

Form 5500-SF

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration
Pension Benefit Guaranty Corporation

Short Form Annual Return/Report of Small Employee Benefit Plan

This form is required to be filed 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-SF.**

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 single-employer plan a multiple-employer plan (not multiemployer) (Pension Plan filers checking this box must attach Schedule MEP. Other plans must attach a list of participating employer information in accordance with the form instructions.)
- B** This return/report is the first return/report the final return/report
 an amended return/report a short plan year return/report (less than 12 months)
- C** Check box if filing under: Form 5558 automatic extension DFVC program
 special extension (enter description)
- D** If the plan is a collectively-bargained plan, check here ▶
- E** If this is a retroactively adopted plan permitted by SECURE Act section 201, check here ▶

Part II Basic Plan Information—enter all requested information

1a Name of plan <u>LOCAL #57 OF THE INTERNATIONAL BROTHERHOOD OF BOILERMAKERS, IRON SHIP</u>	1b Three-digit plan number (PN) ▶	<u>003</u>
	1c Effective date of plan	<u>06/01/1998</u>
2a Plan sponsor's name (employer, if for a single-employer plan) Mailing address (include room, apt., suite no. and street, or P.O. Box) City or town, state or province, country, and ZIP or foreign postal code (if foreign, see instructions) <u>EMPIRE COMFORT SYSTEMS, INC.</u> <u>918 FREEBURG AVE</u> <u>BELLEVILLE, IL 62220-2623</u>	2b Employer Identification Number (EIN)	<u>37-1234416</u>
	2c Sponsor's telephone number	<u>618-233-7420</u>
	2d Business code (see instructions)	<u>332900</u>
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	
5a Total number of participants at the beginning of the plan year	5a	<u>132</u>
b Total number of participants at the end of the plan year	5b	<u>110</u>
c(1) Number of participants with account balances as of the beginning of the plan year (only defined contribution plans complete this item)	5c(1)	<u>43</u>
c(2) Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item)	5c(2)	<u>38</u>
d(1) Total number of active participants at the beginning of the plan year	5d(1)	<u>121</u>
d(2) Total number of active participants at the end of the plan year	5d(2)	<u>100</u>
e Number of participants who terminated employment during the plan year with accrued benefits that were less than 100% vested	5e	<u>0</u>

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, if applicable, a Schedule SB or Schedule MB completed and signed by an enrolled actuary, as well as the electronic version of this return/report, and to the best of my knowledge and belief, it is true, correct, and complete.

SIGN HERE	<u>Filed with authorized/valid electronic signature.</u>	<u>09/18/2025</u>	<u>DENISE JUEN</u>
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE			
	Signature of employer/plan sponsor	Date	Enter name of individual signing as employer or plan sponsor

- 6a** Were all of the plan's assets during the plan year invested in eligible assets? (See instructions.) Yes No
- b** Are you claiming a waiver of the annual examination and report of an independent qualified public accountant (IQPA) under 29 CFR 2520.104-46? (See instructions on waiver eligibility and conditions.) Yes No
- If you answered "No" to either line 6a or line 6b, the plan cannot use Form 5500-SF and must instead use Form 5500.**
- c** If the plan is a defined benefit plan, is it covered under the PBGC insurance program (see ERISA section 4021)? Yes No Not determined
- If "Yes" is checked, enter the My PAA confirmation number from the PBGC premium filing for this plan year _____ (See instructions.)

