

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

2024

This Form is Open to Public Inspection

Part I Annual Report Identification Information

For calendar plan year 2024 or fiscal plan year beginning 01/01/2024 and ending 12/31/2024

- A This return/report is for: [] a multiemployer plan [] a multiple-employer plan... [X] a single-employer plan [] a DFE... B This return/report is: [] the first return/report [] the final return/report... C If the plan is a collectively-bargained plan... D Check box if filing under: [X] Form 5558 [] automatic extension... E If this is a retroactively adopted plan...

Part II Basic Plan Information—enter all requested information

1a Name of plan: SPENCER'S AIR CONDITIONING & APPLIANCE, INC. EMPLOYEE STOCK OWNERSHIP PLAN
1b Three-digit plan number (PN): 003
1c Effective date of plan: 01/01/2015
2a Plan sponsor's name, mailing address, city or town, state or province, country, and ZIP or foreign postal code.
2b Employer Identification Number (EIN): 86-0292380
2c Plan Sponsor's telephone number: 480-505-2355
2d Business code (see instructions): 443141

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.

Table with 4 columns: SIGN HERE, Signature, Date, and Name. Rows include plan administrator, employer/plan sponsor, and DFE.

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

Form 5500 (2024) v. 240311

3a Plan administrator's name and address <input checked="" type="checkbox"/> 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	302
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)	263
	6a(2)	242
	6b	11
	6c	47
	6d	300
	6e	2
	6f	302
	6g(1)	280
6g(2)	299	
6h	15	
7 Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item)	7	

8a If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristics Codes in the instructions:
2I 2P 2Q 3I

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

9a Plan funding arrangement (check all that apply)	9b Plan benefit arrangement (check all that apply)
(1) <input type="checkbox"/> Insurance	(1) <input type="checkbox"/> Insurance
(2) <input type="checkbox"/> Code section 412(e)(3) insurance contracts	(2) <input type="checkbox"/> Code section 412(e)(3) insurance contracts
(3) <input checked="" type="checkbox"/> Trust	(3) <input checked="" type="checkbox"/> Trust
(4) <input type="checkbox"/> General assets of the sponsor	(4) <input type="checkbox"/> General assets of the sponsor

10 Check all applicable boxes in 10a and 10b to indicate which schedules are attached, and, where indicated, enter the number attached. (See instructions)

a Pension Schedules

- (1) **R** (Retirement Plan Information)
- (2) **MB** (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary
- (3) **SB** (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary
- (4) **DCG** (Individual Plan Information) – Number Attached 0
- (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 _____
- (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 2024 Form M-1 annual report. If the plan was not required to file the 2024 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) <small>Department of the Treasury Internal Revenue Service</small> <small>Department of Labor Employee Benefits Security Administration</small> <small>Pension Benefit Guaranty Corporation</small>	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.	<small>OMB No. 1210-0110</small> 2024 This Form is Open to Public Inspection.
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For calendar plan year 2024 or fiscal plan year beginning **01/01/2024** and ending **12/31/2024**

A Name of plan SPENCER'S AIR CONDITIONING & APPLIANCE, INC. EMPLOYEE STOCK OWNERSHIP PLAN	B Three-digit plan number (PN) ▶	003
C Plan sponsor's name as shown on line 2a of Form 5500 SPENCER'S AIR CONDITIONING & APPLIANCE, INC.	D Employer Identification Number (EIN) 86-0292380	

Part I Service Provider Information (see instructions)

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

1 Information on Persons Receiving Only Eligible Indirect Compensation

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

b If you answered line 1a "Yes," enter the name and EIN or address of each person providing the required disclosures for the service providers who received only eligible indirect compensation. Complete as many entries as needed (see instructions).

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

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

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

(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?
			Yes <input type="checkbox"/> No <input type="checkbox"/>	Yes <input type="checkbox"/> No <input type="checkbox"/>		Yes <input type="checkbox"/> No <input type="checkbox"/>

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

(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?
			Yes <input type="checkbox"/> No <input type="checkbox"/>	Yes <input type="checkbox"/> No <input type="checkbox"/>		Yes <input type="checkbox"/> No <input type="checkbox"/>

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

(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?
			Yes <input type="checkbox"/> No <input 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 (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

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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) <small>Department of the Treasury Internal Revenue Service</small> <small>Department of Labor Employee Benefits Security Administration</small> <small>Pension Benefit Guaranty Corporation</small>	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.	<small>OMB No. 1210-0110</small> 2024 This Form is Open to Public Inspection
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For calendar plan year 2024 or fiscal plan year beginning 01/01/2024 and ending 12/31/2024	
A Name of plan SPENCER'S AIR CONDITIONING & APPLIANCE, INC. EMPLOYEE STOCK OWNERSHIP PLAN	B Three-digit plan number (PN) ▶ 003
C Plan sponsor's name as shown on line 2a of Form 5500 SPENCER'S AIR CONDITIONING & APPLIANCE, INC.	D Employer Identification Number (EIN) 86-0292380

Part I	Asset and Liability Statement
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1 Current value of plan assets and liabilities at the beginning and end of the plan year. Combine the value of plan assets held in more than one trust. Report the value of the plan's interest in a commingled fund containing the assets of more than one plan on a line-by-line basis unless the value is reportable on lines 1c(9) through 1c(14). Do not enter the value of that portion of an insurance contract which guarantees, during this plan year, to pay a specific dollar benefit at a future date. **Round off amounts to the nearest dollar.** MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 1b(1), 1b(2), 1c(8), 1g, 1h, and 1i. CCTs, PSAs, and 103-12 IEs also do not complete lines 1d and 1e. See instructions.

Assets	(a) Beginning of Year	(b) End of Year
a Total noninterest-bearing cash	1a	
b Receivables (less allowance for doubtful accounts):		
(1) Employer contributions	1b(1)	
(2) Participant contributions	1b(2)	
(3) Other	1b(3)	63268
		63268
c General investments:		
(1) Interest-bearing cash (include money market accounts & certificates of deposit)	1c(1)	3874766
(2) U.S. Government securities	1c(2)	8353299
(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)	
(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)	309289992	406420906
(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	313228026	414837473
Liabilities			
g Benefit claims payable.....	1g		
h Operating payables.....	1h		
i Acquisition indebtedness.....	1i		
j Other liabilities.....	1j	41243744	39942780
k Total liabilities (add all amounts in lines 1g through 1j).....	1k	41243744	39942780
Net Assets			
l Net assets (subtract line 1k from line 1f).....	1l	271984282	374894693

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)	5604515	
(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)		5604515
b Earnings on investments:			
(1) Interest:			
(A) Interest-bearing cash (including money market accounts and certificates of deposit).....	2b(1)(A)	199262	
(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)		199262
(2) Dividends:			
(A) Preferred stock.....	2b(2)(A)		
(B) Common stock.....	2b(2)(B)		
(C) Registered investment company shares (e.g. mutual funds).....	2b(2)(C)		
(D) Total dividends. Add lines 2b(2)(A) , (B) , and (C)	2b(2)(D)		0
(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)	97130914	
(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)		
c Other income	2c		2827276
d Total income. Add all income amounts in column (b) and enter total.....	2d		105761967

Expenses

e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers.....	2e(1)	947177	
(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)		947177
f Corrective distributions (see instructions)	2f		
g Certain deemed distributions of participant loans (see instructions).....	2g		
h Interest expense.....	2h		1903944
i Administrative expenses:			
(1) Salaries and allowances	2i(1)		
(2) Contract administrator fees	2i(2)		
(3) Recordkeeping fees	2i(3)		
(4) IQPA audit fees	2i(4)		
(5) Investment advisory and investment management fees	2i(5)	435	
(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)		
(10) Other trustee fees and expenses	2i(10)		
(11) Other expenses.....	2i(11)		
(12) Total administrative expenses. Add lines 2i(1) through (11)	2i(12)		435
j Total expenses. Add all expense amounts in column (b) and enter total.....	2j		2851556

Net Income and Reconciliation

k Net income (loss). Subtract line 2j from line 2d.....	2k		102910411
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: **EVERS ROBINSON LTD.**

(2) EIN: **86-0715183**

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.)		X	
b Were any loans by the plan or fixed income obligations due the plan in default as of the close of the plan year or classified during the year as uncollectible? Disregard participant loans secured by participant's account balance. (Attach Schedule G (Form 5500) Part I if "Yes" is checked.)		X	
c Were any leases to which the plan was a party in default or classified during the year as uncollectible? (Attach Schedule G (Form 5500) Part II if "Yes" is checked.)		X	
d Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 4a. Attach Schedule G (Form 5500) Part III if "Yes" is checked.)		X	
e Was this plan covered by a fidelity bond?	X		1000000
f Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?		X	
g Did the plan hold any assets whose current value was neither readily determinable on an established market nor set by an independent third party appraiser?		X	
h Did the plan receive any noncash contributions whose value was neither readily determinable on an established market nor set by an independent third party appraiser?		X	
i Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.)	X		
j Were any plan transactions or series of transactions in excess of 5% of the current value of plan assets? (Attach schedule of transactions if "Yes" is checked and see instructions for format requirements.)		X	
k Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?		X	
l Has the plan failed to provide any benefit when due under the plan?		X	
m If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.)		X	
n If 4m was answered "Yes," check the "Yes" box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3.			

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) <small>Department of the Treasury Internal Revenue Service</small> <small>Department of Labor Employee Benefits Security Administration</small> <small>Pension Benefit Guaranty Corporation</small>	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 2024 This Form is Open to Public Inspection.
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For calendar plan year 2024 or fiscal plan year beginning 01/01/2024 and ending 12/31/2024

A Name of plan <u>SPENCER'S AIR CONDITIONING & APPLIANCE, INC. EMPLOYEE STOCK OWNERSHIP PLAN</u>	B Three-digit plan number (PN)	<u>003</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>SPENCER'S AIR CONDITIONING & APPLIANCE, INC.</u>	D Employer Identification Number (EIN) <u>86-0292380</u>	

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): 42-0127290

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

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

3	
---	--

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

4 Is the plan administrator making an election under Code section 412(d)(2) or ERISA section 302(d)(2)?..... Yes No N/A
If the plan is a defined benefit plan, go to line 8.

5 If a waiver of the minimum funding standard for a prior year is being amortized in this plan year, see instructions and enter the date of the ruling letter granting the waiver. **Date:** Month _____ Day _____ Year _____
If you completed line 5, complete lines 3, 9, and 10 of Schedule MB and do not complete the remainder of this schedule.

