# 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**

## 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.)
- [X] 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:
- [X] 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
ASSOCIA, INC. 401(K) PLAN

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

**1c** Effective date of plan 10/01/1989

**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)
ASSOCIATIONS, INC.

5401 N. CENTRAL EXPRESSWAY
SUITE 315
DALLAS, TX 75205

**2b** Employer Identification Number (EIN)
75-3014941

**2c** Plan Sponsor's telephone number
214-953-3009

**2d** Business code (see instructions)
531390

**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. | 10/16/2023 | IDELLA PEREA |
| | **Signature of plan administrator** | Date | Enter name of individual signing as plan administrator |
| **SIGN HERE** | | | |
| | **Signature of employer/plan sponsor** | Date | Enter name of individual signing as employer or plan sponsor |
| **SIGN HERE** | | | |
| | **Signature of DFE** | Date | Enter name of individual signing as DFE |

| | | |
|---|---|---|
| **3a** Plan administrator's name and address [X] Same as Plan Sponsor | **3b** Administrator's EIN | |
| | **3c** Administrator's telephone number | |
| **4** If the name and/or EIN of the plan sponsor or the plan name has changed since the last return/report filed for this plan, enter the plan sponsor's name, EIN, the plan name and the plan number from the last return/report:<br>**a** Sponsor's name<br>**c** Plan Name | **4b** EIN<br>**4d** PN | |
| **5** Total number of participants at the beginning of the plan year | **5** | 6859 |
| **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)** | 6134 |
| **a(2)** Total number of active participants at the end of the plan year | **6a(2)** | 6223 |
| **b** Retired or separated participants receiving benefits | **6b** | 86 |
| **c** Other retired or separated participants entitled to future benefits | **6c** | 665 |
| **d** Subtotal. Add lines **6a(2)**, **6b**, and **6c** | **6d** | 6974 |
| **e** Deceased participants whose beneficiaries are receiving or are entitled to receive benefits. | **6e** | 1 |
| **f** Total. Add lines **6d** and **6e** | **6f** | 6975 |
| **g** Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item) | **6g** | 2458 |
| **h** Number of participants who terminated employment during the plan year with accrued benefits that were less than 100% vested | **6h** | 70 |
| **7** Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item) | **7** | |

**8a** If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristics Codes in the instructions:

2E 2J 2F 2K 2T 3H 2G

**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)** | [X] Insurance | **(1)** | [X] Insurance |
| **(2)** | [ ] Code section 412(e)(3) insurance contracts | **(2)** | [ ] Code section 412(e)(3) insurance contracts |
| **(3)** | [X] Trust | **(3)** | [X] 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**

- **(1)** [X] **R** (Retirement Plan Information)
- **(2)** [ ] **MB** (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary
- **(3)** [ ] **SB** (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary

**b General Schedules**

- **(1)** [X] **H** (Financial Information)
- **(2)** [ ] **I** (Financial Information – Small Plan)
- **(3)** [X] 1 **A** (Insurance Information)
- **(4)** [X] **C** (Service Provider Information)
- **(5)** [ ] **D** (DFE/Participating Plan Information)
- **(6)** [ ] **G** (Financial Transaction Schedules)

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

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

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

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

**11c** Enter the Receipt Confirmation Code for the 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**

For calendar plan year 2022 or fiscal plan year beginning 01/01/2022 and ending 12/31/2022

**A** Name of plan
ASSOCIA, INC. 401(K) PLAN

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

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

**D** Employer Identification Number (EIN)
75-3014941

**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.

**1** Coverage Information:

**(a)** Name of insurance carrier
MASSACHUSETTS MUTUAL LIFE INSURANCE COMPANY

| (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 |
| 04-1590850 | 65935 | 899059 | 655 | 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 |
|---|---|
| | |

**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

| (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 | |
| 5 | Current value of plan's interest under this contract in separate accounts at year end | 5 | |

**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 ▶ GROUP ANNUITY CONTRACT

| | | | | | |
|---|---|---|---|---|---|
| **b** | Balance at the end of the previous year | | | 7b | 21261776 |
| **c** | Additions: (1) Contributions deposited during the year | 7c(1) | 572032 | | |
| | (2) Dividends and credits | 7c(2) | 0 | | |
| | (3) Interest credited during the year | 7c(3) | 667197 | | |
| | (4) Transferred from separate account | 7c(4) | 2353980 | | |
| | (5) Other (specify below) | 7c(5) | 125206 | | |
| | ▶ LN DISTRIB, LN INT, LN PRIN, LOAN DEFAULT, LOAN DEFAULT OFFSET, ROLLOVER, TRANS ASSETS, TRANS FORFS | | | | |
| | (6) Total additions | | | 7c(6) | 3718415 |
| **d** | Total of balance and additions (add lines **7b** and **7c(6)**) | | | 7d | 24980191 |
| **e** | Deductions: | | | | |
| | (1) Disbursed from fund to pay benefits or purchase annuities during year | 7e(1) | 2391402 | | |
| | (2) Administration charge made by carrier | 7e(2) | 38530 | | |
| | (3) Transferred to separate account | 7e(3) | 370621 | | |
| | (4) Other (specify below) | 7e(4) | 22352 | | |
| | ▶ LN DISTRIB | | | | |
| | (5) Total deductions | | | 7e(5) | 2822905 |
| **f** | Balance at the end of the current year (subtract line **7e(5)** from line **7d**) | | | 7f | 22157286 |

## 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)** | 0 |
| **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)** | 0 |
| (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)** | 0 |
| (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. | | | **10b** | |

Specify nature of costs.

## 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) | Service Provider Information | OMB No. 1210-0110 |
|---|---|---|
| Department of the Treasury<br>Internal Revenue Service<br>Department of Labor<br>Employee Benefits Security Administration<br>Pension Benefit Guaranty Corporation | This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA).<br>▶ **File as an attachment to Form 5500.** | **2022**<br>**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 | **B** Three-digit plan number (PN) ▶ |
|---|---|
| ASSOCIA, INC. 401(K) PLAN | 001 |

| **C** Plan sponsor's name as shown on line 2a of Form 5500 | **D** Employer Identification Number (EIN) |
|---|---|
| ASSOCIATIONS, INC. | 75-3014941 |

## Part I Service Provider Information (see instructions)

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

### 1 Information on Persons Receiving Only Eligible Indirect Compensation

**a** Check "Yes" or "No" to indicate whether you are excluding a person from the remainder of this Part because they received only eligible indirect compensation for which the plan received the required disclosures (see instructions for definitions and conditions).. . . . . ☐ 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

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

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

EMPOWER ANNUITY INS CO OF AMERICA

84-0467907

| (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? |
|---|---|---|---|---|---|---|
| 64 38 62 | RECORDKEEPER | 366484 | Yes [X] No [ ] | Yes [X] No [ ] | 0 | Yes [X] No [ ] |

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

GLOBAL RETIREMENT PARTNERS LLC

4340 REDWOOD HWY
SUITE B60
SAN RAFAEL, CA 94903

47-1411118

| (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 | INVESTMENT ADVISOR | 60000 | Yes [ ] No [X] | Yes [ ] No [ ] | | Yes [ ] No [ ] |

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

ABACUS RETIREMENT PLAN CONSULTING

47-1094214

| (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? |
|---|---|---|---|---|---|---|
| 16 | CONSULTANT | 4000 | Yes [ ] No [X] | 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: | **b** EIN: |
| **c** Position: | |
| **d** Address: | **e** Telephone: |

Explanation:

| | |
|---|---|
| **a** Name: | **b** EIN: |
| **c** Position: | |
| **d** Address: | **e** Telephone: |

Explanation:

| | |
|---|---|
| **a** Name: | **b** EIN: |
| **c** Position: | |
| **d** Address: | **e** Telephone: |

Explanation:

| | |
|---|---|
| **a** Name: | **b** EIN: |
| **c** Position: | |
| **d** Address: | **e** Telephone: |

Explanation:

| | |
|---|---|
| **a** Name: | **b** EIN: |
| **c** Position: | |
| **d** Address: | **e** Telephone: |

Explanation:

# SCHEDULE H (Form 5500)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

## Financial Information

This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA), and section 6058(a) of the Internal Revenue Code (the Code).

