)(C)** | 398246 | |
| | **(2)** Noncash contributions | **2a(2)** | 0 | |
| | **(3)** Total contributions. Add lines **2a(1)(A), (B), (C),** and line **2a(2)** | **2a(3)** | | 3449988 |
| **b** | **Earnings on investments:** | | | |
| | **(1)** Interest: | | | |
| | **(A)** Interest-bearing cash (including money market accounts and certificates of deposit) | **2b(1)(A)** | 20 | |
| | **(B)** U.S. Government securities | **2b(1)(B)** | 0 | |
| | **(C)** Corporate debt instruments | **2b(1)(C)** | 0 | |
| | **(D)** Loans (other than to participants) | **2b(1)(D)** | 0 | |
| | **(E)** Participant loans | **2b(1)(E)** | 34106 | |
| | **(F)** Other | **2b(1)(F)** | 0 | |
| | **(G)** Total interest. Add lines **2b(1)(A)** through **(F)** | **2b(1)(G)** | | 34126 |
| | **(2)** Dividends: **(A)** Preferred stock | **2b(2)(A)** | 0 | |
| | **(B)** Common stock | **2b(2)(B)** | 0 | |
| | **(C)** Registered investment company shares (e.g. mutual funds) | **2b(2)(C)** | 1943890 | |
| | **(D)** Total dividends. Add lines **2b(2)(A)**, **(B)**, and **(C)** | **2b(2)(D)** | | 1943890 |
| | **(3)** Rents | **2b(3)** | | 0 |
| | **(4)** Net gain (loss) on sale of assets: **(A)** Aggregate proceeds | **2b(4)(A)** | 0 | |
| | **(B)** Aggregate carrying amount (see instructions) | **2b(4)(B)** | 0 | |
| | **(C)** Subtract line **2b(4)(B)** from line **2b(4)(A)** and enter result | **2b(4)(C)** | | 0 |
| | **(5)** Unrealized appreciation (depreciation) of assets: **(A)** Real estate | **2b(5)(A)** | 0 | |
| | **(B)** Other | **2b(5)(B)** | 0 | |
| | **(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) | | 0 |
| **(7)** Net investment gain (loss) from pooled separate accounts | 2b(7) | | 0 |
| **(8)** Net investment gain (loss) from master trust investment accounts | 2b(8) | | 0 |
| **(9)** Net investment gain (loss) from 103-12 investment entities | 2b(9) | | 0 |
| **(10)** Net investment gain (loss) from registered investment companies (e.g., mutual funds) | 2b(10) | | -8076011 |
| **c** Other income | 2c | | 0 |
| **d** Total income. Add all **income** amounts in column (b) and enter total | 2d | | -2648007 |
| **Expenses** | | | |
| **e** Benefit payment and payments to provide benefits: | | | |
| **(1)** Directly to participants or beneficiaries, including direct rollovers | 2e(1) | 4380915 | |
| **(2)** To insurance carriers for the provision of benefits | 2e(2) | 0 | |
| **(3)** Other | 2e(3) | 0 | |
| **(4)** Total benefit payments. Add lines **2e(1)** through **(3)** | 2e(4) | | 4380915 |
| **f** Corrective distributions (see instructions) | 2f | | 2722 |
| **g** Certain deemed distributions of participant loans (see instructions) | 2g | | 0 |
| **h** Interest expense | 2h | | 0 |
| **i** Administrative expenses: **(1)** Professional fees | 2i(1) | 0 | |
| **(2)** Contract administrator fees | 2i(2) | 0 | |
| **(3)** Investment advisory and management fees | 2i(3) | 14387 | |
| **(4)** Other | 2i(4) | 58377 | |
| **(5)** Total administrative expenses. Add lines **2i(1)** through **(4)** | 2i(5) | | 72764 |
| **j** Total expenses. Add all **expense** amounts in column (b) and enter total | 2j | | 4456401 |
| **Net Income and Reconciliation** | | | |
| **k** Net income (loss). Subtract line **2j** from line **2d** | 2k | | -7104408 |
| **l** Transfers of assets: | | | |
| **(1)** To this plan | 2l(1) | | 0 |
| **(2)** From this plan | 2l(2) | | 0 |

## 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)** [X] 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)** [X] 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: WEAVER AND TIDWELL LLP **(2)** EIN: 75-0786316

**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:

| | | Yes | No | Amount |
|---|---|---|---|---|
| **a** Was there a failure to transmit to the plan any participant contributions within the time period described in 29 CFR 2510.3-102? Continue to answer "Yes" for any prior year failures until fully corrected. (See instructions and DOL's Voluntary Fiduciary Correction Program.) | 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? | **4e** | X | | 1000000 |
| **f** | Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty? | **4f** | | X | |
| **g** | Did the plan hold any assets whose current value was neither readily determinable on an established market nor set by an independent third party appraiser? | **4g** | | X | |
| **h** | Did the plan receive any noncash contributions whose value was neither readily determinable on an established market nor set by an independent third party appraiser? | **4h** | | X | |
| **i** | Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.) | **4i** | X | | |
| **j** | Were any plan transactions or series of transactions in excess of 5% of the current value of plan assets? (Attach schedule of transactions if "Yes" is checked and see instructions for format requirements.) | **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 11/01/2021 and ending 10/31/2022

**A** Name of plan
HISCO 401(K) PLAN

**B** Three-digit plan number (PN) ▶ 001

**C** Plan sponsor's name as shown on line 2a of Form 5500
HIS COMPANY, INC.

**D** Employer Identification Number (EIN)
74-1697282

## 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**

**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): 04-6568107

**Profit-sharing plans, ESOPs, and stock bonus plans, skip line 3.**

**3** Number of participants (living or deceased) whose benefits were distributed in a single sum, during the plan year ..... **3**

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

**4** Is the plan administrator making an election under Code section 412(d)(2) or ERISA section 302(d)(2)? ..... ☐ **Yes** ☐ **No** ☐ **N/A**

**If the plan is a defined benefit plan, go to line 8.**

**5** If a waiver of the minimum funding standard for a prior year is being amortized in this plan year, see instructions and enter the date of the ruling letter granting the waiver. **Date:** Month _____ Day _____ Year _____

