

|                                                                                                                                                                                                                          |                                                                                                                                                                                                                                                                                                                                                                                               |                                                                                                               |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------|
| <div>Form 5500</div> <div>Department of the Treasury<br/>Internal Revenue Service</div> <div>Department of Labor<br/>Employee Benefits Security<br/>Administration</div> <div>Pension Benefit Guaranty Corporation</div> | <div>Annual Return/Report of Employee Benefit Plan</div> <div>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).</div> <div>▶ Complete all entries in accordance with the instructions to the Form 5500.</div> | <div>OMB Nos. 1210-0110<br/>1210-0089</div> <div>2022</div> <div>This Form is Open to Public Inspection</div> |
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|                                                                                            |                                                                                                                                                                                                                                                                                                                                                                                                                        |
|--------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Part I                                                                                     | Annual Report Identification Information                                                                                                                                                                                                                                                                                                                                                                               |
| For calendar plan year 2022 or fiscal plan year beginning 07/01/2022 and ending 06/30/2023 |                                                                                                                                                                                                                                                                                                                                                                                                                        |
| A                                                                                          | This return/report is for: <div><div><input type="checkbox"/> a multiemployer plan</div><div><input type="checkbox"/> a multiple-employer plan (Filers checking this box must attach a list of participating employer information in accordance with the form instructions.)</div><div><input checked="" type="checkbox"/> a single-employer plan</div><div><input type="checkbox"/> a DFE (specify) _____</div></div> |
| B                                                                                          | This return/report is: <div><div><input type="checkbox"/> the first return/report</div><div><input type="checkbox"/> the final return/report</div><div><input checked="" type="checkbox"/> an amended return/report</div><div><input type="checkbox"/> a short plan year return/report (less than 12 months)</div></div>                                                                                               |
| C                                                                                          | If the plan is a collectively-bargained plan, check here. .... ▶ <input type="checkbox"/>                                                                                                                                                                                                                                                                                                                              |
| D                                                                                          | Check box if filing under: <div><div><input checked="" type="checkbox"/> Form 5558</div><div><input type="checkbox"/> automatic extension</div><div><input type="checkbox"/> the DFVC program</div><div><input type="checkbox"/> special extension (enter description)</div></div>                                                                                                                                     |
| E                                                                                          | If this is a retroactively adopted plan permitted by SECURE Act section 201, check here. .... ▶ <input type="checkbox"/>                                                                                                                                                                                                                                                                                               |

|         |                                                                                                                                                                                                                                                                                                                        |    |                                                    |
|---------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----|----------------------------------------------------|
| Part II | Basic Plan Information—enter all requested information                                                                                                                                                                                                                                                                 |    |                                                    |
| 1a      | Name of plan<br>HCSC ENTERPRISES, INC. RETIREMENT SAVINGS PLAN                                                                                                                                                                                                                                                         | 1b | Three-digit plan number (PN) ▶ 002                 |
|         |                                                                                                                                                                                                                                                                                                                        | 1c | Effective date of plan<br>07/01/1987               |
| 2a      | Plan sponsor's name (employer, if for a single-employer plan)<br>Mailing address (include room, apt., suite no. and street, or P.O. Box)<br>City or town, state or province, and ZIP or foreign postal code (if foreign, see instructions)<br>HCSC ENTERPRISES, INC.<br><br>2171 28TH STREET SW<br>ALLENTOWN, PA 18103 | 2b | Employer Identification Number (EIN)<br>23-2210758 |
|         |                                                                                                                                                                                                                                                                                                                        | 2c | Plan Sponsor's telephone number<br>610-791-2222    |
|         |                                                                                                                                                                                                                                                                                                                        | 2d | Business code (see instructions)<br>812320         |
|         |                                                                                                                                                                                                                                                                                                                        |    |                                                    |

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. | 06/13/2024 | LORI OFNER                                                   |
|           | 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                      |

|                                                                                                                                                                                                                                                                                                                                                                                                                            |  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>3a</b> Plan administrator's name and address <input checked="" type="checkbox"/> Same as Plan Sponsor                                                                                                                                                                                                                                                                                                                   |  | <b>3b</b> Administrator's EIN                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
|                                                                                                                                                                                                                                                                                                                                                                                                                            |  | <b>3c</b> Administrator's telephone number                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
|                                                                                                                                                                                                                                                                                                                                                                                                                            |  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| <b>4</b> 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><b>a</b> Sponsor's name<br><b>c</b> Plan Name                                                                                                                                     |  | <b>4b</b> EIN<br><br><b>4d</b> PN                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| <b>5</b> Total number of participants at the beginning of the plan year                                                                                                                                                                                                                                                                                                                                                    |  | <b>5</b> 213                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| <b>6</b> Number of participants as of the end of the plan year unless otherwise stated (welfare plans complete only lines <b>6a(1)</b> , <b>6a(2)</b> , <b>6b</b> , <b>6c</b> , and <b>6d</b> ).                                                                                                                                                                                                                           |  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| <b>a(1)</b> Total number of active participants at the beginning of the plan year .....                                                                                                                                                                                                                                                                                                                                    |  | <b>6a(1)</b> 176                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| <b>a(2)</b> Total number of active participants at the end of the plan year .....                                                                                                                                                                                                                                                                                                                                          |  | <b>6a(2)</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| <b>b</b> Retired or separated participants receiving benefits .....                                                                                                                                                                                                                                                                                                                                                        |  | <b>6b</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| <b>c</b> Other retired or separated participants entitled to future benefits.....                                                                                                                                                                                                                                                                                                                                          |  | <b>6c</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| <b>d</b> Subtotal. Add lines <b>6a(2)</b> , <b>6b</b> , and <b>6c</b> .....                                                                                                                                                                                                                                                                                                                                                |  | <b>6d</b> 0                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| <b>e</b> Deceased participants whose beneficiaries are receiving or are entitled to receive benefits. ....                                                                                                                                                                                                                                                                                                                 |  | <b>6e</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| <b>f</b> Total. Add lines <b>6d</b> and <b>6e</b> .....                                                                                                                                                                                                                                                                                                                                                                    |  | <b>6f</b> 0                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| <b>g</b> Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item).....                                                                                                                                                                                                                                                                             |  | <b>6g</b> 0                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| <b>h</b> Number of participants who terminated employment during the plan year with accrued benefits that were less than 100% vested.....                                                                                                                                                                                                                                                                                  |  | <b>6h</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| <b>7</b> Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item) .....                                                                                                                                                                                                                                                                                       |  | <b>7</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| <b>8a</b> If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristics Codes in the instructions:<br>2E 2F 2G 2J 2K 2S 2T 3F 3H                                                                                                                                                                                                                                 |  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| <b>b</b> If the plan provides welfare benefits, enter the applicable welfare feature codes from the List of Plan Characteristics Codes in the instructions:                                                                                                                                                                                                                                                                |  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| <b>9a</b> Plan funding arrangement (check all that apply)<br>(1) <input checked="" type="checkbox"/> Insurance<br>(2) <input type="checkbox"/> Code section 412(e)(3) insurance contracts<br>(3) <input checked="" type="checkbox"/> Trust<br>(4) <input type="checkbox"/> General assets of the sponsor                                                                                                                   |  | <b>9b</b> Plan benefit arrangement (check all that apply)<br>(1) <input checked="" type="checkbox"/> Insurance<br>(2) <input type="checkbox"/> Code section 412(e)(3) insurance contracts<br>(3) <input checked="" type="checkbox"/> Trust<br>(4) <input type="checkbox"/> General assets of the sponsor                                                                                                                                                                                                              |
| <b>10</b> Check all applicable boxes in 10a and 10b to indicate which schedules are attached, and, where indicated, enter the number attached. (See instructions)                                                                                                                                                                                                                                                          |  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| <b>a Pension Schedules</b><br>(1) <input checked="" type="checkbox"/> <b>R</b> (Retirement Plan Information)<br><br>(2) <input type="checkbox"/> <b>MB</b> (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary<br><br>(3) <input type="checkbox"/> <b>SB</b> (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary |  | <b>b General Schedules</b><br>(1) <input checked="" type="checkbox"/> <b>H</b> (Financial Information)<br>(2) <input type="checkbox"/> <b>I</b> (Financial Information – Small Plan)<br>(3) <input checked="" type="checkbox"/> <b>1</b> <b>A</b> (Insurance Information)<br>(4) <input checked="" type="checkbox"/> <b>C</b> (Service Provider Information)<br>(5) <input type="checkbox"/> <b>D</b> (DFE/Participating Plan Information)<br>(6) <input type="checkbox"/> <b>G</b> (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 \_\_\_\_\_

|                                                                                                                                                                                                                                                            |                                                                                                                                                                                                                                                                                                                                    |                                                                                                |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------|
| <div>SCHEDULE A</div> <div>(Form 5500)</div> <div>Department of the Treasury</div> <div>Internal Revenue Service</div> <div>Department of Labor</div> <div>Employee Benefits Security Administration</div> <div>Pension Benefit Guaranty Corporation</div> | <div>Insurance Information</div> <div>This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA).</div> <div>▶ File as an attachment to Form 5500.</div> <div>▶ Insurance companies are required to provide the information pursuant to ERISA section 103(a)(2).</div> | <div>OMB No. 1210-0110</div> <div>2022</div> <div>This Form is Open to Public Inspection</div> |
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|                                                                                            |                                                      |     |
|--------------------------------------------------------------------------------------------|------------------------------------------------------|-----|
| For calendar plan year 2022 or fiscal plan year beginning 07/01/2022 and ending 06/30/2023 |                                                      |     |
| A Name of plan<br>HCSC ENTERPRISES, INC. RETIREMENT SAVINGS PLAN                           | B Three-digit plan number (PN) ▶                     | 002 |
| C Plan sponsor's name as shown on line 2a of Form 5500<br>HCSC ENTERPRISES, INC.           | D Employer Identification Number (EIN)<br>23-2210758 |     |

|        |                                                                           |                                                                                                                                                                    |
|--------|---------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 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<br>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         | 780117-01                             | 116                                                                         | 07/01/2022              | 06/30/2023 |

|                                                                                                                                                                                            |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 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.