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

OMB No. 1210-0110

**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
ASSOCIA, INC. 401(K) PLAN

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

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

**D** Employer Identification Number (EIN)
75-3014941

## 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) | 1156978 | 1334015 |
| **(9)** Value of interest in common/collective trusts | 1c(9) | | |
| **(10)** Value of interest in pooled separate accounts | 1c(10) | | |
| **(11)** Value of interest in master trust investment accounts | 1c(11) | | |
| **(12)** Value of interest in 103-12 investment entities | 1c(12) | | |
| **(13)** Value of interest in registered investment companies (e.g., mutual funds) | 1c(13) | 104674178 | 85548808 |
| **(14)** Value of funds held in insurance company general account (unallocated contracts) | 1c(14) | 21261776 | 22157286 |
| **(15)** Other | 1c(15) | | |

| | | (a) Beginning of Year | (b) End of Year |
|---|---|---|---|
| **1d** Employer-related investments: | | | |
| **(1)** Employer securities | 1d(1) | | |
| **(2)** Employer real property | 1d(2) | | |
| **e** Buildings and other property used in plan operation | 1e | | |
| **f** Total assets (add all amounts in lines 1a through 1e) | 1f | 127092932 | 109040109 |
| **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 through1j) | 1k | 0 | 0 |
| **Net Assets** | | | |
| **l** Net assets (subtract line 1k from line 1f) | 1l | 127092932 | 109040109 |

## 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) | 379056 | |
| **(B)** Participants | 2a(1)(B) | 8556840 | |
| **(C)** Others (including rollovers) | 2a(1)(C) | 2244808 | |
| **(2)** Noncash contributions | 2a(2) | | |
| **(3)** Total contributions. Add lines **2a(1)(A), (B), (C),** and line **2a(2)** | 2a(3) | | 11180704 |
| **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) | 59624 | |
| **(F)** Other | 2b(1)(F) | 679350 | |
| **(G)** Total interest. Add lines **2b(1)(A)** through **(F)** | 2b(1)(G) | | 738974 |
| **(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) | 3471142 | |
| **(D)** Total dividends. Add lines **2b(2)(A)**, **(B)**, and **(C)** | 2b(2)(D) | | 3471142 |
| **(3)** Rents | 2b(3) | | |
| **(4)** Net gain (loss) on sale of assets: **(A)** Aggregate proceeds | 2b(4)(A) | | |
| **(B)** Aggregate carrying amount (see instructions) | 2b(4)(B) | | |
| **(C)** Subtract line **2b(4)(B)** from line **2b(4)(A)** and enter result | 2b(4)(C) | | 0 |
| **(5)** Unrealized appreciation (depreciation) of assets: **(A)** Real estate | 2b(5)(A) | | |
| **(B)** Other | 2b(5)(B) | | |
| **(C)** Total unrealized appreciation of assets. Add lines **2b(5)(A)** and **(B)** | 2b(5)(C) | | 0 |

| | | (a) Amount | (b) Total |
|---|---|---|---|
| (6) Net investment gain (loss) from common/collective trusts | 2b(6) | | |
| (7) Net investment gain (loss) from pooled separate accounts | 2b(7) | | |
| (8) Net investment gain (loss) from master trust investment accounts | 2b(8) | | |
| (9) Net investment gain (loss) from 103-12 investment entities | 2b(9) | | |
| (10) Net investment gain (loss) from registered investment companies (e.g., mutual funds) | 2b(10) | | -22463148 |
| c Other income | 2c | | 28128 |
| d Total income. Add all **income** amounts in column (b) and enter total | 2d | | -7044200 |
| **Expenses** | | | |
| e Benefit payment and payments to provide benefits: | | | |
| (1) Directly to participants or beneficiaries, including direct rollovers | 2e(1) | 11742173 | |
| (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) | | 11742173 |
| f Corrective distributions (see instructions) | 2f | | 250018 |
| g Certain deemed distributions of participant loans (see instructions) | 2g | | 22358 |
| h Interest expense | 2h | | |
| i Administrative expenses: (1) Professional fees | 2i(1) | 13704 | |
| (2) Contract administrator fees | 2i(2) | 111505 | |
| (3) Investment advisory and management fees | 2i(3) | 303042 | |
| (4) Other | 2i(4) | 338 | |
| (5) Total administrative expenses. Add lines **2i(1)** through **(4)** | 2i(5) | | 428589 |
| j Total expenses. Add all **expense** amounts in column (b) and enter total | 2j | | 12443138 |
| **Net Income and Reconciliation** | | | |
| k Net income (loss). Subtract line **2j** from line **2d** | 2k | | -19487338 |
| l Transfers of assets: | | | |
| (1) To this plan | 2l(1) | | 1434515 |
| (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)** [X] Unmodified **(2)** [ ] Qualified **(3)** [ ] Disclaimer **(4)** [ ] Adverse

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

**(1)** [X] DOL Regulation 2520.103-8 **(2)** [ ] DOL Regulation 2520.103-12(d) **(3)** [ ] neither DOL Regulation 2520.103-8 nor DOL Regulation 2520.103-12(d).

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

**(1)** Name: BAKER TILLY USM LLP **(2)** EIN: 39-0859910

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

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

## Part IV Compliance Questions

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

During the plan year:

| | | Yes | No | Amount |
|---|---|---|---|---|
| **a** Was there a failure to transmit to the plan any participant contributions within the time period described in 29 CFR 2510.3-102? Continue to answer "Yes" for any prior year failures until fully corrected. (See instructions and DOL's Voluntary Fiduciary Correction Program.) | 4a | | X | |

| | | Yes | No | Amount |
|---|---|---|---|---|
| **b** Were any loans by the plan or fixed income obligations due the plan in default as of the close of the plan year or classified during the year as uncollectible? Disregard participant loans secured by participant's account balance. (Attach Schedule G (Form 5500) Part I if "Yes" is checked.) | 4b | | X | |
| **c** Were any leases to which the plan was a party in default or classified during the year as uncollectible? (Attach Schedule G (Form 5500) Part II if "Yes" is checked.) | 4c | | X | |
| **d** Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 4a. Attach Schedule G (Form 5500) Part III if "Yes" is checked.) | 4d | | X | |
| **e** Was this plan covered by a fidelity bond? | 4e | X | | 6000000 |
| **f** Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty? | 4f | | X | |
| **g** Did the plan hold any assets whose current value was neither readily determinable on an established market nor set by an independent third party appraiser? | 4g | | X | |
| **h** Did the plan receive any noncash contributions whose value was neither readily determinable on an established market nor set by an independent third party appraiser? | 4h | | X | |
| **i** Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.) | 4i | X | | |
| **j** Were any plan transactions or series of transactions in excess of 5% of the current value of plan assets? (Attach schedule of transactions if "Yes" is checked and see instructions for format requirements.) | 4j | | X | |
| **k** Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC? | 4k | | X | |
| **l** Has the plan failed to provide any benefit when due under the plan? | 4l | | X | |
| **m** If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.) | 4m | | X | |
| **n** If 4m was answered "Yes," check the "Yes" box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3. | 4n | | | |