**If you completed line 5, complete lines 3, 9, and 10 of Schedule MB and do not complete the remainder of this schedule.**

**6 a** Enter the minimum required contribution for this plan year (include any prior year accumulated funding deficiency not waived) ..... **6a**

**b** Enter the amount contributed by the employer to the plan for this plan year ..... **6b**

**c** Subtract the amount in line 6b from the amount in line 6a. Enter the result (enter a minus sign to the left of a negative amount) ..... **6c**

**If you completed line 6c, skip lines 8 and 9.**

**7** Will the minimum funding amount reported on line 6c be met by the funding deadline? ..... ☐ **Yes** ☐ **No** ☐ **N/A**

**8** If a change in actuarial cost method was made for this plan year pursuant to a revenue procedure or other authority providing automatic approval for the change or a class ruling letter, does the plan sponsor or plan administrator agree with the change? ..... ☐ **Yes** ☐ **No** ☐ **N/A**

## Part III Amendments

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

## Part IV ESOPs (see instructions). If this is not a plan described under section 409(a) or 4975(e)(7) of the Internal Revenue Code, skip this Part.

**10** Were unallocated employer securities or proceeds from the sale of unallocated securities used to repay any exempt loan? ..... ☐ **Yes** ☐ **No**

**11 a** Does the ESOP hold any preferred stock? ..... ☐ **Yes** ☐ **No**

**b** If the ESOP has an outstanding exempt loan with the employer as lender, is such loan part of a "back-to-back" loan? (See instructions for definition of "back-to-back" loan.) ..... ☐ **Yes** ☐ **No**

**12** Does the ESOP hold any stock that is not readily tradable on an established securities market? ..... ☐ **Yes** ☐ **No**

## 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 _____

# HISCO 401(k) Plan

Financial Report
October 31, 2022

weaver
Assurance • Tax • Advisory

# C O N T E N T S

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All other schedules required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 are omitted because of the absence of the conditions under which they would apply.

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Assurance • Tax • Advisory

**Independent Auditor's Report**

To the Plan Management and Administrator of the
HISCO 401(k) Plan

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

We have performed audits of the financial statements of HISCO 401(k) Plan (the Plan), an employee benefit plan subject to the Employee Retirement Income Security Act of 1974 (ERISA), as permitted by ERISA Section 103(a)(3)(C) (ERISA Section 103(a)(3)(C) audit). The financial statements comprise the statement of net assets available for benefits as of October 31, 2022 and 2021, and the related statement of changes in net assets available for benefits for the years ended October 31, 2022 and 2021, and the related notes to the financial statements.

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

Management has obtained certification from a qualified institution as of October 31, 2022 and 2021, and for the years ended October 31, 2022 and 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 audits and on the procedures performed as described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section

- the amounts and disclosures in the 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 (US GAAP).
- 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 audits in accordance with auditing standards generally accepted in the United States of America (US GAAS). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of the Plan and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our ERISA Section 103(a)(3)(C) audit opinion.

The Plan Management and Administrator of the
HISCO 401(k) Plan

***Responsibilities of Management for the Financial Statements***

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

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

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

***Auditor's Responsibilities for the Audit of the Financial Statements***

Except as described in the *Scope and Nature of the ERISA Section 103(a)(3)(C) Audit* section of our report, our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with US 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 judgement made by a reasonable user based on the financial statements.

In performing an audit in accordance with US 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 the Plan's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Plan's ability to continue as a going concern for a reasonable period of time.

The Plan Management and Administrator of the
HISCO 401(k) Plan

Our audits did not extend to the certified investment information, except for obtaining and reading the certification, comparing the certified investment information with the related information presented and disclosed in the financial statements, and reading the disclosures relating to the certified investment information to assess whether they are in accordance with the presentation and disclosure requirements of US GAAP.

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 US GAAP.

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 — Supplementary Information Required by ERISA***

The supplementary information listed in the table of contents as of October 31, 2022 is presented for purposes of additional analysis and are not a required part of the financial statements but are supplementary information required by the DOL'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 supplementary information, other than that agreed to or derived from the certified investment information, has been subjected to auditing procedures applied in the audits of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with US GAAS. For information included in the supplementary information 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 supplementary information, we evaluated whether the supplementary information, other than the information agreed to or derived from the certified investment information, including their form and content, are presented in conformity with the DOL's Rules and Regulations for Reporting and Disclosure under ERISA.

In our opinion

- the form and content of the supplementary information, other than the information in the supplementary information that agrees to or is derived from the certified investment information, are presented, in all material respects, in conformity with the DOL's Rules and Regulations for Reporting and Disclosure under ERISA.
- the information in the supplementary information 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).

Weaver and Tidwell, L.L.P.

WEAVER AND TIDWELL, L.L.P.

Houston, Texas
August 11, 2023

# HISCO 401(k) Plan

Statements of Net Assets Available for Benefits
October 31, 2022 and 2021

| | 2022 | 2021 |
|---|---|---|
| **ASSETS** | | |
| Investments, at fair value | $ 24,998,282 | $ 30,595,526 |
| Investments, at contract value | 10,863,573 | 12,515,758 |
| Total investments | 35,861,855 | 43,111,284 |
| Receivables | | |
| Employer's contribution | 1,391,020 | 1,266,768 |
| Participant's contribution | 8,614 | 7,814 |
| Notes receivable from partcipants | 1,002,383 | 857,362 |
| Total receivables | 2,402,017 | 2,131,944 |
| Total assets | 38,263,872 | 45,243,228 |
| **LIABILITIES** | - | - |
| **NET ASSETS AVAILABLE FOR BENEFITS** | $ 38,263,872 | $ 45,243,228 |

The Notes to Financial Statements are
an integral part of these statements.