Part III Financial Information			
7 Plan Assets and Liabilities		(a) Beginning of Year	(b) End of Year
a Total plan assets	7a	1324582	1352488
b Total plan liabilities	7b	0	0
c Net plan assets (subtract line 7b from line 7a)	7c	1324582	1352488
8 Income, Expenses, and Transfers for this Plan Year		(a) Amount	(b) Total
a Contributions received or receivable from:			
(1) Employers	8a(1)	24502	
(2) Participants	8a(2)	61194	
(3) Others (including rollovers)	8a(3)	0	
b Other income (loss)	8b	146304	
c Total income (add lines 8a(1), 8a(2), 8a(3), and 8b)	8c		232000
d Benefits paid (including direct rollovers and insurance premiums to provide benefits)	8d	194127	
e Certain deemed and/or corrective distributions (see instructions) .	8e	0	
f Administrative service providers (salaries, fees, commissions)	8f	9967	
g Other expenses	8g	0	
h Total expenses (add lines 8d, 8e, 8f, and 8g)	8h		204094
i Net income (loss) (subtract line 8h from line 8c)	8i		27906
j Transfers to (from) the plan (see instructions)	8j	0	

Part IV Plan Characteristics	
9a	If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristic Codes in the instructions: 2E 2F 2G 2J 2K 2T 3D 3F
b	If the plan provides welfare benefits, enter the applicable welfare feature codes from the List of Plan Characteristic Codes in the instructions:

Part V Compliance Questions				
10 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)	10a		X	
b Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 10a.)	10b		X	0
c Was the plan covered by a fidelity bond?	10c	X		500000
d Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?	10d		X	
e Were any fees or commissions paid to any brokers, agents, or other persons by an insurance carrier, insurance service, or other organization that provides some or all of the benefits under the plan? (See instructions.)	10e	X		3090
f Has the plan failed to provide any benefit when due under the plan?	10f		X	
g Did the plan have any participant loans? (If "Yes," enter amount as of year-end.)	10g	X		0
h If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.)	10h		X	
i If 10h was answered "Yes," check the box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3	10i			

Part VI Pension Funding Compliance

11 Is this a defined benefit plan subject to minimum funding requirements? (If "Yes," see instructions and complete Schedule SB (Form 5500) and lines 11a and b below.) If this is a defined contribution pension plan, leave line 11 blank and complete line 12 below. Yes No

a Enter the unpaid minimum required contributions for all years from Schedule SB (Form 5500) line 40 **11a**

b PBGC missed contribution reporting requirements. If the plan is covered by PBGC and the amount reported on line 11a is greater than \$0, 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 _____

12 Is this a defined contribution plan subject to the minimum funding requirements of section 412 of the Code or section 302 of ERISA? (If "Yes," complete line 12a or lines 12b, 12c, 12d, and 12e below, as applicable.) If this is a defined benefit pension plan, leave line 12 blank and complete line 11 above. Yes No

a 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 letter ruling granting the waiver. Month _____ Day _____ Year _____

If you completed line 12a, complete lines 3, 9, and 10 of Schedule MB (Form 5500), and skip to line 13.

b Enter the minimum required contribution for this plan year **12b**

c Enter the amount contributed by the employer to the plan for this plan year **12c**

d Subtract the amount in line 12c from the amount in line 12b. Enter the result (enter a minus sign to the left of a negative amount) **12d**

e Will the minimum funding amount reported on line 12d be met by the funding deadline? Yes No N/A

Part VII Plan Terminations and Transfers of Assets

13a Has a resolution to terminate the plan been adopted in any plan year? Yes No

a If "Yes," enter the amount of any plan assets that reverted to the employer this year. **13a**

b Were all the plan assets distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC? Yes No

c 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.)

13c(1) Name of plan(s):	13c(2) EIN(s)	13c(3) PN(s)

Part VIII IRS Compliance Questions

14a 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

14b 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

15 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 06 / 30 / 2020 (MM/DD/YYYY) and the Opinion Letter serial number Q702476A.

