

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 2025 This Form is Open to Public Inspection
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Part I	Annual Report Identification Information
For calendar plan year 2025 or fiscal plan year beginning 01/01/2025 and ending 12/31/2025	
A	This return/report is for: ☐ a multiemployer plan ☐ a multiple-employer plan (Filers checking this box must provide participating employer information in accordance with the form instructions.) ☒ a single-employer plan ☐ a DFE (specify) _____
B	This return/report is: ☐ the first return/report ☐ the final return/report ☒ an amended return/report ☐ a short plan year return/report (less than 12 months)
C	If the plan is a collectively-bargained plan, check here. ▶ ☐
D	Check box if filing under: ☒ Form 5558 ☐ automatic extension ☐ the DFVC program ☐ special extension (enter description)
E	If this is a retroactively adopted plan permitted by SECURE Act section 201, check here. ▶ ☐

Part II	Basic Plan Information—enter all requested information
1a	Name of plan THE KNOX COMPANY RETIREMENT SAVINGS PLAN
1b	Three-digit plan number (PN) ▶ 003
1c	Effective date of plan 04/01/1992
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) KNOX ASSOCIATES, INC. 1601 W. DEER VALLEY ROAD PHOENIX, AZ 85027
2b	Employer Identification Number (EIN) 95-3617858
2c	Plan Sponsor's telephone number 623-687-2300
2d	Business code (see instructions) 332900

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

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

SIGN HERE	Filed with authorized/valid electronic signature.	09/17/2026	JOHN DAMPIER
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE			
	Signature of employer/plan sponsor	Date	Enter name of individual signing as employer or plan sponsor
SIGN HERE			
	Signature of DFE	Date	Enter name of individual signing as DFE

3a Plan administrator's name and address ☒ Same as Plan Sponsor	3b Administrator's EIN 3c Administrator's telephone number
4 If the name and/or EIN of the plan sponsor or the plan name has changed since the last return/report filed for this plan, enter the plan sponsor's name, EIN, the plan name and the plan number from the last return/report: a Sponsor's name c Plan Name	4b EIN 4d PN
5 Total number of participants at the beginning of the plan year	5 249
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) 195 6a(2) 188 6b 4 6c 71 6d 263 6e 2 6f 265 6g(1) 225 6g(2) 251 6h 4
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 Characteristic Codes in the instructions:

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

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

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

a Pension Schedules

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

b General Schedules

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

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

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

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

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

11c Enter the Receipt Confirmation Code for the 2025 Form M-1 annual report. If the plan was not required to file the 2025 Form M-1 annual report, enter the Receipt Confirmation Code for the most recent Form M-1 that was required to be filed under the Form M-1 filing requirements. (Failure to enter a valid Receipt Confirmation Code will subject the Form 5500 filing to rejection as incomplete.)

Receipt Confirmation Code _____

SCHEDULE C (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Service Provider Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA). ▶ File as an attachment to Form 5500.	OMB No. 1210-0110
		2025
		This Form is Open to Public Inspection.
For calendar plan year 2025 or fiscal plan year beginning 01/01/2025 and ending 12/31/2025		
A Name of plan THE KNOX COMPANY RETIREMENT SAVINGS PLAN	B Three-digit plan number (PN) ▶	003
C Plan sponsor's name as shown on line 2a of Form 5500 KNOX ASSOCIATES, INC.	D Employer Identification Number (EIN) 95-3617858	

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	
FIDELITY INVESTMENTS INSTITUTIONAL	
04-2647786	
(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)

FIDELITY INVESTMENTS INSTITUTIONAL

04-2647786

(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?
37 60 64 65	RECORDKEEPER	38542	Yes ☒ No ☐	Yes ☒ No ☐	0	Yes ☒ No ☐

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

ACCELERATE INVESTMENT ADVISORS LLC

92-2678185

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
27	ADVISOR	31259	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

(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 ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

Part I Service Provider Information (continued)

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

(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
FIDELITY INVESTMENTS INSTITUTIONAL	60	0
(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.	
VICTORY S ESTB VAL I - FIS INVESTO FAITH INVESTOR SERVICES, LLC 14785 PRESTON ROAD, SUITE 1000 DALLAS, TX 75254	0.10%	
(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	
(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	

Part II Service Providers Who Fail or Refuse to Provide Information

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

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

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

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

Explanation:

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

Explanation:

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

Explanation:

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

Explanation:

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

Explanation:

SCHEDULE D (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration	DFE/Participating Plan Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA). ▶ File as an attachment to Form 5500.	OMB No. 1210-0110 2025 This Form is Open to Public Inspection.
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For calendar plan year 2025 or fiscal plan year beginning 01/01/2025 and ending 12/31/2025