# HISCO 401(k) Plan

Statements of Changes in Net Assets Available for Benefits
Years Ended October 31, 2022 and 2021

| | 2022 | 2021 |
|---|---|---|
| **ADDITIONS** | | |
| Investment income | | |
| Net appreciation in fair value of investments | $ - | $ 6,467,032 |
| Interest and dividends | 1,943,910 | 1,238,188 |
| Net investments income | 1,943,910 | 7,705,220 |
| Contributions | | |
| Employer | 1,391,020 | 1,266,768 |
| Participants | 1,785,774 | 1,537,785 |
| Rollovers | 398,246 | 646,888 |
| Total contributions | 3,575,040 | 3,451,441 |
| Interest income on notes receivable from participants | 34,106 | 40,558 |
| Total additions | 5,553,056 | 11,197,219 |
| **DEDUCTIONS** | | |
| Net depreciation in fair value of investments | 8,076,011 | - |
| Benefits paid directly to participants | 4,383,637 | 2,276,267 |
| Administrative expenses | 72,764 | 66,494 |
| Total deductions | 12,532,412 | 2,342,761 |
| Net increase (decrease) in net assets available for benefits | (6,979,356) | 8,854,458 |
| **NET ASSETS AVAILABLE FOR BENEFITS, beginning of year** | 45,243,228 | 36,388,770 |
| **NET ASSETS AVAILABLE FOR BENEFITS, end of year** | $ 38,263,872 | $ 45,243,228 |

The Notes to Financial Statements are an integral part of these statements.

# HISCO 401(k) Plan

Notes to Financial Statements

## Note 1. Plan Description

The following description of the HISCO 401(k) Plan (the Plan) provides only general information. Participants should refer to the Plan agreement for a more complete description of the Plan's provisions.

### General

The Plan consists of a 401(k) salary deferral feature and a profit sharing feature. The profit sharing feature, which became effective February 1, 1972, is a discretionary, noncontributory defined contribution profit sharing plan covering all eligible employees of HIS Company, Inc. (the Company or Plan Sponsor). The Plan adopted the 401(k) salary deferral feature effective November 1, 2003. Employees become eligible to participate in the Plan on their date of employment. Effective November 1, 2016, the Plan was amended to add a requirement that participants must complete a 1,000-hour service requirement to be eligible to receive a discretionary employer contribution. Additionally, the Plan was amended to provide for automatic enrollment of employees hired on or after November 1, 2016 and a one-time automatic enrollment for current active employees not participating or participating at a deferral percentage of less than 3% of their compensation. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974, as amended (ERISA).

### Contributions

For the 401(k) feature, each year participants may contribute a portion of their pretax annual compensation, as defined in the Plan. Participants may also contribute an amount representing distributions from other qualified defined benefit and defined contribution plans. Participants direct the investment of their contribution into various investment options offered by the Plan. There was no Company match for the years 2022 and 2021 and it is generally the Company's policy not to have such matching contributions. Contributions are subject to certain limitations.

For the profit sharing feature, Company contributions are discretionary and are allocated to participants pro-rata based upon the compensation of employees who are actively employed on the last day of the Plan year and have been credited with a year of service during the current year (1,000 hours), subject to a maximum compensation limitation of $120,000 for Plan purposes. For the year ended October 31, 2022, the Company made a profit sharing contribution of $1,391,020, net of allocated forfeitures of $97,720. This contribution is receivable to the Plan as of October 31, 2022. For the year ended October 31, 2021, the Company made a profit sharing contribution of $1,266,768, net of allocated forfeitures of $122,873. This contribution is receivable to the Plan as of October 31, 2021.

The Plan allows participants, during a certain time of the Plan year, to roll money over from their account in a related plan offered by the Company, the HISCO Employee Stock Ownership Plan (ESOP Plan), into the Plan. Participants may also rollover amounts to the Plan representing distributions from other qualified defined benefit plans. Any such rollovers will be deposited into the participant's rollover balance. The Plan currently allows all rollovers to be withdrawn at any time, once per year.

**Participant Accounts and Forfeitures**

Each participant's account is credited with the participant's contribution, allocations of the Company's contribution, Plan forfeitures, Plan earnings, and is charged with any applicable administrative expenses related to transactions such as loan initiation or administration. Allocations are based on participant compensation and account balances, as defined. The benefit to which a participant is entitled is the benefit that can be provided by the participant's vested account balance. At October 31, 2022 and 2021, forfeited non-vested accounts totaled $97,720 and $122,873, respectively. During 2022 and 2021, Company contributions were reduced by $122,872 and $94,438, respectively, from forfeited non-vested accounts. Forfeitures are allocated to participants based on eligible compensation during the plan year.

**Vesting**

Participants are immediately vested in their contributions to the Plan and allocated earnings thereon. Effective November 1, 2007, participants became fully vested in Employer contributions and allocated earnings at the rate of ten percent per year for the first two years and twenty percent per year thereafter with 100 percent vesting after six years. Forfeitures from terminated participants are allocated to the accounts of the remaining participants after a one-year break in service. Additionally, a participant becomes 100 percent vested upon death, total disability, termination of the Plan, or attainment of normal retirement age.

**Distributions to Participants**

Upon retirement, death, total disability or termination of employment, a participant (or the participant's beneficiary, if applicable) may elect to receive a lump sum distribution, or an annuity, payable over a period not to exceed the payee's expected life expectancy, providing their vested account balance exceeds $5,000. Participants may receive a hardship distribution from their vested account balances subject to certain limitations, as defined in the Plan agreement.

Pursuant to the CARES Act, the Plan was permitted to allow participants to request up to $100,000 in coronavirus-related distributions, with repayment terms of up to three years. The ability to request these distributions ceased as of December 30, 2020.

**Notes Receivable from Participants**

Participants may borrow from their fund accounts a minimum of $1,000 up to a maximum equal to the lesser of $50,000 or 50 percent of their vested account balance. The loans are secured by the balance in the participant's account and bear interest at rates commensurate with local prevailing rates as determined by Plan management. Principal and interest is paid ratably through payroll deductions.

## Note 2. Summary of Significant Accounting Policies

**Basis of Accounting**

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

**Use of Estimates**

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America (US GAAP) requires Plan management to make estimates and assumptions that affect the reported amounts of assets, liabilities and changes therein, and disclosure of contingent assets and liabilities at the date of the financial statements. Actual results could differ from those estimates.