**EMPIRE COMFORT SYSTEMS, INC. SAVINGS INCENTIVE
AND PROFIT SHARING (SIPS) PLAN**

**FINANCIAL STATEMENTS AND
ERISA-REQUIRED SUPPLEMENTAL SCHEDULES**

**AS OF DECEMBER 31, 2024 AND 2023 AND
FOR THE YEAR ENDED DECEMBER 31, 2024**



CPAs | CONSULTANTS | WEALTH ADVISORS

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**EMPIRE COMFORT SYSTEMS, INC. SAVINGS INCENTIVE AND PROFIT SHARING (SIPS) PLAN
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AS OF DECEMBER 31, 2024 AND 2023 AND
FOR THE YEAR ENDED DECEMBER 31, 2024**

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INDEPENDENT AUDITORS' REPORT

Plan Trustee
Empire Comfort Systems, Inc. Savings Incentive
and Profit Sharing (SIPS) Plan
Belleville, Illinois

Report on the Audit of the Financial Statements

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

We have performed audits of the accompanying financial statements of Empire Comfort Systems, Inc. Savings Incentive and Profit Sharing (SIPS) 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 statement of changes in net assets available for benefits for the year ended December 31, 2024, and the related notes to the financial statements.

Management, having determined it is permissible in the circumstances, has elected to have the audits of Empire Comfort Systems, Inc. Savings Incentive and Profit Sharing (SIPS) Plan's financial statements performed in accordance with ERISA Section 103(a)(3)(C) pursuant to 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA. As permitted by ERISA Section 103(a)(3)(C), our audits need not extend to any statements or information related to assets held for investment of the plan (investment information) by a bank or similar institution or insurance carrier that is regulated, supervised, and subject to periodic examination by a state or federal agency, provided that the statements or information regarding assets so held are prepared and certified to by the bank or similar institution or insurance carrier in accordance with 29 CFR 2520.103-5 of the 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 December 31, 2024 and 2023, and for the year ended December 31, 2024, 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 audits and on the procedures performed as described in the Auditors' Responsibilities for the Audit of the Financial Statements section

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

Plan Trustee
Empire Comfort Systems, Inc. Savings Incentive
and Profit Sharing (SIPS) Plan

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

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Empire Comfort Systems, Inc. Savings Incentive and Profit Sharing (SIPS) Plan's ability to continue as a going concern for one year after the date that the financial statements are available to be issued.

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

Plan Trustee
Empire Comfort Systems, Inc. Savings Incentive
and Profit Sharing (SIPS) Plan

In performing an audit in accordance with GAAS, we:

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

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

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

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

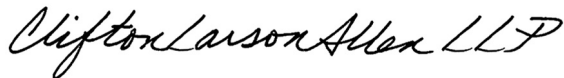
Other Matter — Supplemental Schedules Required by ERISA

The supplemental schedule of assets (held at end of year) and schedule of delinquent participant contributions as of and for the year ended December 31, 2024 are presented for purposes of additional analysis and are not a required part of the financial statements but are supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information included in the supplemental schedules, other than that agreed to or derived from the certified investment information, has been subjected to auditing procedures applied in the audits of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with GAAS. For information included in the supplemental schedules that agreed to or is derived from the certified investment information, we compared such information to the related certified investment information.

In forming our opinion on the supplemental schedules, we evaluated whether the supplemental schedules, other than the information agreed to or derived from the certified investment information, including 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).



CliftonLarsonAllen LLP

St. Louis, Missouri
September 12, 2025

**EMPIRE COMFORT SYSTEMS, INC. SAVINGS INCENTIVE AND PROFIT SHARING (SIPS) PLAN
STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS
DECEMBER 31, 2024 AND 2023**

	2024	2023
ASSETS		
INVESTMENTS (at Fair Value)		
Pooled Separate Account	\$ 6,756,637	\$ 10,333,251
Mutual Funds	2,784,346	1,326,079
Guaranteed Interest Accounts	-	623,286
Total Investments (at Fair Value)	9,540,983	12,282,616
INVESTMENTS (at Contract Value)	625,951	-
NOTES RECEIVABLE FROM PARTICIPANTS	107,302	82,335
Total Assets	10,274,236	12,364,951
LIABILITIES		
EXCESS CONTRIBUTIONS PAYABLE	54,501	35,069
NET ASSETS AVAILABLE FOR BENEFITS	\$ 10,219,735	\$ 12,329,882

See accompanying Notes to Financial Statements.