**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
ASSOCIA, INC. 401(K) PLAN

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

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

**D** Employer Identification Number (EIN)
75-3014941

## 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): 04-1590850 20-3691708

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

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

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

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

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

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

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

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

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

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

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

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

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

## Part III Amendments

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

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

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

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

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

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

## Part V Additional Information for Multiemployer Defined Benefit Pension Plans

**13** Enter the following information for each employer that (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_____

# Associa, Inc. 401(k) Plan

Financial Statements and
Supplementary Information

December 31, 2022 and 2021

## Associa, Inc. 401(k) Plan

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December 31, 2022 and 2021


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# Independent Auditors' Report

To the Participants and Plan Administrator of
Associa, Inc. 401(k) Plan

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

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

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

Management has obtained certifications from a qualified institution as of December 31, 2022 and 2021, and for the year ended December 31, 2022, stating that the certified investment information, as described in Note 4, is complete and accurate.

**Opinion**

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

- the amounts and disclosures in the financial statements, other than those agreed to or derived from the certified investment information, are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America.

- the information in the financial statements related to assets held by and certified to by a qualified institution agrees to, or is derived from, in all material respects, the information prepared and certified by an institution that management determined meets the requirements of ERISA Section 103(a)(3)(C).

**Basis for Opinion**

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

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**Responsibilities of Management for the Financial Statements**

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about 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 Financial Statements**

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

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of 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 audits did not extend to the certified investment information, except for obtaining and reading the certification, comparing the certified investment information with the related information presented and disclosed in the financial statements, and reading the disclosures relating to the certified investment information to assess whether they are in accordance with the presentation and disclosure requirements of 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.

**Other Matter - Supplemental Schedules Required by ERISA**

The supplemental schedules, Schedule H, Line 4(i) - Schedule of Assets (Held at End of Year) as of December 31, 2022, and Schedule H, Line 4(a) - Schedule of Delinquent Participant Contributions for the year ended December 31, 2022, are presented for purposes of additional analysis and is not a required part of the financial statements but are supplementary information required by the DOL's Rules and Regulations for Reporting and Disclosure under ERISA. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information included in the supplemental schedules, other than that agreed to or derived from the certified investment information, has been subjected to auditing procedures applied in the audits of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with GAAS. 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 its form and content, is presented in conformity with the DOL's Rules and Regulations for Reporting and Disclosure under ERISA.

In our opinion:

- the form and content of the 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 DOL'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).

Baker Tilly US, LLP

Plano, Texas
October 16, 2023

## Associa, Inc. 401(k) Plan

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

| | 2022 | 2021 |
|---|---|---|
| **Assets** | | |
| Investments: | | |
| At fair value | $ 85,524,814 | $ 104,674,178 |
| At contract value | 22,181,280 | 21,261,776 |
| Total investments | 107,706,094 | 125,935,954 |
| Receivables: | | |
| Notes receivable from participants | 1,334,015 | 1,156,978 |
| Company contributions | 473,636 | 389,121 |
| Total receivables | 1,807,651 | 1,546,099 |
| Total assets | 109,513,745 | 127,482,053 |
| **Liabilities** | | |
| Excess contributions refundable | 154,784 | 223,930 |
| Total liabilities | 154,784 | 223,930 |
| Net assets available for benefits | $ 109,358,961 | $ 127,258,123 |

*See notes to financial statements*

## Associa, Inc. 401(k) Plan

Statement of Changes in Net Assets Available for Benefits
Year Ended December 31, 2022

| | |
|---|---|
| **Additions** | |
| Investment income (loss): | |
| Net depreciation of fair value of investments | $ (22,114,890) |
| Interest and dividends | 3,782,076 |
| Total investment loss | (18,332,814) |
| Interest income on notes receivable from participants | 67,582 |
| Contributions: | |
| Participants | 8,402,057 |
| Company | 454,256 |
| Rollovers | 2,342,296 |
| Total contributions | 11,198,609 |
| Total additions | (7,066,623) |
| **Deductions** | |
| Benefits paid directly to participants | 11,871,772 |
| Administrative expenses, net | 395,282 |
| Total deductions | 12,267,054 |
| Net decrease | (19,333,677) |
| Transfer in (Note 9) | 1,434,515 |
| **Net Assets Available for Benefits** | |
| Beginning of year | 127,258,123 |
| End of year | $ 109,358,961 |

*See notes to financial statements*

## 1. Description of the Plan

### General

The Associa, Inc. 401(k) Plan (the Plan) is a defined contribution plan and is subject to the provisions of the Employee Retirement Income Security Act of 1974, as amended (ERISA). The Plan was established on October 1, 1989, covering substantially all employees of Associations, Inc. (the Company or Plan Administrator) and its wholly owned subsidiaries (the Subsidiaries). On December 31, 2020, Empower Retirement, LLC (Empower) acquired the retirement business of Massachusetts Mutual Life Insurance Company, as such, Great-West Life & Annuity Insurance Company and Great-West Trust Company, LLC, as an agent for Reliance Trust Company (Reliance), and an affiliate of Empower, became record-keeper of the Plan. As of December 31, 2021 Reliance Trust Company serves as the Trustee of the Plan. As of December 31, 2022 and for the year then ended, Empower Trust Company and Mass Mutual Life Insurance Company serves as the Trustees of the Plan. As of and for the year ended December 31, 2022, Empower Retirement serves as the record-keeper of the Plan. The following description provides only general information. Participants should refer to the plan document for a more complete description of the Plan's provisions.

Effective January 1, 2022, the Plan was amended and restated to the non-standardized pre-approved profit sharing plan with CODA developed by Empower Retirement, LLC, which received a favorable advisory letter dated April 7, 2021.

### Eligibility and Participant Accounts

Employees are eligible for elective deferral upon attaining the age of twenty-one and completing one month of service. Employees, except for employees of Laguna Woods Village, become eligible for Company discretionary matching and Company discretionary non-elective contributions upon attaining the age of twenty-one and completing one year of service. Only eligible employees of Laguana Woods Village are eligible for Company fixed matching contributions, for which they become eligible upon attaining the age of twenty-one and completing one year of service. Members of collective bargaining units, non-resident aliens, and residents of Puerto Rico are not eligible to participate in the Plan, as defined by the plan document. Temporary employees are not eligible to participate in the Plan until 1,000 hours of service during a twelve consecutive month period has been performed. Entry dates are the first day of each calendar month once eligible employees have satisfied minimum age and service requirements.

Subject to certain limitations on annual additions, each participant's account is credited with participant elective deferrals, Company matching and discretionary profit sharing contributions and an allocation of plan earnings and charged with certain administrative expenses. Participants may modify investment elections, transfer existing balances and obtain information regarding the investments on a daily basis.

### Contributions

The Plan is funded through participant elective deferrals, rollover contributions, Company matching and discretionary profit sharing contributions. A participant may elect to contribute a portion of his or her eligible pretax compensation from 1% to 90%, subject to certain maximum limitations imposed by the Internal Revenue Code (IRC) ($20,500 for 2022). The Plan allows for after-tax Roth contributions. Employees who are eligible to make elective deferrals under the Plan and who have attained the age of fifty before the close of the plan year are also eligible to make catch-up contributions subject to the maximum limitation imposed by the IRC ($6,500 for 2022). Certain subsidiaries have limits of 50%, see Plan document for a more complete description. Rollover contributions representing distributions from other qualified retirement plans are permitted and may be made prior to meeting the eligibility requirements for participation in the Plan.