|                                                                                                       |          |         |
|-------------------------------------------------------------------------------------------------------|----------|---------|
| <b>4</b> Current value of plan's interest under this contract in the general account at year end..... | <b>4</b> | 7165388 |
| <b>5</b> Current value of plan's interest under this contract in separate accounts at year end.....   | <b>5</b> | 0       |

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

|                                                                                                                                                                                                               |           |  |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------|--|
| <b>b</b> Premiums paid to carrier .....                                                                                                                                                                       | <b>6b</b> |  |
| <b>c</b> Premiums due but unpaid at the end of the year .....                                                                                                                                                 | <b>6c</b> |  |
| <b>d</b> 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.....<br>Specify nature of costs ▶ | <b>6d</b> |  |

**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** 7825141

|                                                                       |              |         |  |
|-----------------------------------------------------------------------|--------------|---------|--|
| <b>c</b> Additions: (1) Contributions deposited during the year ..... | <b>7c(1)</b> | 234190  |  |
| (2) Dividends and credits.....                                        | <b>7c(2)</b> | 0       |  |
| (3) Interest credited during the year.....                            | <b>7c(3)</b> | 113134  |  |
| (4) Transferred from separate account.....                            | <b>7c(4)</b> | 1125620 |  |
| (5) Other (specify below) .....                                       | <b>7c(5)</b> | 70150   |  |

▶ LN INT, LN PRIN, ROLLOVER,FORFS

(6) Total additions..... **7c(6)** 1543094

**d** Total of balance and additions (add lines **7b** and **7c(6)**)..... **7d** 9368235

**e** Deductions:

|                                                                                 |              |         |  |
|---------------------------------------------------------------------------------|--------------|---------|--|
| (1) Disbursed from fund to pay benefits or purchase annuities during year ..... | <b>7e(1)</b> | 1962079 |  |
| (2) Administration charge made by carrier.....                                  | <b>7e(2)</b> | 18729   |  |
| (3) Transferred to separate account.....                                        | <b>7e(3)</b> | 204707  |  |
| (4) Other (specify below) .....                                                 | <b>7e(4)</b> | 17332   |  |

▶ LN DIST

(5) Total deductions..... **7e(5)** 2202847

**f** Balance at the end of the current year (subtract line **7e(5)** from line **7d**)..... **7f** 7165388

**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:

|                                                                                                                                                    |                 |                 |   |
|----------------------------------------------------------------------------------------------------------------------------------------------------|-----------------|-----------------|---|
| <b>a</b> Premiums: (1) Amount received .....                                                                                                       | <b>9a(1)</b>    |                 |   |
| (2) Increase (decrease) in amount due but unpaid .....                                                                                             | <b>9a(2)</b>    |                 |   |
| (3) Increase (decrease) in unearned premium reserve .....                                                                                          | <b>9a(3)</b>    |                 |   |
| (4) Earned ((1) + (2) - (3)) .....                                                                                                                 |                 | <b>9a(4)</b>    | 0 |
| <b>b</b> Benefit charges (1) Claims paid .....                                                                                                     | <b>9b(1)</b>    |                 |   |
| (2) Increase (decrease) in claim reserves .....                                                                                                    | <b>9b(2)</b>    |                 |   |
| (3) Incurred claims (add (1) and (2)) .....                                                                                                        |                 | <b>9b(3)</b>    | 0 |
| (4) Claims charged .....                                                                                                                           |                 | <b>9b(4)</b>    |   |
| <b>c</b> Remainder of premium: (1) Retention charges (on an accrual basis) --                                                                      |                 |                 |   |
| (A) Commissions .....                                                                                                                              | <b>9c(1)(A)</b> |                 |   |
| (B) Administrative service or other fees .....                                                                                                     | <b>9c(1)(B)</b> |                 |   |
| (C) Other specific acquisition costs .....                                                                                                         | <b>9c(1)(C)</b> |                 |   |
| (D) Other expenses .....                                                                                                                           | <b>9c(1)(D)</b> |                 |   |
| (E) Taxes .....                                                                                                                                    | <b>9c(1)(E)</b> |                 |   |
| (F) Charges for risks or other contingencies .....                                                                                                 | <b>9c(1)(F)</b> |                 |   |
| (G) Other retention charges .....                                                                                                                  | <b>9c(1)(G)</b> |                 |   |
| (H) Total retention .....                                                                                                                          |                 | <b>9c(1)(H)</b> | 0 |
| (2) Dividends or retroactive rate refunds. (These amounts were <input type="checkbox"/> paid in cash, or <input type="checkbox"/> credited.) ..... |                 | <b>9c(2)</b>    |   |
| <b>d</b> Status of policyholder reserves at end of year: (1) Amount held to provide benefits after retirement .....                                |                 | <b>9d(1)</b>    |   |
| (2) Claim reserves .....                                                                                                                           |                 | <b>9d(2)</b>    |   |
| (3) Other reserves .....                                                                                                                           |                 | <b>9d(3)</b>    |   |
| <b>e</b> Dividends or retroactive rate refunds due. (Do not include amount entered in line 9c(2).) .....                                           |                 | <b>9e</b>       |   |

**10** Nonexperience-rated contracts:

|                                                                                                                                                                                                                                                             |            |  |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------|--|
| <b>a</b> Total premiums or subscription charges paid to carrier .....                                                                                                                                                                                       | <b>10a</b> |  |
| <b>b</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. ....<br>Specify nature of costs. | <b>10b</b> |  |

**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. ▶

|                                                                                                                                                                                                                                              |                                                                                                                                                                                                                             |                                         |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------|
| <div>SCHEDULE C</div> <div>(Form 5500)</div> <div>Department of the Treasury<br/>Internal Revenue Service</div> <div>Department of Labor<br/>Employee Benefits Security Administration</div> <div>Pension Benefit Guaranty Corporation</div> | <div>Service Provider Information</div> <div>This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA).</div> <div>▶ File as an attachment to Form 5500.</div> | OMB No. 1210-0110                       |
|                                                                                                                                                                                                                                              |                                                                                                                                                                                                                             | 2022                                    |
|                                                                                                                                                                                                                                              |                                                                                                                                                                                                                             | This Form is Open to Public Inspection. |

|                                                                                            |                                                      |     |
|--------------------------------------------------------------------------------------------|------------------------------------------------------|-----|
| For calendar plan year 2022 or fiscal plan year beginning 07/01/2022 and ending 06/30/2023 |                                                      |     |
| A Name of plan<br>HCSC ENTERPRISES, INC. RETIREMENT SAVINGS PLAN                           | B Three-digit plan number (PN) ▶                     | 002 |
|                                                                                            |                                                      |     |
| C Plan sponsor's name as shown on line 2a of Form 5500<br>HCSC ENTERPRISES, INC.           | D Employer Identification Number (EIN)<br>23-2210758 |     |

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

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

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

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

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

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

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

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

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**(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)

MORGAN STANLEY

1585 BROADWAY  
NEW YORK NY  
NEW YORK, NY 10036

| (b)<br>Service Code(s) | (c)<br>Relationship to employer, employee organization, or person known to be a party-in-interest | (d)<br>Enter direct compensation paid by the plan. If none, enter -0-. | (e)<br>Did service provider receive indirect compensation? (sources other than plan or plan sponsor) | (f)<br>Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures? | (g)<br>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)<br>Did the service provider give you a formula instead of an amount or estimated amount? |
|------------------------|---------------------------------------------------------------------------------------------------|------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------|
| 27                     | INVESTMENT ADVISOR                                                                                | 24009                                                                  | Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>                                  | Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>                                                            | 52050                                                                                                                                                                           | Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>                          |

