

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 01/01/2022 and ending 12/31/2022	
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 AFC PROFIT SHARING PLAN
1b	Three-digit plan number (PN) ▶ 005
1c	Effective date of plan 01/01/1990
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) ALABAMA FARMERS COOPERATIVE INC. 121 SOMERVILLE ROAD NE DECATUR, AL 35601
2b	Employer Identification Number (EIN) 63-0207695
2c	Plan Sponsor's telephone number 256-353-6843
2d	Business code (see instructions) 111900

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.	10/14/2023	VANESSA CHANDLER
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE			
	Signature of employer/plan sponsor	Date	Enter name of individual signing as employer or plan sponsor
SIGN HERE			
	Signature of DFE	Date	Enter name of individual signing as DFE

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

Form 5500 (2022)
v. 220413

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 2302
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) 1700
a(2) Total number of active participants at the end of the plan year		6a(2) 2506
b Retired or separated participants receiving benefits		6b 12
c Other retired or separated participants entitled to future benefits.....		6c 609
d Subtotal. Add lines 6a(2) , 6b , and 6c		6d 3127
e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits.		6e 0
f Total. Add lines 6d and 6e		6f 3127
g Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item).....		6g 2372
h Number of participants who terminated employment during the plan year with accrued benefits that were less than 100% vested.....		6h 15
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: 2A 2E 2F 2G 2J 2K 2T 3H 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)		9b Plan benefit arrangement (check all that apply)
(1) ☒ Insurance	(1) ☒ Insurance	
(2) ☐ Code section 412(e)(3) insurance contracts	(2) ☐ Code section 412(e)(3) insurance contracts	
(3) ☒ Trust	(3) ☒ Trust	
(4) ☐ General assets of the sponsor	(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		b General Schedules
(1) ☒ R (Retirement Plan Information)	(1) ☒ H (Financial Information)	
(2) ☐ MB (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary	(2) ☐ I (Financial Information – Small Plan)	
(3) ☐ SB (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary	(3) ☒ 1 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 A (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Insurance Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA). ▶ File as an attachment to Form 5500. ▶ Insurance companies are required to provide the information pursuant to ERISA section 103(a)(2).	OMB No. 1210-0110 2022 This Form is Open to Public Inspection
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For calendar plan year 2022 or fiscal plan year beginning 01/01/2022 and ending 12/31/2022		
A Name of plan AFC PROFIT SHARING PLAN	B Three-digit plan number (PN) ▶	005
C Plan sponsor's name as shown on line 2a of Form 5500 ALABAMA FARMERS COOPERATIVE INC.	D Employer Identification Number (EIN) 63-0207695	

Part I	Information Concerning Insurance Contract Coverage, Fees, and Commissions	Provide information for each contract on a separate Schedule A. Individual contracts grouped as a unit in Parts II and III can be reported on a single Schedule A.
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1 Coverage Information:

(a) Name of insurance carrier PRUDENTIAL RETIREMENT INSURANCE AND ANNUITY COMPANY
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(b) EIN	(c) NAIC code	(d) Contract or identification number	(e) Approximate number of persons covered at end of policy or contract year	Policy or contract year	
				(f) From	(g) To
06-1050034	93629	075543	3127	01/01/2022	12/31/2022

2 Insurance fee and commission information. Enter the total fees and total commissions paid. List in line 3 the agents, brokers, and other persons in descending order of the amount paid.

(a) Total amount of commissions paid	(b) Total amount of fees paid
0	0

3 Persons receiving commissions and fees. (Complete as many entries as needed to report all persons).

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid
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(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid
--

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	

Part II Investment and Annuity Contract Information

Where individual contracts are provided, the entire group of such individual contracts with each carrier may be treated as a unit for purposes of this report.

4	Current value of plan's interest under this contract in the general account at year end.....	4	24349993
5	Current value of plan's interest under this contract in separate accounts at year end.....	5	6349284

6 Contracts With Allocated Funds:**a** State the basis of premium rates ▶

b	Premiums paid to carrier	6b	
c	Premiums due but unpaid at the end of the year	6c	
d	If the carrier, service, or other organization incurred any specific costs in connection with the acquisition or retention of the contract or policy, enter amount..... Specify nature of costs ▶	6d	

e Type of contract: (1) ☐ individual policies (2) ☐ group deferred annuity
(3) ☐ other (specify) ▶

f If contract purchased, in whole or in part, to distribute benefits from a terminating plan, check here ▶ ☐**7 Contracts With Unallocated Funds (Do not include portions of these contracts maintained in separate accounts)**

a Type of contract: (1) ☐ deposit administration (2) ☐ immediate participation guarantee
(3) ☐ guaranteed investment (4) ☒ other ▶ **GUARANTEED GENERAL ACCOUNT CONTRACT**

b	Balance at the end of the previous year	7b	23280055
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c	Additions: (1) Contributions deposited during the year	7c(1)	1124306	
	(2) Dividends and credits	7c(2)		
	(3) Interest credited during the year	7c(3)	458365	
	(4) Transferred from separate account	7c(4)	1030246	
	(5) Other (specify below)	7c(5)	6106800	

▶ **LOAN REPAYMENTS MISCELLANEOUS IN TRANSFERS IN**

(6) Total additions	7c(6)	8719717
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d	Total of balance and additions (add lines 7b and 7c(6))	7d	31999772
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e Deductions:

(1) Disbursed from fund to pay benefits or purchase annuities during year	7e(1)	3668388	
(2) Administration charge made by carrier	7e(2)	1258	
(3) Transferred to separate account	7e(3)	610881	
(4) Other (specify below)	7e(4)	3369252	

▶ **FORF. DR., TRANSFERS OUT LOAN INITIATIONS MISC. OUT**

(5) Total deductions	7e(5)	7649779
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f	Balance at the end of the current year (subtract line 7e(5) from line 7d)	7f	24349993
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Part III Welfare Benefit Contract Information

If more than one contract covers the same group of employees of the same employer(s) or members of the same employee organizations(s), the information may be combined for reporting purposes if such contracts are experience-rated as a unit. Where contracts cover individual employees, the entire group of such individual contracts with each carrier may be treated as a unit for purposes of this report.

8 Benefit and contract type (check all applicable boxes)

- a** ☐ Health (other than dental or vision)
b ☐ Dental
c ☐ Vision
d ☐ Life insurance
e ☐ Temporary disability (accident and sickness)
f ☐ Long-term disability
g ☐ Supplemental unemployment
h ☐ Prescription drug
i ☐ Stop loss (large deductible)
j ☐ HMO contract
k ☐ PPO contract
l ☐ Indemnity contract
m ☐ Other (specify) ▶

9 Experience-rated contracts:

a Premiums: (1) Amount received	9a(1)		
(2) Increase (decrease) in amount due but unpaid	9a(2)		
(3) Increase (decrease) in unearned premium reserve	9a(3)		
(4) Earned ((1) + (2) - (3))		9a(4)	
b Benefit charges (1) Claims paid	9b(1)		
(2) Increase (decrease) in claim reserves	9b(2)		
(3) Incurred claims (add (1) and (2))		9b(3)	
(4) Claims charged		9b(4)	
c Remainder of premium: (1) Retention charges (on an accrual basis) --			
(A) Commissions	9c(1)(A)		
(B) Administrative service or other fees	9c(1)(B)		
(C) Other specific acquisition costs	9c(1)(C)		
(D) Other expenses	9c(1)(D)		
(E) Taxes	9c(1)(E)		
(F) Charges for risks or other contingencies	9c(1)(F)		
(G) Other retention charges	9c(1)(G)		
(H) Total retention		9c(1)(H)	
(2) Dividends or retroactive rate refunds. (These amounts were ☐ paid in cash, or ☐ credited.)		9c(2)	
d Status of policyholder reserves at end of year: (1) Amount held to provide benefits after retirement		9d(1)	
(2) Claim reserves		9d(2)	
(3) Other reserves		9d(3)	
e Dividends or retroactive rate refunds due. (Do not include amount entered in line 9c(2).)		9e	

10 Nonexperience-rated contracts:

a Total premiums or subscription charges paid to carrier	10a	
b If the carrier, service, or other organization incurred any specific costs in connection with the acquisition or retention of the contract or policy, other than reported in Part I, line 2 above, report amount. Specify nature of costs.	10b	

Part IV Provision of Information

11 Did the insurance company fail to provide any information necessary to complete Schedule A? ☐ Yes ☒ No

12 If the answer to line 11 is "Yes," specify the information not provided. ▶

SCHEDULE C (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Service Provider Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA). ▶ File as an attachment to Form 5500.	OMB No. 1210-0110
		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 AFC PROFIT SHARING PLAN	B Three-digit plan number (PN) ▶	005
C Plan sponsor's name as shown on line 2a of Form 5500 ALABAMA FARMERS COOPERATIVE INC.	D Employer Identification Number (EIN) 63-0207695	

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

1 Information on Persons Receiving Only Eligible Indirect Compensation

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

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation
PRUDENTIAL RETIREMENT INSURANCE AND
06-1050034

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

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

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)

PRUDENTIAL RETIREMENT INSURANCE AND

06-1050034

(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?
13 15 27 37 49 50 64	NONE	184243	Yes ☒ No ☐	Yes ☒ No ☐	0	Yes ☒ No ☐

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

CAPFINANCIAL PARTNERS LLC

26-0058143

(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	NONE	168828	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

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

RSM US LLP

42-0714325

(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?
10	NONE	82495	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) (complete as many entries as needed)
a Name:	RMS US LLP
b EIN:	42-0714325
c Position:	AUDITOR
d Address:	333 S. GARLAND AVENUE, SUITE 1410 ORLANDO, FL 32801
e Telephone:	407-898-2727

Explanation: THE PLAN CHANGED AUDITORS TO BENEFIT FROM THE NEW AUDITORS LOCAL PRESENCE AND BENEFIT PLAN EXPERTISE

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 D (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration	DFE/Participating Plan Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA). ► File as an attachment to Form 5500.	OMB No. 1210-0110 2022 This Form is Open to Public Inspection.
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For calendar plan year 2022 or fiscal plan year beginning 01/01/2022 and ending 12/31/2022		
A Name of plan AFC PROFIT SHARING PLAN	B Three-digit plan number (PN) ►	005
C Plan or DFE sponsor's name as shown on line 2a of Form 5500 ALABAMA FARMERS COOPERATIVE INC.		
D Employer Identification Number (EIN) 63-0207695		

Part I	Information on interests in MTIAs, CCTs, PSAs, and 103-12 IEs (to be completed by plans and DFEs) (Complete as many entries as needed to report all interests in DFEs)
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a Name of MTIA, CCT, PSA, or 103-12 IE: MCV/ROBECO FUND		
b Name of sponsor of entity listed in (a): PRUDENTIAL RETIREMENT INS.		
c EIN-PN 06-1050034-440	d Entity code P	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 1393661
a Name of MTIA, CCT, PSA, or 103-12 IE: SCV/VICTORY FUND		
b Name of sponsor of entity listed in (a): PRUDENTIAL RETIREMENT INS.		
c EIN-PN 06-1050034-701	d Entity code P	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 1756866
a Name of MTIA, CCT, PSA, or 103-12 IE: WESTERN ASSET CR PLS BD		
b Name of sponsor of entity listed in (a): PRUDENTIAL RETIREMENT INS.		
c EIN-PN 06-1050034-824	d Entity code P	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 3198757
a Name of MTIA, CCT, PSA, or 103-12 IE:		
b Name of sponsor of entity listed in (a):		
c EIN-PN	d Entity code	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)
a Name of MTIA, CCT, PSA, or 103-12 IE:		
b Name of sponsor of entity listed in (a):		
c EIN-PN	d Entity code	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)
a Name of MTIA, CCT, PSA, or 103-12 IE:		
b Name of sponsor of entity listed in (a):		
c EIN-PN	d Entity code	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)
a Name of MTIA, CCT, PSA, or 103-12 IE:		
b Name of sponsor of entity listed in (a):		
c EIN-PN	d Entity code	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

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

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

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

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

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>AFC PROFIT SHARING PLAN</u>	B Three-digit plan number (PN) ►	<u>005</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>ALABAMA FARMERS COOPERATIVE INC.</u>	D Employer Identification Number (EIN) <u>63-0207695</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	
b Receivables (less allowance for doubtful accounts):			
(1) Employer contributions.....		1b(1)	
(2) Participant contributions.....		1b(2)	
(3) Other.....		1b(3)	
c General investments:			
(1) Interest-bearing cash (include money market accounts & certificates of deposit).....		1c(1)	
(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)	14750871279419
(9) Value of interest in common/collective trusts.....		1c(9)	
(10) Value of interest in pooled separate accounts		1c(10)	77823426349284
(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)	9729423474062687
(14) Value of funds held in insurance company general account (unallocated contracts).....		1c(14)	2328005524349993
(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	129831718	106041383

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	129831718	106041383
---	-----------	-----------	-----------

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)	3135048	
(B) Participants	2a(1)(B)	5477217	
(C) Others (including rollovers)	2a(1)(C)	268333	
(2) Noncash contributions	2a(2)		
(3) Total contributions. Add lines 2a(1)(A) , (B) , (C) , and line 2a(2)	2a(3)		8880598
b Earnings on investments:			
(1) Interest:			
(A) Interest-bearing cash (including money market accounts and certificates of deposit)	2b(1)(A)		
(B) U.S. Government securities	2b(1)(B)		
(C) Corporate debt instruments	2b(1)(C)		
(D) Loans (other than to participants)	2b(1)(D)		
(E) Participant loans	2b(1)(E)	62112	
(F) Other	2b(1)(F)	458365	
(G) Total interest. Add lines 2b(1)(A) through (F)	2b(1)(G)		520477
(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)	1307085	
(D) Total dividends. Add lines 2b(2)(A) , (B) , and (C)	2b(2)(D)		1307085
(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)		-944994
(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)		-20317389
c Other income	2c		-15521
d Total income. Add all income amounts in column (b) and enter total	2d		-10569744
Expenses			
e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	12744667	
(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)		12744667
f Corrective distributions (see instructions)	2f		
g Certain deemed distributions of participant loans (see instructions)	2g		42579
h Interest expense	2h		
i Administrative expenses: (1) Professional fees	2i(1)	86978	
(2) Contract administrator fees	2i(2)	175791	
(3) Investment advisory and management fees	2i(3)	168826	
(4) Other	2i(4)	1750	
(5) Total administrative expenses. Add lines 2i(1) through (4)	2i(5)		433345
j Total expenses. Add all expense amounts in column (b) and enter total	2j		13220591
Net Income and Reconciliation			
k Net income (loss). Subtract line 2j from line 2d	2k		-23790335
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: **WARREN AVERETT, LLC**

(2) EIN: **45-4084437**

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	☒	☐	130932

	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.)		X	
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.)		X	
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.)		X	
4d		X	
e Was this plan covered by a fidelity bond?	X		1000000
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?		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?		X	
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?		X	
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.)		X	
4j		X	
k Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?		X	
4k		X	
l Has the plan failed to provide any benefit when due under the plan?		X	
4l		X	
m If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.)		X	
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 AFC PROFIT SHARING PLAN		B Three-digit plan number (PN) ► 005
C Plan sponsor's name as shown on line 2a of Form 5500 ALABAMA FARMERS COOPERATIVE INC.		D Employer Identification Number (EIN) 63-0207695
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): 22-1211670		
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
----------------	---

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 _____

AFC PROFIT SHARING PLAN

FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION

DECEMBER 31, 2022 AND 2021



www.warrenaverett.com

The report accompanying this deliverable was issued
by Warren Averett, LLC.