**Investment Valuation and Income Recognition**

The Plan's investments are reported at fair value except for the fully benefit-responsive investment contract which is reported at contract 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 Investment Committee determines the Plan's valuation policies utilizing information provided by the investment advisers, custodians, and insurance company. See Note 4 for further 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 at the ex-dividend date. Net appreciation includes the Plan's gains and losses on investments bought and sold as well as held during the year.

**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 October 31, 2022 and 2021.

**Payment of Benefits**

Benefits are recorded when paid.

**Operating Expenses**

Certain expenses of maintaining the Plan are paid by the Plan, unless otherwise paid by the Company. Expenses that are paid by the Company are excluded from these financial statements. Fees related to 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 of fair value of investments.

**Plan Management's Review of Subsequent Events**

The Plan has evaluated subsequent events through August 11, 2023, the date the financial statements were available to be issued.

## Note 3. Certified Investments

Certain information related to investments and notes receivable from participants disclosed in the accompanying financial statements and ERISA-required supplementary information, including investments and notes receivable from participants held at October 31, 2022 and 2021, and net appreciation in fair value of investments, interest and dividends and interest income on notes receivable from participants for the years ended October 31, 2022 and 2021, was obtained by management and agreed to or derived from information certified as complete and accurate by Fidelity Workplace Services, LLC (Fidelity), the trustee of the Plan.

## Note 4. Fair Value Measurements

FASB Accounting Standards Codification (ASC) 820, *Fair Value Measurements and Disclosures*, provides the framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted 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; and
- 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 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 methodologies used for assets measured at fair value. There have been no changes in the methodologies used at October 31, 2022 and 2021.

*Mutual funds*: Valued at the daily closing price as reported by the fund. Mutual funds held by the Plan are open-end mutual 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 mutual funds held by the Plan are deemed to be actively traded.

The following table sets forth by level, within the fair value hierarchy, the Plan's investments at fair value as of October 31:

| | 2022 | 2021 |
|---|---|---|
| Level 1: | | |
| Mutual funds | $ 24,998,282 | $ 30,595,526 |

## Note 5. Guaranteed Annuity Contract

The Plan holds a fully benefit-responsive Immediate Participation Group annuity contract (GAC) with MassMutual. MassMutual maintains the contributions in a general account. The account is credited with earnings on the underlying investments and charged for participant withdrawals and administrative expenses. The GAC issuer is contractually obligated to repay the principal and a specified interest rate that is guaranteed to the Plan. The crediting rate is based on a formula established by the contract issuer. The crediting rate is reviewed on a quarterly basis for resetting. The GAC does not permit the insurance company to terminate the agreement prior to the scheduled maturity date.

Because the GAC is fully benefit-responsive, contract value is the relevant measure for the GAC. Contract value, as reported to the Plan by MassMutual, represents contributions made under the contract, plus earnings, less participant withdrawals, and administrative expenses. Participants may ordinarily direct the withdrawal or transfer of all or a portion of their investment at contract value.

The Plan's ability to receive amounts due is dependent on the issuer's ability to meet its financial obligations. The issuer's ability to meet its contractual obligations may be affected by future economic and regulatory developments. There are no reserves against contract value for credit risk of the contract issuer.

Certain events limit the ability of the Plan to transact at contract value with the issuer. Such events include (1) amendments to the Plan documents (including complete or partial Plan termination or merger with another plan), (2) changes to the Plan's prohibition on competing investment options or deletion of equity wash provisions, (3) bankruptcy of the Plan sponsor or other Plan sponsor events (for example, divestitures or spin-offs of a subsidiary) that cause a significant withdrawal from the Plan, (4) the failure of the trust to qualify for exemption from federal income taxes or any required prohibited transaction exemption under ERISA, or (5) premature termination of the contract. No events are probable of occurring that might limit the ability of the Plan to transact at contract value with the contract issuers and that also would limit the ability of the Plan to transact at contract value with the participants.

In addition, certain events allow the issuer to terminate the contracts with the Plan and settle at an amount different from contract value. Such events include (1) a breach of material obligation under the contract, (2) a material misrepresentation, or (3) a material amendment to the agreement without the consent of the issuer.

## Note 6. Related Party and Party in Interest Transactions

Certain Plan investments, including mutual funds managed by Fidelity, who was the trustee and record keeper of the Plan as of and for the years ended October 31, 2022 and 2021, and, therefore, these transactions qualify as exempt party-in-interest transactions. All investment fund earnings or losses posted to each Plan participant's account are net of investment management fees charged by each investment fund under the Plan.

## Note 7. 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 would become 100 percent vested in their Company contributions.

## Note 8. Tax Status

The Internal Revenue Service has determined and informed the Company by a letter dated June 30, 2020, that the Plan is designed in accordance with applicable sections of the Internal Revenue Code (IRC). Although the Plan has been amended since receiving the determination letter, Plan management believes that the Plan is designed, and is currently being operated, in compliance with the applicable requirements of the IRC and, therefore, believes that the Plan is qualified, and the related trust is tax exempt.

US GAAP requires Plan management to evaluate tax positions taken by the Plan and recognize a tax liability if the Plan has taken an uncertain position that more likely than not would not be sustained upon examination by the IRS. The Plan is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress.

## Note 9. Risks and Uncertainties

The Plan invests in various investment securities that are exposed to various risks such as interest rates, market and credit risks. Market values of investments may decline for a number of reasons, including changes in prevailing market and interest rates, increases in defaults and credit rating downgrades. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in values of investment securities will occur in the near term and that some changes could materially affect participant account balances and the amounts reported in the statements of net assets available for benefits.

## Note 10. Subsequent Events

### Change in Ownership of Plan Sponsor

Effective June 7, 2023, the Company was acquired by another entity, which resulted in a change in ownership of the Company.