The Plan allows for Company matching and Company discretionary non-elective contributions in amounts to be determined by the executive board of the Company. For the year ended December 31, 2022, the Company matched 10% of employee's contributions up to 5% of employee's compensation. No Company discretionary non-elective contributions were made for the year ended December 31, 2022. Certain subsidiaries have matching of 100% up to 7.33% of compensation, participants must have deferrals of at least 2% of eligible compensation to receive.

**Vesting**

Participants are immediately vested in elective deferrals, qualified non-elective contributions, rollover contributions, after-tax contributions, and any earnings, thereon. Vesting in the Company's matching and discretionary non-elective contributions and any earnings, thereon, is based on years of continuous service using the following schedule:

| Years of Service | Percentage |
|---|---|
| Less than 1 | - % |
| 1 | 25 |
| 2 | 50 |
| 3 | 75 |
| 4 or more | 100 |

**Benefits Paid to Participants**

Upon normal retirement age, death, disability or termination, a participant's benefits are payable in a lump-sum amount equal to 100% of the participant's vested account balance. Participants may also make hardship withdrawals on the balance of their account related to their elective deferral balance. Participants with vested account balances greater than $5,000 may defer their distributions to a later date. Participant account balances of $5,000 or less upon termination may be rolled over to an individual retirement annuity account or cashed-out and directly distributed to the participant by the Plan Administrator. Any distribution to participants will be taken first from the participant's Roth deferral account, once depleted, distributions will be taken from the participant's pre-tax deferral account.

**Investment Options**

The Plan provides for participants to direct both participant and Company matching contributions into a variety of mutual funds of registered investment companies and a guaranteed investment contract in accordance with participant investment elections and the provisions of the trust agreement. Participants should refer to the plan website for additional fund information.

**Forfeitures**

Forfeitures of terminated participants' nonvested accounts are available to reduce Company matching contributions or pay administrative expenses. At December 31, 2022 and 2021, unallocated forfeitures available totaled $64,702 and $132,594, respectively. These amounts are reported as a component of net assets available for benefits. Forfeitures of $73,704 were used to pay administrative expenses, and no forfeitures were used to fund Company matching contributions for the year ended December 31, 2022.

### Notes Receivable From Participants

Borrowings are available for all participants. Notes receivable from participants are limited to a minimum of $500 up to a maximum of the lesser of $50,000 or 50% of their vested account balance, subject to certain restrictions as defined by the Internal Revenue Service (IRS). The notes are secured by the balance in the participant's account and bear interest at a rate of prime plus 1% as outlined in the plan provisions. Any note must be repaid within five years unless for the purchase of a primary residence, in which case the repayment period may not exceed thirty years. Repayments are made through payroll deductions and are reinvested in the participant's account according to individual investment elections. Notes receivable from participants as of December 31, 2022, have interest rates ranging from 4.25% to 10.25% and maturity dates from January 2023 through October 2052. Notes receivable from participants as of December 31, 2021, have interest rates ranging from 4.25% to 10.25% and maturity dates from January 2022 through June 2039.

### Administrative Expenses

Certain expenses of maintaining the Plan are paid by the Plan, unless otherwise paid by the Company. Expenses that are paid by the Company are excluded from these financial statements. Fees related to the administration of notes receivable from participants and fees paid related to benefits paid are charged directly to the participant's account and are included in administrative expenses. Investment related expenses are included in net appreciation (depreciation) of fair value of investments.

### Plan Termination

Although the Company expects to continue the Plan, the Company may terminate the Plan at any time subject to the provisions of ERISA. In the event the Plan is terminated, each of the participants will have a non-forfeitable 100% vested interest in his or her account balance, including all Company contributions, subject to payment of liquidation costs and expenses.

## 2. Summary of Significant Accounting Policies

### Basis of Accounting

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

### Estimates and Assumptions

The preparation of financial statements in in accordance with accounting principles generally accepted in the United States of America requires the Plan's management to make estimates and assumptions that affect certain reported amounts of assets and liabilities, changes therein, and associated disclosures. Accordingly, actual results may vary from the estimates used in preparing the accompanying financial statements.

### Investment Valuation and Income Recognition

Investments are reported at fair value except for fully benefit-responsive guaranteed investment contracts, which are valued at contract value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (see Note 3 - Fair Value Measurements). Contract value is the relevant measure attributable to fully benefit-responsive investment contracts because contract value is the amount participants would receive if they were to initiate permitted transactions under the provision of the Plan (See Note 5 - Investment Contract With Insurance Company).

Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date. The income or loss earned on participant accounts is allocated on a daily basis using the previous day's ending account balance. Net appreciation (depreciation) of fair value investments includes the Plan's gains and losses on the investments bought and sold, as well as held during the year.

**Payment of Benefits**

Benefits are recorded when paid.

**Notes Receivable From Participants**

Notes receivable from participants are measured at their unpaid principal balances plus any accrued unpaid interest. Interest income is recorded on the accrual basis. Delinquent notes receivable from participants are reclassified as distributions based upon the terms of the plan document or note policy of the Plan. Notes receivable are valued at amortized cost, which approximates fair value.
No allowance for credit losses has been recorded as of December 31, 2022 or 2021.

## 3. 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 authoritative guidance are described as follows:

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

Level 2 - Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly, such as:

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

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

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

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

Following is a description of the valuation 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 of registered investment companies are valued at the net asset value (NAV) or quoted market prices of shares held by the Plan at year-end.

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

| | Assets at Fair Value as of December 31, 2022 | | | |
|---|---|---|---|---|
| | **Level 1** | **Level 2** | **Level 3** | **Total** |
| Mutual funds of registered investment companies | $ 85,524,814 | $ - | $ - | $ 85,524,814 |
| Total investments at fair value | $ 85,524,814 | $ - | $ - | $ 85,824,814 |

| | Assets at Fair Value as of December 31, 2021 | | | |
|---|---|---|---|---|
| | **Level 1** | **Level 2** | **Level 3** | **Total** |
| Mutual funds of registered investment companies | $ 104,674,178 | $ - | $ - | $ 104,674,178 |
| Total investments at fair value | $ 104,674,178 | $ - | $ - | $ 104,674,178 |

## 4. Information Certified by Trustees

The Plan Administrator has elected the method of compliance permitted by 29 CFR 2520.103-8 of the Department of Labor's (DOL) Rules and Regulations for Reporting and Disclosure under ERISA. Accordingly, the Trustees of the Plan has certified to the completeness and accuracy of all investments reported in the accompanying Statements of Net Assets Available for Benefits as of December 31, 2022 and 2021, and the supplemental schedule of Schedule H, Line 4(i) - Schedule of Assets (Held at End of Year) as of December 31, 2022, and the related investment activity reported in the Statement of Changes in Net Assets Available for Benefits for the year ended December 31, 2022.