6 a Enter the minimum required contribution for this plan year (include any prior year accumulated funding deficiency not waived)	6a	
b Enter the amount contributed by the employer to the plan for this plan year	6b	
c Subtract the amount in line 6b from the amount in line 6a. Enter the result (enter a minus sign to the left of a negative amount).....	6c	

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

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

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

Part III	Amendments
-----------------	-------------------

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

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

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

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

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

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

Part V Additional Information for Multiemployer Defined Benefit Pension Plans

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

a Name of contributing employer _____

b EIN _____ **c** Dollar amount contributed by employer _____

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

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

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

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

a Name of contributing employer _____

b EIN _____ **c** Dollar amount contributed by employer _____

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

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

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

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

a Name of contributing employer _____

b EIN _____ **c** Dollar amount contributed by employer _____

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

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

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

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

a Name of contributing employer _____

b EIN _____ **c** Dollar amount contributed by employer _____

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

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

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

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

a Name of contributing employer _____

b EIN _____ **c** Dollar amount contributed by employer _____

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

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

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

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

a Name of contributing employer _____

b EIN _____ **c** Dollar amount contributed by employer _____

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

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

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

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

14 Enter the number of deferred vested and retired participants (inactive participants), as of the beginning of the plan year, whose contributing employer is no longer making contributions to the plan for:

a The current plan year. Check the box to indicate the counting method used to determine the number of inactive participants: <input type="checkbox"/> last contributing employer <input type="checkbox"/> alternative <input type="checkbox"/> reasonable approximation (see instructions for required attachment).....	14a	
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).....	14b	
c 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).....	14c	

15 Enter the ratio of the number of participants under the plan on whose behalf no employer had an obligation to make an employer contribution during the current plan year to:

a The corresponding number for the plan year immediately preceding the current plan year	15a	
b The corresponding number for the second preceding plan year	15b	

16 Information with respect to any employers who withdrew from the plan during the preceding plan year:

a Enter the number of employers who withdrew during the preceding plan year	16a	
b If line 16a is greater than 0, enter the aggregate amount of withdrawal liability assessed or estimated to be assessed against such withdrawn employers.....	16b	

17 If assets and liabilities from another plan have been transferred to or merged with this plan during the plan year, check box and see instructions regarding supplemental information to be included as an attachment

Part VI Additional Information for Single-Employer and Multiemployer Defined Benefit Pension Plans

18 If any liabilities to participants or their beneficiaries under the plan as of the end of the plan year consist (in whole or in part) of liabilities to such participants and beneficiaries under two or more pension plans as of immediately before such plan year, check box and see instructions regarding supplemental information to be included as an attachment

19 If the total number of participants is 1,000 or more, complete lines (a) 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

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 _____.

SPENCER'S TV & APPLIANCE 401(K) PROFIT SHARING PLAN
Financial Statements
December 31, 2024 and 2023



Independent Auditors' Report

The Plan Administrators
Spencer's TV & Appliance 401(k) Profit Sharing Plan

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

We have performed an audit of the financial statements of Spencer's TV & Appliance 401(k) Profit Sharing Plan, an employee benefit plan subject to the Employee Retirement Income Security Act of 1974 (ERISA), as permitted by ERISA Section 103(a)(3)(C) (ERISA Section 103(a)(3)(C) audit). The financial statements comprise the statements of net assets available for benefits as of December 31, 2024 and 2023, and the related statements of changes in net assets available for benefits for the years then ended, and the related notes to the financial statements.

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

Management has obtained certifications from a qualified institution as of and for the years ended December 31, 2024 and 2023, stating that the certified investment information, as described in Note 3 to the financial statements, is complete and accurate.

Opinion

In our opinion, based on our audit and on the procedures performed as described in the Auditor's Responsibilities for the Audit of the Financial Statements section –

- the amounts and disclosures in the accompanying financial statements, other than those agreed to or derived from the certified investment information, are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America.
- the information in the financial statements related to assets held by and certified to by a qualified institution agrees to, or is derived from, in all material respects, the information prepared and certified by an institution that management determined meets the requirements of ERISA Section 103(a)(3)(C).

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Spencer's TV & Appliance 401(k) Profit Sharing Plan and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our ERISA Section 103(a)(3)(C) audit opinion.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Spencer's TV & Appliance 401(k) Profit Sharing Plan's ability to continue as a going concern for one year after the date the financial statements are available to be issued.

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

Auditor's Responsibilities for the Audit of the Financial Statements

Except as described in the Scope and Nature of the ERISA Section 103(a)(3)(C) Audit of the Financial Statements section of our report, our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an 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 judgement made by a reasonable user based on the financial statements.

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

- Exercise professional judgement 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 Spencer's TV & Appliance 401(k) Profit Sharing Plan's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about Spencer's TV & Appliance 401(k) Profit Sharing Plan's ability to continue as a going concern for a reasonable period of time.

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

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

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

Other Matter - Supplemental Schedules Required by ERISA

The supplemental schedules of Schedule of Assets (Held at End of Year) and Schedule of Delinquent Participant Contributions as of December 31, 2024 are presented for purposes of additional analysis and are 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 directly relates to the underlying accounting and other records used to prepare the financial statements. The information included in the supplemental schedules, other than that agreed to or derived from the certified investment information, has been subjected to auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or the financial statements themselves, and other additional procedures in accordance with GAAS. For

information included in the supplemental schedules that agreed to or is derived from the certified investment information, we compared such information to the related certified investment information.

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

In our opinion –

- the form and content of the supplemental schedules, other than the information in the supplemental schedules that agreed to or is derived from the certified investment information, is presented, in all material respects, in conformity with the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA.
- the information in the supplemental schedules related to assets held by and certified to by a qualified institution agrees to or is derived from, in all material respects, the information prepared and certified by an institution that management determined meets the requirements of ERISA Section 103(a)(3)(C).

Evers Robinson Ltd.

Phoenix, Arizona
August 27, 2025

SPENCER'S TV & APPLIANCE 401(K) PROFIT SHARING PLAN

Statements of Net Assets Available for Benefits

December 31, 2024 and 2023

	<u>2024</u>	<u>2023</u>
Investments at fair value:		
Cash equivalents	\$ 2,084,052	2,502,545
Mutual funds	19,072,366	16,304,217
Self-directed brokerage accounts	1,540,499	1,048,549
	<u>22,696,917</u>	<u>19,855,311</u>
Investments at contract value:		
Stable value fund	113,439	530,810
	<u>113,439</u>	<u>530,810</u>
Total investments	<u>22,810,356</u>	<u>20,386,121</u>
Receivables:		
Notes receivable from participants	830,673	821,344
	<u>830,673</u>	<u>821,344</u>
Total receivables	<u>830,673</u>	<u>821,344</u>
Total assets	<u>23,641,029</u>	<u>21,207,465</u>
Liabilities:		
Corrective distributions	<u>(87,600)</u>	<u>(101,010)</u>
Net assets available for benefits	<u><u>\$ 23,553,429</u></u>	<u><u>21,106,455</u></u>

See accompanying notes to financial statements

SPENCER'S TV & APPLIANCE 401(K) PROFIT SHARING PLAN
Statements of Changes in Net Assets Available for Benefits
For the Years Ended December 31, 2024 and 2023

	2024	2023
Investment and other income:		
Net appreciation in fair value of investments	\$ 2,115,497	2,241,095
Interest & dividends	733,301	584,669
Participant loan interest	74,118	52,286
	2,922,916	2,878,050
 Self-directed brokerage investment income:		
Net appreciation in fair value of investments	220,156	184,983
Interest & dividends	35,315	25,112
	255,471	210,095
 Contributions:		
Participant	1,834,323	1,664,361
Employer	306,618	294,991
Rollover	-	35,983
	2,140,941	1,995,335
 Distributions and expenses:		
Benefits paid to participants	(2,763,771)	(1,531,755)
Deemed distributed loans	(187)	(47,235)
Corrective distributions	(87,600)	(100,863)
Administrative expenses	(20,796)	(17,121)
	(2,872,354)	(1,696,974)
 Change in net assets available for benefits	 2,446,974	 3,386,506
 Net assets available for benefits:		
Beginning of year	21,106,455	17,719,949
End of year	\$ 23,553,429	21,106,455

See accompanying notes to financial statements

SPENCER'S TV & APPLIANCE 401(K) PROFIT SHARING PLAN
Notes to Financial Statements
December 31, 2024 and 2023

1. Summary of significant accounting policies

The following is a summary of the significant accounting policies followed by Spencer's TV & Appliance 401(k) Profit Sharing Plan (the Plan). The policies conform with accounting principles generally accepted in the United States of America, which require management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of additions and deductions during the reporting period. Actual results could differ from those estimates.

The plan is sponsored by Spencer's TV & Appliance and has been adopted by AmeriFlow Water Systems, Inc. and Genuine Home Appliances, Inc. (Genuine). Effective June 1, 2023, the Plan was adopted by American Appliance Warranty Company. Effective July 1, 2024 the Plan was adopted by Best Appliance Service AZ, LLC. These are all considered affiliated employers or participating employers. Spencer's TV & Appliance, Inc., AmeriFlow Water Inc., Genuine Home Appliances, Inc., American Appliance Warranty Company, and Best Appliance Service AZ, LLC will be referred to as the Company in these notes to the financial statements.

a. Investments

Mutual funds are stated at fair value based on the quoted market prices. Purchases and sales of securities are recorded on a trade-date basis and interest income is recorded on an accrual basis. Most investment options have management fees that reduce the overall return on assets. Net appreciation (depreciation) is inclusive of those fees.

A self-directed brokerage account option is also available to allow participants to select investment options not specifically offered by the Plan. Self-directed brokerage accounts include investments in cash and cash equivalents and common stocks. Common stocks are valued at the closing price reported on the active market on which the individual securities are traded.

b. Cash and cash equivalents

Cash and cash equivalents consist of cash and interest-bearing money market funds.

c. Notes receivable from participants

Notes receivable from participants are measured at their unpaid principal balance plus any accrued but unpaid interest. Delinquent participant loans are reclassified as distributions based upon the terms of the plan document.

d. Investment and administrative expenses

Most administrative expenses are paid directly by the Company. However, the Company retains the right to discontinue paying expenses, in which case the expenses will be paid by the Plan. Loan fees are paid from the account of the participant requesting the loan.

SPENCER'S TV & APPLIANCE 401(K) PROFIT SHARING PLAN
Notes to Financial Statements
December 31, 2024 and 2023

1. Summary of significant accounting policies, continued

e. Income taxes

The Plan is utilizing a non-standardized pre-approved document sponsored by FMR LLC. The document sponsor received a favorable determination letter dated June 30, 2020 from the Internal Revenue Service, which states that the Plan qualifies under the applicable provisions of the Internal Revenue Code.

