

Form 5500 Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Annual Return/Report of Employee Benefit Plan This form is required to be filed for employee benefit plans under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and sections 6057(b) and 6058(a) of the Internal Revenue Code (the Code). ▶ Complete all entries in accordance with the instructions to the Form 5500.	OMB Nos. 1210-0110 1210-0089 2023 This Form is Open to Public Inspection
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Part I	Annual Report Identification Information
For calendar plan year 2023 or fiscal plan year beginning 01/01/2023 and ending 12/31/2023	
A	This return/report is for: ☐ a multiemployer plan ☐ a multiple-employer plan (Filers checking this box must provide participating employer information in accordance with the form instructions.) ☒ a single-employer plan ☐ a DFE (specify) _____ ☐ the first return/report ☐ the final return/report ☐ an amended return/report ☐ a short plan year return/report (less than 12 months)
C	If the plan is a collectively-bargained plan, check here. ▶ ☐
D	Check box if filing under: ☒ Form 5558 ☐ automatic extension ☐ the DFVC program ☐ special extension (enter description)
E	If this is a retroactively adopted plan permitted by SECURE Act section 201, check here. ▶ ☐

Part II	Basic Plan Information—enter all requested information
1a	Name of plan SONNY MERRYMAN, INC. EMPLOYEE STOCK OWNERSHIP PLAN AND TRUST
1b	Three-digit plan number (PN) ▶ 001
1c	Effective date of plan 01/01/2001
2a	Plan sponsor's name (employer, if for a single-employer plan) Mailing address (include room, apt., suite no. and street, or P.O. Box) City or town, state or province, country, and ZIP or foreign postal code (if foreign, see instructions) SONNY MERRYMAN, INC. 5120 WARDS ROAD EVINGTON, VA 24550
2b	Employer Identification Number (EIN) 54-0806176
2c	Plan Sponsor's telephone number 434-821-1000
2d	Business code (see instructions) 423800

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

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

SIGN HERE	Filed with authorized/valid electronic signature.	10/02/2024	ANGELO CASTANES
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE			
	Signature of employer/plan sponsor	Date	Enter name of individual signing as employer or plan sponsor
SIGN HERE			
	Signature of DFE	Date	Enter name of individual signing as DFE

3a Plan administrator's name and address ☒ Same as Plan Sponsor	3b Administrator's EIN 3c Administrator's telephone number
4 If the name and/or EIN of the plan sponsor or the plan name has changed since the last return/report filed for this plan, enter the plan sponsor's name, EIN, the plan name and the plan number from the last return/report: a Sponsor's name c Plan Name	4b EIN 4d PN
5 Total number of participants at the beginning of the plan year	5 186
6 Number of participants as of the end of the plan year unless otherwise stated (welfare plans complete only lines 6a(1) , 6a(2) , 6b , 6c , and 6d). a(1) Total number of active participants at the beginning of the plan year a(2) Total number of active participants at the end of the plan year b Retired or separated participants receiving benefits c Other retired or separated participants entitled to future benefits d Subtotal. Add lines 6a(2) , 6b , and 6c e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits f Total. Add lines 6d and 6e g(1) Number of participants with account balances as of the beginning of the plan year (only defined contribution plans complete this item) g(2) Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item) h Number of participants who terminated employment during the plan year with accrued benefits that were less than 100% vested	6a(1) 121 6a(2) 112 6b 14 6c 51 6d 177 6e 1 6f 178 6g(1) 176 6g(2) 175 6h 3
7 Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item)	7

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

2E 2H 2O 2Q

b If the plan provides welfare benefits, enter the applicable welfare feature codes from the List of Plan Characteristics Codes in the instructions:

9a Plan funding arrangement (check all that apply) (1) ☐ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☒ Trust (4) ☐ General assets of the sponsor	9b Plan benefit arrangement (check all that apply) (1) ☐ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☒ Trust (4) ☐ General assets of the sponsor
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10 Check all applicable boxes in 10a and 10b to indicate which schedules are attached, and, where indicated, enter the number attached. (See instructions)

a Pension Schedules

- (1) ☒ **R** (Retirement Plan Information)
- (2) ☐ **MB** (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary
- (3) ☐ **SB** (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary
- (4) ☐ **DCG** (Individual Plan Information) – Number Attached _____
- (5) ☐ **MEP** (Multiple-Employer Retirement Plan Information)

b General Schedules

- (1) ☒ **H** (Financial Information)
- (2) ☐ **I** (Financial Information – Small Plan)
- (3) ☐ **A** (Insurance Information) – Number Attached 0
- (4) ☒ **C** (Service Provider Information)
- (5) ☐ **D** (DFE/Participating Plan Information)
- (6) ☐ **G** (Financial Transaction Schedules)

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

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

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

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

11c Enter the Receipt Confirmation Code for the 2023 Form M-1 annual report. If the plan was not required to file the 2023 Form M-1 annual report, enter the Receipt Confirmation Code for the most recent Form M-1 that was required to be filed under the Form M-1 filing requirements. (Failure to enter a valid Receipt Confirmation Code will subject the Form 5500 filing to rejection as incomplete.)

Receipt Confirmation Code _____

SCHEDULE C (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Service Provider Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA). ▶ File as an attachment to Form 5500.	OMB No. 1210-0110
		2023
		This Form is Open to Public Inspection.

For calendar plan year 2023 or fiscal plan year beginning 01/01/2023 and ending 12/31/2023

A Name of plan SONNY MERRYMAN, INC. EMPLOYEE STOCK OWNERSHIP PLAN AND TRUST	B Three-digit plan number (PN) ▶ 001
C Plan sponsor's name as shown on line 2a of Form 5500 SONNY MERRYMAN, INC.	D Employer Identification Number (EIN) 54-0806176

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

x

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

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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)

BROWN EDWARDS

828 MAIN STREET, SUITE 1401
LYNCHBURG, VA 24504

54-0504608

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
17	NONE	19700	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

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

ASCENSUS CONSULTING, LLC

11-3665754

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
64	NONE	13454	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

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

SHELDRIK, MCGEHEE & KOHLER, LLC

20-2123462

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
34	NONE	10000	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

Part I Service Provider Information (continued)

3. If you reported on line 2 receipt of indirect compensation, other than eligible indirect compensation, by a service provider, and the service provider is a fiduciary or provides contract administrator, consulting, custodial, investment advisory, investment management, broker, or recordkeeping services, answer the following questions for (a) each source from whom the service provider received \$1,000 or more in indirect compensation and (b) each source for whom the service provider gave you a formula used to determine the indirect compensation instead of an amount or estimated amount of the indirect compensation. Complete as many entries as needed to report the required information for each source.