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

EMPOWER ANNUITY INSURANCE COMPANY O

8515 EAST ORCHARD ROAD  
GREENWOOD VILLAGE, CO 80111

| (b)<br>Service Code(s) | (c)<br>Relationship to employer, employee organization, or person known to be a party-in-interest | (d)<br>Enter direct compensation paid by the plan. If none, enter -0-. | (e)<br>Did service provider receive indirect compensation? (sources other than plan or plan sponsor) | (f)<br>Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures? | (g)<br>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)<br>Did the service provider give you a formula instead of an amount or estimated amount? |
|------------------------|---------------------------------------------------------------------------------------------------|------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------|
| 64 62                  | RECORD KEEPER                                                                                     | 61421                                                                  | Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>                                  | Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>                                                            | 0                                                                                                                                                                               | Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>                          |

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

EMPOWER ADVISORY GROUP, LLC

8515 EAST ORCHARD ROAD  
GREENWOOD VILLAGE, CO 80111

| (b)<br>Service Code(s) | (c)<br>Relationship to employer, employee organization, or person known to be a party-in-interest | (d)<br>Enter direct compensation paid by the plan. If none, enter -0-. | (e)<br>Did service provider receive indirect compensation? (sources other than plan or plan sponsor) | (f)<br>Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures? | (g)<br>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)<br>Did the service provider give you a formula instead of an amount or estimated amount? |
|------------------------|---------------------------------------------------------------------------------------------------|------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------|
| 28                     | INVESTMENT MGMT                                                                                   | 131                                                                    | Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>                                  | Yes <input type="checkbox"/> No <input type="checkbox"/>                                                                       |                                                                                                                                                                                 | Yes <input type="checkbox"/> No <input type="checkbox"/>                                     |

**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<br>(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<br>(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<br>(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)

|                    |                     |
|--------------------|---------------------|
| <b>a</b> Name:     | <b>b</b> EIN:       |
| <b>c</b> Position: |                     |
| <b>d</b> Address:  | <b>e</b> Telephone: |
|                    |                     |

Explanation:

|                    |                     |
|--------------------|---------------------|
| <b>a</b> Name:     | <b>b</b> EIN:       |
| <b>c</b> Position: |                     |
| <b>d</b> Address:  | <b>e</b> Telephone: |
|                    |                     |

Explanation:

|                    |                     |
|--------------------|---------------------|
| <b>a</b> Name:     | <b>b</b> EIN:       |
| <b>c</b> Position: |                     |
| <b>d</b> Address:  | <b>e</b> Telephone: |
|                    |                     |

Explanation:

|                    |                     |
|--------------------|---------------------|
| <b>a</b> Name:     | <b>b</b> EIN:       |
| <b>c</b> Position: |                     |
| <b>d</b> Address:  | <b>e</b> Telephone: |
|                    |                     |

Explanation:

|                    |                     |
|--------------------|---------------------|
| <b>a</b> Name:     | <b>b</b> EIN:       |
| <b>c</b> Position: |                     |
| <b>d</b> Address:  | <b>e</b> Telephone: |
|                    |                     |

Explanation:

|                                                                                                                                                                                                                                                                          |                                                                                                                                                                                                                                                                              |                                                                                           |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------|
| <b>SCHEDULE H</b><br><b>(Form 5500)</b><br><br><small>Department of the Treasury<br/>Internal Revenue Service</small><br><br><small>Department of Labor<br/>Employee Benefits Security Administration</small><br><br><small>Pension Benefit Guaranty Corporation</small> | <b>Financial Information</b><br><br>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).<br><br><b>► File as an attachment to Form 5500.</b> | OMB No. 1210-0110<br><br><b>2022</b><br><br><b>This Form is Open to Public Inspection</b> |
| For calendar plan year 2022 or fiscal plan year beginning <b>07/01/2022</b> and ending <b>06/30/2023</b>                                                                                                                                                                 |                                                                                                                                                                                                                                                                              |                                                                                           |
| <b>A</b> Name of plan<br><b>HCSC ENTERPRISES, INC. RETIREMENT SAVINGS PLAN</b>                                                                                                                                                                                           |                                                                                                                                                                                                                                                                              | <b>B</b> Three-digit plan number (PN) <b>►</b> <b>002</b>                                 |
| <b>C</b> Plan sponsor's name as shown on line 2a of Form 5500<br><b>HCSC ENTERPRISES, INC.</b>                                                                                                                                                                           |                                                                                                                                                                                                                                                                              | <b>D</b> Employer Identification Number (EIN)<br><b>23-2210758</b>                        |

| Part I Asset and Liability Statement                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                 |                       |                 |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------|-----------------------|-----------------|
| <b>1</b> 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. <b>Round off amounts to the nearest dollar.</b> 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 |
| <b>a</b> Total noninterest-bearing cash.....                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | <b>1a</b>       | 0                     | 0               |
| <b>b</b> Receivables (less allowance for doubtful accounts):                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                 |                       |                 |
| <b>(1)</b> Employer contributions.....                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | <b>1b(1)</b>    | 0                     | 0               |
| <b>(2)</b> Participant contributions.....                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | <b>1b(2)</b>    | 0                     | 0               |
| <b>(3)</b> Other.....                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | <b>1b(3)</b>    | 0                     | 0               |
| <b>c</b> General investments:                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |                 |                       |                 |
| <b>(1)</b> Interest-bearing cash (include money market accounts & certificates of deposit).....                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | <b>1c(1)</b>    | 0                     | 0               |
| <b>(2)</b> U.S. Government securities .....                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | <b>1c(2)</b>    | 0                     | 0               |
| <b>(3)</b> Corporate debt instruments (other than employer securities):                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                 |                       |                 |
| <b>(A)</b> Preferred .....                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | <b>1c(3)(A)</b> | 0                     | 0               |
| <b>(B)</b> All other .....                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | <b>1c(3)(B)</b> | 0                     | 0               |
| <b>(4)</b> Corporate stocks (other than employer securities):                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |                 |                       |                 |
| <b>(A)</b> Preferred .....                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | <b>1c(4)(A)</b> | 0                     | 0               |
| <b>(B)</b> Common.....                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | <b>1c(4)(B)</b> | 0                     | 0               |
| <b>(5)</b> Partnership/joint venture interests .....                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | <b>1c(5)</b>    | 0                     | 0               |
| <b>(6)</b> Real estate (other than employer real property) .....                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | <b>1c(6)</b>    | 0                     | 0               |
| <b>(7)</b> Loans (other than to participants).....                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | <b>1c(7)</b>    | 0                     | 0               |
| <b>(8)</b> Participant loans.....                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | <b>1c(8)</b>    | 403319                | 420547          |
| <b>(9)</b> Value of interest in common/collective trusts.....                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | <b>1c(9)</b>    | 0                     | 0               |
| <b>(10)</b> Value of interest in pooled separate accounts .....                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | <b>1c(10)</b>   |                       |                 |
| <b>(11)</b> Value of interest in master trust investment accounts.....                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | <b>1c(11)</b>   | 0                     | 0               |
| <b>(12)</b> Value of interest in 103-12 investment entities .....                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | <b>1c(12)</b>   | 0                     | 0               |
| <b>(13)</b> Value of interest in registered investment companies (e.g., mutual funds).....                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | <b>1c(13)</b>   | 16241151              | 17200271        |
| <b>(14)</b> Value of funds held in insurance company general account (unallocated contracts).....                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | <b>1c(14)</b>   | 7825141               | 7165388         |
| <b>(15)</b> Other .....                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | <b>1c(15)</b>   | 0                     | 0               |

| <b>1d</b> Employer-related investments:                              |              | (a) Beginning of Year | (b) End of Year |
|----------------------------------------------------------------------|--------------|-----------------------|-----------------|
| (1) Employer securities .....                                        | <b>1d(1)</b> | 0                     | 0               |
| (2) Employer real property .....                                     | <b>1d(2)</b> | 0                     | 0               |
| <b>e</b> Buildings and other property used in plan operation .....   | <b>1e</b>    | 0                     | 0               |
| <b>f</b> Total assets (add all amounts in lines 1a through 1e) ..... | <b>1f</b>    | 24469611              | 24786206        |

**Liabilities**

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

**Net Assets**

|                                                           |           |          |          |
|-----------------------------------------------------------|-----------|----------|----------|
| <b>l</b> Net assets (subtract line 1k from line 1f) ..... | <b>1l</b> | 24469611 | 24786206 |
|-----------------------------------------------------------|-----------|----------|----------|