The Plan has been amended since adopting the document, however the Company believes that the Plan is currently designed and being operated in compliance with the applicable requirements of the Internal Revenue Code. Therefore, no provision for income taxes has been included in the Plan's financial statements. However, the Plan is subject to examination; generally, for a period of three years from filing its Form 5500.

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

f. Concentrations of risk

The Plan provides for various investment fund options, which in turn invest in any combination of mutual funds and other investments. Investments are exposed to various risks, such as interest rate, credit and overall market volatility risks. Due to the level of risk associated with certain investments, it is reasonably possible that changes in the near term could materially affect participants' account balances and the amounts reported in the statements of net assets available for benefits and the changes in net assets available for benefits.

g. Corrective distributions

Corrective distributions represent refunds due to participants for contributions made in excess of amounts allowed by Plan provisions. These amounts are generally reimbursed to the participants in the subsequent year.

2. Description of plan

The following description of the Plan provides only general information. Participants should refer to the Plan document for a more complete description of the Plan's provisions.

a. General

The Plan, established July 1, 1982, is a defined contribution 401(k) profit sharing plan covering employees with at least one year of service to the Company. The Plan has no minimum age requirement. Employees may become participants on January 1, April 1, July 1 or October 1 coinciding with or next following completion of the eligibility requirements. The Plan is subject to the requirements of the Employee Retirement Income Security Act of 1974 (ERISA).

SPENCER'S TV & APPLIANCE 401(K) PROFIT SHARING PLAN
Notes to Financial Statements
December 31, 2024 and 2023

2. Description of plan, continued

b. Contributions

Each participant may make salary deferral contributions of up to 90% of his/her annual compensation, not to exceed the annual deferral limit set by the Internal Revenue Code. Catch-up contributions are permitted for participants age 50 and older. The Plan also allows participants to make rollover and Roth contributions.

Each plan year, the Company may elect to make a discretionary matching contribution to eligible groups of employees. The Company's matching contribution for 2024 and 2023 was a maximum of 1.5% of the participant's eligible compensation, not to exceed deferral contributions, for each payroll period in which the participant made a deferral contribution. The Company contributed matching contributions of \$306,618, net of forfeitures in 2024 and \$294,991 in 2023, net of forfeitures.

The Company may also make a discretionary contribution to all eligible participants. The exact percentage or amount is determined annually by the Company and is allocated based on each participant's proportionate share of the total compensation paid to all participants during the plan year. Participants who are actively employed on the last day of the plan year and have completed 1,000 hours of service during the plan year are eligible to receive an allocation of the discretionary contribution. For the plan years ended December 31, 2024 and 2023, the Company did not make any discretionary contributions.

Participants are automatically enrolled in the plan on the first of the quarter coinciding with or following completion of the eligibility requirements, unless they elect otherwise. The deferral amount is equal to 2% of compensation. Automatic enrollment contributions will increase by 1% on July 1st each year until the deferral percentage reaches 5% of compensation. Effective January 2, 2023 the Plan was amended for the auto escalation cap to increase from 5% to 10%.

c. Vesting

Each participant is immediately vested in his/her salary deferral, catch-up, and rollover contributions, and any earnings or losses on those contributions. The remainder of a participant's account balance is vested based on years of service. Participants vest at 20% after two years of service, and the percentage increases by 20% annually until the participant is fully vested after six years of service.

The forfeiture account balance was \$17,840 and \$14,567 at December 31, 2024 and 2023, respectively. The Plan document provides that forfeitures may be used to pay administrative expenses or to reduce the Company's contribution. For the years ended December 31, 2024 and 2023, forfeitures of \$4,719 and \$10,446 were used to offset employer contributions, respectively. For the year ended December 31, 2024, \$4,725 in forfeitures were used to pay plan expenses.

SPENCER'S TV & APPLIANCE 401(K) PROFIT SHARING PLAN
Notes to Financial Statements
December 31, 2024 and 2023

2. Description of plan, continued

d. Participant accounts

Each participant's account is credited with the participant's salary deferral, catch-up, and rollover contributions, Company matching and discretionary contributions, and Plan earnings/losses. Plan earnings/losses are allocated based on account balances, as defined in the Plan document.

Each participant directs the investment of his/her account into various investment options offered by the Plan through Fidelity Management Trust Company.

e. Payment of benefits

Each participant is entitled to Plan benefits equal to 100% of his/her vested account balance. Benefits begin upon the earliest of retirement age, termination of employment, total and permanent disability or death of the participant. Benefits are paid in a lump-sum as soon as administratively feasible following the date on which a distribution is requested or is otherwise payable. The Plan permits hardship and in-service distributions under certain circumstances.

f. Loans

The Plan permits participants to borrow from their fund accounts a minimum of \$1,000 up to a maximum equal to the lesser of \$50,000 or 50% of their vested account balance. The loans are secured by the balance in the participant's account and bear interest at rates that range from 5.25% to 10.50%. Principal and interest are paid ratably through payroll deductions.

g. Plan termination

The Company has the right under the Plan to discontinue its contributions at any time and to terminate the Plan subject to the provisions of ERISA. In the event of Plan termination, each participant will become fully vested in his/her account.

3. Information certified by the Custodian (unaudited)

At December 31, 2024 and 2023 the Plan's assets were held by Fidelity Management Trust Company (the Custodian). The following is a summary of the Plan's financial information that is included in the financial statements based on information certified by the Custodian as complete and accurate in accordance with Section 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA.

	<u>2024</u>	<u>2023</u>
Cash and cash equivalents	\$ 2,084,052	2,502,545
Mutual funds	19,072,366	16,304,217
Stable value fund	113,439	530,810
Self-directed brokerage accounts	1,540,499	1,048,549
Notes receivable from participants	<u>830,673</u>	<u>821,344</u>
	\$ <u>23,641,029</u>	<u>21,207,465</u>

SPENCER'S TV & APPLIANCE 401(K) PROFIT SHARING PLAN
Notes to Financial Statements
December 31, 2024 and 2023

3. Information certified by the Custodian (unaudited)

	<u>2024</u>	<u>2023</u>
Net appreciation in fair value of investments	\$ 2,115,497	2,241,095
Interest and dividend income	733,301	584,669
Net appreciation in fair value of self-directed brokerage accounts	220,156	184,983
Interest and dividend income of self-directed brokerage accounts	35,315	25,112
Participant loan interest	<u>74,118</u>	<u>52,286</u>
	<u>\$ 3,178,387</u>	<u>3,088,145</u>

4. Fully benefit-responsive investment contract

The Plan entered into a benefit-responsive investment contract, a stable value fund (SVF), with the Galliard Retirement Income Fund (Galliard). Galliard maintains the contributions in a general account. The SVF issuer is contractually obligated to repay the principal and a specified interest rate that is guaranteed to the Plan.

Because the stable value fund is fully benefit-responsive, contract value is the relevant measurement attribute for that portion of the net assets available for benefits attributable to the guaranteed investment contract. Contract value, as reported to the Plan by Galliard, represents contributions made under the contract, plus earnings, less participant withdrawals and applicable expenses. Participants may ordinarily direct the withdrawal or transfer of all or a portion of their investment at contract value.

Certain events that are not in the ordinary course of fund operations may limit the ability of the Plan to transact at contract value with the issuer. The Plan administrator does not believe that the occurrence of any events, which would limit the Plan's ability to transact at contract value with participants, is probable.

SPENCER'S TV & APPLIANCE 401(K) PROFIT SHARING PLAN
Notes to Financial Statements
December 31, 2024 and 2023

5. Fair value measurements

Financial Accounting Standards Board Accounting Standards Codification 820, Fair Value Measurements (FASB ASC 820), establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy under FASB ASC 820 are described below:

Level 1: Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Plan has the ability to access.

Level 2: Inputs to the valuation methodology include 1) quoted prices for similar assets or liabilities in active markets, 2) quoted prices for identical or similar assets or liabilities in inactive markets, 3) inputs other than quoted prices that are observable for the asset or liability, and 4) inputs that are derived principally from or corroborated by observable market data by correlation or other means. If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

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

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs. Following is a description of the valuation methodologies used for assets measured at fair value.

Mutual funds: valued at the net asset value (NAV) based on quoted market prices of shares held by the Plan at year end.

Self-directed brokerage accounts: Accounts primarily consist of common stock and cash equivalents that are valued on the basis of readily determinable market prices.

Cash equivalents: interest-bearing money market funds are valued at the current dollar value at year-end.

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

SPENCER'S TV & APPLIANCE 401(K) PROFIT SHARING PLAN
Notes to Financial Statements
December 31, 2024 and 2023

5. Fair value measurements, continued

The following tables set forth by level, within the fair value hierarchy, the Plan's assets at fair value as of December 31, 2024 and 2023:

Assets at Fair Value as of December 31, 2024

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Cash equivalents	\$ 2,084,052	-	-	\$ 2,084,052
Mutual funds	19,072,366	-	-	19,072,366
Self-directed brokerage accounts	<u>1,540,499</u>	<u>-</u>	<u>-</u>	<u>1,540,499</u>
Total assets at fair value	\$ <u>22,696,917</u>	<u>-</u>	<u>-</u>	\$ <u>22,696,917</u>

Assets at Fair Value as of December 31, 2023

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Cash equivalents	\$ 2,502,545	-	-	\$ 2,502,545
Mutual funds	16,304,217	-	-	16,304,217
Self-directed brokerage accounts	<u>1,048,549</u>	<u>-</u>	<u>-</u>	<u>1,048,549</u>
Total assets at fair value	\$ <u>19,855,311</u>	<u>-</u>	<u>-</u>	\$ <u>19,855,311</u>

6. Reconciliation to Form 5500

The following is a reconciliation of net assets available for benefits in the financial statements to the Form 5500 for the years ended December 31, 2024 and 2023:

	<u>2024</u>	<u>2023</u>
Net assets available for benefits in the financial statements	\$ 23,553,429	21,106,455
Deemed defaulted loans	-	40,637
Corrective distributions payable	<u>87,600</u>	<u>101,010</u>
Net assets available for benefits on Form 5500	\$ <u>23,641,029</u>	<u>21,248,102</u>

SPENCER'S TV & APPLIANCE 401(K) PROFIT SHARING PLAN
Notes to Financial Statements
December 31, 2024 and 2023

6. Reconciliation to Form 5500, continued

The following is a reconciliation of changes in net assets available for benefits in the financial statements to the Form 5500 for the years ended December 31, 2024 and 2023:

	<u>2024</u>	<u>2023</u>
Changes in net assets available for benefits in the financial statements	\$ 2,446,974	3,386,506
Deemed defaulted loans, prior year	(40,637)	(23,155)
Deemed defaulted loans, current year	-	40,637
Corrective distributions payable, current year	87,600	101,010
Corrective distributions payable, prior year	<u>(101,010)</u>	<u>(13,605)</u>
Changes in net assets available for benefits on Form 5500	\$ <u>2,392,927</u>	<u>3,491,393</u>

7. Party-in-Interest and Related Party Transactions

The Plan allows for transactions with certain parties who may perform services or have fiduciary responsibilities to the Plan. The Custodian of the Plan assets, record keeper, investment advisor, participating employers, and other service providers are considered parties-in-interest with respect to the Plan. Certain Plan investments are shares of mutual funds managed by the Custodian. The Plan issues loans to participants, which are secured by the balance in the participant's account. Such transactions are party-in-interest and related party transactions for which a statutory exemption exists.