(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	
(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	
(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	

Part II Service Providers Who Fail or Refuse to Provide Information

4 Provide, to the extent possible, the following information for each service provider who failed or refused to provide the information necessary to complete this Schedule.

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

Part III Termination Information on Accountants and Enrolled Actuaries (see instructions)
(complete as many entries as needed)

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

SCHEDULE H (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Financial Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA), and section 6058(a) of the Internal Revenue Code (the Code). ▶ File as an attachment to Form 5500.	OMB No. 1210-0110
		2023
		This Form is Open to Public Inspection

For calendar plan year 2023 or fiscal plan year beginning 01/01/2023 and ending 12/31/2023		
A Name of plan SONNY MERRYMAN, INC. EMPLOYEE STOCK OWNERSHIP PLAN AND TRUST	B Three-digit plan number (PN) ▶	001
C Plan sponsor's name as shown on line 2a of Form 5500 SONNY MERRYMAN, INC.	D Employer Identification Number (EIN) 54-0806176	

Part I	Asset and Liability Statement		
1 Current value of plan assets and liabilities at the beginning and end of the plan year. Combine the value of plan assets held in more than one trust. Report the value of the plan's interest in a commingled fund containing the assets of more than one plan on a line-by-line basis unless the value is reportable on lines 1c(9) through 1c(14). Do not enter the value of that portion of an insurance contract which guarantees, during this plan year, to pay a specific dollar benefit at a future date. Round off amounts to the nearest dollar. MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 1b(1), 1b(2), 1c(8), 1g, 1h, and 1i. CCTs, PSAs, and 103-12 IEs also do not complete lines 1d and 1e. See instructions.			
Assets		(a) Beginning of Year	(b) End of Year
a Total noninterest-bearing cash	1a		
b Receivables (less allowance for doubtful accounts):			
(1) Employer contributions	1b(1)	500000	500000
(2) Participant contributions	1b(2)		
(3) Other	1b(3)		
c General investments:			
(1) Interest-bearing cash (include money market accounts & certificates of deposit)	1c(1)	1727666	2094578
(2) U.S. Government securities	1c(2)		
(3) Corporate debt instruments (other than employer securities):			
(A) Preferred.....	1c(3)(A)		
(B) All other.....	1c(3)(B)		
(4) Corporate stocks (other than employer securities):			
(A) Preferred.....	1c(4)(A)		
(B) Common	1c(4)(B)		
(5) Partnership/joint venture interests	1c(5)		
(6) Real estate (other than employer real property)	1c(6)		
(7) Loans (other than to participants)	1c(7)		
(8) Participant loans	1c(8)		
(9) Value of interest in common/collective trusts	1c(9)		
(10) Value of interest in pooled separate accounts.....	1c(10)		
(11) Value of interest in master trust investment accounts	1c(11)		
(12) Value of interest in 103-12 investment entities.....	1c(12)		
(13) Value of interest in registered investment companies (e.g., mutual funds)	1c(13)	6847061	8801085
(14) Value of funds held in insurance company general account (unallocated contracts)	1c(14)		
(15) Other.....	1c(15)		

1d Employer-related investments:		(a) Beginning of Year	(b) End of Year
(1) Employer securities	1d(1)	16248971	19035397
(2) Employer real property	1d(2)		
e Buildings and other property used in plan operation	1e		
f Total assets (add all amounts in lines 1a through 1e)	1f	25323698	30431060
Liabilities			
g Benefit claims payable	1g	30404	83819
h Operating payables	1h		
i Acquisition indebtedness	1i		
j Other liabilities	1j		
k Total liabilities (add all amounts in lines 1g through 1j)	1k	30404	83819
Net Assets			
l Net assets (subtract line 1k from line 1f)	1l	25293294	30347241

Part II Income and Expense Statement

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

Income		(a) Amount	(b) Total
a Contributions:			
(1) Received or receivable in cash from: (A) Employers	2a(1)(A)	500000	
(B) Participants	2a(1)(B)		
(C) Others (including rollovers)	2a(1)(C)		
(2) Noncash contributions	2a(2)		
(3) Total contributions. Add lines 2a(1)(A) , (B) , (C) , and line 2a(2)	2a(3)		500000
b Earnings on investments:			
(1) Interest:			
(A) Interest-bearing cash (including money market accounts and certificates of deposit)	2b(1)(A)	257602	
(B) U.S. Government securities	2b(1)(B)		
(C) Corporate debt instruments	2b(1)(C)		
(D) Loans (other than to participants)	2b(1)(D)		
(E) Participant loans	2b(1)(E)		
(F) Other	2b(1)(F)		
(G) Total interest. Add lines 2b(1)(A) through (F)	2b(1)(G)		257602
(2) Dividends: (A) Preferred stock	2b(2)(A)		
(B) Common stock	2b(2)(B)	2097463	
(C) Registered investment company shares (e.g. mutual funds)	2b(2)(C)		
(D) Total dividends. Add lines 2b(2)(A) , (B) , and (C)	2b(2)(D)		2097463
(3) Rents	2b(3)		
(4) Net gain (loss) on sale of assets: (A) Aggregate proceeds	2b(4)(A)		
(B) Aggregate carrying amount (see instructions)	2b(4)(B)		
(C) Subtract line 2b(4)(B) from line 2b(4)(A) and enter result	2b(4)(C)		
(5) Unrealized appreciation (depreciation) of assets: (A) Real estate	2b(5)(A)		
(B) Other	2b(5)(B)	2786426	
(C) Total unrealized appreciation of assets. Add lines 2b(5)(A) and (B)	2b(5)(C)		

		(a) Amount	(b) Total
(6) Net investment gain (loss) from common/collective trusts.....	2b(6)		
(7) Net investment gain (loss) from pooled separate accounts.....	2b(7)		
(8) Net investment gain (loss) from master trust investment accounts.....	2b(8)		
(9) Net investment gain (loss) from 103-12 investment entities.....	2b(9)		
(10) Net investment gain (loss) from registered investment companies (e.g., mutual funds)	2b(10)		687961
c Other income	2c		
d Total income. Add all income amounts in column (b) and enter total	2d		6329452