**AFC PROFIT SHARING PLAN
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DECEMBER 31, 2022 AND 2021**

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INDEPENDENT AUDITORS' REPORT

To the Plan Administrator
AFC Profit Sharing Plan

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

We have performed an audit of the accompanying financial statements of AFC Profit Sharing Plan (the Plan), an employee benefit plan subject to the Employee Retirement Income Security Act of 1974 (ERISA), which comprise 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, having determined it is permissible in the circumstances, has elected to have the audit 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 audit need not extend to any statements or information related to assets held for investment of the Plan (investment information) by a bank or similar institution or insurance carrier that is regulated, supervised and subject to periodic examination by a state or federal agency, provided that the statements or information regarding assets so held are prepared and certified to by the bank or similar institution or insurance carrier in accordance with 29 CFR 2520.103-5 of the DOL's Rules and Regulations for Reporting and Disclosure under ERISA (qualified institution).

Management has obtained certifications from qualified institutions as of and for the year ended December 31, 2022, stating that the certified investment information, as described in Note 3 to the financial statements, is complete and accurate.

Opinion on the 2022 Financial Statements

In our opinion, based on our audit and on the procedures performed as described in the Auditors' Responsibilities for the Audit of the 2022 Financial Statements section:

- The amounts and disclosures in the financial statements referred to above, other than those agreed to or derived from the certified investment information, are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America.
- The information in the financial statements referred to above related to assets held by a qualified institution 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 on the 2022 Financial Statements

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

Responsibilities of Management for the 2022 Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America, 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 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.

Auditors' Responsibilities for the Audit of the 2022 Financial Statements

Except as described in the Scope and Nature of the ERISA Section 103(a)(3)(C) Audit section of our report, our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, 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.

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

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

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

2022 Supplemental Schedules Required by ERISA

The supplemental schedule H, line 4a – schedule of delinquent participant contributions and schedule H, line 4i – schedule of assets (held at end of year) are presented for purposes of additional analysis and are not a required part of the financial statements but are supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information included in the supplemental schedules, other than that agreed to or derived from the certified investment information, has been subjected to auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with generally accepted auditing standards. For information included in the supplemental schedules that agreed to or is derived from the certified investment information, we compared such information to the related certified investment information.

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

In our opinion—

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

- the information in the supplemental schedules 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).

Other Matter – Auditors' Report on the 2021 Financial Statements

Predecessor auditors' performed an audit of the 2021 financial statements of the Plan. In accordance with ERISA Section 103(a)(3)(c) pursuant to 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA, the prior year audit did not extend to any statements or information related to the assets held for investments of the Plan that were certified by a qualified institution. Their report dated September 22, 2022, indicated that: (a) the amounts and disclosures in the 2021 financial statements, other than those agreed to or derived from the certified investment information, were presented fairly, in all material respects, in accordance with GAAP, and (b) the information in the 2021 financial statements related to the 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). Their report also indicated that the form and content of the 2021 supplemental schedule, other than the information in the 2021 supplemental schedule that agreed to or is derived from the certified investment information, were presented, in all material respects, in conformity with the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA; and the information in the 2021 supplemental schedule related to assets held by and certified to by a qualified institution agrees to, or derived from, in all material respects, the information prepared and certified by an institution that management determines meets the requirement of ERISA Section 103 (a)(3)(c).

Huntsville, Alabama
October 12, 2023

AFC PROFIT SHARING PLAN
STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS
DECEMBER 31, 2022 AND 2021

	<u>2022</u>	<u>2021</u>
ASSETS		
Investments at fair value		
Mutual funds	\$ 74,062,687	\$ 97,294,234
Pooled separate accounts	6,349,284	7,782,342
Investments at contract value:		
Guaranteed investment contract	<u>24,349,993</u>	<u>23,280,055</u>
Total investments	104,761,964	128,356,631
RECEIVABLES		
Notes receivable from participants	1,279,419	1,499,514
Employer contributions receivable	620,371	610,362
Participant contributions receivable	<u>-</u>	<u>99,563</u>
Total receivables	<u>1,899,790</u>	<u>2,209,439</u>
NET ASSETS AVAILABLE FOR BENEFITS	<u><u>\$ 106,661,754</u></u>	<u><u>\$ 130,566,070</u></u>

See accompanying notes to the financial statements.

AFC PROFIT SHARING PLAN
STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS
FOR THE YEAR ENDED DECEMBER 31, 2022

ADDITIONS

Investment income:	
Interest and dividends	\$ 3,015,605
Other income	<u>153,305</u>
Total investment income	3,168,910
Interest income on notes receivable from participants	62,112
Contributions:	
Employer	3,145,057
Participant	5,377,654
Rollover	<u>268,333</u>
Total Contributions	<u>8,791,044</u>
TOTAL ADDITIONS	12,022,066

DEDUCTIONS

Net depreciation of fair value of investments	22,512,538
Benefits paid to participants	12,744,667
Deemed distributions	67,006
Administrative expenses	<u>602,171</u>

TOTAL DEDUCTIONS	<u>35,926,382</u>
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NET DECREASE	(23,904,316)
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NET ASSETS AVAILABLE FOR BENEFITS

AT BEGINNING OF YEAR	<u>130,566,070</u>
AT END OF YEAR	<u><u>\$ 106,661,754</u></u>

See accompanying notes to the financial statements.

**AFC PROFIT SHARING PLAN
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021**

1. DESCRIPTION OF THE PLAN

The following description of the AFC Profit Sharing Plan (the Plan) is provided for general information purposes only. Participants should refer to the Plan document for a complete description of the Plan's provisions.

General

The Plan, which was established by Alabama Farmers Cooperative Inc. (AFC) and certain of its affiliates (referred to herein collectively as the Company, Employer or Plan Sponsor) on January 1, 1990, and has been amended from time to time thereafter. The Plan is a defined contribution plan and is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA), as amended. The Plan provides retirement and other plan benefits to substantially all employees of the Employer, who have attained the age of 21. Employees are allowed to participate in the Plan on the first day in which the Plan eligibility requirements are met. The Retirement Plan Committee of AFC (Retirement Plan Committee) is responsible for oversight of the Plan and determines the appropriateness of the Plan's investment offerings, monitors investment performance and reports to the Company's Board of Directors. Effective January 1, 2022, the Plan Sponsor restructured, and the Plan became a multiple employer plan (MEP). The Plan was amended and restated to transition to an MEP during 2022.

Contributions

Each year, participants may contribute up to 100% of their annual compensation, as defined in the Plan. Participants who have attained age 50 before the end of the Plan year are eligible to make catch-up contributions. Participants may also contribute amounts representing distributions from other qualified defined benefit or defined contribution plans (rollover). Participants direct the investment of their contributions into various investment options offered by the Plan. The Employer contributes 100% of the first 3% plus 50% of next 2% of eligible compensation that a participant contributes to the plan. The Employer may also contribute a discretionary profit-sharing contribution to the Plan on behalf of each participant who is employed on the last day of the plan year. The amount of such discretionary contribution, if any, for any Plan year shall be determined by the Employer's Board of Directors. During the year ended December 31, 2022, the Company elected to make discretionary profit-sharing contributions of \$620,371. Contributions are subject to certain IRS limitations.

Participant Accounts

Each participant's account is credited with the participant's contributions, their pro rata shares of the Employer's matching contributions and discretionary contributions (if any), an allocation of Plan earnings (including market value adjustments to Plan investments) and charged with allocations of Plan losses and administrative expenses that are paid by the Plan. Allocations of earnings or losses in each investment option are made daily to the individual participant's account based on the ratio of each participant's current account balance in the respective investment option to total Plan participants' account balances in the respective investment option. The benefit to which a participant is entitled is the vested benefit that can be provided from the participant's account.

**AFC PROFIT SHARING PLAN
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021**

1. DESCRIPTION OF THE PLAN – CONTINUED

Vesting

Participants are vested immediately in their contributions, rollover contributions and employer matching contributions plus actual earnings thereon. Vesting in the Company's discretionary contributions is based on years of continuous service. Participants vest ratably after two years of service starting at 20% per year and are 100% vested after six years of credited service.

Notes Receivable from Participants

Participants may borrow from their accounts a minimum of \$1,000 up to a maximum equal to the lesser of \$50,000 reduced by the highest outstanding participant note balance or 50% of the participant's vested account balance in the Plan. A participant may not have more than one note outstanding at any time. The notes are collateralized by a portion of the balance in the participant's account and bear a reasonable fixed rate of interest (prime plus 1% as determined on the first business day of each month), which ranged from 4.25% to 7.25% as of December 31, 2022, and mature at various dates through 2037. Principal and interest are paid ratably through payroll deductions. Notes are subject to repayment terms not to exceed a period of five years, unless the funds are used to purchase a participant's principal residence, which must be repaid within a reasonable period of time, not to exceed 15 years.

Payment of Benefits

On termination of services due to death, disability or retirement, a participant may elect to receive a lump-sum amount equal to the value of the participant's vested interest in his or her account, partial withdrawals, or installments over a period not to exceed the joint life expectancy of the participant or the participant's beneficiary. Terminated participants with a vested balance of less than \$5,000 may elect to receive a lump sum payment or the value of the vested account by transfer to another qualified plan or individual retirement account (IRA). If no election is made, vested balances less than \$1,000 will receive one lump-sum payment, otherwise vested balances will be transferred to an IRA established in the participant's name. In-service withdrawals may be made from all or a portion of the participant's vested account balances once he or she reaches age 59-1/2. Participants may withdraw the vested portion of their account and income earned thereon in the event of a participant's immediate financial hardship, as defined by the Plan document. Effective January 1, 2022, participants may withdraw from their voluntary contribution account and rollover contribution account at any time.

Forfeitures

Forfeitures of participants' non-vested account balances are to be used to pay administrative expenses of the Plan or to reduce Employer contributions to the Plan. During 2022, forfeitures totaling \$30,147 were used to reduce employer contributions or pay administrative fees. As of December 31, 2022 and 2021, forfeited non-vested accounts totaled \$20,292 and \$28,482, respectively.

**AFC PROFIT SHARING PLAN
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The financial statements of the Plan are prepared under 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 requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and charges therein, and disclosure of contingent assets and liabilities. Actual results could differ from those estimates.

Investment Valuation and Income Recognition

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

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

Purchases and sales of securities are recorded on a trade-date basis. Interest income on notes receivable from participants is recorded on the accrual basis. Dividends are recorded on the ex-dividend date. Net depreciation in fair value of investments includes the Plan's gains and losses on investments bought and sold as well as held during the year.

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

Notes Receivable from Participants

Participant notes receivable are recorded at their unpaid principal balance plus any accrued but unpaid interest. Interest income is recorded when received. Related fees are recorded as administrative expenses and are expensed when they are incurred. If a participant does not make loan repayments and the Plan administrator considers the participant loan to be in default, the loan balance is reduced, and the delinquent participant note receivable is recorded as a benefit payment based on the terms of the Plan document. No allowance for credit losses has been recorded as of December 31, 2022 and 2021.

Other Income

The Plan receives revenue sharing income from the Plan's investment funds. Revenue sharing income is used to pay certain administrative expenses of the Plan and is reported as other income.

**AFC PROFIT SHARING PLAN
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Payment of Benefits

Benefits are recorded when paid.

Expenses

Certain expenses of maintaining the Plan are paid directly by the Plan Sponsor and are excluded from these financial statements. Administrative expenses include fees related to the administration of notes receivable that are charged directly to the participant's account and certain recordkeeping and investment consulting fees paid by the Plan. Investment related expenses are included in net appreciation in fair value of investments.

Subsequent Events

Subsequent events have been evaluated through October 12, 2023, the date the financial statements were available to be issued.

3. CERTIFIED INVESTMENTS

Certain information related to investments and notes receivable from participants disclosed in the accompanying financial statements and ERISA-required supplemental schedule, including investments and notes receivable from participants held at December 31, 2022 and 2021, and net depreciation in fair value of investments, interest and dividends and interest income on notes receivable from participants for the year ended December 31, 2022, was obtained by management and agreed to or derived from information certified as complete and accurate by Prudential Bank & Trust, FSB., the trustee of the Plan, and Empower Annuity Insurance Company, the custodian of the Plan.

4. FAIR VALUE MEASUREMENTS

The framework for measuring fair value 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 Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) Topic 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 their fair value measurement.