**EMPIRE COMFORT SYSTEMS, INC. SAVINGS INCENTIVE AND PROFIT SHARING (SIPS) PLAN
STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS
YEAR ENDED DECEMBER 31, 2024**

ADDITIONS:

INVESTMENT INCOME

Net Appreciation in Fair Value of Investments	\$ 1,378,605
Interest and Dividends	<u>50,526</u>
Total Investment Income	1,429,131

**INTEREST INCOME ON NOTES RECEIVABLE
FROM PARTICIPANTS**

7,035

CONTRIBUTIONS

Employee Pre-Tax 401(k) Deferral	443,798
Company Match	<u>130,945</u>
Total Contributions	<u>574,743</u>

Total Additions 2,010,909

DEDUCTIONS:

BENEFITS PAID TO PARTICIPANTS 4,015,080

CORRECTIVE DISTRIBUTIONS 54,501

ADMINISTRATIVE EXPENSES 51,475

Total Deductions 4,121,056

NET DECREASE (2,110,147)

NET ASSETS AVAILABLE FOR BENEFITS:

Beginning of Year 12,329,882

End of Year \$ 10,219,735

**EMPIRE COMFORT SYSTEMS, INC. SAVINGS INCENTIVE AND PROFIT SHARING (SIPS) PLAN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023**

NOTE 1 DESCRIPTION OF PLAN

The following description of the Empire Comfort Systems, Inc. Savings Incentive and Profit Sharing (SIPS) Plan (the Plan) provides only general information. Participants should refer to the Plan document for a more complete description of the Plan's provisions.

General

The Plan is a defined contribution plan covering substantially all nonunion employees of Empire Comfort Systems, Inc. (the Company) on the later of their date of employment or upon turning 18 years of age. The Plan is subject to the Employee Retirement Income Security Act of 1974 (ERISA).

Contributions

Eligible participants are permitted to elect to have a percentage, up to 100%, of their compensation contributed as pre-tax 401(k) contributions or Roth contributions to the Plan. Participants who have attained age 50 before the end of the Plan year are eligible to make catch-up contributions.

The Company may, at its discretion, elect to make a matching contribution or profit sharing contribution to the Plan. For the year ended December 31, 2024, the Company made discretionary matching contributions equal to 50% of participant contributions, not to exceed 5% of eligible compensation. The Company may make a profit sharing contribution. No profit sharing contribution was made for the year ended December 31, 2024.

Participants may also contribute amounts representing distributions from other qualified defined benefit or defined contribution plans (rollover). Participants direct the investment of contributions into various investment options offered by the Plan. Contributions are subject to certain Internal Revenue Service (IRS) limitations.

Participant Accounts

Each participant's account is credited with the participant's contributions, the Company's matching contributions and Company profit sharing contributions, and an allocation of Plan earnings or losses. Participant accounts are charged with an allocation of administrative expenses that are paid by the Plan. Allocations are based on participant earnings or account balances, or participant transactions, as defined. The benefit to which a participant is entitled is the benefit that can be provided by the participant's vested account.

Vesting

Participants are immediately vested in their voluntary contributions plus earnings thereon. Vesting in the Company's contribution portion of their accounts plus earnings thereon is based on years of continuous service. Notwithstanding the above, a participant is fully vested after five years of continuous service. A participant is 100% vested upon early or normal retirement age, disability, or death.

**EMPIRE COMFORT SYSTEMS, INC. SAVINGS INCENTIVE AND PROFIT SHARING (SIPS) PLAN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023**

NOTE 1 DESCRIPTION OF PLAN (CONTINUED)

Notes Receivable from Participants

Participants may 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 notes are secured by the balance in the participant's account and bear interest at prime plus 1%. Principal and interest is paid ratably through payroll deductions.