Expenses

e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	1165683	
(2) To insurance carriers for the provision of benefits.....	2e(2)		
(3) Other	2e(3)		
(4) Total benefit payments. Add lines 2e(1) through (3)	2e(4)		1165683
f Corrective distributions (see instructions)	2f		
g Certain deemed distributions of participant loans (see instructions)	2g		
h Interest expense	2h		
i Administrative expenses:			
(1) Salaries and allowances	2i(1)		
(2) Contract administrator fees.....	2i(2)	13454	
(3) Recordkeeping fees.....	2i(3)		
(4) IQPA audit fees.....	2i(4)	19700	
(5) Investment advisory and investment management fees	2i(5)	66643	
(6) Bank or trust company trustee/custodial fees	2i(6)		
(7) Actuarial fees	2i(7)		
(8) Legal fees	2i(8)		
(9) Valuation/appraisal fees	2i(9)	10000	
(10) Other trustee fees and expenses	2i(10)		
(11) Other expenses	2i(11)	25	
(12) Total administrative expenses. Add lines 2i(1) through (11)	2i(12)		109822
j Total expenses. Add all expense amounts in column (b) and enter total	2j		1275505

Net Income and Reconciliation

k Net income (loss). Subtract line 2j from line 2d	2k		5053947
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: **BROWN, EDWARDS & COMPANY, LLP**

(2) EIN: **54-0504608**

d The opinion of an independent qualified public accountant is **not attached** as part of Schedule H because:

(1) ☐ This form is filed for a CCT, PSA, DCG 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. DCGs do not complete lines 4e, 4f, 4k, 4l, and 5, and DCGs generally complete the rest of Part IV collectively for all plans in the DCG, except as otherwise provided (see instructions).

During the plan year:

	Yes	No	Amount
a Was there a failure to transmit to the plan any participant contributions within the time period described in 29 CFR 2510.3-102? Continue to answer "Yes" for any prior year failures until fully corrected. (See instructions and DOL's Voluntary Fiduciary Correction Program.)		☒	
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.)		☒	
c Were any leases to which the plan was a party in default or classified during the year as uncollectible? (Attach Schedule G (Form 5500) Part II if "Yes" is checked.)		☒	
d Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 4a. Attach Schedule G (Form 5500) Part III if "Yes" is checked.)		☒	
e Was this plan covered by a fidelity bond?	☒		1000000
f Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?		☒	
g Did the plan hold any assets whose current value was neither readily determinable on an established market nor set by an independent third party appraiser?		☒	
h Did the plan receive any noncash contributions whose value was neither readily determinable on an established market nor set by an independent third party appraiser?		☒	
i Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.)	☒		
j Were any plan transactions or series of transactions in excess of 5% of the current value of plan assets? (Attach schedule of transactions if "Yes" is checked and see instructions for format requirements.)		☒	
k Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?		☒	
l Has the plan failed to provide any benefit when due under the plan?		☒	
m If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.)		☒	
n If 4m was answered "Yes," check the "Yes" box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3.			

5a Has a resolution to terminate the plan been adopted during the plan year or any prior plan year? ☐ Yes ☒ No
If "Yes," enter the amount of any plan assets that reverted to the employer this year _____.

5b If, during this plan year, any assets or liabilities were transferred from this plan to another plan(s), identify the plan(s) to which assets or liabilities were transferred. (See instructions.)

5b(1) Name of plan(s)	5b(2) EIN(s)	5b(3) PN(s)

5c Was the plan a defined benefit plan covered under the PBGC insurance program at any time during this plan year? (See ERISA section 4021 and instructions.) ☐ Yes ☐ No ☐ Not determined

If "Yes" is checked, enter the My PAA confirmation number from the PBGC premium filing for this plan year _____.

SCHEDULE R (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation		Retirement Plan Information This schedule is required to be filed under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6058(a) of the Internal Revenue Code (the Code). ▶ File as an attachment to Form 5500.		OMB No. 1210-0110 2023 This Form is Open to Public Inspection.	
For calendar plan year 2023 or fiscal plan year beginning 01/01/2023 and ending 12/31/2023					
A Name of plan SONNY MERRYMAN, INC. EMPLOYEE STOCK OWNERSHIP PLAN AND TRUST				B Three-digit plan number (PN) ▶	001
C Plan sponsor's name as shown on line 2a of Form 5500 SONNY MERRYMAN, INC.				D Employer Identification Number (EIN) 54-0806176	
Part I Distributions					
All references to distributions relate only to payments of benefits during the plan year.					
1 Total value of distributions paid in property other than in cash or the forms of property specified in the instructions.....				1	0
2 Enter the EIN(s) of payor(s) who paid benefits on behalf of the plan to participants or beneficiaries during the year (if more than two, enter EINs of the two payors who paid the greatest dollar amounts of benefits): EIN(s): 13-3180817					
Profit-sharing plans, ESOPs, and stock bonus plans, skip line 3.					
3 Number of participants (living or deceased) whose benefits were distributed in a single sum, during the plan year				3	
Part II Funding Information (If the plan is not subject to the minimum funding requirements of section 412 of the Internal Revenue Code or ERISA section 302, skip this Part.)					
4 Is the plan administrator making an election under Code section 412(d)(2) or ERISA section 302(d)(2)? ☐ Yes ☐ No ☐ N/A If the plan is a defined benefit plan, go to line 8.					
5 If a waiver of the minimum funding standard for a prior year is being amortized in this plan year, see instructions and enter the date of the ruling letter granting the waiver. Date: Month _____ Day _____ Year _____ If you completed line 5, complete lines 3, 9, and 10 of Schedule MB and do not complete the remainder of this schedule.					
6 a Enter the minimum required contribution for this plan year (include any prior year accumulated funding deficiency not waived)				6a	
b Enter the amount contributed by the employer to the plan for this plan year.....				6b	
c Subtract the amount in line 6b from the amount in line 6a. Enter the result (enter a minus sign to the left of a negative amount)				6c	
If you completed line 6c, skip lines 8 and 9.					
7 Will the minimum funding amount reported on line 6c be met by the funding deadline? ☐ Yes ☐ No ☐ N/A					
8 If a change in actuarial cost method was made for this plan year pursuant to a revenue procedure or other authority providing automatic approval for the change or a class ruling letter, does the plan sponsor or plan administrator agree with the change? ☐ Yes ☐ No ☐ N/A					
Part III Amendments					
9 If this is a defined benefit pension plan, were any amendments adopted during this plan year that increased or decreased the value of benefits? If yes, check the appropriate box. If no, check the "No" box. ☐ Increase ☐ Decrease ☐ Both ☐ No					
Part IV ESOPs (see instructions). If this is not a plan described under section 409(a) or 4975(e)(7) of the Internal Revenue Code, skip this Part.					
10 Were unallocated employer securities or proceeds from the sale of unallocated securities used to repay any exempt loan?..... ☐ Yes ☒ No					
11 a Does the ESOP hold any preferred stock? ☐ Yes ☒ No					
b If the ESOP has an outstanding exempt loan with the employer as lender, is such loan part of a "back-to-back" loan? (See instructions for definition of "back-to-back" loan.) ☐ Yes ☒ No					
12 Does the ESOP hold any stock that is not readily tradable on an established securities market? ☒ Yes ☐ No					
For Paperwork Reduction Act Notice, see the Instructions for Form 5500.				Schedule R (Form 5500) 2023 v. 230707	