A Name of plan THE KNOX COMPANY RETIREMENT SAVINGS PLAN	B Three-digit plan number (PN) ▶ 003
C Plan or DFE sponsor's name as shown on line 2a of Form 5500 KNOX ASSOCIATES, INC.	D Employer Identification Number (EIN) 95-3617858

Part I	Information on interests in MTIAs, CCTs, PSAs, and 103-12 IEs (to be completed by plans and DFEs) (Complete as many entries as needed to report all interests in DFEs)
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a Name of MTIA, CCT, PSA, or 103-12 IE: FLEXPATH+AGR 2055 R1

b Name of sponsor of entity listed in (a): GREAT GRAY TRUST COMPANY

c EIN-PN 47-3170652-001	d Entity code C	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 0
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a Name of MTIA, CCT, PSA, or 103-12 IE: FLEXPATH+CON 2055 R1

b Name of sponsor of entity listed in (a): GREAT GRAY TRUST COMPANY

c EIN-PN 47-3216409-001	d Entity code C	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 0
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a Name of MTIA, CCT, PSA, or 103-12 IE: FLEXPATH+AGR 2035 R1

b Name of sponsor of entity listed in (a): GREAT GRAY TRUST COMPANY

c EIN-PN 47-2987118-001	d Entity code C	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 0
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a Name of MTIA, CCT, PSA, or 103-12 IE: FLEXPATH+CON RET R1

b Name of sponsor of entity listed in (a): GREAT GRAY TRUST COMPANY

c EIN-PN 47-2916729-001	d Entity code C	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 0
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a Name of MTIA, CCT, PSA, or 103-12 IE: FLEXPATH+AGR RET R1

b Name of sponsor of entity listed in (a): GREAT GRAY TRUST COMPANY

c EIN-PN 47-2836296-001	d Entity code C	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 0
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a Name of MTIA, CCT, PSA, or 103-12 IE: FLEXPATH+AGR 2045 R1

b Name of sponsor of entity listed in (a): GREAT GRAY TRUST COMPANY

c EIN-PN 47-3026996-001	d Entity code C	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 0
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a Name of MTIA, CCT, PSA, or 103-12 IE: FLEXPATH+AGR 2065 R1

b Name of sponsor of entity listed in (a): GREAT GRAY TRUST COMPANY, LLC

c EIN-PN 47-3216409-240	d Entity code C	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 0
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For Paperwork Reduction Act Notice, see the Instructions for Form 5500.

Schedule D (Form 5500) 2025
v. 250312

a Name of MTIA, CCT, PSA, or 103-12 IE: FLEXPATH+MOD 2065 R1		
b Name of sponsor of entity listed in (a): GREAT GRAY TRUST COMPANY, LLC		
c EIN-PN 47-3216409-242	d Entity code C	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 0

a Name of MTIA, CCT, PSA, or 103-12 IE: GG INTL STK FUND I1		
b Name of sponsor of entity listed in (a): GREAT GRAY TRUST COMPANY, LLC		
c EIN-PN 82-2436292-342	d Entity code C	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 160939

a Name of MTIA, CCT, PSA, or 103-12 IE: FLEXPATH+AGR 2055 R1		
b Name of sponsor of entity listed in (a): GREAT GRAY TRUST COMPANY, LLC		
c EIN-PN 47-3170652-237	d Entity code C	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 183153

a Name of MTIA, CCT, PSA, or 103-12 IE: FLEXPATH+AGR 2065 R1		
b Name of sponsor of entity listed in (a): GREAT GRAY TRUST COMPANY, LLC		
c EIN-PN 38-7271381-762	d Entity code C	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 283252

a Name of MTIA, CCT, PSA, or 103-12 IE: GG LRG CAP GR IV R1		
b Name of sponsor of entity listed in (a): GREAT GRAY TRUST COMPANY, LLC		
c EIN-PN 38-7289851-001	d Entity code C	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 1411702

a Name of MTIA, CCT, PSA, or 103-12 IE: SMALL CAP VAL III R1		
b Name of sponsor of entity listed in (a): GREAT GRAY TRUST COMPANY, LLC		
c EIN-PN 38-7289846-001	d Entity code C	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 300414

a Name of MTIA, CCT, PSA, or 103-12 IE: FLEXPATH+MOD 2035 R1		
b Name of sponsor of entity listed in (a): GREAT GRAY TRUST COMPANY		
c EIN-PN 47-3002484-232	d Entity code C	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 4563142

a Name of MTIA, CCT, PSA, or 103-12 IE: FLEXPATH+MOD 2055 R1		
b Name of sponsor of entity listed in (a): GREAT GRAY TRUST COMPANY		
c EIN-PN 47-3188067-238	d Entity code C	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 1351012

