

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 2022 This Form is Open to Public Inspection
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Part I	Annual Report Identification Information
For calendar plan year 2022 or fiscal plan year beginning <u>01/01/2022</u> and ending <u>12/31/2022</u>	
A This return/report is for:	☐ a multiemployer plan ☐ a multiple-employer plan (Filers checking this box must attach a list of participating employer information in accordance with the form instructions.) ☒ a single-employer plan ☐ a DFE (specify) ____
B This return/report is:	☐ the first return/report ☐ the final return/report ☐ an amended return/report ☐ a short plan year return/report (less than 12 months)
C If the plan is a collectively-bargained plan, check here.	☐
D Check box if filing under:	☒ Form 5558 ☐ automatic extension ☐ the DFVC program ☐ special extension (enter description)
E If this is a retroactively adopted plan permitted by SECURE Act section 201, check here.	☐

Part II	Basic Plan Information —enter all requested information		
1a Name of plan	<u>ESP ENTERPRISES INC. 401(K) PLAN</u>	1b Three-digit plan number (PN) ▶	<u>001</u>
		1c Effective date of plan	<u>01/01/2013</u>
2a Plan sponsor's name (employer, if for a single-employer plan) Mailing address (include room, apt., suite no. and street, or P.O. Box) City or town, state or province, country, and ZIP or foreign postal code (if foreign, see instructions)		2b Employer Identification Number (EIN)	<u>33-1024796</u>
<u>ESP ENTERPRISES INC.</u>		2c Plan Sponsor's telephone number	<u>281-674-7397</u>
<u>12423 CUTTEN ROAD</u> <u>SUITE B</u> <u>HOUSTON, TX 77066</u>		2d Business code (see instructions)	<u>517000</u>

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

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

SIGN HERE	Filed with authorized/valid electronic signature.	10/13/2023	DARLENE TORRES
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE			
	Signature of employer/plan sponsor	Date	Enter name of individual signing as employer or plan sponsor
SIGN HERE			
	Signature of DFE	Date	Enter name of individual signing as DFE

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3a Plan administrator's name and address ☒ Same as Plan Sponsor		3b Administrator's EIN
		3c Administrator's telephone number
4 If the name and/or EIN of the plan sponsor or the plan name has changed since the last return/report filed for this plan, enter the plan sponsor's name, EIN, the plan name and the plan number from the last return/report: a Sponsor's name c Plan Name		4b EIN 4d PN
5 Total number of participants at the beginning of the plan year		5 212
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) 130
a(2) Total number of active participants at the end of the plan year		6a(2) 73
b Retired or separated participants receiving benefits		6b 2
c Other retired or separated participants entitled to future benefits.....		6c 80
d Subtotal. Add lines 6a(2) , 6b , and 6c		6d 155
e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits.		6e 0
f Total. Add lines 6d and 6e		6f 155
g Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item).....		6g 113
h Number of participants who terminated employment during the plan year with accrued benefits that were less than 100% vested.....		6h 2
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: 2E 2F 2G 2J 2K 2T 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) ☒ Trust (4) ☐ General assets of the sponsor		9b Plan benefit arrangement (check all that apply) (1) ☐ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☒ Trust (4) ☐ General assets of the sponsor
10 Check all applicable boxes in 10a and 10b to indicate which schedules are attached, and, where indicated, enter the number attached. (See instructions)		
a Pension Schedules (1) ☒ R (Retirement Plan Information) (2) ☐ MB (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary (3) ☐ SB (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary		b General Schedules (1) ☒ H (Financial Information) (2) ☐ I (Financial Information – Small Plan) (3) ☐ 0 A (Insurance Information) (4) ☐ C (Service Provider Information) (5) ☐ D (DFE/Participating Plan Information) (6) ☐ G (Financial Transaction Schedules)

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

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

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

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

11c Enter the Receipt Confirmation Code for the 2022 Form M-1 annual report. If the plan was not required to file the 2022 Form M-1 annual report, enter the Receipt Confirmation Code for the most recent Form M-1 that was required to be filed under the Form M-1 filing requirements. (Failure to enter a valid Receipt Confirmation Code will subject the Form 5500 filing to rejection as incomplete.)