Part V Additional Information for Multiemployer Defined Benefit Pension Plans

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

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

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

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

(1) Contribution rate (in dollars and cents) _____

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

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

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

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

(1) Contribution rate (in dollars and cents) _____

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

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

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

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

(1) Contribution rate (in dollars and cents) _____

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

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

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

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

(1) Contribution rate (in dollars and cents) _____

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

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

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

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

(1) Contribution rate (in dollars and cents) _____

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

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

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

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

(1) Contribution rate (in dollars and cents) _____

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

14 Enter the number of deferred vested and retired participants (inactive participants), as of the beginning of the plan year, whose contributing employer is no longer making contributions to the plan for: a The current plan year. Check the box to indicate the counting method used to determine the number of inactive participants: ☐ last contributing employer ☐ alternative ☐ reasonable approximation (see instructions for required attachment) b The plan year immediately preceding the current plan year. ☐ Check the box if the number reported is a change from what was previously reported (see instructions for required attachment) c The second preceding plan year. ☐ Check the box if the number reported is a change from what was previously reported (see instructions for required attachment)	14a 14b 14c	
15 Enter the ratio of the number of participants under the plan on whose behalf no employer had an obligation to make an employer contribution during the current plan year to: a The corresponding number for the plan year immediately preceding the current plan year b The corresponding number for the second preceding plan year	15a 15b	
16 Information with respect to any employers who withdrew from the plan during the preceding plan year: a Enter the number of employers who withdrew during the preceding plan year 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	16a 16b	
17 If assets and liabilities from another plan have been transferred to or merged with this plan during the plan year, check box and see instructions regarding supplemental information to be included as an attachment..... ☐		

Part VI	Additional Information for Single-Employer and Multiemployer Defined Benefit Pension Plans
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18 If any liabilities to participants or their beneficiaries under the plan as of the end of the plan year consist (in whole or in part) of liabilities to such participants and beneficiaries under two or more pension plans as of immediately before such plan year, check box and see instructions regarding supplemental information to be included as an attachment..... ☐	
19 If the total number of participants is 1,000 or more, complete lines (a) and (b): a Enter the percentage of plan assets held as: Public Equity: _____% Private Equity: _____% Investment-Grade Debt and Interest Rate Hedging Assets: _____% High-Yield Debt: _____% Real Assets: _____% Cash or Cash Equivalents: _____% Other: _____% b Provide the average duration of the Investment-Grade Debt and Interest Rate Hedging Assets: ☐ 0-5 years ☐ 5-10 years ☐ 10-15 years ☐ 15 years or more	
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: _____	

Part VII	IRS Compliance Questions
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21a Does the plan satisfy the coverage and nondiscrimination tests of Code sections 410(b) and 401(a)(4) by combining this plan with any other plans under the permissive aggregation rules? ☐ Yes ☒ No 21b If this is a Code section 401(k) plan, check all boxes that apply to indicate how the plan is intended to satisfy the nondiscrimination requirements for employee deferrals and employer matching contributions (as applicable) under Code sections 401(k)(3) and 401(m)(2). ☐ Design-based safe harbor method ☐ "Prior year" ADP test ☐ "Current year" ADP test ☒ N/A	
22 If the plan sponsor is an adopter of a pre-approved plan that received a favorable IRS Opinion Letter, enter the date of the Opinion Letter ____/____/____ (MM/DD/YYYY) and the Opinion Letter serial number _____.	



Sonny Merryman, Inc.

Employee Stock Ownership Plan and Trust

Financial Report

December 31, 2023

Sonny Merryman, Inc.
Employee Stock Ownership Plan and Trust

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Independent Auditor's Report

To the Plan Administrator and Those Charged with Governance of
Sonny Merryman, Inc. Employee Stock Ownership Plan and Trust
Evington, Virginia

Opinion

We have audited the accompanying financial statements of Sonny Merryman, Inc. Employee Stock Ownership Plan and Trust (the "Plan"), an employee benefit plan subject to the Employee Retirement Income Security Act of 1974 (ERISA), which comprise the statements of net assets available for benefits as of December 31, 2023 and 2022, and the related statement of changes in net assets available for benefits for the year ended December 31, 2023, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the net assets available for benefits of Sonny Merryman, Inc. Employee Stock Ownership Plan and Trust as of December 31, 2023 and 2022, and the changes in its net assets available for benefits for the year ended December 31, 2023, in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Sonny Merryman, Inc. Employee Stock Ownership Plan and Trust and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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 Sonny Merryman, Inc. Employee Stock Ownership Plan and Trust's ability to continue as a going concern for one year after the date the financial statements are available to be issued.



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

Auditor's 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 auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Sonny Merryman, Inc. Employee Stock Ownership Plan and Trust'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 Sonny Merryman, Inc. Employee Stock Ownership Plan and Trust's ability to continue as a going concern for a reasonable period of time.

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.