## 5. Investment Contract With Insurance Company

The Plan holds funds in a fully benefit-responsive guaranteed investment contract, the Massachusetts Mutual Life Insurance Company Account. MassMutual maintains the contributions in its general account. MassMutual's general account is credited with 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. There are no reserves against contract value for credit risk of the Issuer or otherwise. The crediting interest rate is based on a formula agreed upon with the issuer but may not be less than zero. Such interest rates are continuously reviewed and reset as needed on a monthly to quarterly basis. The Plan or MassMutual can terminate the contract by providing written notice to the other party 30 days prior to the termination date. If the contract were to terminate by the Plan or MassMutual, interest would not be less than the minimum interest rate established in the investment contract. There may be a market value adjustment upon the Plan's election to terminate the contract with a lump sum distribution, which may result in a distribution that is less than or in excess of contract value. Certain unobservable inputs are assessed through review of contract terms (ex: duration or payout date) while others are substantiated utilizing available market date (ex: swap curve rate).

Certain events might limit the ability of the Plan to transact at contract value with the contract 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 spinoffs of a subsidiary) that cause a significant withdrawal from the Plan, (4) failure of the trust to qualify for exemption from federal income taxes or any required prohibited transaction exemption under ERISA (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 issuer 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 the following: (1) An uncured violation of the Plan's investment guidelines, (2) a breach of material obligation under the contract, (3) a material misrepresentation, (4) a material amendment to the agreement without the consent of the issuer.

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

Certain of the Plan's investments are managed by the Trustee or an affiliate of the Trustees; therefore, these transactions qualify as party in interest transactions. The Plan issues notes receivable to participants, which are secured by the participant's account balances. These transactions also qualify as party in interest transactions.

Certain administrative functions of the Plan are performed by an officer or employees of the Company. No such officer or employee receives compensation from the Plan.

## 7. Risks and Uncertainties

The Plan provides for various investment options. Investment securities are exposed to various risks, such as interest rate, concentration, market and credit risk. Market risks include global events, such as a pandemic or international conflict, which could impact the value of investment securities. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the value of the investments will occur in the near term and that such changes could materially affect participant's account balances and the amounts reported in the Statements of Net Assets Available for Benefits.

## 8. Tax Status

The Plan is based on a non-standard pre-approved profit sharing plan with CODA developed by Empower Retirement LLC which received a favorable advisory letter dated April 7, 2021, from the IRS stating that the pre-approved plan constitutes a qualified plan under Section 401 of the IRC. The Company believes the Plan, as adopted and amended, is operating within the guidelines of the IRC and continues to be tax exempt. Accordingly, no provision for federal income taxes has been provided in the accompanying financial statements.

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

## 9. Transfer In

Effective January 2022, the American Property Management of Illinois, Inc. merged into the Plan, transferring assets in the amount of $1,434,515. The assets and corresponding Transfer In are recorded in the Statement of Changes in Net Assets Available for Benefits for the year ended December 31, 2022.

## 10. Delinquent Contributions

During 2022, employee withholdings and loan repayments in the amount of $479,097 were late in being transferred to the Plan. The delays were unintentional, and the Company is in process of correcting lost earnings using the DOL guidelines for late deposits.

## 11. Excess Contributions Payable

The Plan failed the discrimination tests for the years ended December 31, 2022 and 2021. As a result, excess contributions refundable amounting to $154,784 and $223,930, respectively, are recorded as liabilities in the accompanying Statements of Net Assets Available for Benefits, and as a reduction of contributions in the related Statement of Changes in Net Assets Available for Benefits.

## 12. Reconciliation of Financial Statements to Form 5500

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

| | 2022 | 2021 |
|---|---|---|
| Net assets available for benefits per financial statements | $ 109,358,961 | $ 127,258,123 |
| Less Company matching contributions receivable | (473,636) | (389,121) |
| Add excess contributions refundable | 154,784 | 223,930 |
| Net assets available for benefits per Form 5500 | $ 109,040,109 | $ 127,092,932 |

The following is a reconciliation of net decrease in net assets available for benefits per the financial statements and the Form 5500 for the year ended December 31, 2022:

| | |
|---|---|
| Net decrease in net assets available for benefits per the financial statements | $ (19,333,677) |
| Plus excess contributions refundable as of December 31, 2022 | 154,784 |
| Less Company matching contributions receivable as of December 31, 2022 | (473,636) |
| Plus Company matching contributions receivable as of December 31, 2022 | 389,121 |
| Less excess contributions refundable as of December 31, 2021 | (223,930) |
| Net decrease in net assets available for benefits per the Form 5500 | $ (19,487,338) |

## 13. Subsequent Events

In accordance with the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 855, *Subsequent Events*, the Company has evaluated events or transactions occurring after December 31, 2022, the Statements of Net Assets Available for Benefits date, through October 16, 2023, the date the financial statements were ready to be issued, and determined there were no additional events or transactions that would impact the financial statements for the year ended December 31, 2022.

The SECURE 2.0 Act of 2022 was signed into law on December 29, 2022. This legislation includes a vast array of provisional changes to retirement plans, becoming effective in 2023 and beyond. Plan management is evaluating the impact of the adoption and implementation of this legislation on the Plan.

## Associa, Inc. 401(k) Plan

Schedule H, Line 4(a) - Schedule of Delinquent Participant Contributions
EIN: 75-3014941 Plan Number: 001
Year Ended December 31, 2022

| | Total That Constitute Nonexempt Prohibited Transactions | | | |
|---|---|---|---|---|
| **Participant Contributions Transferred Late to the Plan (1)** | **Contributions not Corrected** | **Contributions Corrected Outside of VFCP** | **Contributions Pending Correction in VFCP** | **Total Fully Corrected Under VFCP and PTE 2002-51** |
| $ 479,097 | $ 479,097 | $ - | $ - | $ - |

(1) Amount does not include participant loan repayments.

**Associa, Inc. 401(k) Plan**

Schedule H, Line 4(i) - Schedule of Assets (Held at End of Year)
EIN: 75-3014941 Plan Number: 001
December 31, 2022

| (a) | (b) Identity of Issue, Borrower, Lessor or Similar Party | (c) Description of Investment Including Maturity Date, Rate of Interest, Collateral, Par or Maturity Value | (d) Cost | (e) Current Value |
|---|---|---|---|---|
| | **Mutual Funds of Registered Investment Companies** | | | |
| | American Funds | 2030 Target Date Retirement Fund | N/R | $ 14,370,631 |
| | Vanguard | Vanguard Total Stock Market Index Fund | N/R | 10,289,006 |
| | T. Rowe Price | Blue Chip Growth Fund | N/R | 6,333,307 |
| | American Funds | 2040 Target Date Retirement Fund | N/R | 9,935,336 |
| | Vanguard | Vanguard Mid Cap Index Fund | N/R | 7,289,659 |
| | American Funds | 2020 Target Date Retirement Fund | N/R | 6,155,824 |
| | American Funds | 2050 Target Date Retirement Fund | N/R | 5,917,748 |
| | Western Asset | Core Plus Bond Fund | N/R | 4,713,365 |
| | MFS | International Diversification Fund | N/R | 4,589,053 |
| | Vanguard | Vanguard Small Cap Value Index Fund | N/R | 4,132,567 |
| | Putnam | Equity Income Fund | N/R | 4,891,031 |
| | American Funds | 2010 Target Date Retirement Fund | N/R | 2,655,379 |
| | Vanguard | Small Cap Growth Index Fund | N/R | 2,072,774 |
| | American Funds | Balanced Fund | N/R | 1,174,275 |
| | American Funds | 2060 Target Date Retirement Fund | N/R | 998,142 |
| | Mass Mutual | Mass Mutual US Govt MMKT Fund | N/R | 6,717 |
| | | Total mutual funds of registered investment companies | | 85,524,814 |
| | **Guaranteed Investment Contract** | | | |
| * | Massachusetts Mutual Life Insurance Company | Guaranteed Interest Account | N/R | 22,181,280 |
| * | **Participant Loans** | Interest rates: 4.25% - 10.25% | | 1,334,015 |
| | | | | $ 109,040,109 |

* A party in interest as defined by ERISA
N/R - cost omitted for participant directed investments

# Associa, Inc. 401(k) Plan

Financial Statements and
Supplementary Information

December 31, 2022 and 2021

## Associa, Inc. 401(k) Plan

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December 31, 2022 and 2021


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# Independent Auditors' Report

To the Participants and Plan Administrator of
Associa, Inc. 401(k) Plan

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

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

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

Management has obtained certifications from a qualified institution as of December 31, 2022 and 2021, and for the year ended December 31, 2022, stating that the certified investment information, as described in Note 4, is complete and accurate.