**AFC PROFIT SHARING PLAN
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021**

4. FAIR VALUE MEASUREMENTS – CONTINUED

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 December 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 funds that registered with the Securities and Exchange Commission. These funds are required to publish their daily net asset value and to transact at that price. The mutual funds held by the Plan are deemed to be actively traded.

Pooled separate accounts: Valued at the net asset value (NAV) of the units of the fund. The NAV, as provided by the trustee, is used as a practical expedient to estimate fair value. The NAV is based on the fair value of the underlying investments held by the fund, less its liabilities. This practical expedient is not used when it is determined to be probable that the fund will sell the investment for an amount different than the reported NAV. Participant transactions (purchases and sales) may occur daily.

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

The following tables sets forth by level, with the fair value hierarchy, the Plan's investment assets at fair value as of December 31, 2022 and 2021:

Description	Assets at Fair Value as of December 31, 2022			
	Level 1	Level 2	Level 3	Total
Mutual funds	\$74,062,687	\$ -	\$ -	\$ 74,062,687
Total assets in the fair value hierarchy	<u>\$74,062,687</u>	<u>\$ -</u>	<u>\$ -</u>	<u>74,062,687</u>
Investments measured at NAV ^(a)				
Pooled separate accounts				<u>6,349,284</u>
Investments, at fair value				<u>\$ 80,411,971</u>

(a) In accordance with the Fair Value Measurements topic, certain investments that were measured at NAV per share (or its equivalent) as a practical expedient have not been classified in the fair value hierarchy. The fair value amounts presented in this table are intended to permit reconciliation of the fair value hierarchy to the line items presented in the statements of net assets available for benefits.

**AFC PROFIT SHARING PLAN
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021**

4. FAIR VALUE MEASUREMENTS – CONTINUED

Description	Assets at Fair Value as of December 31, 2021			
	Level 1	Level 2	Level 3	Total
Mutual funds	\$97,294,234	\$ -	\$ -	\$ 97,294,234
Total assets in the fair value hierarchy	<u>\$97,294,234</u>	<u>\$ -</u>	<u>\$ -</u>	<u>97,294,234</u>
Investments measured at NAV ^(a)				
Pooled separate accounts				<u>7,782,342</u>
Investments, at fair value				<u>\$ 105,076,576</u>

(a) In accordance with the Fair Value Measurements topic, certain investments that were measured at NAV per share (or its equivalent) as a practical expedient have not been classified in the fair value hierarchy. The fair value amounts presented in this table are intended to permit reconciliation of the fair value hierarchy to the line items presented in the statements of net assets available for benefits.

The following table summarizes investments for which fair value is estimated using NAV per share (or its equivalent), as a practical expedient, as of December 31, 2022 and 2021:

Description	Fair Value Estimated Using NAV Per Share				
	Fair Value		Unfunded Commitment	Redemption Frequency	Redemption Notice Period
	December 31, 2022	2021			
Pooled separate accounts					
Western Asset Core Plus Bond	\$ 3,198,757	\$ 4,276,514	None	Daily	None
Victory Fund	1,756,866	1,938,433	None	Daily	None
Robeco Boston Partners Fund	<u>1,393,661</u>	<u>1,567,395</u>	None	Daily	None
Total	<u>\$ 6,349,284</u>	<u>\$ 7,782,342</u>			

To assess the appropriate classification of investments within the fair value hierarchy, the availability of market data is monitored. Changes in economic conditions or valuation techniques may require the transfer of investments from one fair value level to another.

The Plan evaluates the significance of transfers between levels based upon the nature of the investment and size of the transfer relative to total net assets available for benefits.

**AFC PROFIT SHARING PLAN
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021**

5. FULLY BENEFIT-RESPONSIVE INVESTMENT CONTRACT

The Plan has a traditional, fully benefit-responsive guaranteed investment contract with Empower Annuity Insurance Company (Empower), formerly Prudential Retirement Insurance and Annuity Company (PRIAC), totaling \$24,349,993 and \$23,280,055 at December 31, 2022 and 2021, respectively. Empower maintains the contributions in a general account. The account is credited with contributions, earnings on the underlying investments and charged for participant withdrawals and administrative expenses. The contract issuer is contractually obligated to repay the principal and a specified interest rate that is guaranteed to the Plan. The crediting interest rate is based on a formula agreed upon with the issuer, but it may not be less than 1.5%. Such interest rates are reviewed on an annual basis for resetting. The contract cannot be terminated before the scheduled maturity date.

This contract meets the fully benefit-responsive investment contract criteria and therefore is reported at contract value. Contract value is the relevant measure for fully benefit-responsive investment contracts because this is the amount received by participants if they were to initiate permitted transactions under the terms of the Plan. Contract value, as reported to the Plan by Empower, 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.

Certain events might 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 contract with the Plan and settle at an amount different from contract value. Such events include (1) an uncured violation of the Plan's investment guidelines, (2) a breach of material obligation under the contract, (3) a material misrepresentation or (4) a material amendment to the agreement without the consent of the issuer.

**AFC PROFIT SHARING PLAN
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021**

6. RELATED PARTY TRANSACTIONS AND PARTY-IN-INTEREST TRANSACTIONS

Certain Plan investments are managed by Prudential Bank & Trust, FSB, the trustee to the Plan. Empower is the recordkeeper for the Plan. Therefore, transactions with these entities qualify as party-in-interest transactions. CapFinancial Partners, LLC provides investment consulting services to the Plan. Fees paid by the Plan to CapFinancial Partners, LLC for investment consulting services amounted to \$168,828 and \$163,908 during the years ended December 31, 2022 and 2021, respectively. Burr Forman LLP provides legal services to the Plan. Fees paid by the Plan to Burr Forman LLP for legal services amounted to \$4,484 and \$3,236 during the years ended December 31, 2022 and 2021, respectively.

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% vested in their employer contributions.

8. TAX STATUS

The Plan adopted a non-standardized pre-approved, profit-sharing plan document and is relying on the non-standardized plan's opinion letter from the Internal Revenue Service dated September 16, 2022. The letter states that the non-standardized plan is designed in accordance with applicable sections of the Internal Revenue Code (IRC). The Plan Administrator believes the Plan is designed and is being operated in compliance with the applicable provisions of the IRC.

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

**AFC PROFIT SHARING PLAN
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021**

9. RECONCILIATION OF FINANCIAL STATEMENTS TO FORM 5500

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

	<u>2022</u>	<u>2021</u>
Net assets available for benefits per financial statements	\$ 106,661,754	\$ 130,566,070
Participant contributions receivable	-	(99,563)
Employer contributions receivable	(620,371)	(610,362)
Deemed distributions	<u>-</u>	<u>(24,427)</u>
Net assets available for benefits per Form 5500	<u>\$ 106,041,383</u>	<u>\$ 129,831,718</u>

The following is a reconciliation to the Form 5500 for the year ended December 31, 2022:

Decrease in net assets per the financial statements	\$ (23,904,316)
Current year contributions receivable	(620,371)
Prior year contributions receivable	709,925
Prior year deemed distributions	<u>24,427</u>
Net loss per Form 5500	<u>\$ (23,790,335)</u>

10. RISKS AND UNCERTAINTIES

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

11. PROHIBITED TRANSACTIONS

During 2022 and 2021, the Company inadvertently failed to deposit \$203,015 and \$884,981, respectively, of participant deferrals and loan repayments within the required timeframe as stated by the DOL. The DOL considers late deposits to be prohibited transactions. The Company remitted lost earnings to the Plan for the 2022 late deposits and a portion of the 2021 late deposits during 2022, and remaining 2021 amounts subsequent to year-end.

SUPPLEMENTARY INFORMATION

AFC PROFIT SHARING PLAN
EMPLOYER ID # 63-0207695, PLAN # 005
SCHEDULE H, LINE 4a –
SCHEDULE OF DELINQUENT PARTICIPANT CONTRIBUTIONS
DECEMBER 31, 2022

Plan Year	Participant Contributions Transferred Late to Plan	Contributions Not Fully Corrected	Contributions Corrected Outside of VFCP	Contributions Pending Correction in VFCP	Total Fully Corrected Under VFCP and PTE 2002-51	Total That Constitutes Nonexempt Prohibited Transactions
2021*	\$ 884,981	\$ 130,932	\$ 754,049	\$ -	\$ -	\$ 130,932
2022*	203,015	-	203,015	-	-	-
	<u>\$ 1,087,996</u>	<u>\$ 130,932</u>	<u>\$ 957,064</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 130,932</u>

This schedule is presented in compliance with DOL filing requirements.

AFC PROFIT SHARING PLAN
EMPLOYER ID # 63-0207695, PLAN # 005
SCHEDULE H, LINE 4i –
SCHEDULE OF ASSETS (HELD AT END OF YEAR)
DECEMBER 31, 2022

(a) (b) Identity of Issuer, Borrower, Lessor or Similar Party	(c) Description of Investment, Including Maturity Date, Rate of Interest, Collateral, Par or Maturity Value	(e) Current Value
* Empower Annuity Insurance Company	Guaranteed Income Fund	\$ 24,349,993
* Western Asset Core Plus Bond	Pooled Fund	3,198,757
* Victory Capital Management Victory Fund	Pooled Fund	1,756,866
* Robeco Investment Management		
Robeco Boston Partners Fund	Pooled Fund	1,393,661
American Funds EuroPacific	Mutual Fund	2,314,809
JP Morgan Smart Retirement 2020 Institutional	Mutual Fund	1,282,089
JP Morgan Smart Retirement 2025 Institutional	Mutual Fund	4,973,599
JP Morgan Smart Retirement 2030 Institutional	Mutual Fund	5,069,363
JP Morgan Smart Retirement 2035 Institutional	Mutual Fund	5,214,929
JP Morgan Smart Retirement 2040 Institutional	Mutual Fund	4,563,771
JP Morgan Smart Retirement 2045 Institutional	Mutual Fund	7,349,360
JP Morgan Smart Retirement 2050 Institutional	Mutual Fund	3,824,652
JP Morgan Smart Retirement 2055 Institutional	Mutual Fund	2,086,140
JP Morgan Smart Retirement 2060 Institutional	Mutual Fund	788,138
JP Morgan Smart Retirement Income	Mutual Fund	2,749,617
Mass Mutual Select Mid Cap Growth	Mutual Fund	636,456
MFS Value Fund Class R6	Mutual Fund	9,985,482
T. Rowe Price Institutional Large Cap Core Growth	Mutual Fund	9,611,308
T. Rowe Price QM US Small Cap Growth	Mutual Fund	2,199,563
Vanguard Extended Market Index Admiral	Mutual Fund	3,149,546
Vanguard Institutional Index Index I	Mutual Fund	6,956,807
Vanguard Total Bond Market Index Admiral	Mutual Fund	564,696
Vanguard Total International Stock Index Admiral	Mutual Fund	742,362
* Participant loans	Loans with varying maturity dates and interest rates from 4.25% to 7.25%	1,279,419
		<u>\$ 106,041,383</u>

* Party-in-interest to the Plan

Column (d) has not been presented as this information is not applicable.

This schedule is presented in compliance with DOL filing requirements.

AFC PROFIT SHARING PLAN

FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION

DECEMBER 31, 2022 AND 2021



www.warrenaverett.com

The report accompanying this deliverable was issued
by Warren Averett, LLC.

**AFC PROFIT SHARING PLAN
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DECEMBER 31, 2022 AND 2021**

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INDEPENDENT AUDITORS' REPORT

To the Plan Administrator
AFC Profit Sharing Plan

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

We have performed an audit of the accompanying financial statements of AFC Profit Sharing Plan (the Plan), an employee benefit plan subject to the Employee Retirement Income Security Act of 1974 (ERISA), which comprise 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, having determined it is permissible in the circumstances, has elected to have the audit 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 audit need not extend to any statements or information related to assets held for investment of the Plan (investment information) by a bank or similar institution or insurance carrier that is regulated, supervised and subject to periodic examination by a state or federal agency, provided that the statements or information regarding assets so held are prepared and certified to by the bank or similar institution or insurance carrier in accordance with 29 CFR 2520.103-5 of the DOL's Rules and Regulations for Reporting and Disclosure under ERISA (qualified institution).

Management has obtained certifications from qualified institutions as of and for the year ended December 31, 2022, stating that the certified investment information, as described in Note 3 to the financial statements, is complete and accurate.

Opinion on the 2022 Financial Statements

In our opinion, based on our audit and on the procedures performed as described in the Auditors' Responsibilities for the Audit of the 2022 Financial Statements section:

- The amounts and disclosures in the financial statements referred to above, other than those agreed to or derived from the certified investment information, are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America.
- The information in the financial statements referred to above related to assets held by a qualified institution 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 on the 2022 Financial Statements

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

Responsibilities of Management for the 2022 Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America, 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 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.

Auditors' Responsibilities for the Audit of the 2022 Financial Statements

Except as described in the Scope and Nature of the ERISA Section 103(a)(3)(C) Audit section of our report, our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, 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.

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

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

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

2022 Supplemental Schedules Required by ERISA

The supplemental schedule H, line 4a – schedule of delinquent participant contributions and schedule H, line 4i – schedule of assets (held at end of year) are presented for purposes of additional analysis and are not a required part of the financial statements but are supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information included in the supplemental schedules, other than that agreed to or derived from the certified investment information, has been subjected to auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with generally accepted auditing standards. For information included in the supplemental schedules that agreed to or is derived from the certified investment information, we compared such information to the related certified investment information.

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

In our opinion—

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

- the information in the supplemental schedules 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).