Supplemental Schedule Required by ERISA

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The supplemental Schedule H, Line 4i – Schedule of Assets (Held at End of Year) as of December 31, 2023 is presented for purposes of additional analysis and is not a required part of the financial statements but

is supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audits of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with generally accepted auditing standards.

In forming our opinion on the supplemental schedule, we evaluated whether the supplemental schedule, including its form and content, is presented in conformity with the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA.

In our opinion, the information in the accompanying schedule is fairly stated, in all material respects, in relation to the financial statements as a whole, and the form and content is presented in conformity with the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA.

Brown, Edwards & Company, L.L.P.

CERTIFIED PUBLIC ACCOUNTANTS

Roanoke, Virginia
October 11, 2024



Financial Statements



Sonny Merryman, Inc.
Employee Stock Ownership Plan and Trust
Statements of Net Assets Available for Benefits
December 31, 2023 and 2022

	<u>2023</u>	<u>2022</u>
ASSETS		
Investments, at fair value (Notes 3, 4, and 5)		
Sponsor Company common stock	\$ 19,035,397	\$ 16,248,971
Mutual funds	8,801,085	6,847,061
Interest bearing cash	<u>2,098,839</u>	<u>1,731,928</u>
Total investments at fair value	<u>29,935,321</u>	<u>24,827,960</u>
Receivables		
Employer contributions	<u>500,000</u>	<u>500,000</u>
Net assets available for benefits	<u><u>\$ 30,435,321</u></u>	<u><u>\$ 25,327,960</u></u>

Sonny Merryman, Inc.
Employee Stock Ownership Plan and Trust
Statement of Changes in Net Assets Available for Benefits
Year Ended December 31, 2023

ADDITIONS TO NET ASSETS ATTRIBUTED TO:

Investment income:

Net appreciation in fair value of investments
(Notes 3, 4, and 5)

\$ 3,442,777

Interest and dividend income

289,212

Sponsor Company S corporation distribution

2,097,463

Total investment income

5,829,452

Employer contributions

500,000

Total additions

6,329,452

DEDUCTIONS TO NET ASSETS ATTRIBUTED TO:

Benefits paid to participants

1,112,269

Administrative expenses (Note 9)

109,822

Total deductions

1,222,091

Net increase

5,107,361

NET ASSETS AVAILABLE FOR BENEFITS

Beginning of year

25,327,960

End of year

\$ 30,435,321

Sonny Merryman, Inc.

Employee Stock Ownership Plan and Trust

Notes to Financial Statements

December 31, 2023

Note 1 – Plan Description

The following description of the Sonny Merryman, Inc. Employee Stock Ownership Plan and Trust (the “Plan”) provides only general information. Participants should refer to the Plan Agreement, as amended and restated, for a more complete description of the Plan’s provisions.

General

Sonny Merryman, Inc. (the “Company”, “Sponsor Company”, or “Employer”) originally established the Plan as a profit-sharing plan effective February 1, 1985. The Plan was amended and restated effective January 1, 2001, to incorporate Employee Stock Ownership Plan (ESOP) provisions and freeze the profit-sharing plan. The Plan was most recently amended January 1, 2016. The Plan is designed to comply with Section 4975(e)(7) and the regulations thereunder of the *Internal Revenue Code (IRC)* of 1986, as amended. It is subject to the applicable provisions of the Employee Retirement Income Security Act of 1974 (“ERISA”), as amended.

Plan Administration

The Plan is administered by a committee appointed by the Board of Directors of the Company. The Plan’s investment assets, with the exception of investments in Sponsor Company common stock, are held by Pershing Advisor Solutions, LLC and Merrill Lynch (the “Trustees” of the Plan), which invest cash received, interest, and dividend income and make distributions to participants at the direction of the Plan Administrator. Investments are managed by Financial Designs. The assets and related transactions of the frozen profit-sharing plan are held and administered by Merrill Lynch. Ascensus is the ESOP administrator.

Eligibility

Employees of the Company are eligible to participate in the Plan after 1,000 hours of service and having attained age 21 on or before specified dates. Participants who are not employed on the allocation date, which is December 31 of each year, and have not completed 1,000 hours of service, are not eligible for an allocation of Company contributions for such year. Non-resident aliens, union employees, and leased employees are excluded from participating in the Plan. After meeting the eligibility requirements, an employee becomes a member of the Plan effective January 1 or July 1 of that year.

Participant Accounts

Each participant’s account is credited with the participant’s allocation of contributions (if they are still an active employee), of Plan earnings (or losses), and of forfeitures. Allocations are based on participants’ eligible compensation and share account balance as defined by the Plan document. The benefit to which a participant is entitled is the benefit that can be provided from the participant’s vested account.

Company Contributions

The Company’s Board of Directors determines the amount of contributions that will be allocated each Plan year among the accounts of participants so entitled in the ratio that the compensation of each such participant bears to the total compensation of all such participants, subject to the allocation limitations.

Sonny Merryman, Inc.
Employee Stock Ownership Plan and Trust

Notes to Financial Statements

December 31, 2023

Notes Receivable from Participants

Participants may borrow from their frozen profit-sharing fund accounts a minimum of \$1,000 up to a maximum of \$50,000. Total notes outstanding may not exceed 50% of a participant's vested account balance. A participant may have no more than one outstanding note at any time. Repayment terms for the notes are five years, unless the note is for the purchase of a principal residence, in which case, the Plan Administrator may permit a longer repayment term, with the note balance amortized in equal installments over the life of the note. The notes are secured by the participant's vested account balance. The interest rate for the note is based on the prevailing rates as used by commercial banks in the local area for a similar loan as determined at the time of the loan application. The interest rate is fixed for the life of the note. There were no outstanding loans as of December 31, 2023.

Vesting

Vesting is based on years of credited service and a participant is incrementally vested up to 100% after six years of credited service or the attainment of age 65. The vesting period is as follows:

Year of Service	Vested Percentage
Less than 2	-0-%
2	20
3	40
4	60
5	80
6 or more	100

Payment of Benefits

Distributions are made only upon retirement, disability, termination of employment, death, or diversification. Distributions for retirement, death, or disability will commence within one year after the close of the Plan year. Distributions for termination without reemployment will commence within one year after the fifth Plan year following the date of termination. The normal form of distribution is five equal annual installments unless the Company consents to an earlier distribution in the form of a lump-sum. In the event the participant's account balance is less than \$10,000, the distribution may be made in a single lump-sum within one taxable year of the Participant's termination. The normal form of distribution for frozen profit-sharing plan benefits is a lump-sum cash payment.