**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 |
|------------------------------------------------------------------------------------------------------------|-----------------|------------|-----------|
| <b>a Contributions:</b>                                                                                    |                 |            |           |
| (1) Received or receivable in cash from: <b>(A)</b> Employers .....                                        | <b>2a(1)(A)</b> | 516826     |           |
| <b>(B)</b> Participants .....                                                                              | <b>2a(1)(B)</b> | 680321     |           |
| <b>(C)</b> Others (including rollovers) .....                                                              | <b>2a(1)(C)</b> | 108755     |           |
| (2) Noncash contributions .....                                                                            | <b>2a(2)</b>    | 0          |           |
| (3) Total contributions. Add lines <b>2a(1)(A)</b> , <b>(B)</b> , <b>(C)</b> , and line <b>2a(2)</b> ..... | <b>2a(3)</b>    |            | 1305902   |
| <b>b Earnings on investments:</b>                                                                          |                 |            |           |
| (1) Interest:                                                                                              |                 |            |           |
| <b>(A)</b> Interest-bearing cash (including money market accounts and certificates of deposit) .....       | <b>2b(1)(A)</b> | 0          |           |
| <b>(B)</b> U.S. Government securities .....                                                                | <b>2b(1)(B)</b> | 0          |           |
| <b>(C)</b> Corporate debt instruments .....                                                                | <b>2b(1)(C)</b> | 0          |           |
| <b>(D)</b> Loans (other than to participants) .....                                                        | <b>2b(1)(D)</b> | 0          |           |
| <b>(E)</b> Participant loans .....                                                                         | <b>2b(1)(E)</b> | 23845      |           |
| <b>(F)</b> Other .....                                                                                     | <b>2b(1)(F)</b> | 113962     |           |
| <b>(G)</b> Total interest. Add lines <b>2b(1)(A)</b> through <b>(F)</b> .....                              | <b>2b(1)(G)</b> |            | 137807    |
| (2) Dividends: <b>(A)</b> Preferred stock .....                                                            | <b>2b(2)(A)</b> | 0          |           |
| <b>(B)</b> Common stock .....                                                                              | <b>2b(2)(B)</b> | 0          |           |
| <b>(C)</b> Registered investment company shares (e.g. mutual funds) .....                                  | <b>2b(2)(C)</b> | 659424     |           |
| <b>(D)</b> Total dividends. Add lines <b>2b(2)(A)</b> , <b>(B)</b> , and <b>(C)</b> .....                  | <b>2b(2)(D)</b> |            | 659424    |
| (3) Rents .....                                                                                            | <b>2b(3)</b>    |            | 0         |
| (4) Net gain (loss) on sale of assets: <b>(A)</b> Aggregate proceeds .....                                 | <b>2b(4)(A)</b> | 0          |           |
| <b>(B)</b> Aggregate carrying amount (see instructions) .....                                              | <b>2b(4)(B)</b> | 0          |           |
| <b>(C)</b> Subtract line <b>2b(4)(B)</b> from line <b>2b(4)(A)</b> and enter result .....                  | <b>2b(4)(C)</b> |            | 0         |
| (5) Unrealized appreciation (depreciation) of assets: <b>(A)</b> Real estate .....                         | <b>2b(5)(A)</b> | 0          |           |
| <b>(B)</b> Other .....                                                                                     | <b>2b(5)(B)</b> | 0          |           |
| <b>(C)</b> Total unrealized appreciation of assets. Add lines <b>2b(5)(A)</b> and <b>(B)</b> .....         | <b>2b(5)(C)</b> |            | 0         |

|                                                                                                 |        | (a) Amount | (b) Total |
|-------------------------------------------------------------------------------------------------|--------|------------|-----------|
| (6) Net investment gain (loss) from common/collective trusts .....                              | 2b(6)  |            | 0         |
| (7) Net investment gain (loss) from pooled separate accounts .....                              | 2b(7)  |            | 0         |
| (8) Net investment gain (loss) from master trust investment accounts .....                      | 2b(8)  |            | 0         |
| (9) Net investment gain (loss) from 103-12 investment entities.....                             | 2b(9)  |            | 0         |
| (10) Net investment gain (loss) from registered investment companies (e.g., mutual funds) ..... | 2b(10) |            | 1487831   |
| c Other income .....                                                                            | 2c     |            | 0         |
| d Total income. Add all <b>income</b> amounts in column (b) and enter total .....               | 2d     |            | 3590964   |
| <b>Expenses</b>                                                                                 |        |            |           |
| e Benefit payment and payments to provide benefits:                                             |        |            |           |
| (1) Directly to participants or beneficiaries, including direct rollovers .....                 | 2e(1)  | 3178689    |           |
| (2) To insurance carriers for the provision of benefits .....                                   | 2e(2)  | 0          |           |
| (3) Other .....                                                                                 | 2e(3)  | 0          |           |
| (4) Total benefit payments. Add lines 2e(1) through (3) .....                                   | 2e(4)  |            | 3178689   |
| f Corrective distributions (see instructions) .....                                             | 2f     |            | 1334      |
| g Certain deemed distributions of participant loans (see instructions) .....                    | 2g     |            | 34446     |
| h Interest expense .....                                                                        | 2h     |            | 0         |
| i Administrative expenses: (1) Professional fees .....                                          | 2i(1)  | 0          |           |
| (2) Contract administrator fees .....                                                           | 2i(2)  | 40557      |           |
| (3) Investment advisory and management fees .....                                               | 2i(3)  | 19343      |           |
| (4) Other .....                                                                                 | 2i(4)  | 0          |           |
| (5) Total administrative expenses. Add lines 2i(1) through (4) .....                            | 2i(5)  |            | 59900     |
| j Total expenses. Add all <b>expense</b> amounts in column (b) and enter total .....            | 2j     |            | 3274369   |
| <b>Net Income and Reconciliation</b>                                                            |        |            |           |
| k Net income (loss). Subtract line 2j from line 2d .....                                        | 2k     |            | 316595    |
| l Transfers of assets:                                                                          |        |            |           |
| (1) To this plan .....                                                                          | 2l(1)  |            |           |
| (2) From this plan .....                                                                        | 2l(2)  |            |           |

**Part III Accountant's Opinion**

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

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

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

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

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

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

(1) Name: **CLA (CLIFTON LARSON ALLEN LLP)**

(2) EIN: **41-0746749**

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

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

**Part IV Compliance Questions**

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

During the plan year:

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

|           | Yes | No | Amount |
|-----------|-----|----|--------|
| <b>4a</b> |     | X  |        |

|                                                                                                                                                                                                                                                                                                            | Yes | No | Amount |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----|----|--------|
| <b>b</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.) |     |    |        |
| <b>4b</b>                                                                                                                                                                                                                                                                                                  |     | X  |        |
| <b>c</b> 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.)                                                                                                                             |     |    |        |
| <b>4c</b>                                                                                                                                                                                                                                                                                                  |     | X  |        |
| <b>d</b> 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.)                                                                                                                  |     |    |        |
| <b>4d</b>                                                                                                                                                                                                                                                                                                  |     | X  |        |
| <b>e</b> Was this plan covered by a fidelity bond?                                                                                                                                                                                                                                                         | X   |    | 200000 |
| <b>f</b> Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?                                                                                                                                                                          |     | X  |        |
| <b>4f</b>                                                                                                                                                                                                                                                                                                  |     | X  |        |
| <b>g</b> 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?                                                                                                                                       |     |    |        |
| <b>4g</b>                                                                                                                                                                                                                                                                                                  |     | X  |        |
| <b>h</b> 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?                                                                                                                             |     |    |        |
| <b>4h</b>                                                                                                                                                                                                                                                                                                  |     | X  |        |
| <b>i</b> Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.)                                                                                                                                                   | X   |    |        |
| <b>4i</b>                                                                                                                                                                                                                                                                                                  | X   |    |        |
| <b>j</b> 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.)                                                                                     |     |    |        |
| <b>4j</b>                                                                                                                                                                                                                                                                                                  |     | X  |        |
| <b>k</b> Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?                                                                                                                                              |     |    |        |
| <b>4k</b>                                                                                                                                                                                                                                                                                                  |     | X  |        |
| <b>l</b> Has the plan failed to provide any benefit when due under the plan?                                                                                                                                                                                                                               |     |    |        |
| <b>4l</b>                                                                                                                                                                                                                                                                                                  |     | X  |        |
| <b>m</b> If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.)                                                                                                                                                                                     |     |    |        |
| <b>4m</b>                                                                                                                                                                                                                                                                                                  |     | X  |        |
| <b>n</b> 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.                                                                                                                        |     |    |        |
| <b>4n</b>                                                                                                                                                                                                                                                                                                  |     |    |        |