Other Matter – Auditors' Report on the 2021 Financial Statements

Predecessor auditors' performed an audit of the 2021 financial statements of the Plan. In accordance with ERISA Section 103(a)(3)(c) pursuant to 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA, the prior year audit did not extend to any statements or information related to the assets held for investments of the Plan that were certified by a qualified institution. Their report dated September 22, 2022, indicated that: (a) the amounts and disclosures in the 2021 financial statements, other than those agreed to or derived from the certified investment information, were presented fairly, in all material respects, in accordance with GAAP, and (b) the information in the 2021 financial statements related to the 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). Their report also indicated that the form and content of the 2021 supplemental schedule, other than the information in the 2021 supplemental schedule that agreed to or is derived from the certified investment information, were presented, in all material respects, in conformity with the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA; and the information in the 2021 supplemental schedule related to assets held by and certified to by a qualified institution agrees to, or derived from, in all material respects, the information prepared and certified by an institution that management determines meets the requirement of ERISA Section 103 (a)(3)(c).

Huntsville, Alabama
October 12, 2023

AFC PROFIT SHARING PLAN
STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS
DECEMBER 31, 2022 AND 2021

	<u>2022</u>	<u>2021</u>
ASSETS		
Investments at fair value		
Mutual funds	\$ 74,062,687	\$ 97,294,234
Pooled separate accounts	6,349,284	7,782,342
Investments at contract value:		
Guaranteed investment contract	<u>24,349,993</u>	<u>23,280,055</u>
Total investments	104,761,964	128,356,631
RECEIVABLES		
Notes receivable from participants	1,279,419	1,499,514
Employer contributions receivable	620,371	610,362
Participant contributions receivable	<u>-</u>	<u>99,563</u>
Total receivables	<u>1,899,790</u>	<u>2,209,439</u>
NET ASSETS AVAILABLE FOR BENEFITS	<u><u>\$ 106,661,754</u></u>	<u><u>\$ 130,566,070</u></u>

See accompanying notes to the financial statements.

AFC PROFIT SHARING PLAN
STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS
FOR THE YEAR ENDED DECEMBER 31, 2022

ADDITIONS

Investment income:	
Interest and dividends	\$ 3,015,605
Other income	<u>153,305</u>
Total investment income	3,168,910
Interest income on notes receivable from participants	62,112
Contributions:	
Employer	3,145,057
Participant	5,377,654
Rollover	<u>268,333</u>
Total Contributions	<u>8,791,044</u>
TOTAL ADDITIONS	12,022,066

DEDUCTIONS

Net depreciation of fair value of investments	22,512,538
Benefits paid to participants	12,744,667
Deemed distributions	67,006
Administrative expenses	<u>602,171</u>
TOTAL DEDUCTIONS	<u>35,926,382</u>

NET DECREASE (23,904,316)

NET ASSETS AVAILABLE FOR BENEFITS

AT BEGINNING OF YEAR	<u>130,566,070</u>
AT END OF YEAR	<u><u>\$ 106,661,754</u></u>

See accompanying notes to the financial statements.

**AFC PROFIT SHARING PLAN
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021**

1. DESCRIPTION OF THE PLAN

The following description of the AFC Profit Sharing Plan (the Plan) is provided for general information purposes only. Participants should refer to the Plan document for a complete description of the Plan's provisions.

General

The Plan, which was established by Alabama Farmers Cooperative Inc. (AFC) and certain of its affiliates (referred to herein collectively as the Company, Employer or Plan Sponsor) on January 1, 1990, and has been amended from time to time thereafter. The Plan is a defined contribution plan and is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA), as amended. The Plan provides retirement and other plan benefits to substantially all employees of the Employer, who have attained the age of 21. Employees are allowed to participate in the Plan on the first day in which the Plan eligibility requirements are met. The Retirement Plan Committee of AFC (Retirement Plan Committee) is responsible for oversight of the Plan and determines the appropriateness of the Plan's investment offerings, monitors investment performance and reports to the Company's Board of Directors. Effective January 1, 2022, the Plan Sponsor restructured, and the Plan became a multiple employer plan (MEP). The Plan was amended and restated to transition to an MEP during 2022.

Contributions

Each year, participants may contribute up to 100% of their annual compensation, as defined in the Plan. Participants who have attained age 50 before the end of the Plan year are eligible to make catch-up contributions. Participants may also contribute amounts representing distributions from other qualified defined benefit or defined contribution plans (rollover). Participants direct the investment of their contributions into various investment options offered by the Plan. The Employer contributes 100% of the first 3% plus 50% of next 2% of eligible compensation that a participant contributes to the plan. The Employer may also contribute a discretionary profit-sharing contribution to the Plan on behalf of each participant who is employed on the last day of the plan year. The amount of such discretionary contribution, if any, for any Plan year shall be determined by the Employer's Board of Directors. During the year ended December 31, 2022, the Company elected to make discretionary profit-sharing contributions of \$620,371. Contributions are subject to certain IRS limitations.

Participant Accounts

Each participant's account is credited with the participant's contributions, their pro rata shares of the Employer's matching contributions and discretionary contributions (if any), an allocation of Plan earnings (including market value adjustments to Plan investments) and charged with allocations of Plan losses and administrative expenses that are paid by the Plan. Allocations of earnings or losses in each investment option are made daily to the individual participant's account based on the ratio of each participant's current account balance in the respective investment option to total Plan participants' account balances in the respective investment option. The benefit to which a participant is entitled is the vested benefit that can be provided from the participant's account.

**AFC PROFIT SHARING PLAN
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021**

1. DESCRIPTION OF THE PLAN – CONTINUED

Vesting

Participants are vested immediately in their contributions, rollover contributions and employer matching contributions plus actual earnings thereon. Vesting in the Company's discretionary contributions is based on years of continuous service. Participants vest ratably after two years of service starting at 20% per year and are 100% vested after six years of credited service.

Notes Receivable from Participants

Participants may borrow from their accounts a minimum of \$1,000 up to a maximum equal to the lesser of \$50,000 reduced by the highest outstanding participant note balance or 50% of the participant's vested account balance in the Plan. A participant may not have more than one note outstanding at any time. The notes are collateralized by a portion of the balance in the participant's account and bear a reasonable fixed rate of interest (prime plus 1% as determined on the first business day of each month), which ranged from 4.25% to 7.25% as of December 31, 2022, and mature at various dates through 2037. Principal and interest are paid ratably through payroll deductions. Notes are subject to repayment terms not to exceed a period of five years, unless the funds are used to purchase a participant's principal residence, which must be repaid within a reasonable period of time, not to exceed 15 years.

Payment of Benefits

On termination of services due to death, disability or retirement, a participant may elect to receive a lump-sum amount equal to the value of the participant's vested interest in his or her account, partial withdrawals, or installments over a period not to exceed the joint life expectancy of the participant or the participant's beneficiary. Terminated participants with a vested balance of less than \$5,000 may elect to receive a lump sum payment or the value of the vested account by transfer to another qualified plan or individual retirement account (IRA). If no election is made, vested balances less than \$1,000 will receive one lump-sum payment, otherwise vested balances will be transferred to an IRA established in the participant's name. In-service withdrawals may be made from all or a portion of the participant's vested account balances once he or she reaches age 59-1/2. Participants may withdraw the vested portion of their account and income earned thereon in the event of a participant's immediate financial hardship, as defined by the Plan document. Effective January 1, 2022, participants may withdraw from their voluntary contribution account and rollover contribution account at any time.

Forfeitures

Forfeitures of participants' non-vested account balances are to be used to pay administrative expenses of the Plan or to reduce Employer contributions to the Plan. During 2022, forfeitures totaling \$30,147 were used to reduce employer contributions or pay administrative fees. As of December 31, 2022 and 2021, forfeited non-vested accounts totaled \$20,292 and \$28,482, respectively.

**AFC PROFIT SHARING PLAN
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The financial statements of the Plan are prepared under 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 requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and charges therein, and disclosure of contingent assets and liabilities. Actual results could differ from those estimates.

Investment Valuation and Income Recognition

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

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

Purchases and sales of securities are recorded on a trade-date basis. Interest income on notes receivable from participants is recorded on the accrual basis. Dividends are recorded on the ex-dividend date. Net depreciation in fair value of investments includes the Plan's gains and losses on investments bought and sold as well as held during the year.

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

Notes Receivable from Participants

Participant notes receivable are recorded at their unpaid principal balance plus any accrued but unpaid interest. Interest income is recorded when received. Related fees are recorded as administrative expenses and are expensed when they are incurred. If a participant does not make loan repayments and the Plan administrator considers the participant loan to be in default, the loan balance is reduced, and the delinquent participant note receivable is recorded as a benefit payment based on the terms of the Plan document. No allowance for credit losses has been recorded as of December 31, 2022 and 2021.

Other Income

The Plan receives revenue sharing income from the Plan's investment funds. Revenue sharing income is used to pay certain administrative expenses of the Plan and is reported as other income.

**AFC PROFIT SHARING PLAN
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Payment of Benefits

Benefits are recorded when paid.

Expenses

Certain expenses of maintaining the Plan are paid directly by the Plan Sponsor and are excluded from these financial statements. Administrative expenses include fees related to the administration of notes receivable that are charged directly to the participant's account and certain recordkeeping and investment consulting fees paid by the Plan. Investment related expenses are included in net appreciation in fair value of investments.

Subsequent Events

Subsequent events have been evaluated through October 12, 2023, the date the financial statements were available to be issued.

3. CERTIFIED INVESTMENTS

Certain information related to investments and notes receivable from participants disclosed in the accompanying financial statements and ERISA-required supplemental schedule, including investments and notes receivable from participants held at December 31, 2022 and 2021, and net depreciation in fair value of investments, interest and dividends and interest income on notes receivable from participants for the year ended December 31, 2022, was obtained by management and agreed to or derived from information certified as complete and accurate by Prudential Bank & Trust, FSB., the trustee of the Plan, and Empower Annuity Insurance Company, the custodian of the Plan.

4. FAIR VALUE MEASUREMENTS

The framework for measuring fair value 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 Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) Topic 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 their fair value measurement.

**AFC PROFIT SHARING PLAN
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021**

4. FAIR VALUE MEASUREMENTS – CONTINUED

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 December 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 funds that registered with the Securities and Exchange Commission. These funds are required to publish their daily net asset value and to transact at that price. The mutual funds held by the Plan are deemed to be actively traded.

Pooled separate accounts: Valued at the net asset value (NAV) of the units of the fund. The NAV, as provided by the trustee, is used as a practical expedient to estimate fair value. The NAV is based on the fair value of the underlying investments held by the fund, less its liabilities. This practical expedient is not used when it is determined to be probable that the fund will sell the investment for an amount different than the reported NAV. Participant transactions (purchases and sales) may occur daily.

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

The following tables sets forth by level, with the fair value hierarchy, the Plan's investment assets at fair value as of December 31, 2022 and 2021:

Description	Assets at Fair Value as of December 31, 2022			
	Level 1	Level 2	Level 3	Total
Mutual funds	\$74,062,687	\$ -	\$ -	\$ 74,062,687
Total assets in the fair value hierarchy	<u>\$74,062,687</u>	<u>\$ -</u>	<u>\$ -</u>	<u>74,062,687</u>
Investments measured at NAV ^(a)				
Pooled separate accounts				<u>6,349,284</u>
Investments, at fair value				<u>\$ 80,411,971</u>

(a) In accordance with the Fair Value Measurements topic, certain investments that were measured at NAV per share (or its equivalent) as a practical expedient have not been classified in the fair value hierarchy. The fair value amounts presented in this table are intended to permit reconciliation of the fair value hierarchy to the line items presented in the statements of net assets available for benefits.

**AFC PROFIT SHARING PLAN
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021**

4. FAIR VALUE MEASUREMENTS – CONTINUED

Description	Assets at Fair Value as of December 31, 2021			
	Level 1	Level 2	Level 3	Total
Mutual funds	\$97,294,234	\$ -	\$ -	\$ 97,294,234
Total assets in the fair value hierarchy	<u>\$97,294,234</u>	<u>\$ -</u>	<u>\$ -</u>	<u>97,294,234</u>
Investments measured at NAV ^(a)				
Pooled separate accounts				<u>7,782,342</u>
Investments, at fair value				<u>\$ 105,076,576</u>

(a) In accordance with the Fair Value Measurements topic, certain investments that were measured at NAV per share (or its equivalent) as a practical expedient have not been classified in the fair value hierarchy. The fair value amounts presented in this table are intended to permit reconciliation of the fair value hierarchy to the line items presented in the statements of net assets available for benefits.

The following table summarizes investments for which fair value is estimated using NAV per share (or its equivalent), as a practical expedient, as of December 31, 2022 and 2021:

Description	Fair Value Estimated Using NAV Per Share				
	Fair Value		Unfunded	Redemption	Redemption
	December 31,	December 31,			
	2022	2021	Commitment	Frequency	Notice
Pooled separate accounts					
Western Asset Core Plus Bond	\$ 3,198,757	\$ 4,276,514	None	Daily	None
Victory Fund	1,756,866	1,938,433	None	Daily	None
Robeco Boston Partners Fund	<u>1,393,661</u>	<u>1,567,395</u>	None	Daily	None
Total	<u>\$ 6,349,284</u>	<u>\$ 7,782,342</u>			

To assess the appropriate classification of investments within the fair value hierarchy, the availability of market data is monitored. Changes in economic conditions or valuation techniques may require the transfer of investments from one fair value level to another.

The Plan evaluates the significance of transfers between levels based upon the nature of the investment and size of the transfer relative to total net assets available for benefits.

**AFC PROFIT SHARING PLAN
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021**

5. FULLY BENEFIT-RESPONSIVE INVESTMENT CONTRACT

The Plan has a traditional, fully benefit-responsive guaranteed investment contract with Empower Annuity Insurance Company (Empower), formerly Prudential Retirement Insurance and Annuity Company (PRIAC), totaling \$24,349,993 and \$23,280,055 at December 31, 2022 and 2021, respectively. Empower maintains the contributions in a general account. The account is credited with contributions, earnings on the underlying investments and charged for participant withdrawals and administrative expenses. The contract issuer is contractually obligated to repay the principal and a specified interest rate that is guaranteed to the Plan. The crediting interest rate is based on a formula agreed upon with the issuer, but it may not be less than 1.5%. Such interest rates are reviewed on an annual basis for resetting. The contract cannot be terminated before the scheduled maturity date.