Diversification

Diversification is offered to participants close to retirement so they may have the opportunity to move part of the value of their investment in Company stock into investments which are more diversified. Participants who are at least age 55 with at least 10 years of participation in the Plan may elect to diversify a portion of their account. Diversification is offered to each eligible participant over a six-year period. In each of the first five years, a participant may diversify up to 25% of the number of shares allocated to his or her account, less any shares previously diversified. In the sixth year, the percentage changes to 50%. Participants who elect to diversify may receive a cash distribution or may elect to rollover that portion of their account balance to the Sponsor Company's 401(k) plan.

Sonny Merryman, Inc.
Employee Stock Ownership Plan and Trust

Notes to Financial Statements

December 31, 2023

Voting Rights

Normally, shares of Sponsor Company common stock in the trust shall be voted by the trustee in a manner directed by the Plan Committee. Under certain conditions, each participant is entitled to exercise voting rights attributable to the shares allocated to his or her account and is notified by the Trustee prior to the time that such rights are to be exercised.

Put Option

Under Federal income tax regulations, the Company stock that is held by the Plan and its participants and is not readily tradable on an established market, or is subject to trading limitations, will include a put option. The put option is a right to demand that the Company buy any shares of its stock distributed to participants for which there is no market. The put price is to be the fair market value of the stock. Each put option is valid for a 60 day period after the deemed distribution and has a 60 day “deferred put option period” for non-exercised put options on the first day of the Plan year following the year of deemed distribution. The Company must commence payment for the purchase of such stock 30 days after the notification to exercise. The payment shall be subject to a five year payment provision. The purpose of the put option is to ensure that the participant has the ability to obtain cash.

Forfeitures

Any non-vested account forfeitures will be allocated each year to participants that are entitled in the ratio that the compensation of each such participant bears to the total compensation of all such participants, subject to the allocation limitations. Reallocated forfeitures amounted to \$5,802 for the year ended December 31, 2023.

Note 2 – Summary of Significant Accounting Policies

Basis of Accounting

The accompanying financial statements of the Plan have been prepared on the accrual basis of accounting.

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts of assets, liabilities, and changes therein, and disclosure of contingent assets and liabilities. Accordingly, actual results may differ from those estimates.

Valuation of Investments and Investment Income Recognition

Investments are reported at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. See Note 4 for discussion of fair value measurements

Purchases and sales of investments are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date. S corporation distributions are recorded when declared. Net appreciation or depreciation includes the Plan’s gains and losses on investments bought and sold as well as held during the year.

Sonny Merryman, Inc.

Employee Stock Ownership Plan and Trust

Notes to Financial Statements

December 31, 2023

The Plan invests in various investment securities. The Plan's principal asset is common stock of the Company. This investment, along with other investments held by the Plan, are exposed to various risks such as interest rate, market, credit risks, and the success of the Company. Due to the level of risk associated with these investments, it is at least reasonably possible that changes in values of investment securities will occur in the near-term and that such changes could materially affect the amounts reported in the statements of net assets available for benefits.

Interest Bearing Cash

The Plan's interest bearing cash consists of funds held in an insured bank deposit program and money market funds held in investment accounts. Funds held in a bank deposit program are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. At times, cash may exceed federally insured limits.

Notes Receivable from Participants

Notes receivable from participants are measured at their unpaid principal balance plus any accrued but unpaid interest. Interest income is recorded on the accrual basis. Related fees are recorded as administrative expenses and are expensed when they are incurred. No allowance for credit losses has been recorded as of December 31, 2023 and 2022.

Payment of Benefits

Benefit payments to participants are recorded when paid.

Note 3 – Investment in Sponsor Company Common Stock

The Plan's investment in the Sponsor Company common stock at December 31 is as follows:

	2023	2022
Number of shares	345,282	345,282
Cost	\$ 8,856,483	\$ 8,856,483
Fair value	\$ 19,035,397	\$ 16,248,971

The Sponsor Company common stock represents 63% and 64% of net assets available for benefits of the Plan at December 31, 2023 and 2022, respectively. The value of the Sponsor Company common stock has been estimated (with the assistance of an independent valuation specialist) in the absence of readily ascertainable market values. Because of the inherent subjectivity in any valuation, those estimated values may differ significantly from the values that would have been used had a ready market for the securities existed, and the differences could be material.

Sponsor Company common stock was valued at \$55.13 and \$47.06 per share at December 31, 2023 and 2022, respectively.

Note 4 – Fair Value Measurements

The Plan's investments are reported at fair value in the accompanying statements of net assets available for benefits. The methods used to measure fair value may produce an amount that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Plan believes its valuation methods are appropriate and consistent with

Sonny Merryman, Inc.

Employee Stock Ownership Plan and Trust

Notes to Financial Statements

December 31, 2023

those of other market participants, the use of different methodologies or assumptions to determine fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The fair value measurement accounting literature establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. This hierarchy consists of three broad levels: Level 1 inputs consist of unadjusted quoted prices in active markets for identical assets and have the highest priority; Level 2 inputs consist of observable inputs other than quoted prices for identical assets; and Level 3 consists of unobservable inputs and have the lowest priority. The Plan uses appropriate valuation techniques based on the available inputs to measure the fair value of its investments. When available, the Plan measures fair value using Level 1 inputs because they generally provide the most reliable evidence of fair value. Level 3 inputs were used only when Level 1 inputs were not available.

Fair Value Measurements at Reporting Date Using:			
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Unobservable Inputs (Level 3)
	Fair Value		
<u>December 31, 2023</u>			
Mutual funds	\$ 8,801,085	8,801,085	\$ -
Sponsor Company common stock	19,035,397	-	19,035,397
Total	<u>\$ 27,836,482</u>	<u>\$ 8,801,085</u>	<u>\$ 19,035,397</u>
<u>December 31, 2022</u>			
Mutual funds	\$ 6,847,061	6,847,061	\$ -
Sponsor Company common stock	16,248,971	-	16,248,971
Total	<u>\$ 23,096,032</u>	<u>\$ 6,847,061</u>	<u>\$ 16,248,971</u>

Level 1 Fair Value Measurements

The fair values of mutual funds are based on the closing price reported on the active market on which the individual funds and securities are traded.