Effective January 1, 2015, the Plan sponsor adopted the Spencer's Air Conditioning & Appliance, Inc. Employee Stock Ownership Plan. The Plan constitutes an employee stock ownership plan within the meaning of Code Section 4975 (e) (7) and is designed to invest primarily in qualifying employer securities. Employees become eligible to participate in the plan on January 1 or July 1 after completing one year of service, providing they have worked 1,000 hours during that time period. Participants should refer to the Plan document for a more complete description of the Plan's provisions.

8. Prohibited Transactions

During the Plan years ended December 31, 2024 and 2023, there were unintentional delays by the Plan sponsor in submitting participant contributions in the total amount of \$6,654 and \$430,375, respectively. The plan sponsor calculated lost earnings and deposited them into the Plan in 2024.

9. Subsequent Events

Management reviewed the financial statements for subsequent events through August 27, 2025, the date the financial statements were available to be issued.

SPENCER'S TV & APPLIANCE 401(K) PROFIT SHARING PLAN
Supplemental Information
December 31, 2024

SPENCER'S TV & APPLIANCE 401(K) PROFIT SHARING PLAN

EIN: 86-0292380 Plan Number: 002

Supplemental Schedule I

Schedule H, line 4i - Schedule of Assets (Held at End of Year)

Plan Year End: December 31, 2024

Party-in- interest	Identity of issue, borrower, lessor, or similar party	Description of investment including maturity date, rate of interest, collateral, par, or maturity value	Current value
	American Funds American Mutual Fund	Mutual Fund	\$ 831,208
	PGIM Global Total Return	Mutual Fund	61,370
	J H Enterprise	Mutual Fund	427,200
	VRS Partners A	Mutual Fund	163,644
	Hartfield International Stock	Mutual Fund	202,682
	Columbia Dividend Income Fund	Mutual Fund	1,063,141
	JPM US Equity Fund	Mutual Fund	439,775
*	Fidelity Freedom 2060	Mutual Fund	334,070
*	Fidelity Freedom 2065	Mutual Fund	107,545
*	Fidelity Freedom 2070	Mutual Fund	18
*	Fidelity Contrafund K	Mutual Fund	3,062,492
*	Fidelity Pacific Basin	Mutual Fund	91,257
*	Fidelity Real Estate	Mutual Fund	137,400
*	Fidelity Low Priced Stock K	Mutual Fund	94,926
*	Fidelity Emerging Markets K	Mutual Fund	220,894
*	Fidelity Stock Select Small Cap	Mutual Fund	95,610
*	Fidelity Freedom 2010	Mutual Fund	44
*	Fidelity Freedom 2020	Mutual Fund	421,231
*	Fidelity Freedom 2030	Mutual Fund	739,252
*	Fidelity Select Natural Resources	Mutual Fund	287,537
*	Fidelity Freedom 2040	Mutual Fund	806,085
*	Fidelity Inflation Protected Bond	Mutual Fund	73,809
*	Fidelity Freedom 2015	Mutual Fund	61,415
*	Fidelity Freedom 2025	Mutual Fund	910,843
*	Fidelity Freedom 2035	Mutual Fund	1,072,611
*	Fidelity Freedom Income K	Mutual Fund	220,079
*	Fidelity International Index	Mutual Fund	754,168
*	Fidelity 500 Index	Mutual Fund	3,768,629
*	Fidelity Freedom 2045	Mutual Fund	622,593
*	Fidelity Freedom 2050	Mutual Fund	621,342
*	Fidelity US Bond Index	Mutual Fund	655,617
*	Fidelity Freedom 2055	Mutual Fund	369,203
*	Fidelity Small Cap Index	Mutual Fund	148,561
*	Fidelity Mid Cap Index	Mutual Fund	206,115
*	Fidelity Government Money Market	Cash Equivalent	2,084,052
*	Galliard Retirement Income Fund	Stable Value Fund	113,439

See accompanying independent auditors' report

SPENCER'S TV & APPLIANCE 401(K) PROFIT SHARING PLAN

EIN: 86-0292380 Plan Number: 002

Supplemental Schedule I

Schedule H, line 4i - Schedule of Assets (Held at End of Year)

Plan Year End: December 31, 2024

Party-in-interest	Identity of issue, borrower, lessor, or similar party	Description of investment including maturity date, rate of interest, collateral, par, or maturity value	Current value
	Self-Directed Brokerage Accounts	Cash Equivalents, Mutual Funds and Common Stocks	1,540,499
*	Participant Loans	Interest Rates: 5.25% - 10.50%	<u>830,673</u>
			<u><u>\$ 23,641,029</u></u>

* denotes party-in-interest

See accompanying independent auditors' report

SPENCER'S TV & APPLIANCE 401(K) PROFIT SHARING PLAN

EIN: 86-0292380 Plan Number: 002

Supplemental Schedule II

Schedule H, line 4a - Schedule of Delinquent Participant Contributions

Plan Year End: December 31, 2024

	Total that Constitute Nonexempt Prohibited Transactions			Total Fully Corrected Under Voluntary Fiduciary Correction Program (VFCP) and Prohibited Transaction Exemption 2002-51
Participant Contributions Transferred Late to the Plan				\$ -
Check Here If Late Participant Loan Repayments are Included	Contributions Not Corrected	Contributions Corrected Outside VFCP	Contributions Pending Correction in VFCP	
<input checked="" type="checkbox"/>	\$ -	\$ 437,029		

During the Plan years ended December 31, 2024 and 2023, there were unintentional delays by the Plan sponsor in submitting participant contributions in the total amount of \$6,654 and \$430,375, respectively. The plan sponsor calculated lost earnings and deposited them into the Plan in 2024.

SPENCER'S TV & APPLIANCE 401(K) PROFIT SHARING PLAN
Financial Statements
December 31, 2024 and 2023



Independent Auditors' Report

The Plan Administrators
Spencer's TV & Appliance 401(k) Profit Sharing Plan

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

We have performed an audit of the financial statements of Spencer's TV & Appliance 401(k) Profit Sharing Plan, an employee benefit plan subject to the Employee Retirement Income Security Act of 1974 (ERISA), as permitted by ERISA Section 103(a)(3)(C) (ERISA Section 103(a)(3)(C) audit). The financial statements comprise the statements of net assets available for benefits as of December 31, 2024 and 2023, and the related statements of changes in net assets available for benefits for the years then ended, and the related notes to the financial statements.

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

Management has obtained certifications from a qualified institution as of and for the years ended December 31, 2024 and 2023, stating that the certified investment information, as described in Note 3 to the financial statements, is complete and accurate.

Opinion

In our opinion, based on our audit and on the procedures performed as described in the Auditor's Responsibilities for the Audit of the Financial Statements section –

- the amounts and disclosures in the accompanying financial statements, other than those agreed to or derived from the certified investment information, are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America.
- the information in the financial statements related to assets held by and certified to by a qualified institution agrees to, or is derived from, in all material respects, the information prepared and certified by an institution that management determined meets the requirements of ERISA Section 103(a)(3)(C).

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Spencer's TV & Appliance 401(k) Profit Sharing Plan and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our ERISA Section 103(a)(3)(C) audit opinion.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Spencer's TV & Appliance 401(k) Profit Sharing Plan's ability to continue as a going concern for one year after the date the financial statements are available to be issued.

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

Auditor's Responsibilities for the Audit of the Financial Statements

Except as described in the Scope and Nature of the ERISA Section 103(a)(3)(C) Audit of the Financial Statements section of our report, our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an 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 judgement made by a reasonable user based on the financial statements.

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

- Exercise professional judgement 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 Spencer's TV & Appliance 401(k) Profit Sharing Plan's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about Spencer's TV & Appliance 401(k) Profit Sharing Plan's ability to continue as a going concern for a reasonable period of time.

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

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

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

Other Matter - Supplemental Schedules Required by ERISA

The supplemental schedules of Schedule of Assets (Held at End of Year) and Schedule of Delinquent Participant Contributions as of December 31, 2024 are presented for purposes of additional analysis and are 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 directly relates to the underlying accounting and other records used to prepare the financial statements. The information included in the supplemental schedules, other than that agreed to or derived from the certified investment information, has been subjected to auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or the financial statements themselves, and other additional procedures in accordance with GAAS. For

information included in the supplemental schedules that agreed to or is derived from the certified investment information, we compared such information to the related certified investment information.

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

In our opinion –

- the form and content of the supplemental schedules, other than the information in the supplemental schedules that agreed to or is derived from the certified investment information, is presented, in all material respects, in conformity with the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA.
- the information in the supplemental schedules related to assets held by and certified to by a qualified institution agrees to or is derived from, in all material respects, the information prepared and certified by an institution that management determined meets the requirements of ERISA Section 103(a)(3)(C).

Evers Robinson Ltd.