Benefit Payments

Upon termination of service, death, disability, or retirement, a participant may elect to receive the value of the vested interest in his or her account in the form of a lump-sum distribution, annuities, or in installments. The Plan allows for in-service distributions if a participant reaches age 59 1/2, reaches five years of service and hardship distributions subject to Plan provisions. If a participant terminates employment and the participant's account balance does not exceed \$1,000, the Plan administrator will authorize the benefit payment without the participant's consent. If the balance of the terminated participant's account is between \$1,000 and \$5,000, the Plan Sponsor may authorize that the benefit payment be rolled into an individual retirement account in the participant's name.

Forfeited Accounts

Forfeited nonvested accounts are used to pay Plan expenses or to reduce future Company contributions. Forfeited nonvested accounts as of December 31, 2024 and 2023 totaled \$1 and \$1, respectively. There were \$4,839 of forfeitures used to reduce Company contributions for the year ended December 31, 2024. No forfeitures were used to pay Plan expenses for the year ended December 31, 2024.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

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

Use of Estimates

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

Investment Valuation and Income Recognition

The Plan's investments are reported at fair value (except for fully benefit-responsive investment contracts, which are reported at contract value). Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. See Note 4 for discussion of fair value measurements.

**EMPIRE COMFORT SYSTEMS, INC. SAVINGS INCENTIVE AND PROFIT SHARING (SIPS) PLAN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Investment Valuation and Income Recognition (Continued)

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

Notes Receivable from Participants

Notes receivable from participants are measured at their unpaid principal balance plus any accrued but unpaid interest. Interest income is recorded on the accrual basis. Related fees are recorded as administrative expenses and are expensed when they are incurred. No allowance for credit losses has been recorded as of December 31, 2024 and 2023. Delinquent notes receivable are recorded as distributions on the basis of the terms of the Plan document.

Benefit Payments

Benefits are recorded when paid.

Administrative Expenses

Certain expenses of maintaining the Plan are paid directly by the Plan and are excluded from these financial statements. Fees related to the administration of notes receivable from participants and benefit payments are charged directly to the participant's account and are included in administrative expense. Investment related expenses are included in net appreciation of fair value of investments.

Excess Contributions Payable

Amounts payable to participants for contributions in excess of amounts allowed by the IRS are recorded as a liability with a corresponding deduction in the financial statements. The Plan distributed the excess contributions to the applicable participants subsequent to the Plan year-end of December 31, 2024 and 2023, respectively.

Subsequent Events

The Plan has evaluated subsequent events through September 12, 2025, the date the financial statements were available to be issued.

NOTE 3 CERTIFICATION OF INVESTMENT INFORMATION

Principal Life Insurance Company and Delaware Charter Guarantee & Trust Company dba: Principal Trust Company, the qualified institutions of the Plan, have supplied the Plan administrator with a certification as to the completeness and accuracy of all investment information reflected on the accompanying statements of net assets available for benefits as of December 31, 2024 and 2023, the statement of changes in net assets available for benefits for the year ended December 31, 2024, and the supplemental schedule of assets (held at end of year) as of December 31, 2024.

EMPIRE COMFORT SYSTEMS, INC. SAVINGS INCENTIVE AND PROFIT SHARING (SIPS) PLAN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023

NOTE 4 FAIR VALUE OF INVESTMENTS

The framework for measuring fair value provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). The three levels of the fair value hierarchy are described as follows:

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

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

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

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

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

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

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the valuation methodologies used at December 31, 2024 and 2023.

Mutual Funds – Valued at the daily closing price as reported by the fund. Mutual funds held by the Plan are open-end mutual funds that are registered with the Securities and Exchange Commission. These funds are required to publish their daily NAV and to transact at that price. The mutual funds held by the Plan are deemed to be actively traded.