a Name of MTIA, CCT, PSA, or 103-12 IE: BR EAFE EQUITY INDEX		
b Name of sponsor of entity listed in (a): GREAT GRAY TRUST COMPANY		
c EIN-PN 20-3802495-007	d Entity code C	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 296526

a Name of MTIA, CCT, PSA, or 103-12 IE: FLEXPATH+CON 2065 R1		
b Name of sponsor of entity listed in (a): GREAT GRAY TRUST COMPANY, LLC		
c EIN-PN 38-7271383-764	d Entity code C	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 15356

a Name of MTIA, CCT, PSA, or 103-12 IE: FLEXPATH+AGR 2045 R1		
b Name of sponsor of entity listed in (a): GREAT GRAY TRUST COMPANY, LLC		
c EIN-PN 47-3026996-234	d Entity code C	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 307494

a Name of MTIA, CCT, PSA, or 103-12 IE: FLEXPATH+CON 2045 R1		
b Name of sponsor of entity listed in (a): GREAT GRAY TRUST COMPANY, LLC		
c EIN-PN 47-3144367-236	d Entity code C	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 25369

a Name of MTIA, CCT, PSA, or 103-12 IE: FLEXPATH+CON 2055 R1		
b Name of sponsor of entity listed in (a): GREAT GRAY TRUST COMPANY, LLC		
c EIN-PN 47-3216409-239	d Entity code C	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 55392

a Name of MTIA, CCT, PSA, or 103-12 IE: FLEXPATH+MOD 2045 R1		
b Name of sponsor of entity listed in (a): GREAT GRAY TRUST COMPANY		
c EIN-PN 47-3071639-235	d Entity code C	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 2304480

a Name of MTIA, CCT, PSA, or 103-12 IE: LARGE CP VALUE I1		
b Name of sponsor of entity listed in (a): GREAT GRAY TRUST COMPANY, LLC		
c EIN-PN 38-4065329-426	d Entity code C	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 831640

a Name of MTIA, CCT, PSA, or 103-12 IE: FLEXPATH+AGR RET R1		
b Name of sponsor of entity listed in (a): GREAT GRAY TRUST COMPANY, LLC		
c EIN-PN 47-2836296-225	d Entity code C	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 272944

a Name of MTIA, CCT, PSA, or 103-12 IE: FLEXPATH+CON RET R1		
b Name of sponsor of entity listed in (a): GREAT GRAY TRUST COMPANY, LLC		
c EIN-PN 47-2916729-227	d Entity code C	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 77597

a Name of MTIA, CCT, PSA, or 103-12 IE: BLKRK EQUITY INDEX		
b Name of sponsor of entity listed in (a): GREAT GRAY TRUST COMPANY		
c EIN-PN 20-3802168-001	d Entity code C	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 1778883

a Name of MTIA, CCT, PSA, or 103-12 IE: STABLE VALUE FUND I1		
b Name of sponsor of entity listed in (a): GREAT GRAY TRUST COMPANY, LLC		
c EIN-PN 85-4031707-653	d Entity code C	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 2069844

a Name of MTIA, CCT, PSA, or 103-12 IE: FLEXPATH+MOD 2065 R1		
b Name of sponsor of entity listed in (a): GREAT GRAY TRUST COMPANY, LLC		
c EIN-PN 38-7271382-763	d Entity code C	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 196804

a Name of MTIA, CCT, PSA, or 103-12 IE: LA CORE BOND CIT		
b Name of sponsor of entity listed in (a): GREAT GRAY TRUST COMPANY		
c EIN-PN 82-1986152-325	d Entity code C	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 326366

a Name of MTIA, CCT, PSA, or 103-12 IE: SMALL CAP GROWTH I1		
b Name of sponsor of entity listed in (a): GREAT GRAY TRUST COMPANY, LLC		
c EIN-PN 38-4097324-487	d Entity code C	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 407699

a Name of MTIA, CCT, PSA, or 103-12 IE: INTL GROWTH II R1		
b Name of sponsor of entity listed in (a): GREAT GRAY TRUST COMPANY		
c EIN-PN 38-4139842-619	d Entity code C	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 179769

a Name of MTIA, CCT, PSA, or 103-12 IE: FLEXPATH+MOD RET R1		
b Name of sponsor of entity listed in (a): GREAT GRAY TRUST COMPANY		
c EIN-PN 47-2851418-226	d Entity code C	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 3788254

a Name of MTIA, CCT, PSA, or 103-12 IE: FLEXPATH+AGR 2035 R1		
b Name of sponsor of entity listed in (a): GREAT GRAY TRUST COMPANY, LLC		
c EIN-PN 47-2987118-231	d Entity code C	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 528911