Level 3 Fair Value Measurements

The Company's common stock is reported at fair value, which is determined by the Plan Committee with the assistance of an independent valuation specialist using available financial data. The common stock was valued using the income approach – discounted cash flow to invested capital. The appraiser took into account historical and projected cash flow and net income, cost of capital, and market comparables, as well as applying a discount for the lack of marketability for non-publicly traded stock. The common stock is classified within Level 3 of the valuation hierarchy. Significant changes to these inputs could have resulted in a significantly higher or lower fair value measurement for the Company common stock.

Sonny Merryman, Inc.

Employee Stock Ownership Plan and Trust

Notes to Financial Statements

December 31, 2023

The table below sets forth a summary of changes in the fair value of the Plan's Level 3 assets for the years ended December 31, 2023 and 2022:

	Sponsor Company Common Stock
<u>December 31, 2023</u>	
Balance, beginning of year	\$ 16,248,971
Unrealized gains relating to investments still held at the reporting date	2,786,426
Balance, end of year	<u>\$ 19,035,397</u>
<u>December 31, 2022</u>	
Balance, beginning of year	\$ 15,365,049
Unrealized gains relating to investments still held at the reporting date	883,922
Balance, end of year	<u>\$ 16,248,971</u>

Gains and losses included in changes in net assets available for benefits for the year ended December 31, 2023, are reported in net appreciation in fair value of investments.

Note 5 – Nonparticipant-Directed Investments

The following is information about the net assets relating to the nonparticipant-directed investments as of December 31:

	2023	2022
Net assets		
Sponsor Company common stock	\$ 19,035,397	\$ 16,248,971
Mutual funds	7,920,988	6,028,375
Interest bearing cash	2,094,578	1,727,666
Employer contribution receivable	500,000	500,000
	<u>\$ 29,550,963</u>	<u>\$ 24,505,012</u>

The following is information about the significant components of the changes in net assets relating to the nonparticipant-directed investments for the year ended December 31, 2023:

Changes in net assets	
Net appreciation in fair value of investments	\$ 3,331,664
Interest and dividend income	257,603
Sponsor Company S corporation distributions	2,097,463
Employer contributions	500,000
Benefits paid to participants	(1,030,957)
Administrative expenses	(109,822)
	<u>5,045,951</u>
Non-participant directed net assets, beginning	24,505,012
Non-participant directed net assets, ending	<u>\$ 29,550,963</u>

Sonny Merryman, Inc.
Employee Stock Ownership Plan and Trust

Notes to Financial Statements

December 31, 2023

Note 6 – Sponsor Company Distributions

The Company paid distributions to the ESOP of \$2,097,463 during the year ended December 31, 2023.

Note 7 – Income Tax Status

The Plan received a favorable determination letter on September 21, 2017, in which the Internal Revenue Service (IRS) stated that the Plan, as then designed, was in compliance with the applicable requirements of the *IRC*.

Accounting principles generally accepted in the United States of America require the Plan Administrator to evaluate tax positions taken by the Plan and recognize a tax liability (or asset) if the Plan has taken an uncertain position that more likely than not would not be sustained upon examination by the IRS. The Plan Administrator has analyzed the tax positions taken by the Plan, and has concluded that as of December 31, 2023, there are no uncertain positions taken or expected to be taken that would require recognition of a liability (or asset) in the financial statements. The Plan is subject to audit by taxing jurisdictions; however, there are currently no audits for any tax periods in progress.

Note 8 – Related Parties and Parties-In-Interest

At December 31, 2023 and 2022, the Plan owned approximately 61% of the Sponsor Company's outstanding common stock; therefore, these transactions qualify as party-in-interest transactions under ERISA.

Certain of the Plan's investments are held and managed by a third-party trustee. These transactions qualify as party-in-interest transactions under ERISA.

Certain officers of the Company are members of the Plan Committee and are also participants in the Plan. No such officer receives compensation from the Plan.

Note 9 – Administrative Expenses

Substantially all administrative expenses including investment manager fees, broker commissions, third-party administrative fees, appraisal fees, and audit fees are paid out of Plan assets as allowed by the Plan document.

Note 10 – Plan Termination

Although it has not expressed any intent to do so, the Company reserves the right to terminate the Plan at any time subject to Plan provisions. Upon such termination of the Plan, the participants will become 100% vested in their accounts and the interest of each participant in the Plan will be distributed to such participant or his or her beneficiary at the time prescribed by the Plan terms and the *IRC*. Upon termination of the Plan, the Company will pay all liabilities and expenses of the Plan.

Sonny Merryman, Inc.
Employee Stock Ownership Plan and Trust

Notes to Financial Statements

December 31, 2023

Note 11 – Reconciliation of Financial Statements to Form 5500

The following is a reconciliation of net assets available for benefits per the financial statements to the Form 5500 at December 31, 2023 and 2022:

	<u>2023</u>	<u>2022</u>
Net assets available for benefits as reported in the financial statements	\$ 30,435,321	\$ 25,327,960
Less other receivables	(4,261)	(4,262)
Less amounts allocated to withdrawing participants	(83,819)	(30,404)
	<u><u>\$ 30,347,241</u></u>	<u><u>\$ 25,293,294</u></u>

The following is a reconciliation of the net increase in net assets available for benefits per the financial statements to net income in the Form 5500 for the year ended December 31, 2023:

	<u>2023</u>
Net increase in net assets available for benefits per the financial statements	\$ 5,107,361
Change in other receivables	1
Add: amounts allocated to withdrawing participants in prior year	30,404
Less: amounts allocated to withdrawing participants in the current year	(83,819)
Net income per the Form 5500	<u><u>\$ 5,053,947</u></u>

Amounts allocated to withdrawing participants are recorded on the Form 5500 for benefit claims that have been processed and approved for payment prior to year-end, but not yet paid as of that date.

Note 12 – Subsequent Events

Plan management has evaluated subsequent events through October 11, 2024, which is the date the financial statements were available to be issued.