This contract meets the fully benefit-responsive investment contract criteria and therefore is reported at contract value. Contract value is the relevant measure for fully benefit-responsive investment contracts because this is the amount received by participants if they were to initiate permitted transactions under the terms of the Plan. Contract value, as reported to the Plan by Empower, 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.

Certain events might 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 contract with the Plan and settle at an amount different from contract value. Such events include (1) an uncured violation of the Plan's investment guidelines, (2) a breach of material obligation under the contract, (3) a material misrepresentation or (4) a material amendment to the agreement without the consent of the issuer.

**AFC PROFIT SHARING PLAN
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021**

6. RELATED PARTY TRANSACTIONS AND PARTY-IN-INTEREST TRANSACTIONS

Certain Plan investments are managed by Prudential Bank & Trust, FSB, the trustee to the Plan. Empower is the recordkeeper for the Plan. Therefore, transactions with these entities qualify as party-in-interest transactions. CapFinancial Partners, LLC provides investment consulting services to the Plan. Fees paid by the Plan to CapFinancial Partners, LLC for investment consulting services amounted to \$168,828 and \$163,908 during the years ended December 31, 2022 and 2021, respectively. Burr Forman LLP provides legal services to the Plan. Fees paid by the Plan to Burr Forman LLP for legal services amounted to \$4,484 and \$3,236 during the years ended December 31, 2022 and 2021, respectively.

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% vested in their employer contributions.

8. TAX STATUS

The Plan adopted a non-standardized pre-approved, profit-sharing plan document and is relying on the non-standardized plan's opinion letter from the Internal Revenue Service dated September 16, 2022. The letter states that the non-standardized plan is designed in accordance with applicable sections of the Internal Revenue Code (IRC). The Plan Administrator believes the Plan is designed and is being operated in compliance with the applicable provisions of the IRC.

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

**AFC PROFIT SHARING PLAN
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021**

9. RECONCILIATION OF FINANCIAL STATEMENTS TO FORM 5500

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

	<u>2022</u>	<u>2021</u>
Net assets available for benefits per financial statements	\$ 106,661,754	\$ 130,566,070
Participant contributions receivable	-	(99,563)
Employer contributions receivable	(620,371)	(610,362)
Deemed distributions	<u>-</u>	<u>(24,427)</u>
Net assets available for benefits per Form 5500	<u>\$ 106,041,383</u>	<u>\$ 129,831,718</u>

The following is a reconciliation to the Form 5500 for the year ended December 31, 2022:

Decrease in net assets per the financial statements	\$ (23,904,316)
Current year contributions receivable	(620,371)
Prior year contributions receivable	709,925
Prior year deemed distributions	<u>24,427</u>
Net loss per Form 5500	<u>\$ (23,790,335)</u>

10. RISKS AND UNCERTAINTIES

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

11. PROHIBITED TRANSACTIONS

During 2022 and 2021, the Company inadvertently failed to deposit \$203,015 and \$884,981, respectively, of participant deferrals and loan repayments within the required timeframe as stated by the DOL. The DOL considers late deposits to be prohibited transactions. The Company remitted lost earnings to the Plan for the 2022 late deposits and a portion of the 2021 late deposits during 2022, and remaining 2021 amounts subsequent to year-end.

SUPPLEMENTARY INFORMATION

AFC PROFIT SHARING PLAN
EMPLOYER ID # 63-0207695, PLAN # 005
SCHEDULE H, LINE 4a –
SCHEDULE OF DELINQUENT PARTICIPANT CONTRIBUTIONS
DECEMBER 31, 2022

Plan Year	Participant Contributions Transferred Late to Plan	Contributions Not Fully Corrected	Contributions Corrected Outside of VFCP	Contributions Pending Correction in VFCP	Total Fully Corrected Under VFCP and PTE 2002-51	Total That Constitutes Nonexempt Prohibited Transactions
2021*	\$ 884,981	\$ 130,932	\$ 754,049	\$ -	\$ -	\$ 130,932
2022*	203,015	-	203,015	-	-	-
	<u>\$ 1,087,996</u>	<u>\$ 130,932</u>	<u>\$ 957,064</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 130,932</u>

This schedule is presented in compliance with DOL filing requirements.

AFC PROFIT SHARING PLAN
EMPLOYER ID # 63-0207695, PLAN # 005
SCHEDULE H, LINE 4i –
SCHEDULE OF ASSETS (HELD AT END OF YEAR)
DECEMBER 31, 2022

(a) (b) Identity of Issuer, Borrower, Lessor or Similar Party	(c) Description of Investment, Including Maturity Date, Rate of Interest, Collateral, Par or Maturity Value	(e) Current Value
* Empower Annuity Insurance Company	Guaranteed Income Fund	\$ 24,349,993
* Western Asset Core Plus Bond	Pooled Fund	3,198,757
* Victory Capital Management Victory Fund	Pooled Fund	1,756,866
* Robeco Investment Management		
Robeco Boston Partners Fund	Pooled Fund	1,393,661
American Funds EuroPacific	Mutual Fund	2,314,809
JP Morgan Smart Retirement 2020 Institutional	Mutual Fund	1,282,089
JP Morgan Smart Retirement 2025 Institutional	Mutual Fund	4,973,599
JP Morgan Smart Retirement 2030 Institutional	Mutual Fund	5,069,363
JP Morgan Smart Retirement 2035 Institutional	Mutual Fund	5,214,929
JP Morgan Smart Retirement 2040 Institutional	Mutual Fund	4,563,771
JP Morgan Smart Retirement 2045 Institutional	Mutual Fund	7,349,360
JP Morgan Smart Retirement 2050 Institutional	Mutual Fund	3,824,652
JP Morgan Smart Retirement 2055 Institutional	Mutual Fund	2,086,140
JP Morgan Smart Retirement 2060 Institutional	Mutual Fund	788,138
JP Morgan Smart Retirement Income	Mutual Fund	2,749,617
Mass Mutual Select Mid Cap Growth	Mutual Fund	636,456
MFS Value Fund Class R6	Mutual Fund	9,985,482
T. Rowe Price Institutional Large Cap Core Growth	Mutual Fund	9,611,308
T. Rowe Price QM US Small Cap Growth	Mutual Fund	2,199,563
Vanguard Extended Market Index Admiral	Mutual Fund	3,149,546
Vanguard Institutional Index Index I	Mutual Fund	6,956,807
Vanguard Total Bond Market Index Admiral	Mutual Fund	564,696
Vanguard Total International Stock Index Admiral	Mutual Fund	742,362
* Participant loans	Loans with varying maturity dates and interest rates from 4.25% to 7.25%	1,279,419
		<u><u>\$ 106,041,383</u></u>

* Party-in-interest to the Plan

Column (d) has not been presented as this information is not applicable.

This schedule is presented in compliance with DOL filing requirements.

AFC PROFIT SHARING PLAN

FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION

DECEMBER 31, 2022 AND 2021



www.warrenaverett.com

The report accompanying this deliverable was issued
by Warren Averett, LLC.

**AFC PROFIT SHARING PLAN
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DECEMBER 31, 2022 AND 2021**

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INDEPENDENT AUDITORS' REPORT

To the Plan Administrator
AFC Profit Sharing Plan

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

We have performed an audit of the accompanying financial statements of AFC Profit Sharing Plan (the Plan), an employee benefit plan subject to the Employee Retirement Income Security Act of 1974 (ERISA), which comprise 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, having determined it is permissible in the circumstances, has elected to have the audit 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 audit need not extend to any statements or information related to assets held for investment of the Plan (investment information) by a bank or similar institution or insurance carrier that is regulated, supervised and subject to periodic examination by a state or federal agency, provided that the statements or information regarding assets so held are prepared and certified to by the bank or similar institution or insurance carrier in accordance with 29 CFR 2520.103-5 of the DOL's Rules and Regulations for Reporting and Disclosure under ERISA (qualified institution).

Management has obtained certifications from qualified institutions as of and for the year ended December 31, 2022, stating that the certified investment information, as described in Note 3 to the financial statements, is complete and accurate.

Opinion on the 2022 Financial Statements

In our opinion, based on our audit and on the procedures performed as described in the Auditors' Responsibilities for the Audit of the 2022 Financial Statements section:

- The amounts and disclosures in the financial statements referred to above, other than those agreed to or derived from the certified investment information, are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America.
- The information in the financial statements referred to above related to assets held by a qualified institution 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 on the 2022 Financial Statements

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

Responsibilities of Management for the 2022 Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America, 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 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.

Auditors' Responsibilities for the Audit of the 2022 Financial Statements

Except as described in the Scope and Nature of the ERISA Section 103(a)(3)(C) Audit section of our report, our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, 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.

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

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

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

2022 Supplemental Schedules Required by ERISA

The supplemental schedule H, line 4a – schedule of delinquent participant contributions and schedule H, line 4i – schedule of assets (held at end of year) are presented for purposes of additional analysis and are not a required part of the financial statements but are supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information included in the supplemental schedules, other than that agreed to or derived from the certified investment information, has been subjected to auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with generally accepted auditing standards. For information included in the supplemental schedules that agreed to or is derived from the certified investment information, we compared such information to the related certified investment information.

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

In our opinion—

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

- the information in the supplemental schedules 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).

Other Matter – Auditors' Report on the 2021 Financial Statements

Predecessor auditors' performed an audit of the 2021 financial statements of the Plan. In accordance with ERISA Section 103(a)(3)(c) pursuant to 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA, the prior year audit did not extend to any statements or information related to the assets held for investments of the Plan that were certified by a qualified institution. Their report dated September 22, 2022, indicated that: (a) the amounts and disclosures in the 2021 financial statements, other than those agreed to or derived from the certified investment information, were presented fairly, in all material respects, in accordance with GAAP, and (b) the information in the 2021 financial statements related to the 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). Their report also indicated that the form and content of the 2021 supplemental schedule, other than the information in the 2021 supplemental schedule that agreed to or is derived from the certified investment information, were presented, in all material respects, in conformity with the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA; and the information in the 2021 supplemental schedule related to assets held by and certified to by a qualified institution agrees to, or derived from, in all material respects, the information prepared and certified by an institution that management determines meets the requirement of ERISA Section 103 (a)(3)(c).

Huntsville, Alabama
October 12, 2023

AFC PROFIT SHARING PLAN
STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS
DECEMBER 31, 2022 AND 2021

	<u>2022</u>	<u>2021</u>
ASSETS		
Investments at fair value		
Mutual funds	\$ 74,062,687	\$ 97,294,234
Pooled separate accounts	6,349,284	7,782,342
Investments at contract value:		
Guaranteed investment contract	<u>24,349,993</u>	<u>23,280,055</u>
Total investments	104,761,964	128,356,631
RECEIVABLES		
Notes receivable from participants	1,279,419	1,499,514
Employer contributions receivable	620,371	610,362
Participant contributions receivable	<u>-</u>	<u>99,563</u>
Total receivables	<u>1,899,790</u>	<u>2,209,439</u>
NET ASSETS AVAILABLE FOR BENEFITS	<u><u>\$ 106,661,754</u></u>	<u><u>\$ 130,566,070</u></u>

See accompanying notes to the financial statements.

AFC PROFIT SHARING PLAN
STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS
FOR THE YEAR ENDED DECEMBER 31, 2022

ADDITIONS

Investment income:	
Interest and dividends	\$ 3,015,605
Other income	<u>153,305</u>
Total investment income	3,168,910
Interest income on notes receivable from participants	62,112
Contributions:	
Employer	3,145,057
Participant	5,377,654
Rollover	<u>268,333</u>
Total Contributions	<u>8,791,044</u>
TOTAL ADDITIONS	12,022,066

DEDUCTIONS

Net depreciation of fair value of investments	22,512,538
Benefits paid to participants	12,744,667
Deemed distributions	67,006
Administrative expenses	<u>602,171</u>

TOTAL DEDUCTIONS	<u>35,926,382</u>
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NET DECREASE	(23,904,316)
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NET ASSETS AVAILABLE FOR BENEFITS

AT BEGINNING OF YEAR	<u>130,566,070</u>
AT END OF YEAR	<u><u>\$ 106,661,754</u></u>

See accompanying notes to the financial statements.

**AFC PROFIT SHARING PLAN
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021**

1. DESCRIPTION OF THE PLAN

The following description of the AFC Profit Sharing Plan (the Plan) is provided for general information purposes only. Participants should refer to the Plan document for a complete description of the Plan's provisions.

General

The Plan, which was established by Alabama Farmers Cooperative Inc. (AFC) and certain of its affiliates (referred to herein collectively as the Company, Employer or Plan Sponsor) on January 1, 1990, and has been amended from time to time thereafter. The Plan is a defined contribution plan and is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA), as amended. The Plan provides retirement and other plan benefits to substantially all employees of the Employer, who have attained the age of 21. Employees are allowed to participate in the Plan on the first day in which the Plan eligibility requirements are met. The Retirement Plan Committee of AFC (Retirement Plan Committee) is responsible for oversight of the Plan and determines the appropriateness of the Plan's investment offerings, monitors investment performance and reports to the Company's Board of Directors. Effective January 1, 2022, the Plan Sponsor restructured, and the Plan became a multiple employer plan (MEP). The Plan was amended and restated to transition to an MEP during 2022.

Contributions

Each year, participants may contribute up to 100% of their annual compensation, as defined in the Plan. Participants who have attained age 50 before the end of the Plan year are eligible to make catch-up contributions. Participants may also contribute amounts representing distributions from other qualified defined benefit or defined contribution plans (rollover). Participants direct the investment of their contributions into various investment options offered by the Plan. The Employer contributes 100% of the first 3% plus 50% of next 2% of eligible compensation that a participant contributes to the plan. The Employer may also contribute a discretionary profit-sharing contribution to the Plan on behalf of each participant who is employed on the last day of the plan year. The amount of such discretionary contribution, if any, for any Plan year shall be determined by the Employer's Board of Directors. During the year ended December 31, 2022, the Company elected to make discretionary profit-sharing contributions of \$620,371. Contributions are subject to certain IRS limitations.