Receipt Confirmation Code _____

SCHEDULE H (Form 5500) 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 2022 This Form is Open to Public Inspection
For calendar plan year 2022 or fiscal plan year beginning <u>01/01/2022</u> and ending <u>12/31/2022</u>		
A Name of plan <u>ESP ENTERPRISES INC. 401(K) PLAN</u>	B Three-digit plan number (PN) ►	<u>001</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>ESP ENTERPRISES INC.</u>	D Employer Identification Number (EIN) <u>33-1024796</u>	

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	8820
b Receivables (less allowance for doubtful accounts):			
(1) Employer contributions.....		1b(1)	
(2) Participant contributions.....		1b(2)	
(3) Other.....		1b(3)	00
c General investments:			
(1) Interest-bearing cash (include money market accounts & certificates of deposit).....		1c(1)	355243192
(2) U.S. Government securities		1c(2)	
(3) Corporate debt instruments (other than employer securities):			
(A) Preferred		1c(3)(A)	
(B) All other		1c(3)(B)	
(4) Corporate stocks (other than employer securities):			
(A) Preferred		1c(4)(A)	
(B) Common.....		1c(4)(B)	
(5) Partnership/joint venture interests		1c(5)	
(6) Real estate (other than employer real property)		1c(6)	
(7) Loans (other than to participants).....		1c(7)	
(8) Participant loans.....		1c(8)	866310448
(9) Value of interest in common/collective trusts.....		1c(9)	
(10) Value of interest in pooled separate accounts		1c(10)	
(11) Value of interest in master trust investment accounts.....		1c(11)	
(12) Value of interest in 103-12 investment entities		1c(12)	
(13) Value of interest in registered investment companies (e.g., mutual funds).....		1c(13)	232229190543
(14) Value of funds held in insurance company general account (unallocated contracts).....		1c(14)	
(15) Other		1c(15)	

1d Employer-related investments:		(a) Beginning of Year	(b) End of Year
(1) Employer securities	1d(1)		
(2) Employer real property	1d(2)		
e Buildings and other property used in plan operation	1e		
f Total assets (add all amounts in lines 1a through 1e)	1f	245326	244183

Liabilities

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

Net Assets

l Net assets (subtract line 1k from line 1f)	1l	245326	244183
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Part II Income and Expense Statement

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

Income

		(a) Amount	(b) Total
a Contributions:			
(1) Received or receivable in cash from: (A) Employers	2a(1)(A)	23289	
(B) Participants	2a(1)(B)	70303	
(C) Others (including rollovers)	2a(1)(C)		
(2) Noncash contributions	2a(2)		
(3) Total contributions. Add lines 2a(1)(A) , (B) , (C) , and line 2a(2)	2a(3)		93592
b Earnings on investments:			
(1) Interest:			
(A) Interest-bearing cash (including money market accounts and certificates of deposit)	2b(1)(A)	615	
(B) U.S. Government securities	2b(1)(B)		
(C) Corporate debt instruments	2b(1)(C)		
(D) Loans (other than to participants)	2b(1)(D)		
(E) Participant loans	2b(1)(E)	157	
(F) Other	2b(1)(F)		
(G) Total interest. Add lines 2b(1)(A) through (F)	2b(1)(G)		772
(2) Dividends: (A) Preferred stock	2b(2)(A)		
(B) Common stock	2b(2)(B)		
(C) Registered investment company shares (e.g. mutual funds)	2b(2)(C)	5037	
(D) Total dividends. Add lines 2b(2)(A) , (B) , and (C)	2b(2)(D)		5037
(3) Rents	2b(3)		
(4) Net gain (loss) on sale of assets: (A) Aggregate proceeds	2b(4)(A)		
(B) Aggregate carrying amount (see instructions)	2b(4)(B)		
(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)		
(B) Other	2b(5)(B)		
(C) Total unrealized appreciation of assets. Add lines 2b(5)(A) and (B)	2b(5)(C)		0