**Opinion**

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

- the amounts and disclosures in the financial statements, other than those agreed to or derived from the certified investment information, are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America.

- the information in the financial statements related to assets held by and certified to by a qualified institution agrees to, or is derived from, in all material respects, the information prepared and certified by an institution that management determined meets the requirements of ERISA Section 103(a)(3)(C).

**Basis for Opinion**

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

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**Responsibilities of Management for the Financial Statements**

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about 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 Financial Statements**

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

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of 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 audits did not extend to the certified investment information, except for obtaining and reading the certification, comparing the certified investment information with the related information presented and disclosed in the financial statements, and reading the disclosures relating to the certified investment information to assess whether they are in accordance with the presentation and disclosure requirements of 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.

**Other Matter - Supplemental Schedules Required by ERISA**

The supplemental schedules, Schedule H, Line 4(i) - Schedule of Assets (Held at End of Year) as of December 31, 2022, and Schedule H, Line 4(a) - Schedule of Delinquent Participant Contributions for the year ended December 31, 2022, are presented for purposes of additional analysis and is not a required part of the financial statements but are supplementary information required by the DOL's Rules and Regulations for Reporting and Disclosure under ERISA. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information included in the supplemental schedules, other than that agreed to or derived from the certified investment information, has been subjected to auditing procedures applied in the audits of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with GAAS. 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 its form and content, is presented in conformity with the DOL's Rules and Regulations for Reporting and Disclosure under ERISA.

In our opinion:

- the form and content of the 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 DOL'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).

Baker Tilly US, LLP

Plano, Texas
October 16, 2023

## Associa, Inc. 401(k) Plan

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

| | 2022 | 2021 |
|---|---|---|
| **Assets** | | |
| Investments: | | |
| At fair value | $ 85,524,814 | $ 104,674,178 |
| At contract value | 22,181,280 | 21,261,776 |
| Total investments | 107,706,094 | 125,935,954 |
| Receivables: | | |
| Notes receivable from participants | 1,334,015 | 1,156,978 |
| Company contributions | 473,636 | 389,121 |
| Total receivables | 1,807,651 | 1,546,099 |
| Total assets | 109,513,745 | 127,482,053 |
| **Liabilities** | | |
| Excess contributions refundable | 154,784 | 223,930 |
| Total liabilities | 154,784 | 223,930 |
| Net assets available for benefits | $ 109,358,961 | $ 127,258,123 |

*See notes to financial statements*

## Associa, Inc. 401(k) Plan

Statement of Changes in Net Assets Available for Benefits
Year Ended December 31, 2022

| | |
|---|---|
| **Additions** | |
| Investment income (loss): | |
| Net depreciation of fair value of investments | $ (22,114,890) |
| Interest and dividends | 3,782,076 |
| Total investment loss | (18,332,814) |
| Interest income on notes receivable from participants | 67,582 |
| Contributions: | |
| Participants | 8,402,057 |
| Company | 454,256 |
| Rollovers | 2,342,296 |
| Total contributions | 11,198,609 |
| Total additions | (7,066,623) |
| **Deductions** | |
| Benefits paid directly to participants | 11,871,772 |
| Administrative expenses, net | 395,282 |
| Total deductions | 12,267,054 |
| Net decrease | (19,333,677) |
| Transfer in (Note 9) | 1,434,515 |
| **Net Assets Available for Benefits** | |
| Beginning of year | 127,258,123 |
| End of year | $ 109,358,961 |

*See notes to financial statements*

## 1. Description of the Plan

### General

The Associa, Inc. 401(k) Plan (the Plan) is a defined contribution plan and is subject to the provisions of the Employee Retirement Income Security Act of 1974, as amended (ERISA). The Plan was established on October 1, 1989, covering substantially all employees of Associations, Inc. (the Company or Plan Administrator) and its wholly owned subsidiaries (the Subsidiaries). On December 31, 2020, Empower Retirement, LLC (Empower) acquired the retirement business of Massachusetts Mutual Life Insurance Company, as such, Great-West Life & Annuity Insurance Company and Great-West Trust Company, LLC, as an agent for Reliance Trust Company (Reliance), and an affiliate of Empower, became record-keeper of the Plan. As of December 31, 2021 Reliance Trust Company serves as the Trustee of the Plan. As of December 31, 2022 and for the year then ended, Empower Trust Company and Mass Mutual Life Insurance Company serves as the Trustees of the Plan. As of and for the year ended December 31, 2022, Empower Retirement serves as the record-keeper of the Plan. The following description provides only general information. Participants should refer to the plan document for a more complete description of the Plan's provisions.

Effective January 1, 2022, the Plan was amended and restated to the non-standardized pre-approved profit sharing plan with CODA developed by Empower Retirement, LLC, which received a favorable advisory letter dated April 7, 2021.

### Eligibility and Participant Accounts

Employees are eligible for elective deferral upon attaining the age of twenty-one and completing one month of service. Employees, except for employees of Laguna Woods Village, become eligible for Company discretionary matching and Company discretionary non-elective contributions upon attaining the age of twenty-one and completing one year of service. Only eligible employees of Laguana Woods Village are eligible for Company fixed matching contributions, for which they become eligible upon attaining the age of twenty-one and completing one year of service. Members of collective bargaining units, non-resident aliens, and residents of Puerto Rico are not eligible to participate in the Plan, as defined by the plan document. Temporary employees are not eligible to participate in the Plan until 1,000 hours of service during a twelve consecutive month period has been performed. Entry dates are the first day of each calendar month once eligible employees have satisfied minimum age and service requirements.

Subject to certain limitations on annual additions, each participant's account is credited with participant elective deferrals, Company matching and discretionary profit sharing contributions and an allocation of plan earnings and charged with certain administrative expenses. Participants may modify investment elections, transfer existing balances and obtain information regarding the investments on a daily basis.

### Contributions

The Plan is funded through participant elective deferrals, rollover contributions, Company matching and discretionary profit sharing contributions. A participant may elect to contribute a portion of his or her eligible pretax compensation from 1% to 90%, subject to certain maximum limitations imposed by the Internal Revenue Code (IRC) ($20,500 for 2022). The Plan allows for after-tax Roth contributions. Employees who are eligible to make elective deferrals under the Plan and who have attained the age of fifty before the close of the plan year are also eligible to make catch-up contributions subject to the maximum limitation imposed by the IRC ($6,500 for 2022). Certain subsidiaries have limits of 50%, see Plan document for a more complete description. Rollover contributions representing distributions from other qualified retirement plans are permitted and may be made prior to meeting the eligibility requirements for participation in the Plan.