Pooled Separate Accounts – Valued at the NAV of units as determined by the insurance company. NAV is a readily determinable fair value and is the basis for current transactions.

Guaranteed Interest Accounts – Investments in the insurance company guaranteed interest account are valued at fair value by the insurance company by discounting the related cash flow based on yields of similar instruments with comparable durations considering the credit worthiness of the issuer (see Note 5).

**EMPIRE COMFORT SYSTEMS, INC. SAVINGS INCENTIVE AND PROFIT SHARING (SIPS) PLAN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023**

NOTE 4 FAIR VALUE OF INVESTMENTS (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			
	Level 1	Level 2	Level 3	Total
Pooled Separate Accounts	\$ -	\$ 6,756,637	\$ -	\$ 6,756,637
Mutual Funds	2,784,346	-	-	2,784,346
Total Investments at Fair Value	\$ 2,784,346	\$ 6,756,637	\$ -	\$ 9,540,983

	2023			
	Level 1	Level 2	Level 3	Total
Pooled Separate Accounts	\$ -	\$ 10,333,251	\$ -	\$ 10,333,251
Mutual Funds	1,326,079	-	-	1,326,079
Guaranteed Interest Accounts	-	-	623,286	623,286
Total Investments at Fair Value	\$ 1,326,079	\$ 10,333,251	\$ 623,286	\$ 12,282,616

The following table represents the Plan's Level 3 financial instruments, the valuation techniques used to measure the fair value of those financial instruments, and the significant unobservable inputs:

Instrument	Fair Value		Principal Valuation Technique	Unobservable Inputs	Range of Rates
	2024	2023			
Guaranteed Interest Accounts	\$ -	\$ 623,286	Market Value Adjustment	Composite Guaranteed Rate	.22% - 5.54%

The following table represents changes in the Plan's Level 3 financial instruments attributable to:

	Guaranteed Interest Accounts 2024
Purchases	\$ -
Issuances	-
Transfers In	-
Transfers Out	-

EMPIRE COMFORT SYSTEMS, INC. SAVINGS INCENTIVE AND PROFIT SHARING (SIPS) PLAN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023

NOTE 5 GROUP ANNUITY CONTRACTS WITH INSURANCE COMPANY

During 2024, the Plan entered into traditional fully benefit-responsive guaranteed investment contract with Delaware Charter Guarantee and Trust Company dba: Principal Trust Company (Insurance Company). The Insurance Company maintains the contributions in general accounts. The accounts are credited with earnings on the underlying investments and charged for participant withdrawals and administrative expenses. The guaranteed investment contracts issuer is contractually obligated to repay the principal and a specified interest rate that is guaranteed to the Plan. The crediting rate is based on a formula established by the contracts issuer. The crediting rate is reviewed on a semiannual basis for resetting. The guaranteed investment contract does not permit the insurance company to terminate the agreement prior to the scheduled maturity date.

This contract meets the fully benefit-responsive investment contract criteria and, therefore, are reported at contract value. Contract value is the relevant measure for fully benefit-responsive investment contracts because this is the amount received by participants if they were to initiate permitted transactions under the terms of the plan. Contract value, as reported to the Plan by the insurance company, represents contributions made under the contract, plus earnings, less participant withdrawals, and administrative expenses. Participants may ordinarily direct the withdrawal or transfer of all or a portion of their investment at contract value.

The Plan's ability to receive amounts due is dependent on the issuer's ability to meet its financial obligations. The issuer's ability to meet its contractual obligations may be affected by future economic and regulatory developments.

Certain events might limit the ability of the Plan to transact at contract value with the issuer. Such events include (1) amendments to the Plan documents (including complete or partial Plan termination or merger with another plan), (2) changes to the Plan's prohibition on competing investment options or deletion of equity wash provisions, (3) bankruptcy of the Plan Sponsor or other Plan Sponsor events (for example, divestitures or spin-offs of a subsidiary) that cause a significant withdrawal from the Plan, (4) the failure of the trust to qualify for exemption from federal income taxes or any required prohibited transaction exemption under ERISA, or (5) premature termination of the contract. No events are probable of occurring that might limit the ability of the Plan to transact at contract value with the contract issuers and that also would limit the ability of the Plan to transact at contract value with the participants.