		(a) Amount	(b) Total
(6) Net investment gain (loss) from common/collective trusts	2b(6)		
(7) Net investment gain (loss) from pooled separate accounts	2b(7)		
(8) Net investment gain (loss) from master trust investment accounts	2b(8)		
(9) Net investment gain (loss) from 103-12 investment entities.....	2b(9)		
(10) Net investment gain (loss) from registered investment companies (e.g., mutual funds)	2b(10)		-43894
c Other income	2c		
d Total income. Add all income amounts in column (b) and enter total	2d		55507
Expenses			
e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	28600	
(2) To insurance carriers for the provision of benefits	2e(2)		
(3) Other	2e(3)		
(4) Total benefit payments. Add lines 2e(1) through (3)	2e(4)		28600
f Corrective distributions (see instructions)	2f		22622
g Certain deemed distributions of participant loans (see instructions)	2g		
h Interest expense	2h		
i Administrative expenses: (1) Professional fees	2i(1)		
(2) Contract administrator fees	2i(2)		
(3) Investment advisory and management fees	2i(3)	892	
(4) Other	2i(4)	4536	
(5) Total administrative expenses. Add lines 2i(1) through (4)	2i(5)		5428
j Total expenses. Add all expense amounts in column (b) and enter total	2j		56650
Net Income and Reconciliation			
k Net income (loss). Subtract line 2j from line 2d	2k		-1143
l Transfers of assets:			
(1) To this plan	2l(1)		
(2) From this plan	2l(2)		

Part III Accountant's Opinion

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

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

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

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

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

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

(1) Name:

(2) EIN:

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

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

Part IV Compliance Questions

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

During the plan year:

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

	Yes	No	Amount
4a	X		47996

	Yes	No	Amount
b Were any loans by the plan or fixed income obligations due the plan in default as of the close of the plan year or classified during the year as uncollectible? Disregard participant loans secured by participant's account balance. (Attach Schedule G (Form 5500) Part I if "Yes" is checked.)			
4b		X	
c Were any leases to which the plan was a party in default or classified during the year as uncollectible? (Attach Schedule G (Form 5500) Part II if "Yes" is checked.)			
4c		X	
d Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 4a. Attach Schedule G (Form 5500) Part III if "Yes" is checked.)			
4d		X	
e Was this plan covered by a fidelity bond?	X		30000
f Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?		X	
4f		X	
g Did the plan hold any assets whose current value was neither readily determinable on an established market nor set by an independent third party appraiser?			
4g		X	
h Did the plan receive any noncash contributions whose value was neither readily determinable on an established market nor set by an independent third party appraiser?			
4h		X	
i Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.)	X		
4i	X		
j Were any plan transactions or series of transactions in excess of 5% of the current value of plan assets? (Attach schedule of transactions if "Yes" is checked and see instructions for format requirements.)			
4j		X	
k Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?			
4k		X	
l Has the plan failed to provide any benefit when due under the plan?			
4l		X	
m If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.)			
4m		X	
n If 4m was answered "Yes," check the "Yes" box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3.			
4n			

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 2022 This Form is Open to Public Inspection.
For calendar plan year 2022 or fiscal plan year beginning 01/01/2022 and ending 12/31/2022		
A Name of plan ESP ENTERPRISES INC. 401(K) PLAN		B Three-digit plan number (PN) ► 001
C Plan sponsor's name as shown on line 2a of Form 5500 ESP ENTERPRISES INC.		D Employer Identification Number (EIN) 33-1024796
Part I	Distributions	
All references to distributions relate only to payments of benefits during the plan year.		
1 Total value of distributions paid in property other than in cash or the forms of property specified in the instructions.....		1 0
2 Enter the EIN(s) of payor(s) who paid benefits on behalf of the plan to participants or beneficiaries during the year (if more than two, enter EINs of the two payors who paid the greatest dollar amounts of benefits): EIN(s): 75-3182674 27-3169253		
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		
For Paperwork Reduction Act Notice, see the Instructions for Form 5500.		
Schedule R (Form 5500) 2022 v. 220413		

Part V Additional Information for Multiemployer Defined Benefit Pension Plans

13 Enter the following information for each employer that (1) contributed more than 5% of total contributions to the plan during the plan year or (2) was one of the top-ten highest contributors (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
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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 _____

401K AUDIT



ESP Enterprises Inc.

**For the Years Ended December 31, 2022 and December 31, 2021
(Along with the Independent Auditor's Report)**

Rakesh Jain, CPA PC

Certified Public Accountant

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Houston, TX 77092, USA

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ESP Enterprises Inc.