Participant Accounts

Each participant's account is credited with the participant's contributions, their pro rata shares of the Employer's matching contributions and discretionary contributions (if any), an allocation of Plan earnings (including market value adjustments to Plan investments) and charged with allocations of Plan losses and administrative expenses that are paid by the Plan. Allocations of earnings or losses in each investment option are made daily to the individual participant's account based on the ratio of each participant's current account balance in the respective investment option to total Plan participants' account balances in the respective investment option. The benefit to which a participant is entitled is the vested benefit that can be provided from the participant's account.

**AFC PROFIT SHARING PLAN
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021**

1. DESCRIPTION OF THE PLAN – CONTINUED

Vesting

Participants are vested immediately in their contributions, rollover contributions and employer matching contributions plus actual earnings thereon. Vesting in the Company's discretionary contributions is based on years of continuous service. Participants vest ratably after two years of service starting at 20% per year and are 100% vested after six years of credited service.

Notes Receivable from Participants

Participants may borrow from their accounts a minimum of \$1,000 up to a maximum equal to the lesser of \$50,000 reduced by the highest outstanding participant note balance or 50% of the participant's vested account balance in the Plan. A participant may not have more than one note outstanding at any time. The notes are collateralized by a portion of the balance in the participant's account and bear a reasonable fixed rate of interest (prime plus 1% as determined on the first business day of each month), which ranged from 4.25% to 7.25% as of December 31, 2022, and mature at various dates through 2037. Principal and interest are paid ratably through payroll deductions. Notes are subject to repayment terms not to exceed a period of five years, unless the funds are used to purchase a participant's principal residence, which must be repaid within a reasonable period of time, not to exceed 15 years.

Payment of Benefits

On termination of services due to death, disability or retirement, a participant may elect to receive a lump-sum amount equal to the value of the participant's vested interest in his or her account, partial withdrawals, or installments over a period not to exceed the joint life expectancy of the participant or the participant's beneficiary. Terminated participants with a vested balance of less than \$5,000 may elect to receive a lump sum payment or the value of the vested account by transfer to another qualified plan or individual retirement account (IRA). If no election is made, vested balances less than \$1,000 will receive one lump-sum payment, otherwise vested balances will be transferred to an IRA established in the participant's name. In-service withdrawals may be made from all or a portion of the participant's vested account balances once he or she reaches age 59-1/2. Participants may withdraw the vested portion of their account and income earned thereon in the event of a participant's immediate financial hardship, as defined by the Plan document. Effective January 1, 2022, participants may withdraw from their voluntary contribution account and rollover contribution account at any time.

Forfeitures

Forfeitures of participants' non-vested account balances are to be used to pay administrative expenses of the Plan or to reduce Employer contributions to the Plan. During 2022, forfeitures totaling \$30,147 were used to reduce employer contributions or pay administrative fees. As of December 31, 2022 and 2021, forfeited non-vested accounts totaled \$20,292 and \$28,482, respectively.

**AFC PROFIT SHARING PLAN
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The financial statements of the Plan are prepared under 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 requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and charges therein, and disclosure of contingent assets and liabilities. Actual results could differ from those estimates.

Investment Valuation and Income Recognition

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

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

Purchases and sales of securities are recorded on a trade-date basis. Interest income on notes receivable from participants is recorded on the accrual basis. Dividends are recorded on the ex-dividend date. Net depreciation in fair value of investments includes the Plan's gains and losses on investments bought and sold as well as held during the year.

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

Notes Receivable from Participants

Participant notes receivable are recorded at their unpaid principal balance plus any accrued but unpaid interest. Interest income is recorded when received. Related fees are recorded as administrative expenses and are expensed when they are incurred. If a participant does not make loan repayments and the Plan administrator considers the participant loan to be in default, the loan balance is reduced, and the delinquent participant note receivable is recorded as a benefit payment based on the terms of the Plan document. No allowance for credit losses has been recorded as of December 31, 2022 and 2021.

Other Income

The Plan receives revenue sharing income from the Plan's investment funds. Revenue sharing income is used to pay certain administrative expenses of the Plan and is reported as other income.

**AFC PROFIT SHARING PLAN
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Payment of Benefits

Benefits are recorded when paid.

Expenses

Certain expenses of maintaining the Plan are paid directly by the Plan Sponsor and are excluded from these financial statements. Administrative expenses include fees related to the administration of notes receivable that are charged directly to the participant's account and certain recordkeeping and investment consulting fees paid by the Plan. Investment related expenses are included in net appreciation in fair value of investments.

Subsequent Events

Subsequent events have been evaluated through October 12, 2023, the date the financial statements were available to be issued.

3. CERTIFIED INVESTMENTS

Certain information related to investments and notes receivable from participants disclosed in the accompanying financial statements and ERISA-required supplemental schedule, including investments and notes receivable from participants held at December 31, 2022 and 2021, and net depreciation in fair value of investments, interest and dividends and interest income on notes receivable from participants for the year ended December 31, 2022, was obtained by management and agreed to or derived from information certified as complete and accurate by Prudential Bank & Trust, FSB., the trustee of the Plan, and Empower Annuity Insurance Company, the custodian of the Plan.

4. FAIR VALUE MEASUREMENTS

The framework for measuring fair value 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 Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) Topic 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 their fair value measurement.

**AFC PROFIT SHARING PLAN
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021**

4. FAIR VALUE MEASUREMENTS – CONTINUED

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 December 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 funds that registered with the Securities and Exchange Commission. These funds are required to publish their daily net asset value and to transact at that price. The mutual funds held by the Plan are deemed to be actively traded.

Pooled separate accounts: Valued at the net asset value (NAV) of the units of the fund. The NAV, as provided by the trustee, is used as a practical expedient to estimate fair value. The NAV is based on the fair value of the underlying investments held by the fund, less its liabilities. This practical expedient is not used when it is determined to be probable that the fund will sell the investment for an amount different than the reported NAV. Participant transactions (purchases and sales) may occur daily.

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

The following tables sets forth by level, with the fair value hierarchy, the Plan's investment assets at fair value as of December 31, 2022 and 2021:

Description	Assets at Fair Value as of December 31, 2022			
	Level 1	Level 2	Level 3	Total
Mutual funds	\$74,062,687	\$ -	\$ -	\$ 74,062,687
Total assets in the fair value hierarchy	<u>\$74,062,687</u>	<u>\$ -</u>	<u>\$ -</u>	<u>74,062,687</u>
Investments measured at NAV ^(a)				
Pooled separate accounts				<u>6,349,284</u>
Investments, at fair value				<u>\$ 80,411,971</u>

(a) In accordance with the Fair Value Measurements topic, certain investments that were measured at NAV per share (or its equivalent) as a practical expedient have not been classified in the fair value hierarchy. The fair value amounts presented in this table are intended to permit reconciliation of the fair value hierarchy to the line items presented in the statements of net assets available for benefits.

**AFC PROFIT SHARING PLAN
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021**

4. FAIR VALUE MEASUREMENTS – CONTINUED

Description	Assets at Fair Value as of December 31, 2021			
	Level 1	Level 2	Level 3	Total
Mutual funds	\$97,294,234	\$ -	\$ -	\$ 97,294,234
Total assets in the fair value hierarchy	<u>\$97,294,234</u>	<u>\$ -</u>	<u>\$ -</u>	<u>97,294,234</u>
Investments measured at NAV ^(a)				
Pooled separate accounts				<u>7,782,342</u>
Investments, at fair value				<u>\$ 105,076,576</u>

(a) In accordance with the Fair Value Measurements topic, certain investments that were measured at NAV per share (or its equivalent) as a practical expedient have not been classified in the fair value hierarchy. The fair value amounts presented in this table are intended to permit reconciliation of the fair value hierarchy to the line items presented in the statements of net assets available for benefits.

The following table summarizes investments for which fair value is estimated using NAV per share (or its equivalent), as a practical expedient, as of December 31, 2022 and 2021:

Description	Fair Value Estimated Using NAV Per Share				
	Fair Value		Unfunded Commitment	Redemption Frequency	Redemption Notice Period
	December 31, 2022	2021			
Pooled separate accounts					
Western Asset Core Plus Bond	\$ 3,198,757	\$ 4,276,514	None	Daily	None
Victory Fund	1,756,866	1,938,433	None	Daily	None
Robeco Boston Partners Fund	<u>1,393,661</u>	<u>1,567,395</u>	None	Daily	None
Total	<u>\$ 6,349,284</u>	<u>\$ 7,782,342</u>			

To assess the appropriate classification of investments within the fair value hierarchy, the availability of market data is monitored. Changes in economic conditions or valuation techniques may require the transfer of investments from one fair value level to another.

The Plan evaluates the significance of transfers between levels based upon the nature of the investment and size of the transfer relative to total net assets available for benefits.

**AFC PROFIT SHARING PLAN
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021**

5. FULLY BENEFIT-RESPONSIVE INVESTMENT CONTRACT

The Plan has a traditional, fully benefit-responsive guaranteed investment contract with Empower Annuity Insurance Company (Empower), formerly Prudential Retirement Insurance and Annuity Company (PRIAC), totaling \$24,349,993 and \$23,280,055 at December 31, 2022 and 2021, respectively. Empower maintains the contributions in a general account. The account is credited with contributions, earnings on the underlying investments and charged for participant withdrawals and administrative expenses. The contract issuer is contractually obligated to repay the principal and a specified interest rate that is guaranteed to the Plan. The crediting interest rate is based on a formula agreed upon with the issuer, but it may not be less than 1.5%. Such interest rates are reviewed on an annual basis for resetting. The contract cannot be terminated before the scheduled maturity date.

This contract meets the fully benefit-responsive investment contract criteria and therefore is reported at contract value. Contract value is the relevant measure for fully benefit-responsive investment contracts because this is the amount received by participants if they were to initiate permitted transactions under the terms of the Plan. Contract value, as reported to the Plan by Empower, 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.

Certain events might 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 contract with the Plan and settle at an amount different from contract value. Such events include (1) an uncured violation of the Plan's investment guidelines, (2) a breach of material obligation under the contract, (3) a material misrepresentation or (4) a material amendment to the agreement without the consent of the issuer.

**AFC PROFIT SHARING PLAN
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021**

6. RELATED PARTY TRANSACTIONS AND PARTY-IN-INTEREST TRANSACTIONS

Certain Plan investments are managed by Prudential Bank & Trust, FSB, the trustee to the Plan. Empower is the recordkeeper for the Plan. Therefore, transactions with these entities qualify as party-in-interest transactions. CapFinancial Partners, LLC provides investment consulting services to the Plan. Fees paid by the Plan to CapFinancial Partners, LLC for investment consulting services amounted to \$168,828 and \$163,908 during the years ended December 31, 2022 and 2021, respectively. Burr Forman LLP provides legal services to the Plan. Fees paid by the Plan to Burr Forman LLP for legal services amounted to \$4,484 and \$3,236 during the years ended December 31, 2022 and 2021, respectively.

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% vested in their employer contributions.

8. TAX STATUS

The Plan adopted a non-standardized pre-approved, profit-sharing plan document and is relying on the non-standardized plan's opinion letter from the Internal Revenue Service dated September 16, 2022. The letter states that the non-standardized plan is designed in accordance with applicable sections of the Internal Revenue Code (IRC). The Plan Administrator believes the Plan is designed and is being operated in compliance with the applicable provisions of the IRC.

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

**AFC PROFIT SHARING PLAN
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021**

9. RECONCILIATION OF FINANCIAL STATEMENTS TO FORM 5500

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

	<u>2022</u>	<u>2021</u>
Net assets available for benefits per financial statements	\$ 106,661,754	\$ 130,566,070
Participant contributions receivable	-	(99,563)
Employer contributions receivable	(620,371)	(610,362)
Deemed distributions	<u>-</u>	<u>(24,427)</u>
Net assets available for benefits per Form 5500	<u>\$ 106,041,383</u>	<u>\$ 129,831,718</u>

The following is a reconciliation to the Form 5500 for the year ended December 31, 2022:

Decrease in net assets per the financial statements	\$ (23,904,316)
Current year contributions receivable	(620,371)
Prior year contributions receivable	709,925
Prior year deemed distributions	<u>24,427</u>
Net loss per Form 5500	<u>\$ (23,790,335)</u>

10. RISKS AND UNCERTAINTIES

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

11. PROHIBITED TRANSACTIONS

During 2022 and 2021, the Company inadvertently failed to deposit \$203,015 and \$884,981, respectively, of participant deferrals and loan repayments within the required timeframe as stated by the DOL. The DOL considers late deposits to be prohibited transactions. The Company remitted lost earnings to the Plan for the 2022 late deposits and a portion of the 2021 late deposits during 2022, and remaining 2021 amounts subsequent to year-end.

SUPPLEMENTARY INFORMATION

AFC PROFIT SHARING PLAN
EMPLOYER ID # 63-0207695, PLAN # 005
SCHEDULE H, LINE 4a –
SCHEDULE OF DELINQUENT PARTICIPANT CONTRIBUTIONS
DECEMBER 31, 2022

Plan Year	Participant Contributions Transferred Late to Plan	Contributions Not Fully Corrected	Contributions Corrected Outside of VFCP	Contributions Pending Correction in VFCP	Total Fully Corrected Under VFCP and PTE 2002-51	Total That Constitutes Nonexempt Prohibited Transactions
2021*	\$ 884,981	\$ 130,932	\$ 754,049	\$ -	\$ -	\$ 130,932
2022*	203,015	-	203,015	-	-	-
	<u>\$ 1,087,996</u>	<u>\$ 130,932</u>	<u>\$ 957,064</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 130,932</u>

This schedule is presented in compliance with DOL filing requirements.