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

**EMPIRE COMFORT SYSTEMS, INC. SAVINGS INCENTIVE AND PROFIT SHARING (SIPS) PLAN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023**

NOTE 5 GROUP ANNUITY CONTRACTS WITH INSURANCE COMPANY (CONTINUED)

The Plan had a traditional investment contract with Principal Life Insurance Company (insurance company). The insurance company maintains the contributions in the general account. The account is credited with declared rates of interest and charged for participant withdrawals and administrative expenses. The guaranteed interest account is included in the financial statements at fair value because it is nonbenefit-responsive. Upon termination of the investment contract, the lump-sum liquidation value of the general account portion of the portion of the participant's accumulation value shall be equal to the product of (a) the participant's general account accumulation value on the liquidation date, reduced by the liquidation charge applicable on the liquidation date and (b) a market value adjustment percentage. The contract was terminated during 2024.

NOTE 6 RISKS AND UNCERTAINTIES

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

NOTE 7 PLAN TERMINATION

Although it has not expressed any intent to do so, the Plan has the right under the Plan to discontinue contributions at any time and to terminate the Plan subject to the provisions of ERISA. In the event of Plan termination, the participants would become 100% vested in their Company contributions.

NOTE 8 PLAN TAX STATUS

The Plan is placing reliance on an opinion letter received from the IRS on the prototype plan indicating that the Plan is designed in accordance with the applicable section of the Internal Revenue Code (IRC) is therefore not subject to tax under current income tax law. The Plan has been amended since receiving the opinion letter. However, the Plan administrator believes that the Plan is designed and is currently being operated in compliance with the applicable requirements of the IRC and, therefore, believes that the Plan is qualified, and the related trust is tax-exempt.

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

**EMPIRE COMFORT SYSTEMS, INC. SAVINGS INCENTIVE AND PROFIT SHARING (SIPS) PLAN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023**

NOTE 9 PARTY-IN-INTEREST TRANSACTIONS

The Plan investments are managed by Principal Life Insurance Company and Delaware Charter Guarantee & Trust Company dba: Principal Trust Company, qualified institutions of the Plan. Therefore, the investment transactions qualify as party-in-interest transactions. Fees incurred by the Plan for the investment management services are included in net appreciation in fair value of the investment.

NOTE 10 NONEXEMPT TRANSACTIONS

The Employer failed to remit employee 401(k) deferral contributions for certain payroll periods within the timeframe prescribed by the Department of Labor. These are deemed prohibited transactions in accordance with ERISA and IRC. The Company has corrected the prohibited transactions by depositing the lost earnings during 2024.

NOTE 11 RECONCILIATION OF FINANCIAL STATEMENTS TO FORM 5500

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

	2024	2023
Net Assets Available for Benefits per the Financial Statements	\$ 10,219,735	\$ 12,329,882
Excess Contributions Payable	54,501	35,069
Net Assets Available for Benefits per Form 5500	<u>\$ 10,274,236</u>	<u>\$ 12,364,951</u>

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

Net Decrease in Net Assets Available for Benefits per the Financial Statements	\$ (2,110,147)
Change in Excess Contribution Payable	19,432
Net Decrease in Net Assets Available for Benefits per Form 5500	<u>\$ (2,090,715)</u>

**EMPIRE COMFORT SYSTEMS, INC. SAVINGS INCENTIVE AND PROFIT SHARING (SIPS) PLAN
E.I.N. 37-1234416 PLAN NO. 001
SCHEDULE H, LINE 4a—SCHEDULE OF DELINQUENT PARTICIPANT CONTRIBUTIONS
YEAR ENDED DECEMBER 31, 2024**