For the Years Ended December 31, 2022 and December 31, 2021

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Independent Auditors' Report

To the Plan Administrator of ESP Enterprises Inc. 401(K) PLAN

Report on Financial Statements

We have audited the accompanying financial statements of ESP ENTERPRISES INC. 401(K) PLAN, which comprise of the statement of net assets available for benefits as of December 31, 2022 and the related statement of changes in net assets available for benefits for the year then ended and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

Basis for Disclaimer of Opinion

As permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosures under the Employee Retirement Income Security Act of 1974, the plan administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the information summarized in Note 6, which was certified by American Trust Company, the trustee of the Plan, except for comparing such information with the related information included in the financial statements. We have been informed by the plan administrator that the trustee holds the Plan's investment assets and executes investment transactions. The plan administrator has obtained a certification from the trustee as of December 31, 2022 that the information provided to the plan administrator by the trustee is complete and accurate.

Disclaimer of Opinion

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



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

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

Other Matters

The supplemental schedule of assets (held at end of year) as of December 31, 2022 is required by the Department of Labor's (DOL) Rules and Regulations for Reporting and Disclosures under the Employee Retirement Income Security Act of 1974 and is presented for the purpose of additional analysis and is not a required part of financial statements. Because of the significance of the matter described in the Basis for Disclaimer of Opinion paragraph, we do not express an opinion on this supplemental schedule.

We have used the financial statements of ESP Enterprises Inc. as of December 31, 2021, for comparative purposes, the same were unaudited.

For Rakesh Jain, CPA PC
Rakesh Jain
Certified Public Accountant

Place: Houston, TX
Date: September 22, 2023

DRAFT

401K AUDIT

ESP Enterprises Inc.
Statement of Net Assets Available for benefits
As of December 31, 2022 and 2021

Particulars	As of December 31, 2022	As of December 31, 2021
Assets		
Investments at Fair value Mutual Funds	\$ 230,872	\$ 244,492
Participants' Loan	10,448	-
Total Assets	241,320	244,492
Total Liabilities	-	-
Net Assets Available for Benefits	\$ 241,320	\$ 244,492

See accompanying notes to financial statements.

ESP Enterprises Inc.
Statement of changes in Net Assets available for benefits
For the years ended December 31, 2022 and 2021

Particulars	For the Year Ended December 31, 2022	For the Year Ended December 31, 2021
Additions in Assets		
Addition to net assets attributed to Investment income:		
Net appreciation /(depreciation) in fair value of Investments		
Realized Gain/(Loss)	\$ 5,799	\$ 24,902
Unrealized Gain/(Loss)	(43,906)	7,051
Total Investment Income/(Expense)	(38,107)	31,953
Contribution		
Employee Contributions	70,771	64,013
Employer Contributions	23,646	25,484
Loan Activity	70	-
Total Contributions	94,487	89,497
Total Additions	56,380	121,450
Deductions		
Deductions from net assets attributed to:		
Benefits paid to participants	51,292	33,819
Administrative Expenses	5,428	4,874
Forfeitures	2,832	-
Total Deductions	59,552	38,693
Net Increase/(Decrease)	(3,172)	82,757
Net Assets available at the beginning of the year	244,492	161,735
Net Assets available at the end of the year	\$ 241,320	\$ 244,492

See accompanying notes to financial statements.

Note 1: Description of plan

The ESP Enterprises Inc. 401(k) plan effective 01/01/2013 is a defined contribution plan established for the benefit of the employees of ESP Enterprises Inc. ('the Company'). Employees are eligible to participate in the plan if they are employed by ESP Enterprises Inc. or any affiliate who has adopted the Plan. The following is the brief general description of the plan:

Contributions

Participants may elect to make deferral contributions to the Plan from the pretax annual compensation, as defined in the plan, subject to certain limitations of the Internal Revenue Code (IRC). Participants who have attained the age 50 before the end of the Plan year are eligible to make catch-up contribution. Federal law also limits the amount the participants may elect to defer under this Plan and any other retirement plan permitting Elective Deferrals during any calendar year to \$19,500 and additional \$6,500 for participants at age over 50 in 2021. Rollover contribution from other qualified retirement plans are allowed by the plan. Participant direct the investment of their contributions into various investment options offered by the Plan. The Company may make discretionary matching contribution equal to a uniform percentage or dollar amount of the participant's elective deferrals.