**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 \_\_\_\_\_.

|                                                                                                                                                                                                                                                                                                                                                            |                                                                                                                                                                                                                                                                                                  |                                                                                                 |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------|
| <div>SCHEDULE R<br/>(Form 5500)<br/><br/>Department of the Treasury<br/>Internal Revenue Service<br/><br/>Department of Labor<br/>Employee Benefits Security Administration<br/><br/>Pension Benefit Guaranty Corporation</div>                                                                                                                            | <div>Retirement Plan Information</div> <div>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).</div> <div>► File as an attachment to Form 5500.</div> | <div>OMB No. 1210-0110</div> <div>2022</div> <div>This Form is Open to Public Inspection.</div> |
| For calendar plan year 2022 or fiscal plan year beginning 07/01/2022 and ending 06/30/2023                                                                                                                                                                                                                                                                 |                                                                                                                                                                                                                                                                                                  |                                                                                                 |
| A Name of plan<br>HCSC ENTERPRISES, INC. RETIREMENT SAVINGS PLAN                                                                                                                                                                                                                                                                                           |                                                                                                                                                                                                                                                                                                  | B Three-digit plan number (PN) ► 002                                                            |
| C Plan sponsor's name as shown on line 2a of Form 5500<br>HCSC ENTERPRISES, INC.                                                                                                                                                                                                                                                                           |                                                                                                                                                                                                                                                                                                  | D Employer Identification Number (EIN)<br>23-2210758                                            |
| 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):<br><br>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)? ..... <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A<br>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 _____<br>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? ..... <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> 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? ..... <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> 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..... <input type="checkbox"/> Increase <input type="checkbox"/> Decrease <input type="checkbox"/> Both <input type="checkbox"/> 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?..... <input type="checkbox"/> Yes <input type="checkbox"/> No                                                                                                                                                                   |                                                                                                                                                                                                                                                                                                  |                                                                                                 |
| 11 a Does the ESOP hold any preferred stock?..... <input type="checkbox"/> Yes <input type="checkbox"/> 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.)..... <input type="checkbox"/> Yes <input type="checkbox"/> No                                                                                                              |                                                                                                                                                                                                                                                                                                  |                                                                                                 |
| 12 Does the ESOP hold any stock that is not readily tradable on an established securities market?..... <input type="checkbox"/> Yes <input type="checkbox"/> No                                                                                                                                                                                            |                                                                                                                                                                                                                                                                                                  |                                                                                                 |
| For Paperwork Reduction Act Notice, see the Instructions for Form 5500.                                                                                                                                                                                                                                                                                    |                                                                                                                                                                                                                                                                                                  |                                                                                                 |
| Schedule R (Form 5500) 2022 v. 220413                                                                                                                                                                                                                                                                                                                      |                                                                                                                                                                                                                                                                                                  |                                                                                                 |

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

**13** Enter the following information for each employer that (1) contributed more than 5% of total contributions to the plan during the plan year or (2) was one of the top-ten highest contributors (measured in dollars). See instructions. *Complete as many entries as needed to report all applicable employers.*

**a** Name of contributing employer

**b** EIN

**c** Dollar amount contributed by employer

**d** Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month \_\_\_\_\_ Day \_\_\_\_\_ Year \_\_\_\_\_

**e** Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) \_\_\_\_\_

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): \_\_\_\_\_

**a** Name of contributing employer

**b** EIN

**c** Dollar amount contributed by employer

**d** Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month \_\_\_\_\_ Day \_\_\_\_\_ Year \_\_\_\_\_

**e** Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) \_\_\_\_\_

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): \_\_\_\_\_

**a** Name of contributing employer

**b** EIN

**c** Dollar amount contributed by employer

**d** Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month \_\_\_\_\_ Day \_\_\_\_\_ Year \_\_\_\_\_

**e** Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) \_\_\_\_\_

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): \_\_\_\_\_

**a** Name of contributing employer

**b** EIN

**c** Dollar amount contributed by employer

**d** Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month \_\_\_\_\_ Day \_\_\_\_\_ Year \_\_\_\_\_

**e** Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) \_\_\_\_\_

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): \_\_\_\_\_

**a** Name of contributing employer

**b** EIN

**c** Dollar amount contributed by employer

**d** Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month \_\_\_\_\_ Day \_\_\_\_\_ Year \_\_\_\_\_

**e** Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) \_\_\_\_\_

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): \_\_\_\_\_

**a** Name of contributing employer

**b** EIN

**c** Dollar amount contributed by employer

**d** Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month \_\_\_\_\_ Day \_\_\_\_\_ Year \_\_\_\_\_

**e** Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) \_\_\_\_\_

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): \_\_\_\_\_

|           |                                                                                                                                                                                                                                                                                                                        |            |
|-----------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------|
| <b>14</b> | 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:                                                                                                             |            |
| <b>a</b>  | The current plan year. Check the box to indicate the counting method used to determine the number of inactive participants: <input type="checkbox"/> last contributing employer <input type="checkbox"/> alternative <input type="checkbox"/> reasonable approximation (see instructions for required attachment)..... | <b>14a</b> |
| <b>b</b>  | The plan year immediately preceding the current plan year. <input type="checkbox"/> Check the box if the number reported is a change from what was previously reported (see instructions for required attachment) .....                                                                                                | <b>14b</b> |
| <b>c</b>  | The second preceding plan year. <input type="checkbox"/> Check the box if the number reported is a change from what was previously reported (see instructions for required attachment) .....                                                                                                                           | <b>14c</b> |
| <b>15</b> | 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:                                                                                                                                           |            |
| <b>a</b>  | The corresponding number for the plan year immediately preceding the current plan year.....                                                                                                                                                                                                                            | <b>15a</b> |
| <b>b</b>  | The corresponding number for the second preceding plan year.....                                                                                                                                                                                                                                                       | <b>15b</b> |
| <b>16</b> | Information with respect to any employers who withdrew from the plan during the preceding plan year:                                                                                                                                                                                                                   |            |
| <b>a</b>  | Enter the number of employers who withdrew during the preceding plan year .....                                                                                                                                                                                                                                        | <b>16a</b> |
| <b>b</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.....                                                                                                                                                           | <b>16b</b> |
| <b>17</b> | 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 ..... <input type="checkbox"/>                                                                   |            |

**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 \_\_\_\_\_

**HCSC ENTERPRISES, INC.**  
**FINANCIAL STATEMENTS**  
**YEARS ENDED JUNE 30, 2023 AND 2022**



CPAs | CONSULTANTS | WEALTH ADVISORS

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**HCSC ENTERPRISES, INC.**  
**TABLE OF CONTENTS**  
**YEARS ENDED JUNE 30, 2023 AND 2022**

|                                           |          |
|-------------------------------------------|----------|
| <b>INDEPENDENT AUDITORS' REPORT</b>       | <b>1</b> |
| <b>FINANCIAL STATEMENTS</b>               |          |
| <b>BALANCE SHEETS</b>                     | <b>4</b> |
| <b>STATEMENTS OF OPERATIONS</b>           | <b>5</b> |
| <b>STATEMENTS OF STOCKHOLDER'S EQUITY</b> | <b>6</b> |
| <b>STATEMENTS OF CASH FLOWS</b>           | <b>7</b> |
| <b>NOTES TO FINANCIAL STATEMENTS</b>      | <b>8</b> |



## INDEPENDENT AUDITORS' REPORT

Board of Directors  
HCSC Enterprises, Inc.  
Allentown, Pennsylvania

### **Report on the Financial Statements**

#### ***Opinion***

We have audited the accompanying financial statements of HCSC Enterprises, Inc. (the "Company"), which comprise the balance sheet as of June 30, 2023, and related statement of operations, stockholder's equity, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of HCSC Enterprises, Inc. as of June 30, 2023, and the results of its operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis of Opinion***

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

#### ***Consolidated Financial Statements of Hospital Central Services, Inc. and Subsidiary and Affiliates***

We also have audited, in accordance with auditing standards generally accepted in the United States of America, the consolidated financial statements of Hospital Central Services, Inc. and Subsidiary and Affiliates, which comprise the consolidated statement of financial position as of June 30, 2023, and the related consolidated statement of activities, functional expenses, and cash flows for the year then ended (none of which is presented herein), and we expressed an unmodified opinion on those financial statements. Such consolidated financial statements are the general-purpose financial statements of Hospital Central Services, Inc. and Subsidiary and Affiliates, and the financial statements of the company presented herein are not a valid substitute for those consolidated financial statements.

#### ***Other Matter***

The financial statements of HCSC Enterprises, Inc. as of June 30, 2022 were audited by Concannon Miller & Co., P.C., whose shareholders and professional staff joined CliftonLarsonAllen LLP as of November 1, 2022, and has subsequently ceased operations. Concannon Miller & Co., P.C.'s report, dated October 31, 2022, expressed a qualified opinion on those financial statements.

***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.

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 Company's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

***Auditors' Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, 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 Company'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 Company's ability to continue as a going concern for a reasonable period of time.

Board of Directors  
HCSC Enterprises, Inc.

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.

A handwritten signature in cursive script that reads "CliftonLarsonAllen LLP".