Participant Contributions Transferred Late to Plan	Total that Constitute Nonexempt Prohibited Transactions			
	Contributions Not Corrected	Contributions Corrected Outside VFCP	Contributions Pending Correction in VFCP	Total Fully Corrected Under VFCP and PTE 2002-51
Check Here if Late Participant Loan Repayments are Included (2021) <input type="checkbox"/> Yes	\$ -	\$ 208	\$ -	\$ -

**EMPIRE COMFORT SYSTEMS, INC. SAVINGS INCENTIVE AND PROFIT SHARING (SIPS) PLAN
E.I.N. 37-1234416 PLAN NO. 001
SCHEDULE H, LINE 4i—SCHEDULE OF ASSETS (HELD AT END OF YEAR)
DECEMBER 31, 2024**

(a)	(b)	(c)	(d)	(e)
	Identity of Issue, Borrower, Lessor, or Similar Party	Description of Investment	Cost Value **	Current Value
		<u>Mutual Funds:</u>		
	Fidelity	Fidelity 500 Index Fund		\$ 1,788,132
	Oppenheimer	MainStay LargeCap Grow R6		660,510
	Oppenheimer	Invesco Developing Markets Fund R6 FD		234,646
	Janus International Holding, LLC	Amer Beacon SmCp Val Adv Fund R6 FD		101,011
	Fidelity	Fidelity US Bond Index Fund		47
		<u>Investment Contract:</u>		
*	Principal Life Insurance Company	Fixed Income Guaranteed Option		625,951
		<u>Pooled Separate Accounts:</u>		
*	Principal Life Insurance Company	LifeTime Strat Inc SA-R6		1,135,935
*	Principal Life Insurance Company	MidCap Sep Acct-I2		936,631
*	Principal Life Insurance Company	SmCap S&P 600 Index SA-R6		677,199
*	Principal Life Insurance Company	Diversified Intl SA-R6		570,514
*	Principal Life Insurance Company	LifeTime 2040 Sep Acct-R6		508,951
*	Principal Life Insurance Company	Core Plus Bd Sep Acct-R6		488,689
*	Principal Life Insurance Company	LifeTime 2050 Sep Acct-R6		467,688
*	Principal Life Insurance Company	MidCap Value I SA-11		334,504
*	Principal Life Insurance Company	Small Cap Growth I SA-R6		246,776
*	Principal Life Insurance Company	LifeTime 2030 Sep Acct-R6		214,300
*	Principal Life Insurance Company	Equity Income SA-R6		194,380
*	Principal Life Insurance Company	LargeCap Growth I SA-R6		190,203
*	Principal Life Insurance Company	Fin Grp, Inc. Stock SA-R6		189,765
*	Principal Life Insurance Company	U.S. Property Sep Acct-R6		174,963
*	Principal Life Insurance Company	LifeTime 2020 Sep Acct-R6		111,038
*	Principal Life Insurance Company	LifeTime 2060 SEP Acct-R6		103,960
*	Principal Life Insurance Company	LifeTime 2035 Sep Acct-R6		93,041
*	Principal Life Insurance Company	LifeTime 2045 Sep Acct-R6		30,051
*	Principal Life Insurance Company	LifeTime 2025 Sep Acct-R6		28,637
*	Principal Life Insurance Company	Capital Appr SA-R6		25,195
*	Principal Life Insurance Company	LifeTime 2065 Sep Acct-R6		21,923
*	Principal Life Insurance Company	LifeTime 2055 Sep Acct-R6		12,275
*	Principal Life Insurance Company	LifeTime 2015 Sep Acct-R6		19
*	Participants	Participant Loans Rates from 4.25% to 9.50%	-	107,302
		Total Assets (Held at End of Year)		<u><u>\$ 10,274,236</u></u>

* Indicates party-in-interest

**Cost omitted for participant-directed accounts



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