AFC PROFIT SHARING PLAN
EMPLOYER ID # 63-0207695, PLAN # 005
SCHEDULE H, LINE 4i –
SCHEDULE OF ASSETS (HELD AT END OF YEAR)
DECEMBER 31, 2022

(a) (b) Identity of Issuer, Borrower, Lessor or Similar Party	(c) Description of Investment, Including Maturity Date, Rate of Interest, Collateral, Par or Maturity Value	(e) Current Value
* Empower Annuity Insurance Company	Guaranteed Income Fund	\$ 24,349,993
* Western Asset Core Plus Bond	Pooled Fund	3,198,757
* Victory Capital Management Victory Fund	Pooled Fund	1,756,866
* Robeco Investment Management		
Robeco Boston Partners Fund	Pooled Fund	1,393,661
American Funds EuroPacific	Mutual Fund	2,314,809
JP Morgan Smart Retirement 2020 Institutional	Mutual Fund	1,282,089
JP Morgan Smart Retirement 2025 Institutional	Mutual Fund	4,973,599
JP Morgan Smart Retirement 2030 Institutional	Mutual Fund	5,069,363
JP Morgan Smart Retirement 2035 Institutional	Mutual Fund	5,214,929
JP Morgan Smart Retirement 2040 Institutional	Mutual Fund	4,563,771
JP Morgan Smart Retirement 2045 Institutional	Mutual Fund	7,349,360
JP Morgan Smart Retirement 2050 Institutional	Mutual Fund	3,824,652
JP Morgan Smart Retirement 2055 Institutional	Mutual Fund	2,086,140
JP Morgan Smart Retirement 2060 Institutional	Mutual Fund	788,138
JP Morgan Smart Retirement Income	Mutual Fund	2,749,617
Mass Mutual Select Mid Cap Growth	Mutual Fund	636,456
MFS Value Fund Class R6	Mutual Fund	9,985,482
T. Rowe Price Institutional Large Cap Core Growth	Mutual Fund	9,611,308
T. Rowe Price QM US Small Cap Growth	Mutual Fund	2,199,563
Vanguard Extended Market Index Admiral	Mutual Fund	3,149,546
Vanguard Institutional Index Index I	Mutual Fund	6,956,807
Vanguard Total Bond Market Index Admiral	Mutual Fund	564,696
Vanguard Total International Stock Index Admiral	Mutual Fund	742,362
* Participant loans	Loans with varying maturity dates and interest rates from 4.25% to 7.25%	1,279,419
		<u><u>\$ 106,041,383</u></u>

* Party-in-interest to the Plan

Column (d) has not been presented as this information is not applicable.

This schedule is presented in compliance with DOL filing requirements.

AFC PROFIT SHARING PLAN

FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION

DECEMBER 31, 2022 AND 2021



www.warrenaverett.com

The report accompanying this deliverable was issued
by Warren Averett, LLC.

**AFC PROFIT SHARING PLAN
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DECEMBER 31, 2022 AND 2021**

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INDEPENDENT AUDITORS' REPORT

To the Plan Administrator
AFC Profit Sharing Plan

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

We have performed an audit of the accompanying financial statements of AFC Profit Sharing Plan (the Plan), an employee benefit plan subject to the Employee Retirement Income Security Act of 1974 (ERISA), which comprise 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, having determined it is permissible in the circumstances, has elected to have the audit 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 audit need not extend to any statements or information related to assets held for investment of the Plan (investment information) by a bank or similar institution or insurance carrier that is regulated, supervised and subject to periodic examination by a state or federal agency, provided that the statements or information regarding assets so held are prepared and certified to by the bank or similar institution or insurance carrier in accordance with 29 CFR 2520.103-5 of the DOL's Rules and Regulations for Reporting and Disclosure under ERISA (qualified institution).

Management has obtained certifications from qualified institutions as of and for the year ended December 31, 2022, stating that the certified investment information, as described in Note 3 to the financial statements, is complete and accurate.

Opinion on the 2022 Financial Statements

In our opinion, based on our audit and on the procedures performed as described in the Auditors' Responsibilities for the Audit of the 2022 Financial Statements section:

- The amounts and disclosures in the financial statements referred to above, other than those agreed to or derived from the certified investment information, are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America.
- The information in the financial statements referred to above related to assets held by a qualified institution 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 on the 2022 Financial Statements

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

Responsibilities of Management for the 2022 Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America, 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 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.

Auditors' Responsibilities for the Audit of the 2022 Financial Statements

Except as described in the Scope and Nature of the ERISA Section 103(a)(3)(C) Audit section of our report, our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, 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.

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

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

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

2022 Supplemental Schedules Required by ERISA

The supplemental schedule H, line 4a – schedule of delinquent participant contributions and schedule H, line 4i – schedule of assets (held at end of year) are presented for purposes of additional analysis and are not a required part of the financial statements but are supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information included in the supplemental schedules, other than that agreed to or derived from the certified investment information, has been subjected to auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with generally accepted auditing standards. For information included in the supplemental schedules that agreed to or is derived from the certified investment information, we compared such information to the related certified investment information.

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

In our opinion—

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

- the information in the supplemental schedules 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).

Other Matter – Auditors' Report on the 2021 Financial Statements

Predecessor auditors' performed an audit of the 2021 financial statements of the Plan. In accordance with ERISA Section 103(a)(3)(c) pursuant to 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA, the prior year audit did not extend to any statements or information related to the assets held for investments of the Plan that were certified by a qualified institution. Their report dated September 22, 2022, indicated that: (a) the amounts and disclosures in the 2021 financial statements, other than those agreed to or derived from the certified investment information, were presented fairly, in all material respects, in accordance with GAAP, and (b) the information in the 2021 financial statements related to the 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). Their report also indicated that the form and content of the 2021 supplemental schedule, other than the information in the 2021 supplemental schedule that agreed to or is derived from the certified investment information, were presented, in all material respects, in conformity with the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA; and the information in the 2021 supplemental schedule related to assets held by and certified to by a qualified institution agrees to, or derived from, in all material respects, the information prepared and certified by an institution that management determines meets the requirement of ERISA Section 103 (a)(3)(c).

Huntsville, Alabama
October 12, 2023

AFC PROFIT SHARING PLAN
STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS
DECEMBER 31, 2022 AND 2021

	<u>2022</u>	<u>2021</u>
ASSETS		
Investments at fair value		
Mutual funds	\$ 74,062,687	\$ 97,294,234
Pooled separate accounts	6,349,284	7,782,342
Investments at contract value:		
Guaranteed investment contract	<u>24,349,993</u>	<u>23,280,055</u>
Total investments	104,761,964	128,356,631
RECEIVABLES		
Notes receivable from participants	1,279,419	1,499,514
Employer contributions receivable	620,371	610,362
Participant contributions receivable	<u>-</u>	<u>99,563</u>
Total receivables	<u>1,899,790</u>	<u>2,209,439</u>
NET ASSETS AVAILABLE FOR BENEFITS	<u><u>\$ 106,661,754</u></u>	<u><u>\$ 130,566,070</u></u>

See accompanying notes to the financial statements.

AFC PROFIT SHARING PLAN
STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS
FOR THE YEAR ENDED DECEMBER 31, 2022

ADDITIONS

Investment income:	
Interest and dividends	\$ 3,015,605
Other income	<u>153,305</u>
Total investment income	3,168,910
Interest income on notes receivable from participants	62,112
Contributions:	
Employer	3,145,057
Participant	5,377,654
Rollover	<u>268,333</u>
Total Contributions	<u>8,791,044</u>
TOTAL ADDITIONS	12,022,066

DEDUCTIONS

Net depreciation of fair value of investments	22,512,538
Benefits paid to participants	12,744,667
Deemed distributions	67,006
Administrative expenses	<u>602,171</u>

TOTAL DEDUCTIONS	<u>35,926,382</u>
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NET DECREASE	(23,904,316)
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NET ASSETS AVAILABLE FOR BENEFITS

AT BEGINNING OF YEAR	<u>130,566,070</u>
AT END OF YEAR	<u><u>\$ 106,661,754</u></u>

See accompanying notes to the financial statements.

**AFC PROFIT SHARING PLAN
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021**

1. DESCRIPTION OF THE PLAN

The following description of the AFC Profit Sharing Plan (the Plan) is provided for general information purposes only. Participants should refer to the Plan document for a complete description of the Plan's provisions.

General

The Plan, which was established by Alabama Farmers Cooperative Inc. (AFC) and certain of its affiliates (referred to herein collectively as the Company, Employer or Plan Sponsor) on January 1, 1990, and has been amended from time to time thereafter. The Plan is a defined contribution plan and is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA), as amended. The Plan provides retirement and other plan benefits to substantially all employees of the Employer, who have attained the age of 21. Employees are allowed to participate in the Plan on the first day in which the Plan eligibility requirements are met. The Retirement Plan Committee of AFC (Retirement Plan Committee) is responsible for oversight of the Plan and determines the appropriateness of the Plan's investment offerings, monitors investment performance and reports to the Company's Board of Directors. Effective January 1, 2022, the Plan Sponsor restructured, and the Plan became a multiple employer plan (MEP). The Plan was amended and restated to transition to an MEP during 2022.

Contributions

Each year, participants may contribute up to 100% of their annual compensation, as defined in the Plan. Participants who have attained age 50 before the end of the Plan year are eligible to make catch-up contributions. Participants may also contribute amounts representing distributions from other qualified defined benefit or defined contribution plans (rollover). Participants direct the investment of their contributions into various investment options offered by the Plan. The Employer contributes 100% of the first 3% plus 50% of next 2% of eligible compensation that a participant contributes to the plan. The Employer may also contribute a discretionary profit-sharing contribution to the Plan on behalf of each participant who is employed on the last day of the plan year. The amount of such discretionary contribution, if any, for any Plan year shall be determined by the Employer's Board of Directors. During the year ended December 31, 2022, the Company elected to make discretionary profit-sharing contributions of \$620,371. Contributions are subject to certain IRS limitations.

Participant Accounts

Each participant's account is credited with the participant's contributions, their pro rata shares of the Employer's matching contributions and discretionary contributions (if any), an allocation of Plan earnings (including market value adjustments to Plan investments) and charged with allocations of Plan losses and administrative expenses that are paid by the Plan. Allocations of earnings or losses in each investment option are made daily to the individual participant's account based on the ratio of each participant's current account balance in the respective investment option to total Plan participants' account balances in the respective investment option. The benefit to which a participant is entitled is the vested benefit that can be provided from the participant's account.

**AFC PROFIT SHARING PLAN
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021**

1. DESCRIPTION OF THE PLAN – CONTINUED

Vesting

Participants are vested immediately in their contributions, rollover contributions and employer matching contributions plus actual earnings thereon. Vesting in the Company's discretionary contributions is based on years of continuous service. Participants vest ratably after two years of service starting at 20% per year and are 100% vested after six years of credited service.

Notes Receivable from Participants

Participants may borrow from their accounts a minimum of \$1,000 up to a maximum equal to the lesser of \$50,000 reduced by the highest outstanding participant note balance or 50% of the participant's vested account balance in the Plan. A participant may not have more than one note outstanding at any time. The notes are collateralized by a portion of the balance in the participant's account and bear a reasonable fixed rate of interest (prime plus 1% as determined on the first business day of each month), which ranged from 4.25% to 7.25% as of December 31, 2022, and mature at various dates through 2037. Principal and interest are paid ratably through payroll deductions. Notes are subject to repayment terms not to exceed a period of five years, unless the funds are used to purchase a participant's principal residence, which must be repaid within a reasonable period of time, not to exceed 15 years.

Payment of Benefits

On termination of services due to death, disability or retirement, a participant may elect to receive a lump-sum amount equal to the value of the participant's vested interest in his or her account, partial withdrawals, or installments over a period not to exceed the joint life expectancy of the participant or the participant's beneficiary. Terminated participants with a vested balance of less than \$5,000 may elect to receive a lump sum payment or the value of the vested account by transfer to another qualified plan or individual retirement account (IRA). If no election is made, vested balances less than \$1,000 will receive one lump-sum payment, otherwise vested balances will be transferred to an IRA established in the participant's name. In-service withdrawals may be made from all or a portion of the participant's vested account balances once he or she reaches age 59-1/2. Participants may withdraw the vested portion of their account and income earned thereon in the event of a participant's immediate financial hardship, as defined by the Plan document. Effective January 1, 2022, participants may withdraw from their voluntary contribution account and rollover contribution account at any time.

Forfeitures

Forfeitures of participants' non-vested account balances are to be used to pay administrative expenses of the Plan or to reduce Employer contributions to the Plan. During 2022, forfeitures totaling \$30,147 were used to reduce employer contributions or pay administrative fees. As of December 31, 2022 and 2021, forfeited non-vested accounts totaled \$20,292 and \$28,482, respectively.

**AFC PROFIT SHARING PLAN
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The financial statements of the Plan are prepared under 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 requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and charges therein, and disclosure of contingent assets and liabilities. Actual results could differ from those estimates.

Investment Valuation and Income Recognition

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

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

Purchases and sales of securities are recorded on a trade-date basis. Interest income on notes receivable from participants is recorded on the accrual basis. Dividends are recorded on the ex-dividend date. Net depreciation in fair value of investments includes the Plan's gains and losses on investments bought and sold as well as held during the year.

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

Notes Receivable from Participants

Participant notes receivable are recorded at their unpaid principal balance plus any accrued but unpaid interest. Interest income is recorded when received. Related fees are recorded as administrative expenses and are expensed when they are incurred. If a participant does not make loan repayments and the Plan administrator considers the participant loan to be in default, the loan balance is reduced, and the delinquent participant note receivable is recorded as a benefit payment based on the terms of the Plan document. No allowance for credit losses has been recorded as of December 31, 2022 and 2021.

Other Income

The Plan receives revenue sharing income from the Plan's investment funds. Revenue sharing income is used to pay certain administrative expenses of the Plan and is reported as other income.

**AFC PROFIT SHARING PLAN
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Payment of Benefits

Benefits are recorded when paid.