Supplementary Information

Sonny Merryman, Inc.
Employee Stock Ownership Plan and Trust
(EIN: 54-0806176) (PLAN: 001)
Schedule H, Line 4i – Schedule of Assets (Held at End of Year)
December 31, 2023

(a)	Identity of Issuer, Borrower, Lessor, or Similar Party (b)	Description of Investment Including Maturity Date, Rate of Interest, Collateral, Par, or Maturity Value (c)	Cost (d)	Current Value (e)
	Sponsor Company Common Stock:			
*	Sonny Merryman, Inc.	345,282 shares	\$ 8,856,483	\$ 19,035,397
	Interest Bearing Cash			
	Dreyfus Ins Deposit Program O	305,474 shares	305,474	305,474
	Dreyfus Ins Deposit Program O	518,900 shares	518,900	518,900
	Columbia Government Money Market Fund Inst 2	100,000 shares	100,000	100,000
	Invesco Government Money Market Fund Class Y	260,092 shares	260,092	260,092
	Columbia Government Money Market Fund Inst 2	260,106 shares	260,106	260,106
	T. Rowe Price Government Money Market Fund	650,006 shares	650,006	650,006
			<u>2,094,578</u>	<u>2,094,578</u>
	Mutual Funds:			
	Blackrock Advantage Large Cap Growth Fund	2,010 shares	**	43,818
	Blackrock Impact Mortgage Fund	14,257 shares	**	131,732
	Davis NY Venture FD CL A	6,654 shares	**	176,657
	Franklin SM-MID Cap GR	2,517 shares	**	88,395
	Invesco International Growth Fund	3,863 shares	**	88,165
	Massachusetts Investors Growth Stock	4,461 shares	**	175,576
	PIMCO Total Return Fund CI A	20,318 shares	**	175,754
	iShares TIPS Bond ETF	4,882 shares	503,870	524,766
	iShares 20+ Year Treasury Bond ETF	2,615 shares	220,048	258,571
	SPDR Portfolio Short Term Treasury ETF	26,345 shares	756,691	765,322
	iShares Core U.S. Aggregate Bond ETF	7,748 shares	765,202	768,989
	SPDR Portfolio Aggregate Bond ETF	29,943 shares	742,314	767,739
	Invesco BulletShares 2025 Corporate Bond ETF	12,540 shares	253,055	256,506
	iShares iBoxx \$ Investment Grade Corporate Bond ETF	2,355 shares	242,375	260,604
	Global X Uranium ETF	4,410 shares	99,401	122,113
	Invesco S&P Ultra Dividend Revenue ETF	4,854 shares	180,180	212,120
	Catalyst Energy Infrastructure I	12,523 shares	220,383	262,849
	Vanguard High Dividend Yield Index Fund ETF Shares	1,805 shares	151,483	201,492
	Vanguard Large Cap Index Fund	3,774 shares	545,484	823,298
	iShares S&P Small-Cap 600 Value	1,613 shares	131,473	166,252
	Vanguard Mid-Cap Index Fund ETF Shares	1,215 shares	212,191	282,658
	Vanguard Small-Cap Index Fund ETF Shares	2,891 shares	444,241	616,737
	Goldman Sachs Future Tech Leaders Equity ETF	3,575 shares	86,729	99,636
	Vanguard FTSE Developed Markets Index Fund ETF Shares	13,173 shares	541,068	630,987
	Victory Trivalent International Sm-Cp Y	8,190 shares	112,708	118,179
	Baron Emerging Markets Fund	8,090 shares	108,760	113,415
	Schwab Emerging Markets Equity ETF	15,360 shares	350,290	380,774
	VanEck Junior Gold Miners ETF	5,429 shares	175,301	205,813
	Neuberger Berman Real Estate I	6,042 shares	83,266	82,168
			<u>6,926,513</u>	<u>8,801,085</u>
	Total Assets Held at End of Year		<u>\$ 17,877,574</u>	<u>\$ 29,931,060</u>

* Party-in-interest.

** Cost omitted for participant-directed investments.

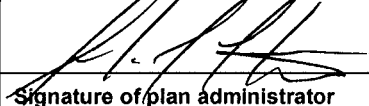
Form 5500 Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Annual Return/Report of Employee Benefit Plan This form is required to be filed for employee benefit plans under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and sections 6057(b) and 6058(a) of the Internal Revenue Code (the Code). ▶ Complete all entries in accordance with the instructions to the Form 5500.	OMB Nos. 1210-0110 1210-0089 2023 This Form is Open to Public Inspection
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Part I	Annual Report Identification Information
For calendar plan year 2023 or fiscal plan year beginning 01/01/2023 and ending 12/31/2023	
A This return/report is for:	☐ a multiemployer plan ☐ a multiple-employer plan (Filers checking this box must provide participating employer information in accordance with the form instructions.) ☒ a single-employer plan ☐ a DFE (specify) _____
B This return/report is:	☐ the first return/report ☐ the final return/report ☐ an amended return/report ☐ a short plan year return/report (less than 12 months)
C If the plan is a collectively-bargained plan, check here. ▶	☐
D Check box if filing under:	☒ Form 5558 ☐ automatic extension ☐ the DFVC program ☐ special extension (enter description)
E If this is a retroactively adopted plan permitted by SECURE Act section 201, check here. ▶	☐

Part II	Basic Plan Information—enter all requested information
1a Name of plan Sonny Merryman, Inc. Employee Stock Ownership Plan and Trust	1b Three-digit plan number (PN) ▶ 001
	1c Effective date of plan 01/01/2001
2a Plan sponsor's name (employer, if for a single-employer plan) Mailing address (include room, apt., suite no. and street, or P.O. Box) City or town, state or province, country, and ZIP or foreign postal code (if foreign, see instructions) Sonny Merryman, Inc. 5120 Wards Road Evington VA 24550	2b Employer Identification Number (EIN) 54-0806176 2c Plan Sponsor's telephone number 434-821-1000 2d Business code (see instructions) 423800

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		10/2/2024	ANGELO CASTANES
	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

Sonny Merryman, Inc.
Employee Stock Ownership Plan and Trust
(EIN: 54-0806176) (PLAN: 001)
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	Baron Emerging Markets Fund	8,090 shares	108,760	113,415
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			<u>6,926,513</u>	<u>8,801,085</u>
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** Cost omitted for participant-directed investments.