Phoenix, Arizona
August 27, 2025

SPENCER'S TV & APPLIANCE 401(K) PROFIT SHARING PLAN

Statements of Net Assets Available for Benefits

December 31, 2024 and 2023

	<u>2024</u>	<u>2023</u>
Investments at fair value:		
Cash equivalents	\$ 2,084,052	2,502,545
Mutual funds	19,072,366	16,304,217
Self-directed brokerage accounts	1,540,499	1,048,549
	<u>22,696,917</u>	<u>19,855,311</u>
Investments at contract value:		
Stable value fund	113,439	530,810
	<u>113,439</u>	<u>530,810</u>
Total investments	<u>22,810,356</u>	<u>20,386,121</u>
Receivables:		
Notes receivable from participants	830,673	821,344
	<u>830,673</u>	<u>821,344</u>
Total receivables	<u>830,673</u>	<u>821,344</u>
Total assets	<u>23,641,029</u>	<u>21,207,465</u>
Liabilities:		
Corrective distributions	<u>(87,600)</u>	<u>(101,010)</u>
Net assets available for benefits	<u><u>\$ 23,553,429</u></u>	<u><u>21,106,455</u></u>

See accompanying notes to financial statements

SPENCER'S TV & APPLIANCE 401(K) PROFIT SHARING PLAN
Statements of Changes in Net Assets Available for Benefits
For the Years Ended December 31, 2024 and 2023

	2024	2023
Investment and other income:		
Net appreciation in fair value of investments	\$ 2,115,497	2,241,095
Interest & dividends	733,301	584,669
Participant loan interest	74,118	52,286
	2,922,916	2,878,050
 Self-directed brokerage investment income:		
Net appreciation in fair value of investments	220,156	184,983
Interest & dividends	35,315	25,112
	255,471	210,095
 Contributions:		
Participant	1,834,323	1,664,361
Employer	306,618	294,991
Rollover	-	35,983
	2,140,941	1,995,335
 Distributions and expenses:		
Benefits paid to participants	(2,763,771)	(1,531,755)
Deemed distributed loans	(187)	(47,235)
Corrective distributions	(87,600)	(100,863)
Administrative expenses	(20,796)	(17,121)
	(2,872,354)	(1,696,974)
 Change in net assets available for benefits	2,446,974	3,386,506
 Net assets available for benefits:		
Beginning of year	21,106,455	17,719,949
End of year	\$ 23,553,429	21,106,455

See accompanying notes to financial statements

SPENCER'S TV & APPLIANCE 401(K) PROFIT SHARING PLAN
Notes to Financial Statements
December 31, 2024 and 2023

1. Summary of significant accounting policies

The following is a summary of the significant accounting policies followed by Spencer's TV & Appliance 401(k) Profit Sharing Plan (the Plan). The policies conform with accounting principles generally accepted in the United States of America, which require management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of additions and deductions during the reporting period. Actual results could differ from those estimates.

The plan is sponsored by Spencer's TV & Appliance and has been adopted by AmeriFlow Water Systems, Inc. and Genuine Home Appliances, Inc. (Genuine). Effective June 1, 2023, the Plan was adopted by American Appliance Warranty Company. Effective July 1, 2024 the Plan was adopted by Best Appliance Service AZ, LLC. These are all considered affiliated employers or participating employers. Spencer's TV & Appliance, Inc., AmeriFlow Water Inc., Genuine Home Appliances, Inc., American Appliance Warranty Company, and Best Appliance Service AZ, LLC will be referred to as the Company in these notes to the financial statements.

a. Investments

Mutual funds are stated at fair value based on the quoted market prices. Purchases and sales of securities are recorded on a trade-date basis and interest income is recorded on an accrual basis. Most investment options have management fees that reduce the overall return on assets. Net appreciation (depreciation) is inclusive of those fees.

A self-directed brokerage account option is also available to allow participants to select investment options not specifically offered by the Plan. Self-directed brokerage accounts include investments in cash and cash equivalents and common stocks. Common stocks are valued at the closing price reported on the active market on which the individual securities are traded.

b. Cash and cash equivalents

Cash and cash equivalents consist of cash and interest-bearing money market funds.

c. Notes receivable from participants

Notes receivable from participants are measured at their unpaid principal balance plus any accrued but unpaid interest. Delinquent participant loans are reclassified as distributions based upon the terms of the plan document.

d. Investment and administrative expenses

Most administrative expenses are paid directly by the Company. However, the Company retains the right to discontinue paying expenses, in which case the expenses will be paid by the Plan. Loan fees are paid from the account of the participant requesting the loan.

SPENCER'S TV & APPLIANCE 401(K) PROFIT SHARING PLAN
Notes to Financial Statements
December 31, 2024 and 2023

1. Summary of significant accounting policies, continued

e. Income taxes

The Plan is utilizing a non-standardized pre-approved document sponsored by FMR LLC. The document sponsor received a favorable determination letter dated June 30, 2020 from the Internal Revenue Service, which states that the Plan qualifies under the applicable provisions of the Internal Revenue Code.

The Plan has been amended since adopting the document, however the Company believes that the Plan is currently designed and being operated in compliance with the applicable requirements of the Internal Revenue Code. Therefore, no provision for income taxes has been included in the Plan's financial statements. However, the Plan is subject to examination; generally, for a period of three years from filing its Form 5500.

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

f. Concentrations of risk

The Plan provides for various investment fund options, which in turn invest in any combination of mutual funds and other investments. Investments are exposed to various risks, such as interest rate, credit and overall market volatility risks. Due to the level of risk associated with certain investments, it is reasonably possible that changes in the near term could materially affect participants' account balances and the amounts reported in the statements of net assets available for benefits and the changes in net assets available for benefits.

g. Corrective distributions

Corrective distributions represent refunds due to participants for contributions made in excess of amounts allowed by Plan provisions. These amounts are generally reimbursed to the participants in the subsequent year.

2. Description of plan

The following description of the Plan provides only general information. Participants should refer to the Plan document for a more complete description of the Plan's provisions.

a. General

The Plan, established July 1, 1982, is a defined contribution 401(k) profit sharing plan covering employees with at least one year of service to the Company. The Plan has no minimum age requirement. Employees may become participants on January 1, April 1, July 1 or October 1 coinciding with or next following completion of the eligibility requirements. The Plan is subject to the requirements of the Employee Retirement Income Security Act of 1974 (ERISA).

SPENCER'S TV & APPLIANCE 401(K) PROFIT SHARING PLAN
Notes to Financial Statements
December 31, 2024 and 2023

2. Description of plan, continued

b. Contributions

Each participant may make salary deferral contributions of up to 90% of his/her annual compensation, not to exceed the annual deferral limit set by the Internal Revenue Code. Catch-up contributions are permitted for participants age 50 and older. The Plan also allows participants to make rollover and Roth contributions.

Each plan year, the Company may elect to make a discretionary matching contribution to eligible groups of employees. The Company's matching contribution for 2024 and 2023 was a maximum of 1.5% of the participant's eligible compensation, not to exceed deferral contributions, for each payroll period in which the participant made a deferral contribution. The Company contributed matching contributions of \$306,618, net of forfeitures in 2024 and \$294,991 in 2023, net of forfeitures.

The Company may also make a discretionary contribution to all eligible participants. The exact percentage or amount is determined annually by the Company and is allocated based on each participant's proportionate share of the total compensation paid to all participants during the plan year. Participants who are actively employed on the last day of the plan year and have completed 1,000 hours of service during the plan year are eligible to receive an allocation of the discretionary contribution. For the plan years ended December 31, 2024 and 2023, the Company did not make any discretionary contributions.

Participants are automatically enrolled in the plan on the first of the quarter coinciding with or following completion of the eligibility requirements, unless they elect otherwise. The deferral amount is equal to 2% of compensation. Automatic enrollment contributions will increase by 1% on July 1st each year until the deferral percentage reaches 5% of compensation. Effective January 2, 2023 the Plan was amended for the auto escalation cap to increase from 5% to 10%.

c. Vesting

Each participant is immediately vested in his/her salary deferral, catch-up, and rollover contributions, and any earnings or losses on those contributions. The remainder of a participant's account balance is vested based on years of service. Participants vest at 20% after two years of service, and the percentage increases by 20% annually until the participant is fully vested after six years of service.

The forfeiture account balance was \$17,840 and \$14,567 at December 31, 2024 and 2023, respectively. The Plan document provides that forfeitures may be used to pay administrative expenses or to reduce the Company's contribution. For the years ended December 31, 2024 and 2023, forfeitures of \$4,719 and \$10,446 were used to offset employer contributions, respectively. For the year ended December 31, 2024, \$4,725 in forfeitures were used to pay plan expenses.

SPENCER'S TV & APPLIANCE 401(K) PROFIT SHARING PLAN
Notes to Financial Statements
December 31, 2024 and 2023

2. Description of plan, continued

d. Participant accounts

Each participant's account is credited with the participant's salary deferral, catch-up, and rollover contributions, Company matching and discretionary contributions, and Plan earnings/losses. Plan earnings/losses are allocated based on account balances, as defined in the Plan document.

Each participant directs the investment of his/her account into various investment options offered by the Plan through Fidelity Management Trust Company.

e. Payment of benefits

Each participant is entitled to Plan benefits equal to 100% of his/her vested account balance. Benefits begin upon the earliest of retirement age, termination of employment, total and permanent disability or death of the participant. Benefits are paid in a lump-sum as soon as administratively feasible following the date on which a distribution is requested or is otherwise payable. The Plan permits hardship and in-service distributions under certain circumstances.

f. Loans

The Plan permits participants to borrow from their fund accounts a minimum of \$1,000 up to a maximum equal to the lesser of \$50,000 or 50% of their vested account balance. The loans are secured by the balance in the participant's account and bear interest at rates that range from 5.25% to 10.50%. Principal and interest are paid ratably through payroll deductions.

g. Plan termination

The Company has the right under the Plan to discontinue its contributions at any time and to terminate the Plan subject to the provisions of ERISA. In the event of Plan termination, each participant will become fully vested in his/her account.

3. Information certified by the Custodian (unaudited)

At December 31, 2024 and 2023 the Plan's assets were held by Fidelity Management Trust Company (the Custodian). The following is a summary of the Plan's financial information that is included in the financial statements based on information certified by the Custodian as complete and accurate in accordance with Section 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA.

	<u>2024</u>	<u>2023</u>
Cash and cash equivalents	\$ 2,084,052	2,502,545
Mutual funds	19,072,366	16,304,217
Stable value fund	113,439	530,810
Self-directed brokerage accounts	1,540,499	1,048,549
Notes receivable from participants	<u>830,673</u>	<u>821,344</u>
	\$ <u>23,641,029</u>	<u>21,207,465</u>

SPENCER'S TV & APPLIANCE 401(K) PROFIT SHARING PLAN
Notes to Financial Statements
December 31, 2024 and 2023

3. Information certified by the Custodian (unaudited)

	<u>2024</u>	<u>2023</u>
Net appreciation in fair value of investments	\$ 2,115,497	2,241,095
Interest and dividend income	733,301	584,669
Net appreciation in fair value of self-directed brokerage accounts	220,156	184,983
Interest and dividend income of self-directed brokerage accounts	35,315	25,112
Participant loan interest	<u>74,118</u>	<u>52,286</u>
	<u>\$ 3,178,387</u>	<u>3,088,145</u>

4. Fully benefit-responsive investment contract

The Plan entered into a benefit-responsive investment contract, a stable value fund (SVF), with the Galliard Retirement Income Fund (Galliard). Galliard maintains the contributions in a general account. The SVF issuer is contractually obligated to repay the principal and a specified interest rate that is guaranteed to the Plan.