**CliftonLarsonAllen LLP**

Bethlehem, Pennsylvania  
December 14, 2023

**HCSC ENTERPRISES, INC.**  
**BALANCE SHEETS**  
**JUNE 30, 2023 AND 2022**

|                                                                                                | <u>2023</u>                | <u>2022</u>                |
|------------------------------------------------------------------------------------------------|----------------------------|----------------------------|
| <b>ASSETS</b>                                                                                  |                            |                            |
| <b>CURRENT ASSETS</b>                                                                          |                            |                            |
| Cash                                                                                           | \$ 103,709                 | \$ 13,757                  |
| Accounts Receivable, Other                                                                     | 150,377                    | 446,410                    |
| Prepaid Expenses                                                                               | 75,113                     | 68,059                     |
| Due from Affiliates, Net                                                                       | 2,422,100                  | 1,895,310                  |
| Total Current Assets                                                                           | <u>2,751,299</u>           | <u>2,423,536</u>           |
| <b>EQUIPMENT, NET</b>                                                                          | 268,994                    | 285,850                    |
| <b>OPERATING LEASE RIGHT-OF-USE ASSETS, NET</b>                                                | 85,688                     | -                          |
| <b>OTHER ASSETS</b>                                                                            |                            |                            |
| Cash Surrender Value of Life Insurance                                                         | 5,413,038                  | 4,585,240                  |
| Deferred Tax Benefit                                                                           | 52,000                     | 48,000                     |
| Security Deposits                                                                              | 54,000                     | 54,000                     |
| Total Other Assets                                                                             | <u>5,519,038</u>           | <u>4,687,240</u>           |
| Total Assets                                                                                   | <u><u>\$ 8,625,019</u></u> | <u><u>\$ 7,396,626</u></u> |
| <b>LIABILITIES AND STOCKHOLDER'S EQUITY</b>                                                    |                            |                            |
| <b>CURRENT LIABILITIES</b>                                                                     |                            |                            |
| Accounts Payable                                                                               | \$ 97,390                  | \$ 52,471                  |
| Accrued Expenses                                                                               | 809,484                    | 837,702                    |
| Operating Lease Liabilities, Current                                                           | 23,809                     | -                          |
| Total Current Liabilities                                                                      | <u>930,683</u>             | <u>890,173</u>             |
| <b>LONG-TERM LIABILITIES</b>                                                                   |                            |                            |
| Deferred Compensation                                                                          | 7,058,699                  | 5,966,383                  |
| Operating Lease Liabilities, Long-Term                                                         | 61,879                     | -                          |
| Total Long-Term Liabilities                                                                    | <u>7,120,578</u>           | <u>5,966,383</u>           |
| Total Liabilities                                                                              | <u>8,051,261</u>           | <u>6,856,556</u>           |
| <b>STOCKHOLDER'S EQUITY</b>                                                                    |                            |                            |
| Common Stock, \$1 Par Value, 100,000 Shares Authorized,<br>1,000 Shares Issued and Outstanding | 1,000                      | 1,000                      |
| Additional Paid-In Capital                                                                     | 9,000                      | 9,000                      |
| Retained Earnings (Deficit)                                                                    | 563,758                    | 530,070                    |
| Total Stockholder's Equity (Deficit)                                                           | <u>573,758</u>             | <u>540,070</u>             |
| Total Liabilities and Stockholder's Equity (Deficit)                                           | <u><u>\$ 8,625,019</u></u> | <u><u>\$ 7,396,626</u></u> |

See accompanying Notes to Financial Statements.

**HCSC ENTERPRISES, INC.**  
**STATEMENTS OF OPERATIONS**  
**YEARS ENDED JUNE 30, 2023 AND 2022**

|                                     | <u>2023</u>             | <u>2022</u>             |
|-------------------------------------|-------------------------|-------------------------|
| <b>REVENUES</b>                     | \$ 13,781,975           | \$ 12,694,610           |
| <b>DIRECT EXPENSES</b>              | <u>13,713,027</u>       | <u>12,631,159</u>       |
| <b>INCOME FROM OPERATIONS</b>       | 68,948                  | 63,450                  |
| <b>OTHER INCOME (EXPENSE)</b>       |                         |                         |
| Interest Expense - Other            | (5,951)                 | (9,974)                 |
| Interest Income - Affiliate         | 119,150                 | 18,129                  |
| Loss on Disposal                    | -                       | -                       |
| Miscellaneous Expense               | <u>(113,199)</u>        | <u>(8,155)</u>          |
| Total Other Income                  | <u>-</u>                | <u>-</u>                |
| <b>INCOME BEFORE INCOME TAXES</b>   | 68,948                  | 63,450                  |
| <b>INCOME TAX EXPENSE (BENEFIT)</b> |                         |                         |
| Current                             | 39,260                  | 28,550                  |
| Deferred                            | <u>(4,000)</u>          | <u>7,000</u>            |
| Total Income Tax Expense (Benefit)  | <u>35,260</u>           | <u>35,550</u>           |
| <b>NET INCOME</b>                   | <u><u>\$ 33,688</u></u> | <u><u>\$ 27,900</u></u> |

See accompanying Notes to Financial Statements.

**HCSC ENTERPRISES, INC.**  
**STATEMENTS OF STOCKHOLDER'S EQUITY**  
**YEARS ENDED JUNE 30, 2023 AND 2022**

|                                | Common<br>Stock | Additional<br>Paid-In<br>Capital | Retained<br>Earnings | Total             |
|--------------------------------|-----------------|----------------------------------|----------------------|-------------------|
| <b>BALANCE - JUNE 30, 2021</b> | \$ 1,000        | \$ 9,000                         | \$ 502,170           | \$ 512,170        |
| Net Income                     | -               | -                                | 27,900               | 27,900            |
| <b>BALANCE - JUNE 30, 2022</b> | 1,000           | 9,000                            | 530,070              | 540,070           |
| Net Income                     | -               | -                                | 33,688               | 33,688            |
| <b>BALANCE - JUNE 30, 2023</b> | <u>\$ 1,000</u> | <u>\$ 9,000</u>                  | <u>\$ 563,758</u>    | <u>\$ 573,758</u> |

*See accompanying Notes to Financial Statements.*

**HCSC ENTERPRISES, INC.**  
**STATEMENTS OF CASH FLOWS**  
**YEARS ENDED JUNE 30, 2023 AND 2022**

|                                                                                      | <u>2023</u>              | <u>2022</u>             |
|--------------------------------------------------------------------------------------|--------------------------|-------------------------|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>                                          |                          |                         |
| Net Income                                                                           | \$ 33,688                | \$ 27,900               |
| Adjustments to Reconcile Net Income to Net Cash<br>Provided by Operating Activities: |                          |                         |
| Depreciation                                                                         | 95,230                   | 82,644                  |
| Cash Surrender Value of Life Insurance                                               | (827,798)                | (863,760)               |
| Deferred Income Taxes                                                                | (4,000)                  | 7,000                   |
| (Increase) Decrease in Assets:                                                       |                          |                         |
| Accounts Receivable, Other                                                           | 296,033                  | (33,680)                |
| Prepaid Expenses                                                                     | (7,054)                  | 74,159                  |
| Due from Affiliates, Net                                                             | (526,790)                | (13,713)                |
| Increase (Decrease) in Liabilities:                                                  |                          |                         |
| Accounts Payable                                                                     | 44,919                   | (7,607)                 |
| Accrued Expenses                                                                     | (28,218)                 | (206,972)               |
| Deferred Compensation                                                                | 1,092,316                | 1,060,076               |
| Net Cash Provided by Operating Activities                                            | <u>168,326</u>           | <u>126,047</u>          |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>                                          |                          |                         |
| Purchases of Equipment                                                               | <u>(78,374)</u>          | <u>(120,163)</u>        |
| Net Cash Used in Investing Activities                                                | <u>(78,374)</u>          | <u>(120,163)</u>        |
| <b>NET INCREASE IN CASH</b>                                                          | 89,952                   | 5,884                   |
| Cash - Beginning of Year                                                             | <u>13,757</u>            | <u>7,873</u>            |
| <b>CASH - END OF YEAR</b>                                                            | <u><u>\$ 103,709</u></u> | <u><u>\$ 13,757</u></u> |
| <b>SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION</b>                              |                          |                         |
| Cash Paid During the Year for Interest                                               | <u><u>\$ 5,951</u></u>   | <u><u>\$ 9,974</u></u>  |

See accompanying Notes to Financial Statements.

**HCSC ENTERPRISES, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2023 AND 2022**

**NOTE 1 DESCRIPTION OF BUSINESS**

The Company is a wholly owned subsidiary of Hospital Central Services, Inc. Substantially all of the Company's revenue is derived from affiliated companies, as compensation for management and administrative services.

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Basis of Accounting**

The Company's financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (GAAP).

**Concentration of Credit Risk**

The Company may be subject to credit risk to its cash, which is placed with high credit-quality financial institutions. The Federal Deposit Insurance Corporation (FDIC) coverage is \$250,000 for all accounts. From time to time, the Company may have amounts on deposit in excess of the FDIC limits. Management believes the Company is not exposed to any significant credit risk on cash.