Employer Matching Contributions

The Company may, in its sole discretion, make a matching contribution on employee's behalf if they make a "Matched Employee Contribution". A "Matched Employee Contribution is any Elective Deferral Contribution or Catch-up Contribution that an employee may make during the Plan Year. If an employee make a "Matched Employee Contribution", the Company may contribute to your Employer Matching Contribution Account in an amount and allocation formula as determined by the Company in its sole discretion.

Participant Accounts

Each participant's account is credited with the participant's contribution and an allocation of Company contributions, if any and Plan earnings and losses. Allocations are based on participant earning or account balances as defined. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account balance.

Vesting

Participants are always fully (100%) vested with respect to their contributions and related earnings thereon. Participants are immediately vested in their Elective Deferral Account and Rollover Contribution Account.

Employer Matching Contribution Account

Employer Matching Contribution Account will vest based on employees years of Vesting Service as defined below in accordance with the following schedule:

Years of Vesting Service	Vesting Percentage
Less than Three Years	0%
Three or More Years	100%

However, if the company must make a matching contribution to employees' account in order to satisfy certain nondiscrimination tests required by the Internal Revenue Code, employees' will be 100% vested in those matching contributions.

Non-Elective Contributions

Employees' interest in their Non-Elective Contribution Account will vest based on employees' years of Vesting Service defined below in accordance with the following schedule:

Years of Vesting Service	Vesting Percentage
Less than One Year	0%
One Year but less than Two Years	20%
Two Years but less than Three Years	40%
Three Years but less than Four Years	60%
Four Years but less than Five Years	80%
Five or More Years	100%

Participant loans

The Plan Administrator, in its discretion, may permit Participants to apply for a loan from the Plan. The Plan Administrator may further adopt any administrative rules or procedures that it deems necessary or appropriate with respect to the granting and administering of loans. Total outstanding participant loans as of December 31, 2022 is \$10,448, which was Nil as of December 31, 2021.

Payment of benefits

On retirement, disability, or other termination of service, a participant may elect to receive a lump-sum distribution in the participant's vested account.

Forfeited Accounts

As of December 31, 2022, forfeited non-vested accounts totaled \$2,832. These accounts will be used to reduce future employer contributions or to offset plan expenses.

Note 2 - Summary of significant accounting policies

Basis of Accounting

The preparation of financial statements is in conformity with generally accepted accounting principles and on accrual basis of accounting.

Investment Valuation and Income Recognition

The Plan's investment is reported at fair market 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 management determines the Plan's valuation policies utilizing the information provided by the investment advisor and trustee.

Investment transaction are recorded on trade-date basis. Interest Income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date. Net appreciation includes the Plan's gains and losses on investment 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. No allowance for credit losses has been recorded as of December 31, 2022.

Payment of benefits

Benefits are recorded when paid.

Corrective Distributions

Amounts payable to participants for contribution in excess of amounts allowed by the IRS are recorded as liability.

Plan expenses

Operating expenses of the Plan are absorbed by the plan sponsor and are included in these financial statements.

Use of Estimates

The preparation of financial statements is in conformity with accounting principles generally accepted in United States of America which requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of changes in net assets during the reported period. Actual results could differ from these estimates.

Note 3 - Required Disclosures

Fair Value Measurements and Disclosures

The Plan's investments are measured at fair value.

Fair Value measurements

Fair Value Measurements Using:			
	Fair Value as of December 31, 2022	Quoted prices in Active Markets for Identical Assets (Level 1)	Significant other observable inputs (Level 2)
Mutual Funds	\$ 241,320	\$ 241,320	
Total	\$ 241,320	\$ 241,320	

Fair Value Measurements Using:			
	Fair Value as of December 31, 2021	Quoted prices in Active Markets for Identical Assets (Level 1)	Significant other observable inputs (Level 2)
Investments	\$ 244,492	\$ 244,492	
Total	\$ 244,492	\$ 244,492	

The Organization applies the provisions of FASB ASC 820, Fair Value Measurements and Disclosures, for fair value measures of investments that are recognized and disclosed at fair value in the financial statements on a recurring basis. ASC 820 establishes 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 measurements) and the lowest priority to measurements involving significant unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are as follows:

- Level 1 – Quoted prices for identical instruments in active markets.
- Level 2 – Quoted prices for similar instruments in active markets; quoted prices for identical or similar instruments in markets that are not active; and model-derived valuations in which significant value drivers are observable.
- Level 3 – Valuations derived from valuation techniques in which significant value drivers are unobservable.