The Plan allows for Company matching and Company discretionary non-elective contributions in amounts to be determined by the executive board of the Company. For the year ended December 31, 2022, the Company matched 10% of employee's contributions up to 5% of employee's compensation. No Company discretionary non-elective contributions were made for the year ended December 31, 2022. Certain subsidiaries have matching of 100% up to 7.33% of compensation, participants must have deferrals of at least 2% of eligible compensation to receive.

**Vesting**

Participants are immediately vested in elective deferrals, qualified non-elective contributions, rollover contributions, after-tax contributions, and any earnings, thereon. Vesting in the Company's matching and discretionary non-elective contributions and any earnings, thereon, is based on years of continuous service using the following schedule:

| Years of Service | Percentage |
|---|---|
| Less than 1 | - % |
| 1 | 25 |
| 2 | 50 |
| 3 | 75 |
| 4 or more | 100 |

**Benefits Paid to Participants**

Upon normal retirement age, death, disability or termination, a participant's benefits are payable in a lump-sum amount equal to 100% of the participant's vested account balance. Participants may also make hardship withdrawals on the balance of their account related to their elective deferral balance. Participants with vested account balances greater than $5,000 may defer their distributions to a later date. Participant account balances of $5,000 or less upon termination may be rolled over to an individual retirement annuity account or cashed-out and directly distributed to the participant by the Plan Administrator. Any distribution to participants will be taken first from the participant's Roth deferral account, once depleted, distributions will be taken from the participant's pre-tax deferral account.

**Investment Options**

The Plan provides for participants to direct both participant and Company matching contributions into a variety of mutual funds of registered investment companies and a guaranteed investment contract in accordance with participant investment elections and the provisions of the trust agreement. Participants should refer to the plan website for additional fund information.

**Forfeitures**

Forfeitures of terminated participants' nonvested accounts are available to reduce Company matching contributions or pay administrative expenses. At December 31, 2022 and 2021, unallocated forfeitures available totaled $64,702 and $132,594, respectively. These amounts are reported as a component of net assets available for benefits. Forfeitures of $73,704 were used to pay administrative expenses, and no forfeitures were used to fund Company matching contributions for the year ended December 31, 2022.

### Notes Receivable From Participants

Borrowings are available for all participants. Notes receivable from participants are limited to a minimum of $500 up to a maximum of the lesser of $50,000 or 50% of their vested account balance, subject to certain restrictions as defined by the Internal Revenue Service (IRS). The notes are secured by the balance in the participant's account and bear interest at a rate of prime plus 1% as outlined in the plan provisions. Any note must be repaid within five years unless for the purchase of a primary residence, in which case the repayment period may not exceed thirty years. Repayments are made through payroll deductions and are reinvested in the participant's account according to individual investment elections. Notes receivable from participants as of December 31, 2022, have interest rates ranging from 4.25% to 10.25% and maturity dates from January 2023 through October 2052. Notes receivable from participants as of December 31, 2021, have interest rates ranging from 4.25% to 10.25% and maturity dates from January 2022 through June 2039.

### Administrative Expenses

Certain expenses of maintaining the Plan are paid by the Plan, unless otherwise paid by the Company. Expenses that are paid by the Company are excluded from these financial statements. Fees related to the administration of notes receivable from participants and fees paid related to benefits paid are charged directly to the participant's account and are included in administrative expenses. Investment related expenses are included in net appreciation (depreciation) of fair value of investments.

### Plan Termination

Although the Company expects to continue the Plan, the Company may terminate the Plan at any time subject to the provisions of ERISA. In the event the Plan is terminated, each of the participants will have a non-forfeitable 100% vested interest in his or her account balance, including all Company contributions, subject to payment of liquidation costs and expenses.

## 2. Summary of Significant Accounting Policies

### Basis of Accounting

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

### Estimates and Assumptions

The preparation of financial statements in in accordance with accounting principles generally accepted in the United States of America requires the Plan's management to make estimates and assumptions that affect certain reported amounts of assets and liabilities, changes therein, and associated disclosures. Accordingly, actual results may vary from the estimates used in preparing the accompanying financial statements.

### Investment Valuation and Income Recognition

Investments are reported at fair value except for fully benefit-responsive guaranteed investment contracts, which are valued at contract value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (see Note 3 - Fair Value Measurements). Contract value is the relevant measure attributable to fully benefit-responsive investment contracts because contract value is the amount participants would receive if they were to initiate permitted transactions under the provision of the Plan (See Note 5 - Investment Contract With Insurance Company).

Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date. The income or loss earned on participant accounts is allocated on a daily basis using the previous day's ending account balance. Net appreciation (depreciation) of fair value investments includes the Plan's gains and losses on the investments bought and sold, as well as held during the year.

**Payment of Benefits**

Benefits are recorded when paid.

**Notes Receivable From Participants**

Notes receivable from participants are measured at their unpaid principal balances plus any accrued unpaid interest. Interest income is recorded on the accrual basis. Delinquent notes receivable from participants are reclassified as distributions based upon the terms of the plan document or note policy of the Plan. Notes receivable are valued at amortized cost, which approximates fair value.
No allowance for credit losses has been recorded as of December 31, 2022 or 2021.

## 3. 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 authoritative guidance are described as follows:

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

Level 2 - Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly, such as:

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

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

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

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

Following is a description of the valuation 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 of registered investment companies are valued at the net asset value (NAV) or quoted market prices of shares held by the Plan at year-end.

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

| | Assets at Fair Value as of December 31, 2022 | | | |
|---|---|---|---|---|
| | **Level 1** | **Level 2** | **Level 3** | **Total** |
| Mutual funds of registered investment companies | $ 85,524,814 | $ - | $ - | $ 85,524,814 |
| Total investments at fair value | $ 85,524,814 | $ - | $ - | $ 85,824,814 |

| | Assets at Fair Value as of December 31, 2021 | | | |
|---|---|---|---|---|
| | **Level 1** | **Level 2** | **Level 3** | **Total** |
| Mutual funds of registered investment companies | $ 104,674,178 | $ - | $ - | $ 104,674,178 |
| Total investments at fair value | $ 104,674,178 | $ - | $ - | $ 104,674,178 |

## 4. Information Certified by Trustees

The Plan Administrator has elected the method of compliance permitted by 29 CFR 2520.103-8 of the Department of Labor's (DOL) Rules and Regulations for Reporting and Disclosure under ERISA. Accordingly, the Trustees of the Plan has certified to the completeness and accuracy of all investments reported in the accompanying Statements of Net Assets Available for Benefits as of December 31, 2022 and 2021, and the supplemental schedule of Schedule H, Line 4(i) - Schedule of Assets (Held at End of Year) as of December 31, 2022, and the related investment activity reported in the Statement of Changes in Net Assets Available for Benefits for the year ended December 31, 2022.

## 5. Investment Contract With Insurance Company

The Plan holds funds in a fully benefit-responsive guaranteed investment contract, the Massachusetts Mutual Life Insurance Company Account. MassMutual maintains the contributions in its general account. MassMutual's general account is credited with 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. There are no reserves against contract value for credit risk of the Issuer or otherwise. The crediting interest rate is based on a formula agreed upon with the issuer but may not be less than zero. Such interest rates are continuously reviewed and reset as needed on a monthly to quarterly basis. The Plan or MassMutual can terminate the contract by providing written notice to the other party 30 days prior to the termination date. If the contract were to terminate by the Plan or MassMutual, interest would not be less than the minimum interest rate established in the investment contract. There may be a market value adjustment upon the Plan's election to terminate the contract with a lump sum distribution, which may result in a distribution that is less than or in excess of contract value. Certain unobservable inputs are assessed through review of contract terms (ex: duration or payout date) while others are substantiated utilizing available market date (ex: swap curve rate).