## Note 11. Reconciliation of Financial Statements to Form 5500

The following is a reconciliation of net assets available for benefits per the financial statements at October 31, 2022 and 2021 to Form 5500:

| | 2022 | 2021 |
|---|---|---|
| Net assets available for benefits per the financial statements | $ 38,263,872 | $ 45,243,228 |
| Employer contributions receivable | (1,391,020) | (1,266,768.00) |
| Participant contributions receivable | (8,614) | (7,814) |
| Net assets available for benefits per Form 5500 | $ 36,864,238 | $ 43,968,646 |

The following is a reconciliation of the changes in net assets available for benefits per the financial statements for the years ended October 31, 2022 and 2021, to Form 5500:

| | 2022 | 2021 |
|---|---|---|
| Increase (decrease) in net assets available for benefits per the financial statements | $ (6,979,356) | $ 8,854,458 |
| Employer contributions receivable at October 31, 2021 | 1,266,768 | (1,266,768) |
| Employer contributions receivable at October 31, 2022 | (1,391,020) | - |
| Participant contributions receivable at October 31, 2020 | - | 5,350 |
| Participant contributions receivable at October 31, 2021 | 7,814 | (7,814) |
| Participant contributions receivable at October 31, 2022 | (8,614) | - |
| Increase in net assets available for benefits per Form 5500 | $ (7,104,408) | $ 7,585,226 |

# Supplementary Information

# HISCO 401(k) Plan

Schedule H, Line 4i – Schedule of Assets (Held at End of Year)

Plan #001 / EIN: 74-1697282

October 31, 2022

| (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 |
|---|---|---|---|---|
| (*) | FID GOVT MMKT K6 | Money Market Fund | $ - | $ 2,591 |
| | TRP BLUE CHIP GRTH I | Mutual Fund | - | 1,956,439 |
| | VANG MIDCAP IDX ADM | Mutual Fund | - | 543,125 |
| | VANG TOT INTL STK AD | Mutual Fund | - | 1,106,975 |
| | PGIM TOTAL RTN BD R6 | Mutual Fund | - | 2,192,158 |
| | AF EUROPAC GROWTH R6 | Mutual Fund | - | 956,693 |
| | AF WASH MUTL INV R6 | Mutual Fund | - | 1,738,305 |
| | BLKRK INFL PRO BD K | Mutual Fund | - | 107,188 |
| | NB STRATEGIC INC R6 | Mutual Fund | - | 269,378 |
| | JPM MID CAP GRTH R6 | Mutual Fund | - | 2,425,890 |
| (*) | FID 500 INDEX | Mutual Fund | - | 5,267,725 |
| (*) | FID SM CAP IDX | Mutual Fund | - | 2,085,381 |
| (*) | FID FREEDOM 2010 K6 | Mutual Fund | - | 48,402 |
| (*) | FID FREEDOM 2020 K6 | Mutual Fund | - | 379,727 |
| (*) | FID FREEDOM 2030 K6 | Mutual Fund | - | 1,835,546 |
| (*) | FID FREEDOM 2040 K6 | Mutual Fund | - | 1,332,308 |
| (*) | FID FREEDOM 2050 K6 | Mutual Fund | - | 988,464 |
| (*) | FID FREEDOM INC K6 | Mutual Fund | - | 112,550 |
| (*) | FID FREEDOM 2025 K6 | Mutual Fund | - | 103,918 |
| (*) | FID FREEDOM 2035 K6 | Mutual Fund | - | 415,441 |
| (*) | FID FREEDOM 2045 K6 | Mutual Fund | - | 464,238 |
| (*) | FID FREEDOM 2055 K6 | Mutual Fund | - | 139,044 |
| (*) | FID FREEDOM 2060 K6 | Mutual Fund | - | 91,666 |
| (*) | FID FREEDOM 2065 K6 | Mutual Fund | - | 25,295 |
| (*) | FID FREEDOM 2015 K6 | Mutual Fund | - | 149,580 |
| | JPM EQUITY INCOME R6 | Mutual Fund | - | 260,255 |
| | MM STABLE VAL DVRSFD | Group Annuity Contract | - | 10,863,573 |
| | | | | 35,861,855 |
| (*) | Notes receivable from partcipants | Varying maturity dates and interest ranging from 3.25% to 6.25% | | 1,002,383 |
| | | | | $ 36,864,238 |

NOTE: The information on this schedule has been summarized from information provided by the custodian, which the custodian has certified as being complete and accurate.

(*) Party-in-interest

(**) Cost information is not applicable for participant directed investments.

# HISCO 401(k) Plan

Financial Report
October 31, 2022

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All other schedules required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 are omitted because of the absence of the conditions under which they would apply.

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**Independent Auditor's Report**

To the Plan Management and Administrator of the
HISCO 401(k) Plan

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

We have performed audits of the financial statements of HISCO 401(k) Plan (the Plan), an employee benefit plan subject to the Employee Retirement Income Security Act of 1974 (ERISA), as permitted by ERISA Section 103(a)(3)(C) (ERISA Section 103(a)(3)(C) audit). The financial statements comprise the statement of net assets available for benefits as of October 31, 2022 and 2021, and the related statement of changes in net assets available for benefits for the years ended October 31, 2022 and 2021, and the related notes to the financial statements.

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

Management has obtained certification from a qualified institution as of October 31, 2022 and 2021, and for the years ended October 31, 2022 and 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 audits and on the procedures performed as described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section

- the amounts and disclosures in the 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 (US GAAP).
- 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 audits in accordance with auditing standards generally accepted in the United States of America (US GAAS). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of the Plan and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our ERISA Section 103(a)(3)(C) audit opinion.

The Plan Management and Administrator of the
HISCO 401(k) Plan

***Responsibilities of Management for the Financial Statements***

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

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

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

***Auditor's Responsibilities for the Audit of the Financial Statements***

Except as described in the *Scope and Nature of the ERISA Section 103(a)(3)(C) Audit* section of our report, our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with US 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 judgement made by a reasonable user based on the financial statements.

In performing an audit in accordance with US 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 the Plan's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Plan's ability to continue as a going concern for a reasonable period of time.

The Plan Management and Administrator of the
HISCO 401(k) Plan

Our audits did not extend to the certified investment information, except for obtaining and reading the certification, comparing the certified investment information with the related information presented and disclosed in the financial statements, and reading the disclosures relating to the certified investment information to assess whether they are in accordance with the presentation and disclosure requirements of US GAAP.

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 US GAAP.