Expenses

Certain expenses of maintaining the Plan are paid directly by the Plan Sponsor and are excluded from these financial statements. Administrative expenses include fees related to the administration of notes receivable that are charged directly to the participant's account and certain recordkeeping and investment consulting fees paid by the Plan. Investment related expenses are included in net appreciation in fair value of investments.

Subsequent Events

Subsequent events have been evaluated through October 12, 2023, the date the financial statements were available to be issued.

3. CERTIFIED INVESTMENTS

Certain information related to investments and notes receivable from participants disclosed in the accompanying financial statements and ERISA-required supplemental schedule, including investments and notes receivable from participants held at December 31, 2022 and 2021, and net depreciation in fair value of investments, interest and dividends and interest income on notes receivable from participants for the year ended December 31, 2022, was obtained by management and agreed to or derived from information certified as complete and accurate by Prudential Bank & Trust, FSB., the trustee of the Plan, and Empower Annuity Insurance Company, the custodian of the Plan.

4. FAIR VALUE MEASUREMENTS

The framework for measuring fair value 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 Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) Topic 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 their fair value measurement.

**AFC PROFIT SHARING PLAN
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021**

4. FAIR VALUE MEASUREMENTS – CONTINUED

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 December 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 funds that registered with the Securities and Exchange Commission. These funds are required to publish their daily net asset value and to transact at that price. The mutual funds held by the Plan are deemed to be actively traded.

Pooled separate accounts: Valued at the net asset value (NAV) of the units of the fund. The NAV, as provided by the trustee, is used as a practical expedient to estimate fair value. The NAV is based on the fair value of the underlying investments held by the fund, less its liabilities. This practical expedient is not used when it is determined to be probable that the fund will sell the investment for an amount different than the reported NAV. Participant transactions (purchases and sales) may occur daily.

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

The following tables sets forth by level, with the fair value hierarchy, the Plan's investment assets at fair value as of December 31, 2022 and 2021:

Description	Assets at Fair Value as of December 31, 2022			
	Level 1	Level 2	Level 3	Total
Mutual funds	\$74,062,687	\$ -	\$ -	\$ 74,062,687
Total assets in the fair value hierarchy	<u>\$74,062,687</u>	<u>\$ -</u>	<u>\$ -</u>	<u>74,062,687</u>
Investments measured at NAV ^(a)				
Pooled separate accounts				<u>6,349,284</u>
Investments, at fair value				<u>\$ 80,411,971</u>

(a) In accordance with the Fair Value Measurements topic, certain investments that were measured at NAV per share (or its equivalent) as a practical expedient have not been classified in the fair value hierarchy. The fair value amounts presented in this table are intended to permit reconciliation of the fair value hierarchy to the line items presented in the statements of net assets available for benefits.

**AFC PROFIT SHARING PLAN
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021**

4. FAIR VALUE MEASUREMENTS – CONTINUED

Description	Assets at Fair Value as of December 31, 2021			
	Level 1	Level 2	Level 3	Total
Mutual funds	\$97,294,234	\$ -	\$ -	\$ 97,294,234
Total assets in the fair value hierarchy	<u>\$97,294,234</u>	<u>\$ -</u>	<u>\$ -</u>	<u>97,294,234</u>
Investments measured at NAV ^(a)				
Pooled separate accounts				<u>7,782,342</u>
Investments, at fair value				<u>\$ 105,076,576</u>

(a) In accordance with the Fair Value Measurements topic, certain investments that were measured at NAV per share (or its equivalent) as a practical expedient have not been classified in the fair value hierarchy. The fair value amounts presented in this table are intended to permit reconciliation of the fair value hierarchy to the line items presented in the statements of net assets available for benefits.

The following table summarizes investments for which fair value is estimated using NAV per share (or its equivalent), as a practical expedient, as of December 31, 2022 and 2021:

Description	Fair Value Estimated Using NAV Per Share				
	Fair Value		Unfunded Commitment	Redemption Frequency	Redemption Notice Period
	December 31, 2022	2021			
Pooled separate accounts					
Western Asset Core Plus Bond	\$ 3,198,757	\$ 4,276,514	None	Daily	None
Victory Fund	1,756,866	1,938,433	None	Daily	None
Robeco Boston Partners Fund	<u>1,393,661</u>	<u>1,567,395</u>	None	Daily	None
Total	<u>\$ 6,349,284</u>	<u>\$ 7,782,342</u>			

To assess the appropriate classification of investments within the fair value hierarchy, the availability of market data is monitored. Changes in economic conditions or valuation techniques may require the transfer of investments from one fair value level to another.

The Plan evaluates the significance of transfers between levels based upon the nature of the investment and size of the transfer relative to total net assets available for benefits.

**AFC PROFIT SHARING PLAN
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021**

5. FULLY BENEFIT-RESPONSIVE INVESTMENT CONTRACT

The Plan has a traditional, fully benefit-responsive guaranteed investment contract with Empower Annuity Insurance Company (Empower), formerly Prudential Retirement Insurance and Annuity Company (PRIAC), totaling \$24,349,993 and \$23,280,055 at December 31, 2022 and 2021, respectively. Empower maintains the contributions in a general account. The account is credited with contributions, earnings on the underlying investments and charged for participant withdrawals and administrative expenses. The contract issuer is contractually obligated to repay the principal and a specified interest rate that is guaranteed to the Plan. The crediting interest rate is based on a formula agreed upon with the issuer, but it may not be less than 1.5%. Such interest rates are reviewed on an annual basis for resetting. The contract cannot be terminated before the scheduled maturity date.

This contract meets the fully benefit-responsive investment contract criteria and therefore is reported at contract value. Contract value is the relevant measure for fully benefit-responsive investment contracts because this is the amount received by participants if they were to initiate permitted transactions under the terms of the Plan. Contract value, as reported to the Plan by Empower, 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.

Certain events might 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 contract with the Plan and settle at an amount different from contract value. Such events include (1) an uncured violation of the Plan's investment guidelines, (2) a breach of material obligation under the contract, (3) a material misrepresentation or (4) a material amendment to the agreement without the consent of the issuer.

**AFC PROFIT SHARING PLAN
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021**

6. RELATED PARTY TRANSACTIONS AND PARTY-IN-INTEREST TRANSACTIONS

Certain Plan investments are managed by Prudential Bank & Trust, FSB, the trustee to the Plan. Empower is the recordkeeper for the Plan. Therefore, transactions with these entities qualify as party-in-interest transactions. CapFinancial Partners, LLC provides investment consulting services to the Plan. Fees paid by the Plan to CapFinancial Partners, LLC for investment consulting services amounted to \$168,828 and \$163,908 during the years ended December 31, 2022 and 2021, respectively. Burr Forman LLP provides legal services to the Plan. Fees paid by the Plan to Burr Forman LLP for legal services amounted to \$4,484 and \$3,236 during the years ended December 31, 2022 and 2021, respectively.

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% vested in their employer contributions.

8. TAX STATUS

The Plan adopted a non-standardized pre-approved, profit-sharing plan document and is relying on the non-standardized plan's opinion letter from the Internal Revenue Service dated September 16, 2022. The letter states that the non-standardized plan is designed in accordance with applicable sections of the Internal Revenue Code (IRC). The Plan Administrator believes the Plan is designed and is being operated in compliance with the applicable provisions of the IRC.

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

**AFC PROFIT SHARING PLAN
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021**

9. RECONCILIATION OF FINANCIAL STATEMENTS TO FORM 5500

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

	<u>2022</u>	<u>2021</u>
Net assets available for benefits per financial statements	\$ 106,661,754	\$ 130,566,070
Participant contributions receivable	-	(99,563)
Employer contributions receivable	(620,371)	(610,362)
Deemed distributions	-	(24,427)
Net assets available for benefits per Form 5500	<u>\$ 106,041,383</u>	<u>\$ 129,831,718</u>

The following is a reconciliation to the Form 5500 for the year ended December 31, 2022:

Decrease in net assets per the financial statements	\$ (23,904,316)
Current year contributions receivable	(620,371)
Prior year contributions receivable	709,925
Prior year deemed distributions	24,427
Net loss per Form 5500	<u>\$ (23,790,335)</u>

10. RISKS AND UNCERTAINTIES

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

11. PROHIBITED TRANSACTIONS

During 2022 and 2021, the Company inadvertently failed to deposit \$203,015 and \$884,981, respectively, of participant deferrals and loan repayments within the required timeframe as stated by the DOL. The DOL considers late deposits to be prohibited transactions. The Company remitted lost earnings to the Plan for the 2022 late deposits and a portion of the 2021 late deposits during 2022, and remaining 2021 amounts subsequent to year-end.

SUPPLEMENTARY INFORMATION

AFC PROFIT SHARING PLAN
EMPLOYER ID # 63-0207695, PLAN # 005
SCHEDULE H, LINE 4a –
SCHEDULE OF DELINQUENT PARTICIPANT CONTRIBUTIONS
DECEMBER 31, 2022

Plan Year	Participant Contributions Transferred Late to Plan	Contributions Not Fully Corrected	Contributions Corrected Outside of VFCP	Contributions Pending Correction in VFCP	Total Fully Corrected Under VFCP and PTE 2002-51	Total That Constitutes Nonexempt Prohibited Transactions
2021*	\$ 884,981	\$ 130,932	\$ 754,049	\$ -	\$ -	\$ 130,932
2022*	203,015	-	203,015	-	-	-
	<u>\$ 1,087,996</u>	<u>\$ 130,932</u>	<u>\$ 957,064</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 130,932</u>

This schedule is presented in compliance with DOL filing requirements.

AFC PROFIT SHARING PLAN
EMPLOYER ID # 63-0207695, PLAN # 005
SCHEDULE H, LINE 4i –
SCHEDULE OF ASSETS (HELD AT END OF YEAR)
DECEMBER 31, 2022

(a) (b) Identity of Issuer, Borrower, Lessor or Similar Party	(c) Description of Investment, Including Maturity Date, Rate of Interest, Collateral, Par or Maturity Value	(e) Current Value
* Empower Annuity Insurance Company	Guaranteed Income Fund	\$ 24,349,993
* Western Asset Core Plus Bond	Pooled Fund	3,198,757
* Victory Capital Management Victory Fund	Pooled Fund	1,756,866
* Robeco Investment Management		
Robeco Boston Partners Fund	Pooled Fund	1,393,661
American Funds EuroPacific	Mutual Fund	2,314,809
JP Morgan Smart Retirement 2020 Institutional	Mutual Fund	1,282,089
JP Morgan Smart Retirement 2025 Institutional	Mutual Fund	4,973,599
JP Morgan Smart Retirement 2030 Institutional	Mutual Fund	5,069,363
JP Morgan Smart Retirement 2035 Institutional	Mutual Fund	5,214,929
JP Morgan Smart Retirement 2040 Institutional	Mutual Fund	4,563,771
JP Morgan Smart Retirement 2045 Institutional	Mutual Fund	7,349,360
JP Morgan Smart Retirement 2050 Institutional	Mutual Fund	3,824,652
JP Morgan Smart Retirement 2055 Institutional	Mutual Fund	2,086,140
JP Morgan Smart Retirement 2060 Institutional	Mutual Fund	788,138
JP Morgan Smart Retirement Income	Mutual Fund	2,749,617
Mass Mutual Select Mid Cap Growth	Mutual Fund	636,456
MFS Value Fund Class R6	Mutual Fund	9,985,482
T. Rowe Price Institutional Large Cap Core Growth	Mutual Fund	9,611,308
T. Rowe Price QM US Small Cap Growth	Mutual Fund	2,199,563
Vanguard Extended Market Index Admiral	Mutual Fund	3,149,546
Vanguard Institutional Index Index I	Mutual Fund	6,956,807
Vanguard Total Bond Market Index Admiral	Mutual Fund	564,696
Vanguard Total International Stock Index Admiral	Mutual Fund	742,362
* Participant loans	Loans with varying maturity dates and interest rates from 4.25% to 7.25%	1,279,419
		<u><u>\$ 106,041,383</u></u>

* Party-in-interest to the Plan

Column (d) has not been presented as this information is not applicable.

This schedule is presented in compliance with DOL filing requirements.

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 _____ and ending _____	
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	1b	Three-digit plan number (PN) ▶ _____
		1c	Effective date of plan
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)
		2c	Plan Sponsor's telephone number
		2d	Business code (see instructions)

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			
	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 ☐ 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
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..... a(2) Total number of active participants at the end of the plan year b Retired or separated participants receiving benefits..... c Other retired or separated participants entitled to future benefits d Subtotal. Add lines 6a(2) , 6b , and 6c e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits. f Total. Add lines 6d and 6e g Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item) h Number of participants who terminated employment during the plan year with accrued benefits that were less than 100% vested	6a(1) 6a(2) 6b 6c 6d 6e 6f 6g 6h
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: b If the plan provides welfare benefits, enter the applicable welfare feature codes from the List of Plan Characteristics Codes in the instructions:	

9a Plan funding arrangement (check all that apply) (1) ☐ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☐ Trust (4) ☐ General assets of the sponsor	9b Plan benefit arrangement (check all that apply) (1) ☐ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☐ Trust (4) ☐ General assets of the sponsor
10 Check all applicable boxes in 10a and 10b to indicate which schedules are attached, and, where indicated, enter the number attached. (See instructions)	
a Pension Schedules (1) ☐ R (Retirement Plan Information) (2) ☐ MB (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary (3) ☐ SB (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary	b General Schedules (1) ☐ H (Financial Information) (2) ☐ I (Financial Information – Small Plan) (3) ☐ A (Insurance Information) (4) ☐ C (Service Provider Information) (5) ☐ D (DFE/Participating Plan Information) (6) ☐ G (Financial Transaction Schedules)

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

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

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

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

11c Enter the Receipt Confirmation Code for the 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 _____

Plan Name	AFC Profit Sharing Plan
Plan Sponsor's Name	Alabama Farmers Cooperative Inc.

[illegible]