Because the stable value fund is fully benefit-responsive, contract value is the relevant measurement attribute for that portion of the net assets available for benefits attributable to the guaranteed investment contract. Contract value, as reported to the Plan by Galliard, represents contributions made under the contract, plus earnings, less participant withdrawals and applicable expenses. Participants may ordinarily direct the withdrawal or transfer of all or a portion of their investment at contract value.

Certain events that are not in the ordinary course of fund operations may limit the ability of the Plan to transact at contract value with the issuer. The Plan administrator does not believe that the occurrence of any events, which would limit the Plan's ability to transact at contract value with participants, is probable.

SPENCER'S TV & APPLIANCE 401(K) PROFIT SHARING PLAN
Notes to Financial Statements
December 31, 2024 and 2023

5. Fair value measurements

Financial Accounting Standards Board Accounting Standards Codification 820, Fair Value Measurements (FASB ASC 820), establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy under FASB ASC 820 are described below:

Level 1: Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Plan has the ability to access.

Level 2: Inputs to the valuation methodology include 1) quoted prices for similar assets or liabilities in active markets, 2) quoted prices for identical or similar assets or liabilities in inactive markets, 3) inputs other than quoted prices that are observable for the asset or liability, and 4) inputs that are derived principally from or corroborated by observable market data by correlation or other means. If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

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

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs. Following is a description of the valuation methodologies used for assets measured at fair value.

Mutual funds: valued at the net asset value (NAV) based on quoted market prices of shares held by the Plan at year end.

Self-directed brokerage accounts: Accounts primarily consist of common stock and cash equivalents that are valued on the basis of readily determinable market prices.

Cash equivalents: interest-bearing money market funds are valued at the current dollar value at year-end.

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

SPENCER'S TV & APPLIANCE 401(K) PROFIT SHARING PLAN
Notes to Financial Statements
December 31, 2024 and 2023

5. Fair value measurements, continued

The following tables set forth by level, within the fair value hierarchy, the Plan's assets at fair value as of December 31, 2024 and 2023:

Assets at Fair Value as of December 31, 2024

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Cash equivalents	\$ 2,084,052	-	-	\$ 2,084,052
Mutual funds	19,072,366	-	-	19,072,366
Self-directed brokerage accounts	<u>1,540,499</u>	<u>-</u>	<u>-</u>	<u>1,540,499</u>
Total assets at fair value	\$ <u>22,696,917</u>	<u>-</u>	<u>-</u>	\$ <u>22,696,917</u>

Assets at Fair Value as of December 31, 2023

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Cash equivalents	\$ 2,502,545	-	-	\$ 2,502,545
Mutual funds	16,304,217	-	-	16,304,217
Self-directed brokerage accounts	<u>1,048,549</u>	<u>-</u>	<u>-</u>	<u>1,048,549</u>
Total assets at fair value	\$ <u>19,855,311</u>	<u>-</u>	<u>-</u>	\$ <u>19,855,311</u>

6. Reconciliation to Form 5500

The following is a reconciliation of net assets available for benefits in the financial statements to the Form 5500 for the years ended December 31, 2024 and 2023:

	<u>2024</u>	<u>2023</u>
Net assets available for benefits in the financial statements	\$ 23,553,429	21,106,455
Deemed defaulted loans	-	40,637
Corrective distributions payable	<u>87,600</u>	<u>101,010</u>
Net assets available for benefits on Form 5500	\$ <u>23,641,029</u>	<u>21,248,102</u>

SPENCER'S TV & APPLIANCE 401(K) PROFIT SHARING PLAN
Notes to Financial Statements
December 31, 2024 and 2023

6. Reconciliation to Form 5500, continued

The following is a reconciliation of changes in net assets available for benefits in the financial statements to the Form 5500 for the years ended December 31, 2024 and 2023:

	<u>2024</u>	<u>2023</u>
Changes in net assets available for benefits in the financial statements	\$ 2,446,974	3,386,506
Deemed defaulted loans, prior year	(40,637)	(23,155)
Deemed defaulted loans, current year	-	40,637
Corrective distributions payable, current year	87,600	101,010
Corrective distributions payable, prior year	<u>(101,010)</u>	<u>(13,605)</u>
Changes in net assets available for benefits on Form 5500	\$ <u>2,392,927</u>	<u>3,491,393</u>

7. Party-in-Interest and Related Party Transactions

The Plan allows for transactions with certain parties who may perform services or have fiduciary responsibilities to the Plan. The Custodian of the Plan assets, record keeper, investment advisor, participating employers, and other service providers are considered parties-in-interest with respect to the Plan. Certain Plan investments are shares of mutual funds managed by the Custodian. The Plan issues loans to participants, which are secured by the balance in the participant's account. Such transactions are party-in-interest and related party transactions for which a statutory exemption exists.

Effective January 1, 2015, the Plan sponsor adopted the Spencer's Air Conditioning & Appliance, Inc. Employee Stock Ownership Plan. The Plan constitutes an employee stock ownership plan within the meaning of Code Section 4975 (e) (7) and is designed to invest primarily in qualifying employer securities. Employees become eligible to participate in the plan on January 1 or July 1 after completing one year of service, providing they have worked 1,000 hours during that time period. Participants should refer to the Plan document for a more complete description of the Plan's provisions.

8. Prohibited Transactions

During the Plan years ended December 31, 2024 and 2023, there were unintentional delays by the Plan sponsor in submitting participant contributions in the total amount of \$6,654 and \$430,375, respectively. The plan sponsor calculated lost earnings and deposited them into the Plan in 2024.

9. Subsequent Events

Management reviewed the financial statements for subsequent events through August 27, 2025, the date the financial statements were available to be issued.

SPENCER'S TV & APPLIANCE 401(K) PROFIT SHARING PLAN
Supplemental Information
December 31, 2024

SPENCER'S TV & APPLIANCE 401(K) PROFIT SHARING PLAN

EIN: 86-0292380 Plan Number: 002

Supplemental Schedule I

Schedule H, line 4i - Schedule of Assets (Held at End of Year)

Plan Year End: December 31, 2024

Party-in- interest	Identity of issue, borrower, lessor, or similar party	Description of investment including maturity date, rate of interest, collateral, par, or maturity value	Current value
	American Funds American Mutual Fund	Mutual Fund	\$ 831,208
	PGIM Global Total Return	Mutual Fund	61,370
	J H Enterprise	Mutual Fund	427,200
	VRS Partners A	Mutual Fund	163,644
	Hartfield International Stock	Mutual Fund	202,682
	Columbia Dividend Income Fund	Mutual Fund	1,063,141
	JPM US Equity Fund	Mutual Fund	439,775
*	Fidelity Freedom 2060	Mutual Fund	334,070
*	Fidelity Freedom 2065	Mutual Fund	107,545
*	Fidelity Freedom 2070	Mutual Fund	18
*	Fidelity Contrafund K	Mutual Fund	3,062,492
*	Fidelity Pacific Basin	Mutual Fund	91,257
*	Fidelity Real Estate	Mutual Fund	137,400
*	Fidelity Low Priced Stock K	Mutual Fund	94,926
*	Fidelity Emerging Markets K	Mutual Fund	220,894
*	Fidelity Stock Select Small Cap	Mutual Fund	95,610
*	Fidelity Freedom 2010	Mutual Fund	44
*	Fidelity Freedom 2020	Mutual Fund	421,231
*	Fidelity Freedom 2030	Mutual Fund	739,252
*	Fidelity Select Natural Resources	Mutual Fund	287,537
*	Fidelity Freedom 2040	Mutual Fund	806,085
*	Fidelity Inflation Protected Bond	Mutual Fund	73,809
*	Fidelity Freedom 2015	Mutual Fund	61,415
*	Fidelity Freedom 2025	Mutual Fund	910,843
*	Fidelity Freedom 2035	Mutual Fund	1,072,611
*	Fidelity Freedom Income K	Mutual Fund	220,079
*	Fidelity International Index	Mutual Fund	754,168
*	Fidelity 500 Index	Mutual Fund	3,768,629
*	Fidelity Freedom 2045	Mutual Fund	622,593
*	Fidelity Freedom 2050	Mutual Fund	621,342
*	Fidelity US Bond Index	Mutual Fund	655,617
*	Fidelity Freedom 2055	Mutual Fund	369,203
*	Fidelity Small Cap Index	Mutual Fund	148,561
*	Fidelity Mid Cap Index	Mutual Fund	206,115
*	Fidelity Government Money Market	Cash Equivalent	2,084,052
*	Galliard Retirement Income Fund	Stable Value Fund	113,439

See accompanying independent auditors' report

SPENCER'S TV & APPLIANCE 401(K) PROFIT SHARING PLAN

EIN: 86-0292380 Plan Number: 002

Supplemental Schedule I

Schedule H, line 4i - Schedule of Assets (Held at End of Year)

Plan Year End: December 31, 2024

Party-in-interest	Identity of issue, borrower, lessor, or similar party	Description of investment including maturity date, rate of interest, collateral, par, or maturity value	Current value
	Self-Directed Brokerage Accounts	Cash Equivalents, Mutual Funds and Common Stocks	1,540,499
*	Participant Loans	Interest Rates: 5.25% - 10.50%	<u>830,673</u>
			<u><u>\$ 23,641,029</u></u>

* denotes party-in-interest

See accompanying independent auditors' report

SPENCER'S TV & APPLIANCE 401(K) PROFIT SHARING PLAN

EIN: 86-0292380 Plan Number: 002

Supplemental Schedule II

Schedule H, line 4a - Schedule of Delinquent Participant Contributions

Plan Year End: December 31, 2024

	Total that Constitute Nonexempt Prohibited Transactions			Total Fully Corrected Under Voluntary Fiduciary Correction Program (VFCP) and Prohibited Transaction Exemption 2002-51
Participant Contributions Transferred Late to the Plan				\$ -
Check Here If Late Participant Loan Repayments are Included	Contributions Not Corrected	Contributions Corrected Outside VFCP	Contributions Pending Correction in VFCP	
<input checked="" type="checkbox"/>	\$ -	\$ 437,029		

During the Plan years ended December 31, 2024 and 2023, there were unintentional delays by the Plan sponsor in submitting participant contributions in the total amount of \$6,654 and \$430,375, respectively. The plan sponsor calculated lost earnings and deposited them into the Plan in 2024.

SPENCER'S AIR CONDITIONING & APPLIANCE, INC.
EMPLOYEE STOCK OWNERSHIP PLAN
Financial Statements
December 31, 2024 and 2023



Independent Auditors' Report

The Trustee and Plan Administrators
Spencer's Air Conditioning & Appliance, Inc. Employee Stock Ownership Plan

Opinion

We have audited the financial statements of Spencer's Air Conditioning & Appliance, Inc. Employee Stock Ownership 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, 2024 and 2023, and the related statements of changes in net assets available for benefits for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the net assets available for benefits of Spencer's Air Conditioning & Appliance, Inc. Employee Stock Ownership Plan as of December 31, 2024 and 2023, and the changes in its net assets available for benefits for the years then ended, 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 (GAAS). 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 Spencer's Air Conditioning & Appliance, Inc. Employee Stock Ownership Plan and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our 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 Spencer's Air Conditioning & Appliance, Inc. Employee Stock Ownership Plan's ability to continue as a going concern for one year after the date the financial statements are available to be issued.