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 — Supplementary Information Required by ERISA***

The supplementary information listed in the table of contents as of October 31, 2022 is presented for purposes of additional analysis and are not a required part of the financial statements but are supplementary information required by the DOL'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 supplementary information, other than that agreed to or derived from the certified investment information, has been subjected to auditing procedures applied in the audits of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with US GAAS. For information included in the supplementary information 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 supplementary information, we evaluated whether the supplementary information, other than the information agreed to or derived from the certified investment information, including their form and content, are presented in conformity with the DOL's Rules and Regulations for Reporting and Disclosure under ERISA.

In our opinion

- the form and content of the supplementary information, other than the information in the supplementary information that agrees to or is derived from the certified investment information, are presented, in all material respects, in conformity with the DOL's Rules and Regulations for Reporting and Disclosure under ERISA.
- the information in the supplementary information 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).

Weaver and Tidwell, L.L.P.

WEAVER AND TIDWELL, L.L.P.

Houston, Texas
August 11, 2023

# HISCO 401(k) Plan

Statements of Net Assets Available for Benefits
October 31, 2022 and 2021

| | 2022 | 2021 |
|---|---|---|
| **ASSETS** | | |
| Investments, at fair value | $ 24,998,282 | $ 30,595,526 |
| Investments, at contract value | 10,863,573 | 12,515,758 |
| Total investments | 35,861,855 | 43,111,284 |
| Receivables | | |
| Employer's contribution | 1,391,020 | 1,266,768 |
| Participant's contribution | 8,614 | 7,814 |
| Notes receivable from partcipants | 1,002,383 | 857,362 |
| Total receivables | 2,402,017 | 2,131,944 |
| Total assets | 38,263,872 | 45,243,228 |
| **LIABILITIES** | - | - |
| **NET ASSETS AVAILABLE FOR BENEFITS** | $ 38,263,872 | $ 45,243,228 |

The Notes to Financial Statements are
an integral part of these statements.

# HISCO 401(k) Plan

Statements of Changes in Net Assets Available for Benefits
Years Ended October 31, 2022 and 2021

| | 2022 | 2021 |
|---|---|---|
| **ADDITIONS** | | |
| Investment income | | |
| Net appreciation in fair value of investments | $ - | $ 6,467,032 |
| Interest and dividends | 1,943,910 | 1,238,188 |
| Net investments income | 1,943,910 | 7,705,220 |
| Contributions | | |
| Employer | 1,391,020 | 1,266,768 |
| Participants | 1,785,774 | 1,537,785 |
| Rollovers | 398,246 | 646,888 |
| Total contributions | 3,575,040 | 3,451,441 |
| Interest income on notes receivable from participants | 34,106 | 40,558 |
| Total additions | 5,553,056 | 11,197,219 |
| **DEDUCTIONS** | | |
| Net depreciation in fair value of investments | 8,076,011 | - |
| Benefits paid directly to participants | 4,383,637 | 2,276,267 |
| Administrative expenses | 72,764 | 66,494 |
| Total deductions | 12,532,412 | 2,342,761 |
| Net increase (decrease) in net assets available for benefits | (6,979,356) | 8,854,458 |
| **NET ASSETS AVAILABLE FOR BENEFITS, beginning of year** | 45,243,228 | 36,388,770 |
| **NET ASSETS AVAILABLE FOR BENEFITS, end of year** | $ 38,263,872 | $ 45,243,228 |

The Notes to Financial Statements are an integral part of these statements.

# HISCO 401(k) Plan

Notes to Financial Statements

## Note 1. Plan Description

The following description of the HISCO 401(k) Plan (the Plan) provides only general information. Participants should refer to the Plan agreement for a more complete description of the Plan's provisions.

### General

The Plan consists of a 401(k) salary deferral feature and a profit sharing feature. The profit sharing feature, which became effective February 1, 1972, is a discretionary, noncontributory defined contribution profit sharing plan covering all eligible employees of HIS Company, Inc. (the Company or Plan Sponsor). The Plan adopted the 401(k) salary deferral feature effective November 1, 2003. Employees become eligible to participate in the Plan on their date of employment. Effective November 1, 2016, the Plan was amended to add a requirement that participants must complete a 1,000-hour service requirement to be eligible to receive a discretionary employer contribution. Additionally, the Plan was amended to provide for automatic enrollment of employees hired on or after November 1, 2016 and a one-time automatic enrollment for current active employees not participating or participating at a deferral percentage of less than 3% of their compensation. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974, as amended (ERISA).

### Contributions

For the 401(k) feature, each year participants may contribute a portion of their pretax annual compensation, as defined in the Plan. Participants may also contribute an amount representing distributions from other qualified defined benefit and defined contribution plans. Participants direct the investment of their contribution into various investment options offered by the Plan. There was no Company match for the years 2022 and 2021 and it is generally the Company's policy not to have such matching contributions. Contributions are subject to certain limitations.

For the profit sharing feature, Company contributions are discretionary and are allocated to participants pro-rata based upon the compensation of employees who are actively employed on the last day of the Plan year and have been credited with a year of service during the current year (1,000 hours), subject to a maximum compensation limitation of $120,000 for Plan purposes. For the year ended October 31, 2022, the Company made a profit sharing contribution of $1,391,020, net of allocated forfeitures of $97,720. This contribution is receivable to the Plan as of October 31, 2022. For the year ended October 31, 2021, the Company made a profit sharing contribution of $1,266,768, net of allocated forfeitures of $122,873. This contribution is receivable to the Plan as of October 31, 2021.

The Plan allows participants, during a certain time of the Plan year, to roll money over from their account in a related plan offered by the Company, the HISCO Employee Stock Ownership Plan (ESOP Plan), into the Plan. Participants may also rollover amounts to the Plan representing distributions from other qualified defined benefit plans. Any such rollovers will be deposited into the participant's rollover balance. The Plan currently allows all rollovers to be withdrawn at any time, once per year.

**Participant Accounts and Forfeitures**

Each participant's account is credited with the participant's contribution, allocations of the Company's contribution, Plan forfeitures, Plan earnings, and is charged with any applicable administrative expenses related to transactions such as loan initiation or administration. Allocations are based on participant compensation and account balances, as defined. The benefit to which a participant is entitled is the benefit that can be provided by the participant's vested account balance. At October 31, 2022 and 2021, forfeited non-vested accounts totaled $97,720 and $122,873, respectively. During 2022 and 2021, Company contributions were reduced by $122,872 and $94,438, respectively, from forfeited non-vested accounts. Forfeitures are allocated to participants based on eligible compensation during the plan year.