**Equipment**

Equipment is stated at cost less accumulated depreciation. Depreciation is provided by the straight-line method over the estimated useful lives of the related assets which are typically three to seven years. Maintenance and repairs, which neither materially add to the value of the property nor appreciably prolong its life, are charged to expense. The cost of assets retired or otherwise disposed of and the related accumulated depreciation are eliminated from the accounts in the year of disposal. Related gain or loss from such transactions is credited or charged to income.

**Revenue Recognition**

The Company recognizes revenue according to the provisions contained in ASC Topic 606, *Revenue from Contracts with Customers*. The Company collects substantially all of its revenue from management, administrative and data processing services performed for its parent company and other affiliated companies. Revenues are recognized when the respective services have been provided to the customers, regardless of when cash is received.

The Company did not have any contract assets or liabilities as of June 30, 2023 or 2022.

**Income Taxes**

Income taxes are provided for the tax effects of transactions reported in the financial statements and consist of taxes currently due plus deferred taxes related primarily to differences between the basis of depreciable property and timing differences for certain expenses. The deferred tax assets and liabilities represent the future tax return consequences of those differences, which will either be taxable or deductible when the assets and liabilities are recovered or settled.

**HCSC ENTERPRISES, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2023 AND 2022**

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Income Taxes (Continued)**

The Company complies with the accounting guidance for uncertainty in income taxes using the provisions of Financial Accounting Standards Board (FASB) ASC 740, *Income Taxes*. Using that guidance, tax positions initially need to be recognized in the financial statements when it is more-likely-than-not the position will be sustained upon examination by the tax authorities. Such tax positions initially and subsequently need to be measured at the largest amount of tax benefit that has a greater than 50% likelihood of being realized upon ultimate settlement with the tax authority assuming full knowledge of the position and relevant facts.

The Company believes that it has appropriate support for the income tax positions taken and that its accruals for tax liabilities are adequate for all open tax years based on an assessment of many factors including experience and interpretations of tax laws applied to the facts of each matter.

**Use of Estimates**

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reported period. Actual results could differ from those estimates.

**Adoption of New Accounting Standards**

In February 2016, the FASB issued ASU 2016-02, *Leases* (ASC 842). The new standard increases transparency and comparability among entities by requiring the recognition of right-of-use (ROU) assets and lease liabilities on the statement of financial position. Most prominent of the changes in the standard is the recognition of ROU assets and lease liabilities by lessees for those leases classified as operating leases. Under the standard, disclosures are required to meet the objective of enabling users of financial statements to assess the amount, timing, and uncertainty of cash flows arising from leases.

The Company adopted the requirements of the guidance effective July 1, 2022 and has elected to apply the provisions of this standard to the beginning of the period of adoption through a cumulative effect adjustment, with certain practical expedients available. Lease disclosures for the year ended June 30, 2022 are made under prior lease guidance in FASB ASC 840.

The Company elected the available practical expedients to account for existing capital leases and operating leases as financing leases and operating leases, respectively, under the new guidance, without reassessing (a) whether the contracts contain leases under the new standard, (b) whether classification of capital leases or operating leases would be different in accordance with the new guidance, or (c) whether the unamortized initial direct costs before transition adjustments would have met the definition of initial direct costs in the new guidance at least commencement.

**HCSC ENTERPRISES, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2023 AND 2022**

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Adoption of New Accounting Standards (Continued)**

As a result of the adoption of the new lease accounting guidance, the Company recognized on July 1, 2022, lease liabilities of \$115,167, which represents the present value of the remaining operating lease payments of \$122,536, discounted using a risk-free rate of 2.88%, and a ROU asset of \$115,167, which represents the operating lease liability of \$115,167.

There was no adjustment to net assets as a result of recording the lease liability and ROU asset. The standard had a material impact on the statement of financial position but did not have a material impact on the statements of activities and statements of cash flows.

**Leases**

The Company determines if an arrangement is a lease at inception. Operating leases are included in operating lease ROU assets and lease liabilities on the statement of financial position. ROU assets represent the Company's right to use an underlying asset for the lease term and lease liabilities represent the Company's obligation to make lease payments arising from the lease. ROU assets and liabilities are recognized at the lease commencement date based on the present value of lease payments over the lease term. The lease terms may include options to extend or terminate the lease when it is reasonably certain that the Company will exercise that option. Lease expense for operating lease payments is recognized on a straight-line basis over the lease term. The Company has elected to recognize payments for short term leases with a lease term of 12 months or less as expense as incurred and these leases are not included as lease liabilities or right of use assets on the statement of financial position.

The individual lease contracts do not provide information about the discount rate implicit in the lease. Therefore, the Company has elected to use a risk-free discount rate determined using a period comparable with that of the lease term for computing the present value of all lease liabilities.

In evaluating contracts to determine if they qualify as a lease, the Company considers factors such as if the Company has obtained substantially all of the rights to the underlying asset through exclusivity, if the Company can direct the use of the asset by making decisions about how and for what purpose the asset will be used and if the lessor has substantive substitution rights. This evaluation may require significant judgment.

**HCSC ENTERPRISES, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2023 AND 2022**

**NOTE 3 EQUIPMENT**

|                                | 2023              | 2022              |
|--------------------------------|-------------------|-------------------|
| Office Equipment               | \$ 441,555        | \$ 441,555        |
| Computer Hardware              | 1,399,717         | 1,295,413         |
| Furniture and Fixtures         | 2,220             | 78,494            |
| Automobiles                    | 50,336            | 13,217            |
| Subtotal                       | 1,893,828         | 1,828,679         |
| Less: Accumulated Depreciation | 1,624,834         | 1,542,829         |
| Total                          | <u>\$ 268,994</u> | <u>\$ 285,850</u> |

Depreciation expense for the years ended June 30, 2023 and 2022 was \$95,230 and \$82,644, respectively.

**NOTE 4 INCOME TAX EXPENSE (BENEFIT)**

The provision for income taxes consists of current and deferred tax (benefit) expense as follows:

|         | 2023               |                     | 2022               |                     |
|---------|--------------------|---------------------|--------------------|---------------------|
|         | Current<br>Expense | Deferred<br>Benefit | Current<br>Expense | Deferred<br>Expense |
| Federal | \$ 25,760          | \$ (3,125)          | \$ 19,000          | \$ 5,469            |
| State   | 13,500             | (875)               | 9,050              | 1,531               |
| Total   | <u>\$ 39,260</u>   | <u>\$ (4,000)</u>   | <u>\$ 28,050</u>   | <u>\$ 7,000</u>     |

The approximate income tax effects of each type of temporary difference giving rise to the Company's deferred tax assets are as follows:

|                  | 2023             | 2022             |
|------------------|------------------|------------------|
| Depreciation     | \$ 34,000        | \$ 33,000        |
| NOL Carryforward | 18,000           | 15,000           |
| Total            | <u>\$ 52,000</u> | <u>\$ 48,000</u> |

**NOTE 5 DEFINED CONTRIBUTION RETIREMENT PLAN**

The Company has a defined contribution retirement plan covering all employees who have one year of service and at least 1,000 hours of service. Participants may contribute up to 50% of their pre-tax or after-tax (Roth) compensation as defined in the plan, subject to certain Internal Revenue Service limitations. The Company matches the participant's contribution in the amount equal to 50% of the participant's elective deferrals up to a maximum of 4% of the participant's annual compensation. Discretionary profit-sharing contributions are determined annually by the Company. The Company's contributions to the plan for the years ended June 30, 2023 and 2022 were approximately \$573,000 and \$595,000, respectively.

**HCSC ENTERPRISES, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2023 AND 2022**

**NOTE 5    DEFINED CONTRIBUTION RETIREMENT PLAN (CONTINUED)**

The retirement plan's investments were self-directed among various mutual funds and a guaranteed income fund.

**NOTE 6    DEFERRED COMPENSATION PLANS**

The Company has a nonqualified deferred compensation plan for its executives that is funded by the executives' elective deferred wages and a discretionary employer contribution. The discretionary employer contribution will be based on a 6% match of the employee's elective deferral, until such time that the Company elects to change the matching percentage. The plan is also financed by a life insurance policy. The Company's deferred compensation liability for the years ended June 30, 2023 and 2022 was \$7,058,699 and \$5,966,383, respectively. The cash surrender value of life insurance for the years ended June 30, 2023 and 2022 was \$5,413,038 and \$4,585,240, respectively. The Company's matching contribution expense for the years ended June 30, 2023 and 2022 totaled \$1,082,311 and \$1,055,774, respectively.

**NOTE 7    LEASES – ASC 842**

The Company leases equipment for various terms under long-term, non-cancelable lease agreements. The leases expire at various dates through 2027. In the normal course of business, it is expected that these leases will be renewed or replaced by similar leases.