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

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 GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Spencer's Air Conditioning & Appliance, Inc. Employee Stock Ownership Plan's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Spencer's Air Conditioning & Appliance, Inc. Employee Stock Ownership Plan'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 of Schedule of Assets (Held at End of Year) as of December 31, 2024 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 GAAS.

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.

Evers Robinson Ltd.

Phoenix, Arizona
August 27, 2025

SPENCER'S AIR CONDITIONING & APPLIANCE, INC.
EMPLOYEE STOCK OWNERSHIP PLAN
Statement of Net Assets Available for Benefits
December 31, 2024 and 2023

	Allocated	2024 Unallocated	Total	Allocated	2023 Unallocated	Total
Assets:						
Investment in Spencer's Air Conditioning & Appliance, Inc. (SACA) common stock at fair value	\$ 176,073,373	230,347,533	406,420,906	\$ 127,540,517	181,749,475	309,289,992
Cash	8,353,299	-	8,353,299	3,874,766	-	3,874,766
Employer receivables	63,268	-	63,268	63,268	-	63,268
Total assets	184,489,940	230,347,533	414,837,473	131,478,551	181,749,475	313,228,026
Liabilities:						
Note payable, SACA	-	(18,410,761)	(18,410,761)	-	(18,735,820)	(18,735,820)
Repurchase notes, SACA	-	(21,532,020)	(21,532,020)	-	(22,507,925)	(22,507,925)
Total liabilities	-	(39,942,781)	(39,942,781)	-	(41,243,745)	(41,243,745)
Net assets available for benefits	\$ 184,489,940	190,404,752	374,894,692	\$ 131,478,551	140,505,730	271,984,281

See accompanying notes to financial statements

SPENCER'S AIR CONDITIONING & APPLIANCE, INC.
EMPLOYEE STOCK OWNERSHIP PLAN
Statement of Changes in Net Assets Available for Benefits
For the Years Ended December 31, 2024 and 2023

	Allocated	2024 Unallocated	Total	Allocated	2023 Unallocated	Total
Additions:						
Dividend income	\$ 1,165,871	1,661,405	2,827,276	\$ 250,965	323,009	573,974
Interest income	199,262	-	199,262	203,043	-	203,043
Net appreciation in fair value of investment	40,053,436	57,077,478	97,130,914	1,744,817	2,695,175	4,439,992
Contributions	2,399,607	3,204,908	5,604,515	1,122,469	1,647,483	2,769,952
Other employer contributions			-	63,268	-	63,268
Allocation of SACA common stock at fair value - 45.2741 and 42.0724 in 2024 and 2023	10,140,825	-	10,140,825	4,413,866	-	4,413,866
Total additions	53,959,001	61,943,791	115,902,792	7,798,428	4,665,667	12,464,095
Deductions:						
Interest expense	-	(1,903,944)	(1,903,944)	-	(1,141,370)	(1,141,370)
Expenses	(435)	-	(435)	(225)	-	(225)
Benefit payments value - 96.0517 repurchased shares in 2023	(947,177)	-	(947,177)	(15,129,373)	-	(15,129,373)
Allocation of SACA common stock at fair value - 45.2741 and 42.0724 in 2024 and 2023	-	(10,140,825)	(10,140,825)	-	(4,413,866)	(4,413,866)
Other adjustments	-	-	-	-	(153,174)	(153,174)
Total deductions	(947,612)	(12,044,769)	(12,992,381)	(15,129,598)	(5,708,410)	(20,838,008)
Changes in net assets available for benefits	53,011,389	49,899,022	102,910,411	(7,331,170)	(1,042,743)	(8,373,913)
Net assets available for benefits						
Beginning of year	131,478,551	140,505,730	271,984,281	138,809,721	141,548,473	280,358,194
End of year	\$ 184,489,940	190,404,752	374,894,692	\$ 131,478,551	140,505,730	271,984,281

See accompanying notes to financial statements

SPENCER'S AIR CONDITIONING & APPLIANCE, INC.
EMPLOYEE STOCK OWNERSHIP PLAN
Notes to Financial Statements
December 31, 2024 and 2023

1. Summary of significant accounting policies

The following is a summary of the significant accounting policies followed by Spencer's Air Conditioning & Appliance, Inc. Employee Stock Ownership Plan (the Plan). The policies conform with accounting principles generally accepted in the United States of America, which require management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of additions and deductions during the reporting period. Actual results could differ from those estimates. Management has reviewed the financial statements for subsequent events through August 27, 2025, the date the financial statements were available to be issued.

a. Basis of accounting

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

b. Allocations

The financial statements of the Plan present separately the assets and liabilities and changes therein pertaining to (a) the accounts of employees with rights in allocated stock ("allocated") and (b) stock not yet allocated to employees ("unallocated"), including shares that are committed to be released. Shares are released from collateral and become allocated generally in the period in which debt service is actually paid.

c. Investment valuation

The shares of common stock of the Company are valued at fair value. See note 4 for discussion of the fair value measurements. Dividend income is accrued on the ex-dividend date. Net appreciation/depreciation includes the Plan's gains and losses on the value of the company stock.

d. Income taxes

The Plan received a favorable determination letter dated June 6, 2016 from the Internal Revenue Service, which states that the Plan qualifies under the applicable provisions of the Internal Revenue Code. Although the Plan has been amended since receiving the determination letter, the Company believes that the Plan is currently designed and being operated in compliance with the applicable requirements of the Internal Revenue Code (IRC). Therefore, no provision for income taxes has been included in the Plan's financial statements.

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

SPENCER'S AIR CONDITIONING & APPLIANCE, INC.
EMPLOYEE STOCK OWNERSHIP PLAN
Notes to Financial Statements
December 31, 2024 and 2023

2. Description of plan

The following description of the Plan provides only general information. Participants should refer to the Plan document for a more complete description of the Plan's provisions.

a. General

Spencer's Air Conditioning & Appliance, Inc. (Company) established the Employee Stock Ownership Plan (ESOP) effective January 1, 2015. The Plan covers employees with at least one year of service to the Company who are age twenty-one or older. The Plan is subject to the requirements of the Employee Retirement Income Security Act of 1974 (ERISA). The Plan is administered by officers appointed by the Company's Board of Directors. The Plan's Trustee is appointed by the Company's Board of Directors Ameriflow Water Systems, Inc., is a participating employer in the Plan. Effective October 1, 2023, American Appliance Warranty Company adopted the Plan and became a participating employer. Effective January 1, 2024, Best Appliance Service AZ, LLC adopted the Plan and became a participating employer.

The Plan purchased 2,170 shares of the Company's common stock with a loan of \$33,200,000 from the selling shareholders (see Note 5). The borrowing is collateralized by the unallocated shares of common stock of the Company.

b. Contributions

The Company is obligated to make contributions in cash to the Plan which, when aggregated with the Plan's dividends and interest earnings, equal the amount necessary to enable the Plan to make its regularly scheduled payments of principal and interest due on its loan.

c. Vesting

Participants are vested based on years of service. Participants vest at 20% after two years of service, and the percentage increases by 20% annually until the participant is fully vested after six years of service.

Effective January 1, 2022, the Plan was amended to include Ameriflow Water Systems, Inc. (Ameriflow) as a participating employer. Employees of Ameriflow will receive two years of service credit for purposes of vesting for six or more years of prior service with Ameriflow.

d. Participant accounts

The Plan is a defined contribution plan under which a separate individual account is established for each participant. Each participant's account is credited as of the last day of each plan year with an allocation of shares of the Company's common stock released by the Trustee from the unallocated account and forfeitures of terminated participants' non-vested accounts. Only those participants who are eligible employees of the Company as of the last day of the plan year will receive an allocation. Allocations are based on a participant's eligible compensation, relative to total eligible compensation.

SPENCER'S AIR CONDITIONING & APPLIANCE, INC.
EMPLOYEE STOCK OWNERSHIP PLAN
Notes to Financial Statements
December 31, 2024 and 2023

2. Description of plan, continued

d. Participant accounts, continued

The Plan provides that inactive participants' stock accounts will be diversified within the Plan into cash or other investments proportionately to the extent cash is available in the ESOP based on the valuation date immediately preceding severance from employment. If there is insufficient cash to diversify all accounts, participants with the earliest termination dates will be diversified first.

e. Payment of benefits

Each participant is entitled to plan benefits equal to 100% of his/her vested account balance. Benefits begin upon the earliest of retirement age, termination of employment, total and permanent disability or death of the participant. Distributions are to commence no later than the close of the Plan year that is the 6th Plan year following the Plan year in which the Participant separates from service, unless the participant elects a later date. Benefits are paid in a lump sum either in cash or in the form of whole shares of Company common stock plus cash for any fractional shares or in substantially equal annual installments over a period not to exceed 5 years unless the participant's account balance exceeds a certain amount. No distribution of Company stock purchased with an ESOP loan shall be made while that loan is outstanding.

Shares of Company stock distributed under the Plan shall be subject to the right of first refusal. Prior to any sale or other disposition of any such shares of the Company stock by a participant, beneficiary, spouse, next of kin or other heir or transferee, such shares must first be offered for sale to the Trust and then, if such offer is not accepted, all the remaining shares must be offered to the Company.

The Plan provides that participants may request a distribution from their cash accounts in a lump sum payment as soon as administratively feasible after termination of employment.

Effective October 5, 2023, the Plan was amended to allow participants terminated on or before September 30, 2023, for any reason, the option to request a distribution of his or her entire vested Account between October 19, 2023 and November 19, 2023. The participant's vested account shall be distributed in a lump sum payment no later than December 31, 2023.

f. Put option

Under federal income tax regulations, the employer 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, includes 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 sale price of the Company stock shall be the fair market value of such shares at the time the option is exercised. The put option shall permit the participant to sell such Company stock to the Company at any time during two option periods. The first put option period shall be 60 days beginning on the date of distribution of the Company stock from the Plan. The second put option shall be for a period of 60 days in the plan year following the plan year in which the Company stock is distributed from the Plan.