Certain events might limit the ability of the Plan to transact at contract value with the contract 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 spinoffs of a subsidiary) that cause a significant withdrawal from the Plan, (4) failure of the trust to qualify for exemption from federal income taxes or any required prohibited transaction exemption under ERISA (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 issuer 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 the following: (1) An uncured violation of the Plan's investment guidelines, (2) a breach of material obligation under the contract, (3) a material misrepresentation, (4) a material amendment to the agreement without the consent of the issuer.

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

Certain of the Plan's investments are managed by the Trustee or an affiliate of the Trustees; therefore, these transactions qualify as party in interest transactions. The Plan issues notes receivable to participants, which are secured by the participant's account balances. These transactions also qualify as party in interest transactions.

Certain administrative functions of the Plan are performed by an officer or employees of the Company. No such officer or employee receives compensation from the Plan.

## 7. Risks and Uncertainties

The Plan provides for various investment options. Investment securities are exposed to various risks, such as interest rate, concentration, market and credit risk. Market risks include global events, such as a pandemic or international conflict, which could impact the value of investment securities. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the value of the investments will occur in the near term and that such changes could materially affect participant's account balances and the amounts reported in the Statements of Net Assets Available for Benefits.

## 8. Tax Status

The Plan is based on a non-standard pre-approved profit sharing plan with CODA developed by Empower Retirement LLC which received a favorable advisory letter dated April 7, 2021, from the IRS stating that the pre-approved plan constitutes a qualified plan under Section 401 of the IRC. The Company believes the Plan, as adopted and amended, is operating within the guidelines of the IRC and continues to be tax exempt. Accordingly, no provision for federal income taxes has been provided in the accompanying financial statements.

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

## 9. Transfer In

Effective January 2022, the American Property Management of Illinois, Inc. merged into the Plan, transferring assets in the amount of $1,434,515. The assets and corresponding Transfer In are recorded in the Statement of Changes in Net Assets Available for Benefits for the year ended December 31, 2022.

## 10. Delinquent Contributions

During 2022, employee withholdings and loan repayments in the amount of $479,097 were late in being transferred to the Plan. The delays were unintentional, and the Company is in process of correcting lost earnings using the DOL guidelines for late deposits.

## 11. Excess Contributions Payable

The Plan failed the discrimination tests for the years ended December 31, 2022 and 2021. As a result, excess contributions refundable amounting to $154,784 and $223,930, respectively, are recorded as liabilities in the accompanying Statements of Net Assets Available for Benefits, and as a reduction of contributions in the related Statement of Changes in Net Assets Available for Benefits.

## 12. Reconciliation of Financial Statements to Form 5500

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

| | 2022 | 2021 |
|---|---|---|
| Net assets available for benefits per financial statements | $ 109,358,961 | $ 127,258,123 |
| Less Company matching contributions receivable | (473,636) | (389,121) |
| Add excess contributions refundable | 154,784 | 223,930 |
| Net assets available for benefits per Form 5500 | $ 109,040,109 | $ 127,092,932 |

The following is a reconciliation of net decrease in net assets available for benefits per the financial statements and the Form 5500 for the year ended December 31, 2022:

| | |
|---|---|
| Net decrease in net assets available for benefits per the financial statements | $ (19,333,677) |
| Plus excess contributions refundable as of December 31, 2022 | 154,784 |
| Less Company matching contributions receivable as of December 31, 2022 | (473,636) |
| Plus Company matching contributions receivable as of December 31, 2022 | 389,121 |
| Less excess contributions refundable as of December 31, 2021 | (223,930) |
| Net decrease in net assets available for benefits per the Form 5500 | $ (19,487,338) |

## 13. Subsequent Events

In accordance with the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 855, *Subsequent Events*, the Company has evaluated events or transactions occurring after December 31, 2022, the Statements of Net Assets Available for Benefits date, through October 16, 2023, the date the financial statements were ready to be issued, and determined there were no additional events or transactions that would impact the financial statements for the year ended December 31, 2022.

The SECURE 2.0 Act of 2022 was signed into law on December 29, 2022. This legislation includes a vast array of provisional changes to retirement plans, becoming effective in 2023 and beyond. Plan management is evaluating the impact of the adoption and implementation of this legislation on the Plan.

## Associa, Inc. 401(k) Plan

Schedule H, Line 4(a) - Schedule of Delinquent Participant Contributions
EIN: 75-3014941 Plan Number: 001
Year Ended December 31, 2022

| | Total That Constitute Nonexempt Prohibited Transactions | | | |
|---|---|---|---|---|
| **Participant Contributions Transferred Late to the Plan (1)** | **Contributions not Corrected** | **Contributions Corrected Outside of VFCP** | **Contributions Pending Correction in VFCP** | **Total Fully Corrected Under VFCP and PTE 2002-51** |
| $ 479,097 | $ 479,097 | $ - | $ - | $ - |

(1) Amount does not include participant loan repayments.

**Associa, Inc. 401(k) Plan**

Schedule H, Line 4(i) - Schedule of Assets (Held at End of Year)
EIN: 75-3014941 Plan Number: 001
December 31, 2022

| (a) | (b) Identity of Issue, Borrower, Lessor or Similar Party | (c) Description of Investment Including Maturity Date, Rate of Interest, Collateral, Par or Maturity Value | (d) Cost | (e) Current Value |
|---|---|---|---|---|
| | **Mutual Funds of Registered Investment Companies** | | | |
| | American Funds | 2030 Target Date Retirement Fund | N/R | $ 14,370,631 |
| | Vanguard | Vanguard Total Stock Market Index Fund | N/R | 10,289,006 |
| | T. Rowe Price | Blue Chip Growth Fund | N/R | 6,333,307 |
| | American Funds | 2040 Target Date Retirement Fund | N/R | 9,935,336 |
| | Vanguard | Vanguard Mid Cap Index Fund | N/R | 7,289,659 |
| | American Funds | 2020 Target Date Retirement Fund | N/R | 6,155,824 |
| | American Funds | 2050 Target Date Retirement Fund | N/R | 5,917,748 |
| | Western Asset | Core Plus Bond Fund | N/R | 4,713,365 |
| | MFS | International Diversification Fund | N/R | 4,589,053 |
| | Vanguard | Vanguard Small Cap Value Index Fund | N/R | 4,132,567 |
| | Putnam | Equity Income Fund | N/R | 4,891,031 |
| | American Funds | 2010 Target Date Retirement Fund | N/R | 2,655,379 |
| | Vanguard | Small Cap Growth Index Fund | N/R | 2,072,774 |
| | American Funds | Balanced Fund | N/R | 1,174,275 |
| | American Funds | 2060 Target Date Retirement Fund | N/R | 998,142 |
| | Mass Mutual | Mass Mutual US Govt MMKT Fund | N/R | 6,717 |
| | | Total mutual funds of registered investment companies | | 85,524,814 |
| | **Guaranteed Investment Contract** | | | |
| * | Massachusetts Mutual Life Insurance Company | Guaranteed Interest Account | N/R | 22,181,280 |
| * | **Participant Loans** | Interest rates: 4.25% - 10.25% | | 1,334,015 |
| | | | | $ 109,040,109 |

* A party in interest as defined by ERISA
N/R - cost omitted for participant directed investments