The following table provides quantitative information concerning the Company's leases.

|                                                                               |                  |
|-------------------------------------------------------------------------------|------------------|
| Operating Lease Cost:                                                         | \$        32,331 |
| Cash paid for amounts included in the measurement of lease liabilities:       |                  |
| Operating cash flows from operating leases                                    | 32,331           |
| Right-of-use assets obtained in exchange for new operating lease liabilities: | 115,167          |
| Weighted-average remaining lease term - operating leases                      | 3.68 years       |
| Weighted-average discount rate - operating leases                             | 2.88%            |

A maturity analysis of annual undiscounted cash flows for lease liabilities as of June 30, 2023 is as follows:

**HCSC ENTERPRISES, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2023 AND 2022**

**NOTE 7 LEASES – ASC 842 (CONTINUED)**

| <u>Year Ending June 30,</u> |    |         |
|-----------------------------|----|---------|
| 2024                        | \$ | 25,879  |
| 2025                        |    | 23,380  |
| 2026                        |    | 22,335  |
| 2027                        |    | 18,611  |
| Undiscounted cash flows     |    | 90,205  |
| (Less) Imputed interest     |    | (4,517) |
| Total present value         | \$ | 85,688  |
| <br>                        |    |         |
| Current lease liabilities   | \$ | 23,809  |
| Long-term lease liabilities |    | 61,879  |
|                             | \$ | 85,688  |

Operating lease assets were \$115,167 and related accumulated amortization was \$29,479 at June 30, 2023.

**NOTE 8 LEASES – ASC 840**

The Company leases equipment under noncancellable operating leases which expire at various dates through 2027. Rent expense under these leases was \$21,687 for the year ended June 30, 2022.

The future minimum lease payments under these noncancelable arrangements as of June 30, 2022 are as follows:

| <u>Year Ending June 30,</u> | <u>Amount</u> |
|-----------------------------|---------------|
| 2023                        | \$ 97,333     |
| 2024                        | 84,537        |
| 2025                        | 21,599        |
| 2026                        | 20,451        |
| 2027                        | 17,042        |

Total rent expense for the year ended June 30, 2022 for operating leases was approximately \$85,369.

**NOTE 9 COMMITMENT/CONTINGENCY**

The Company has several plans for employee medical, dental, and prescription drug insurance. Three of those medical and prescription plans are self-insured plans administered by two service providers in 2023 and 2022, respectively. The Company has a stop-loss insurance of \$175,000 per individual. Claims paid during the years ended June 30, 2023 and 2022 were \$5,122,000 and \$5,275,000, respectively. Accrued expenses related to the plan were \$0 at both of June 30, 2023 and 2022.

**HCSC ENTERPRISES, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2023 AND 2022**

**NOTE 10 RELATED PARTY TRANSACTIONS**

Amounts due to/from affiliates are the result of ordinary business activities conducted by the Company. The balances bear interest at the affiliate's line of credit rate, bank's prime rate less 2%. There are no repayment terms.

The Company provides management, administrative and data processing services to the parent company and affiliated companies. Total revenues generated from these services for the years ended June 30, 2023 and 2022 were \$13,781,975 and \$12,694,610, respectively, representing 100% of total revenues, respectively.

The Company had outstanding amounts due from (to) affiliates in the following amounts:

|                                                  | 2023                | 2022                |
|--------------------------------------------------|---------------------|---------------------|
| Due to HCSC Blood Center                         | \$ (507,666)        | \$ (193,525)        |
| Due from HCSC Cooperative, Inc. and Subsidiaries | 3,155,231           | 2,276,368           |
| Due to HCS, Inc.                                 | (225,465)           | (187,533)           |
| Due from Affiliates, Net                         | <u>\$ 2,422,100</u> | <u>\$ 1,895,310</u> |

Interest income, net of interest expense, from affiliates for the years ended June 30, 2023 and 2022 amounted to \$119,150 and \$18,129, respectively.

**NOTE 11 SUBSEQUENT EVENTS**

The Company has evaluated events and transactions for potential recognition or disclosure in the financial statements through December 14, 2023, the date the financial statements were available to be issued. No events or transactions occurred subsequent to this date that would require recognition or disclosure in the financial statements.

| INVESTMENT OPTION | MATURITY DATE | INTEREST RATE | COST OF ASSETS | CURRENT VALUE |
|-------------------|---------------|---------------|----------------|---------------|
| IRFTTX            |               |               | 48,339.08      | 49,541.50     |
| IRRCTX            |               |               | 1,286,211.26   | 1,329,175.39  |
| IRFDTX            |               |               | 472,348.55     | 492,719.78    |
| IRFETX            |               |               | 1,067,358.28   | 1,128,320.65  |
| IRFFTX            |               |               | 267,926.99     | 284,013.87    |
| IRFGTX            |               |               | 616,031.32     | 661,799.89    |
| IRFHTX            |               |               | 160,003.75     | 171,043.65    |
| IRFITX            |               |               | 486,356.19     | 521,502.01    |
| IRFKTX            |               |               | 189,196.68     | 203,575.38    |
| IRFUTX            |               |               | 159,464.32     | 172,088.65    |
| IRFVTX            |               |               | 22,687.14      | 24,622.08     |
| IFSPSX            |               |               | 224,735.62     | 265,003.27    |
| IVWILX            |               |               | 904,974.44     | 1,040,285.01  |
| ITIREX            |               |               | 324,701.44     | 322,989.75    |
| IQUAZX            |               |               | 570,174.36     | 637,490.16    |
| IFSSNX            |               |               | 329,122.60     | 336,499.04    |
| IFRCSX            |               |               | 556,164.35     | 571,755.71    |
| IBMCKX            |               |               | 393,254.60     | 452,662.83    |
| IDFVEX            |               |               | 361,079.79     | 367,519.02    |
| IFSMGX            |               |               | 85,153.80      | 91,142.39     |
| IRMGFX            |               |               | 1,123,125.51   | 1,133,811.59  |
| IFXAIX            |               |               | 542,697.29     | 619,437.09    |
| IJUEMX            |               |               | 2,853,520.15   | 3,137,496.31  |
| IVWUAX            |               |               | 1,323,569.70   | 1,607,676.29  |
| IVBIAX            |               |               | 99,894.91      | 107,793.14    |
| IPTRQX            |               | 1.700         | 1,440,329.78   | 1,459,099.47  |
| IMGDSBI           |               |               | 7,092,584.29   | 7,163,820.28  |
|                   |               |               | 23,001,006.19  | 24,352,884.20 |
| PARTICIPANT LOANS |               |               |                |               |
|                   | VARIOUS       | 4.250-9.250   | 420,591.11     | 420,547.46    |
| FORFEITURES       |               |               |                |               |
|                   |               |               | 12,758.55      | 12,774.90     |

| INVESTMENT OPTION | MATURITY DATE | INTEREST RATE | COST OF ASSETS | CURRENT VALUE |
|-------------------|---------------|---------------|----------------|---------------|
|-------------------|---------------|---------------|----------------|---------------|

LEGEND

INVESTMENT OPTION:

|         |                                         |
|---------|-----------------------------------------|
| IRFTTX  | American Funds 2010 Trgt Date Retire R6 |
| IRFDTX  | American Funds 2025 Trgt Date Retire R6 |
| IRFFTX  | American Funds 2035 Trgt Date Retire R6 |
| IRFHTX  | American Funds 2045 Trgt Date Retire R6 |
| IRFKTX  | American Funds 2055 Trgt Date Retire R6 |
| IRFVTX  | American Funds 2065 Trgt Date Retire R6 |
| IVWILX  | Vanguard International Growth Adm       |
| IQUAZX  | AB Small Cap Growth Z                   |
| IFRCSX  | Franklin Small Cap Value R6             |
| IDFVEX  | DFA U.S. Vector Equity I                |
| IRMFGX  | American Funds American Mutual R6       |
| IJUEMX  | JPMorgan US Equity R6                   |
| IVBIAX  | Vanguard Balanced Index Adm             |
| IMGDSB1 | General Account                         |

|        |                                         |
|--------|-----------------------------------------|
| IRRCTX | American Funds 2020 Trgt Date Retire R6 |
| IRFETX | American Funds 2030 Trgt Date Retire R6 |
| IRFGTX | American Funds 2040 Trgt Date Retire R6 |
| IRFITX | American Funds 2050 Trgt Date Retire R6 |
| IRFUTX | American Funds 2060 Trgt Date Retire R6 |
| IFSPSX | Fidelity International Index            |
| ITIREX | TIAA-CREF Real Estate Sec Instl         |
| IFSSNX | Fidelity Small Cap Index                |
| IBMGKX | BlackRock Mid-Cap Growth Equity K       |
| IFSMDX | Fidelity Mid Cap Index                  |
| IFXAIX | Fidelity 500 Index                      |
| IVWUAX | Vanguard US Growth Adm                  |
| 1PTRQX | PGIM Total Return Bond R6               |

COST OF ASSETS: The original cost of the assets in each investment option as of the last day of the plan year  
CURRENT VALUE: The value of all assets in each investment option as of the last day of the plan year