**Vesting**

Participants are immediately vested in their contributions to the Plan and allocated earnings thereon. Effective November 1, 2007, participants became fully vested in Employer contributions and allocated earnings at the rate of ten percent per year for the first two years and twenty percent per year thereafter with 100 percent vesting after six years. Forfeitures from terminated participants are allocated to the accounts of the remaining participants after a one-year break in service. Additionally, a participant becomes 100 percent vested upon death, total disability, termination of the Plan, or attainment of normal retirement age.

**Distributions to Participants**

Upon retirement, death, total disability or termination of employment, a participant (or the participant's beneficiary, if applicable) may elect to receive a lump sum distribution, or an annuity, payable over a period not to exceed the payee's expected life expectancy, providing their vested account balance exceeds $5,000. Participants may receive a hardship distribution from their vested account balances subject to certain limitations, as defined in the Plan agreement.

Pursuant to the CARES Act, the Plan was permitted to allow participants to request up to $100,000 in coronavirus-related distributions, with repayment terms of up to three years. The ability to request these distributions ceased as of December 30, 2020.

**Notes Receivable from Participants**

Participants may borrow from their fund accounts a minimum of $1,000 up to a maximum equal to the lesser of $50,000 or 50 percent of their vested account balance. The loans are secured by the balance in the participant's account and bear interest at rates commensurate with local prevailing rates as determined by Plan management. Principal and interest is paid ratably through payroll deductions.

## Note 2. Summary of Significant Accounting Policies

**Basis of Accounting**

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

**Use of Estimates**

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America (US GAAP) requires Plan management to make estimates and assumptions that affect the reported amounts of assets, liabilities and changes therein, and disclosure of contingent assets and liabilities at the date of the financial statements. Actual results could differ from those estimates.

**Investment Valuation and Income Recognition**

The Plan's investments are reported at fair value except for the fully benefit-responsive investment contract which is reported at contract 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 Investment Committee determines the Plan's valuation policies utilizing information provided by the investment advisers, custodians, and insurance company. See Note 4 for further 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 at the ex-dividend date. Net appreciation includes the Plan's gains and losses on investments bought and sold as well as held during the year.

**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 October 31, 2022 and 2021.

**Payment of Benefits**

Benefits are recorded when paid.

**Operating Expenses**

Certain expenses of maintaining the Plan are paid by the Plan, unless otherwise paid by the Company. Expenses that are paid by the Company are excluded from these financial statements. Fees related to 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 of fair value of investments.

**Plan Management's Review of Subsequent Events**

The Plan has evaluated subsequent events through August 11, 2023, the date the financial statements were available to be issued.

## Note 3. Certified Investments

Certain information related to investments and notes receivable from participants disclosed in the accompanying financial statements and ERISA-required supplementary information, including investments and notes receivable from participants held at October 31, 2022 and 2021, and net appreciation in fair value of investments, interest and dividends and interest income on notes receivable from participants for the years ended October 31, 2022 and 2021, was obtained by management and agreed to or derived from information certified as complete and accurate by Fidelity Workplace Services, LLC (Fidelity), the trustee of the Plan.

## Note 4. Fair Value Measurements

FASB Accounting Standards Codification (ASC) 820, *Fair Value Measurements and Disclosures*, provides the framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted 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; and
- 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 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 methodologies used for assets measured at fair value. There have been no changes in the methodologies used at October 31, 2022 and 2021.

*Mutual funds*: Valued at the daily closing price as reported by the fund. Mutual funds held by the Plan are open-end mutual 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 mutual funds held by the Plan are deemed to be actively traded.

The following table sets forth by level, within the fair value hierarchy, the Plan's investments at fair value as of October 31:

| | 2022 | 2021 |
|---|---|---|
| Level 1: | | |
| Mutual funds | $ 24,998,282 | $ 30,595,526 |

## Note 5. Guaranteed Annuity Contract

The Plan holds a fully benefit-responsive Immediate Participation Group annuity contract (GAC) with MassMutual. MassMutual maintains the contributions in a general account. The account is credited with earnings on the underlying investments and charged for participant withdrawals and administrative expenses. The GAC issuer is contractually obligated to repay the principal and a specified interest rate that is guaranteed to the Plan. The crediting rate is based on a formula established by the contract issuer. The crediting rate is reviewed on a quarterly basis for resetting. The GAC does not permit the insurance company to terminate the agreement prior to the scheduled maturity date.

Because the GAC is fully benefit-responsive, contract value is the relevant measure for the GAC. Contract value, as reported to the Plan by MassMutual, represents contributions made under the contract, plus earnings, less participant withdrawals, and administrative expenses. Participants may ordinarily direct the withdrawal or transfer of all or a portion of their investment at contract value.

The Plan's ability to receive amounts due is dependent on the issuer's ability to meet its financial obligations. The issuer's ability to meet its contractual obligations may be affected by future economic and regulatory developments. There are no reserves against contract value for credit risk of the contract issuer.

Certain events limit the ability of the Plan to transact at contract value with the issuer. Such events include (1) amendments to the Plan documents (including complete or partial Plan termination or merger with another plan), (2) changes to the Plan's prohibition on competing investment options or deletion of equity wash provisions, (3) bankruptcy of the Plan sponsor or other Plan sponsor events (for example, divestitures or spin-offs of a subsidiary) that cause a significant withdrawal from the Plan, (4) the failure of the trust to qualify for exemption from federal income taxes or any required prohibited transaction exemption under ERISA, or (5) premature termination of the contract. No events are probable of occurring that might limit the ability of the Plan to transact at contract value with the contract issuers and that also would limit the ability of the Plan to transact at contract value with the participants.

In addition, certain events allow the issuer to terminate the contracts with the Plan and settle at an amount different from contract value. Such events include (1) a breach of material obligation under the contract, (2) a material misrepresentation, or (3) a material amendment to the agreement without the consent of the issuer.