SPENCER'S AIR CONDITIONING & APPLIANCE, INC.
EMPLOYEE STOCK OWNERSHIP PLAN
Notes to Financial Statements
December 31, 2024 and 2023

2. Description of plan, continued

f. Put option, continued

Company stock sold under a put option shall be paid for either in a single sum within 30 days after the exercise of the put option or, at the election of the Company in the case of stock which was received by the participant as a complete distribution of his or her entire vested balance in his or her account within one taxable year, in substantially equal annual installments beginning within 30 days of the exercise of the put option. The installment payment period shall end within 5 years after such put option is exercised. Installment payments shall include interest on the unpaid balance at an annual rate equal to the prime interest rate and shall be secured by a pledge of the shares of the Company stock tendered to exercise the put option.

g. Diversification

Diversification is offered to participants close to retirement so that they may have the opportunity to move part of the value of their investments in Company common stock into investments that are more diversified. Participants who are at least age 55 with at least 10 years of participation in the Plan may elect in writing to diversify a portion of their account. Diversification is offered to each eligible participant over a 6-year period. A participant may diversify up to 25 percent of the shares allocated to their account.

h. Forfeitures

Plan forfeitures are allocated to each participant's account based upon the relation of the participant's eligible compensation to the total eligible compensation each Plan year. During the plan year ended December 31, 2023, forfeiture shares of \$1,9820 were reallocated to participants. For plan years ended December 31, 2024 and 2023, cash forfeitures of \$18,552 and \$137,972, respectively, were allocated to participants accounts.

i. Administrative expenses

As provided in the Plan agreement, administrative expenses may be paid either by the Plan or by the Company. Currently, the Company is paying substantially all expenses.

j. Voting rights

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. The Trustee is not permitted to vote any allocated share for which instructions have not been given by a participant. The Trustee is required, however, to vote any unallocated shares on behalf of the collective best interests of Plan participants and beneficiaries.

k. Plan termination

The Company reserves the right to terminate the Plan at any time, subject to Plan provisions. Upon such termination of the Plan, the interest of each participant in the trust fund will be distributed to such participants or his beneficiary at the time prescribed by the terms of the Plan and the IRC.

SPENCER'S AIR CONDITIONING & APPLIANCE, INC.
EMPLOYEE STOCK OWNERSHIP PLAN
Notes to Financial Statements
December 31, 2024 and 2023

2. Description of plan, continued

1. Interest

During the plan years ended December 31, 2024 and 2023, the Plan earned interest on cash balances of \$199,262 and \$203,043, respectively.

3. Investments

The Plan's investment in Spencer's Air Conditioning & Appliance common stock at December 31, 2024 and 2023 is as follows:

	<u>2024</u>	
	<u>Allocated</u>	<u>Unallocated</u>
Number of shares	940.1072	1229.8928
Cost	\$ 14,383,207	18,816,793
Estimated fair value	\$ 176,073,373	230,347,533
	<u>2023</u>	
	<u>Allocated</u>	<u>Unallocated</u>
Number of shares	894.8331	1275.1669
Cost	\$ 13,690,534	19,509,466
Estimated fair value	\$ 127,540,517	181,749,475

4. Fair Value Measurements

Financial Accounting Standards Board Accounting Standards Codification 820, Fair Value Measurements (FASB ASC 820), establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy under FASB ASC 820 are described below:

Level 1: Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Plan has the ability to access.

Level 2: Inputs to the valuation methodology include 1) quoted prices for similar assets or liabilities in active markets, 2) quoted prices for identical or similar assets or liabilities in inactive markets, 3) inputs other than quoted prices that are observable for the asset or liability, and 4) inputs that are derived principally from or corroborated by observable market data by correlation or other means. If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

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

SPENCER'S AIR CONDITIONING & APPLIANCE, INC.
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December 31, 2024 and 2023

4. Fair Value Measurements, continued

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

The plans investments in company stock, within the fair value hierarchy, as of December 31, 2024 and 2023 are considered to be level 3 investments:

	Assets at Fair Value as of December 31,	
	<u>2024</u>	<u>2023</u>
Investment in Spencer's common stock at fair market value	\$ <u>406,420,906</u>	<u>309,289,992</u>

The following table sets forth a summary of changes in the fair value of the Plan's Level 3 assets for the years ended December 31, 2024 and 2023:

	<u>2024</u>	<u>2023</u>
Balance, beginning of year	\$ 309,289,992	304,850,000
Unrealized appreciation in estimated fair value	<u>97,130,914</u>	<u>4,439,992</u>
Balance, end of year	\$ <u>406,420,906</u>	<u>309,289,992</u>

Following is a description of the valuation methodologies used for assets measured at fair value.

The Spencer's Air Conditioning & Appliance, Inc. common stock held by the Plan is valued at fair value based upon an independent appraisal. This appraisal was based upon consideration given to a combination of the asset, market, and income valuation techniques. Under the asset valuation technique, the independent appraiser utilized the adjusted book value method. Under the market valuation technique, the guideline public company method was utilized. Under the income valuation technique, the discounted cash flow method was used. Ultimately, the income valuation technique was utilized to determine fair value.

The methods described above may produce a fair value calculation 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 other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

SPENCER'S AIR CONDITIONING & APPLIANCE, INC.
EMPLOYEE STOCK OWNERSHIP PLAN
Notes to Financial Statements
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5. Notes payable

In 2015, the Plan entered into a \$33,200,000 loan agreement with the Richard C. and Valerie D. Biederbeck Trust, the previous owners of the Company to purchase the Company's common stock. Unallocated shares are collateral for the loan. Shares are released from collateral and allocated to participants as payments of principal and interest are made. The number of shares released in any year is the number of shares held as collateral, times the ratio of the current year payments divided by the total of this year's payments, plus all future years' principal and interest payments.

Effective December 15, 2022, the Plan Sponsor elected to do a note swap for the company to assume the \$19,019,741 outstanding ESOP's obligation under the current note payable to the Richard C. and Valerie D. Biederbeck Trust and the company will issue a separate promissory note to the Richard C. and Valerie D. Biederbeck Trust. Effective for the Plan year ended December 31, 2023, the new note between the Company and the ESOP is the note that controls the release of shares to the Plan. The number of shares released in any year is the number of shares held as collateral, times the ratio of the current year payments divided by the total of this year's payments, plus all future years' principal and interest payments. For the Plan years ended December 31, 2024 and 2023, 33.3526 and 42.0724 shares, respectively, were released and allocated.

The note swap promissory note provides for the loan to be repaid over 34 years, with annual payments of \$933,973 at an interest rate of 3.25% per annum. During the Plan years ended December 31, 2024 and 2023, 33,3526 shares were allocated each year. As of December 31, 2024, this note is secured by a pledge of 1067.2842 shares of Company common stock. The scheduled amortization of the loan for the next 5 years is as follows:

2025		\$ 335,624
2026		346,531
2027		357,794
2028		369,422
2029		381,428
Thereafter		<u>16,619,962</u>
		<u>\$ 18,410,761</u>

During 2022, the ESOP had distribution elections of \$9,779,473 or 87.1982 shares of company stock. The Plan sponsor elected to extend a loan in the full amount of distributions to repurchase these shares from the ESOP. The loan bears interest of 5.34% and is to be repaid in 10 annual installments with the first payment due on December 15, 2023. During the Plan years ended December 31, 2024 and 2023, 8.7198 shares were allocated each year. As of December 31, 2024, this note is secured by a pledge of 69.7586 shares of Company common stock. These shares are held as unallocated at December 31, 2024. The scheduled amortization of the loan for the next 5 years is as follows:

2025		\$ 849,170
2026		894,516
2027		942,283
2028		992,601
2029		1,045,606
Thereafter		<u>3,483,916</u>
		<u>\$ 8,208,092</u>

SPENCER'S AIR CONDITIONING & APPLIANCE, INC.
EMPLOYEE STOCK OWNERSHIP PLAN
Notes to Financial Statements
December 31, 2024 and 2023

5. Notes payable, continued

During 2023, the ESOP had distribution elections of \$13,493,709 or 96.0517 shares of company stock. The Plan sponsor elected to extend a loan in the full amount of distributions to repurchase these shares from the ESOP. The loan bears interest of 6.03% and is to be repaid in 30 annual installments with the first payment due on December 15, 2024. During the Plan year ended December 31, 2024, 3,2017 shares were allocated and as of December 31, 2024, this note is secured by a pledge of 92.8500 shares of Company common stock. These shares are held as unallocated at December 31, 2024. The scheduled amortization of the loan for the next 5 years is as follows:

2025	\$ 180,019
2026	190,875
2027	202,384
2028	214,588
2029	227,528
Thereafter	<u>12,308,534</u>
	\$ <u>13,323,928</u>

6. Company dividends

The Company paid dividends to the Plan of \$2,827,276 and \$573,974 during the years ended December 31, 2024 and 2023, respectively. The dividends were used for debt servicing along with a company contribution of \$5,604,515 and \$2,769,952 in 2024 and 2023.

7. Related party and party-in-Interest transactions

The Plan invests in Company common stock and has indebtedness to the prior owner of the Company. These are related party and party-in-interest transactions. The Plan has several service providers. Such providers are parties in interest under ERISA.

8. Risk and uncertainties

The Plan's investments consist primarily of the Company's common stock, which is exposed to various risks, such as interest rate, market, and credit risks, as well as valuation assumptions based on earnings, cash flows, and other such techniques. Due to the level of risk associated with the investment in common stock and to uncertainties inherent in the estimation and assumption process, it is at least reasonably possible that changes in the value of the common stock will occur in the near term and that such changes could materially affect the amounts reported in the statement of net assets available for benefits.

9. Commitments

The Plan has an obligation to terminated participants of \$19,612,486 with payments starting during the year ended December 31, 2025.

10. Contingency

The valuation report has not considered the potential financial implications of subsequent events or their impact on the valuation as of December 31, 2024.

SPENCER'S AIR CONDITIONING & APPLIANCE, INC.
EMPLOYEE STOCK OWNERSHIP PLAN
Supplemental Information
December 31, 2024

SPENCER'S AIR CONDITIONING & APPLIANCE, INC.
EMPLOYEE STOCK OWNERSHIP PLAN
EIN: 86-0292380 Plan Number: 003
Supplemental Schedule I
Schedule H, line 4i - Schedule of Assets (Held at End of Year)
Plan Year End: December 31, 2024

Party-in-interest	Identity of issue, borrower, lessor, or similar party	Description of investment including maturity date, rate of interest, collateral, par, or maturity value	Cost	Current value
	Cash	Cash	\$ 8,353,299	\$ 8,353,299
*	Spencer's Air Conditioning & Appliance, Inc.	Common Stock 2170 shares	33,200,000	406,420,906
			<u>\$ 41,553,299</u>	<u>\$ 414,774,205</u>

* denotes party-in-interest

See accompanying independent auditors' report