Level 1 Fair Value Measurements

The fair value of the investments in funds are based on the daily closing prices as reported by the fund. The funds held by the Plan are deemed to be actively traded.

Note 4 - Income Tax Status

The Internal Revenue Service has ruled that the plan qualifies under section 401(a) of the Internal Revenue Code (IRC) and is, therefore not subject to tax under present income tax law. Once qualified, the Plan is required to operate in conformity with the IRC to maintain its qualifications.

The plan obtained its latest determination letter on June 30, 2020 in which the Internal Revenue Service stated that the plan, as then designed, was in compliance with the applicable requirements of the Internal Revenue code. Accounting principles generally accepted in United States of America require the plan administrator to evaluate tax positions taken by the Plan and recognize a tax liability for any 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 jurisdiction, however there are currently no audits for any tax periods in progress.

Note 5 - Plans termination

Although it has not expressed any intent to do so, the Company reserves the right to terminate the Plan. Upon termination, all participants' account balances become fully vested in the amounts credited to their accounts after payment of any expenses, allocation of profit or loss, adjustment as a result of determination of the fair market value of Plan assets at the termination date, and reallocation of the Plan asset to the date of termination.

Note 6 - Information Certified by the Plan Trustee (Unaudited)

The Statement of Net Assets Available for Benefits as of December 31, 2022, the investment activities included in the Statement of Changes in Net Assets Available for Benefits for the year ended December 31, 2022 and the accompanying notes to the financial statements were prepared in part or entirely from information certified by the Trustee, American Trust Company, in accordance with 29 CFR 2520.103.8 of the Department of Labor's rule and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974.

Notes to Financial Statements

For the Years Ended December 31, 2022 and 2021

Note 7- Reconciliation of financial statements to Schedule H of Form 5500

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

Particulars	As of December 31, 2022	As of December 31, 2021
Net assets available for benefits per Schedule H	\$ 241,320	\$ 244,492
Add: Participants deferred contribution	-	-
Net assets available for benefits per the financial statements	\$ 241,320	\$ 244,492

Note 8 - Risks and uncertainties

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

Note 9 - Related Party Transactions

During 2022, the plan's investments were managed by American Trust Company, the trustee of the Plan. Accordingly, these transactions qualify as party-in-interest transactions which are exempt from the prohibited transaction rule under ERISA.

Note 10 - Subsequent events

The date to which events occurring after December 31, 2022 have been evaluated for possible adjustments to the financial statements or disclosure is September 22, 2023, which is the date on which financial statements were available to be issued.

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

Name of Plan : ► ESP Enterprises Inc. 401(k) Profit Sharing Plan

Employee

Identification

Number: ► 33-1024796

For plan year

(beginning/ending): ► 1/1/2022 - 12/31/2022

Plan Number: ► 001

(a)	(b) Identity of issue, borrower, lessor, or similar party	(c) Description of investment including maturity date, rate of interest, collateral, par or maturity value	(d) Cost	(e) Current Value in \$
		Vanguard Target Retirement 2035 Inv		88,665
		Third-Party FDIC Insured Dep Acct		40,330
		Vanguard Target Retirement 2055 Inv		19,228
		Vanguard Target Retirement 2045 Inv		16,484
		Vanguard Target Retirement 2060 Inv		12,315
		Vanguard Target Retirement 2040 Inv		12,293
		Vanguard Target Retirement 2050 Inv		9,900
		Fidelity Large Cap Growth idx Instl Prm		9,353
		iShares S&P 500 Index K		8,871
		Vanguard Emerging Mkts Stock Idx Adm		4,292
		Vanguard Target Retirement 2025 Inv		3,267
		Vanguard Target Retirement 2020 Inv		1,967
		Fidelity Large Cap Value Index Prm Inst		1,430
		Vanguard Real Estate Index Admiral		908
		Vanguard Target Retirement 2030 Inv		861
		Vanguard Inter- Term Bond Index Adm		707
		Vanguard Target Retirement Income Inv		3
		Participant Loan		10,448

* Historical cost information is not required as the funds are participant directed