## Note 6. Related Party and Party in Interest Transactions

Certain Plan investments, including mutual funds managed by Fidelity, who was the trustee and record keeper of the Plan as of and for the years ended October 31, 2022 and 2021, and, therefore, these transactions qualify as exempt party-in-interest transactions. All investment fund earnings or losses posted to each Plan participant's account are net of investment management fees charged by each investment fund under the Plan.

## Note 7. 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 would become 100 percent vested in their Company contributions.

## Note 8. Tax Status

The Internal Revenue Service has determined and informed the Company by a letter dated June 30, 2020, that the Plan is designed in accordance with applicable sections of the Internal Revenue Code (IRC). Although the Plan has been amended since receiving the determination letter, Plan management believes that the Plan is designed, and is currently being operated, in compliance with the applicable requirements of the IRC and, therefore, believes that the Plan is qualified, and the related trust is tax exempt.

US GAAP requires Plan management to evaluate tax positions taken by the Plan and recognize a tax liability if the Plan has taken an uncertain position that more likely than not would not be sustained upon examination by the IRS. The Plan is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress.

## Note 9. Risks and Uncertainties

The Plan invests in various investment securities that are exposed to various risks such as interest rates, market and credit risks. Market values of investments may decline for a number of reasons, including changes in prevailing market and interest rates, increases in defaults and credit rating downgrades. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in values of investment securities will occur in the near term and that some changes could materially affect participant account balances and the amounts reported in the statements of net assets available for benefits.

## Note 10. Subsequent Events

### Change in Ownership of Plan Sponsor

Effective June 7, 2023, the Company was acquired by another entity, which resulted in a change in ownership of the Company.

## Note 11. Reconciliation of Financial Statements to Form 5500

The following is a reconciliation of net assets available for benefits per the financial statements at October 31, 2022 and 2021 to Form 5500:

| | 2022 | 2021 |
|---|---|---|
| Net assets available for benefits per the financial statements | $ 38,263,872 | $ 45,243,228 |
| Employer contributions receivable | (1,391,020) | (1,266,768.00) |
| Participant contributions receivable | (8,614) | (7,814) |
| Net assets available for benefits per Form 5500 | $ 36,864,238 | $ 43,968,646 |

The following is a reconciliation of the changes in net assets available for benefits per the financial statements for the years ended October 31, 2022 and 2021, to Form 5500:

| | 2022 | 2021 |
|---|---|---|
| Increase (decrease) in net assets available for benefits per the financial statements | $ (6,979,356) | $ 8,854,458 |
| Employer contributions receivable at October 31, 2021 | 1,266,768 | (1,266,768) |
| Employer contributions receivable at October 31, 2022 | (1,391,020) | - |
| Participant contributions receivable at October 31, 2020 | - | 5,350 |
| Participant contributions receivable at October 31, 2021 | 7,814 | (7,814) |
| Participant contributions receivable at October 31, 2022 | (8,614) | - |
| Increase in net assets available for benefits per Form 5500 | $ (7,104,408) | $ 7,585,226 |

# Supplementary Information

# HISCO 401(k) Plan

Schedule H, Line 4i – Schedule of Assets (Held at End of Year)

Plan #001 / EIN: 74-1697282

October 31, 2022

| (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 |
|---|---|---|---|---|
| (*) | FID GOVT MMKT K6 | Money Market Fund | $ - | $ 2,591 |
| | TRP BLUE CHIP GRTH I | Mutual Fund | - | 1,956,439 |
| | VANG MIDCAP IDX ADM | Mutual Fund | - | 543,125 |
| | VANG TOT INTL STK AD | Mutual Fund | - | 1,106,975 |
| | PGIM TOTAL RTN BD R6 | Mutual Fund | - | 2,192,158 |
| | AF EUROPAC GROWTH R6 | Mutual Fund | - | 956,693 |
| | AF WASH MUTL INV R6 | Mutual Fund | - | 1,738,305 |
| | BLKRK INFL PRO BD K | Mutual Fund | - | 107,188 |
| | NB STRATEGIC INC R6 | Mutual Fund | - | 269,378 |
| | JPM MID CAP GRTH R6 | Mutual Fund | - | 2,425,890 |
| (*) | FID 500 INDEX | Mutual Fund | - | 5,267,725 |
| (*) | FID SM CAP IDX | Mutual Fund | - | 2,085,381 |
| (*) | FID FREEDOM 2010 K6 | Mutual Fund | - | 48,402 |
| (*) | FID FREEDOM 2020 K6 | Mutual Fund | - | 379,727 |
| (*) | FID FREEDOM 2030 K6 | Mutual Fund | - | 1,835,546 |
| (*) | FID FREEDOM 2040 K6 | Mutual Fund | - | 1,332,308 |
| (*) | FID FREEDOM 2050 K6 | Mutual Fund | - | 988,464 |
| (*) | FID FREEDOM INC K6 | Mutual Fund | - | 112,550 |
| (*) | FID FREEDOM 2025 K6 | Mutual Fund | - | 103,918 |
| (*) | FID FREEDOM 2035 K6 | Mutual Fund | - | 415,441 |
| (*) | FID FREEDOM 2045 K6 | Mutual Fund | - | 464,238 |
| (*) | FID FREEDOM 2055 K6 | Mutual Fund | - | 139,044 |
| (*) | FID FREEDOM 2060 K6 | Mutual Fund | - | 91,666 |
| (*) | FID FREEDOM 2065 K6 | Mutual Fund | - | 25,295 |
| (*) | FID FREEDOM 2015 K6 | Mutual Fund | - | 149,580 |
| | JPM EQUITY INCOME R6 | Mutual Fund | - | 260,255 |
| | MM STABLE VAL DVRSFD | Group Annuity Contract | - | 10,863,573 |
| | | | | 35,861,855 |
| (*) | Notes receivable from partcipants | Varying maturity dates and interest ranging from 3.25% to 6.25% | | 1,002,383 |
| | | | | $ 36,864,238 |

NOTE: The information on this schedule has been summarized from information provided by the custodian, which the custodian has certified as being complete and accurate.

(*) Party-in-interest

(**) Cost information is not applicable for participant directed investments.