a Name of MTIA, CCT, PSA, or 103-12 IE: BR US DEBT INDEX		
b Name of sponsor of entity listed in (a): GREAT GRAY TRUST COMPANY, LLC		
c EIN-PN 20-3802445-010	d Entity code C	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 148578

a Name of MTIA, CCT, PSA, or 103-12 IE: MID CAP GROWTH I1		
b Name of sponsor of entity listed in (a): GREAT GRAY TRUST COMPANY, LLC		
c EIN-PN 38-4126247-549	d Entity code C	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 106670

a Name of MTIA, CCT, PSA, or 103-12 IE: FLEXPATH+MOD 2035 R1		
b Name of sponsor of entity listed in (a): GREAT GRAY TRUST COMPANY		
c EIN-PN 47-3002484-001	d Entity code C	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 0

a Name of MTIA, CCT, PSA, or 103-12 IE: FLEXPATH+MOD 2055 R1		
b Name of sponsor of entity listed in (a): GREAT GRAY TRUST COMPANY		
c EIN-PN 47-3188067-001	d Entity code C	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 0

a Name of MTIA, CCT, PSA, or 103-12 IE: SMALL CAP GROWTH I1		
b Name of sponsor of entity listed in (a): GREAT GRAY TRUST COMPANY		
c EIN-PN 38-4126288-592	d Entity code C	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 0

a Name of MTIA, CCT, PSA, or 103-12 IE: FLEXPATH+MOD 2045 R1**b** Name of sponsor of entity listed in (a): GREAT GRAY TRUST COMPANY**c** EIN-PN 47-3071639-001**d** Entity code C**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 0**a** Name of MTIA, CCT, PSA, or 103-12 IE: FLEXPATH+MOD RET R1**b** Name of sponsor of entity listed in (a): GREAT GRAY TRUST COMPANY**c** EIN-PN 47-2851418-001**d** Entity code C**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 0**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity code**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity code**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity code**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity code**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity code**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity code**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity code**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity code**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

Part II**Information on Participating Plans (to be completed by DFEs, other than DCGs)**

(Complete as many entries as needed to report all participating plans. DCGs must report each participating plan using Schedule DCG.)

a Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
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plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN

SCHEDULE H (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Financial Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA), and section 6058(a) of the Internal Revenue Code (the Code). ▶ File as an attachment to Form 5500.	OMB No. 1210-0110
		2025
		This Form is Open to Public Inspection
For calendar plan year 2025 or fiscal plan year beginning 01/01/2025 and ending 12/31/2025		
A Name of plan THE KNOX COMPANY RETIREMENT SAVINGS PLAN		B Three-digit plan number (PN) ▶ 003
C Plan sponsor's name as shown on line 2a of Form 5500 KNOX ASSOCIATES, INC.		D Employer Identification Number (EIN) 95-3617858

Part I	Asset and Liability Statement		
1 Current value of plan assets and liabilities at the beginning and end of the plan year. Combine the value of plan assets held in more than one trust. Report the value of the plan's interest in a commingled fund containing the assets of more than one plan on a line-by-line basis unless the value is reportable on lines 1c(9) through 1c(14). Do not enter the value of that portion of an insurance contract which guarantees, during this plan year, to pay a specific dollar benefit at a future date. Round off amounts to the nearest dollar. MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 1b(1), 1b(2), 1c(8), 1g, 1h, and 1i. CCTs, PSAs, and 103-12 IEs also do not complete lines 1d and 1e. See instructions.			
Assets		(a) Beginning of Year	(b) End of Year
a Total noninterest-bearing cash	1a	0	0
b Receivables (less allowance for doubtful accounts):			
(1) Employer contributions	1b(1)	0	59494
(2) Participant contributions.....	1b(2)	0	0
(3) Other	1b(3)	0	0
c General investments:			
(1) Interest-bearing cash (include money market accounts & certificates of deposit)	1c(1)	0	0
(2) U.S. Government securities	1c(2)	0	0
(3) Corporate debt instruments (other than employer securities):			
(A) Preferred	1c(3)(A)	0	0
(B) All other	1c(3)(B)	0	0
(4) Corporate stocks (other than employer securities):			
(A) Preferred	1c(4)(A)	0	0
(B) Common	1c(4)(B)	0	0
(5) Partnership/joint venture interests	1c(5)	0	0
(6) Real estate (other than employer real property)	1c(6)	0	0
(7) Loans (other than to participants)	1c(7)	0	0
(8) Participant loans	1c(8)	393115	429463
(9) Value of interest in common/collective trusts	1c(9)	19334913	21972190
(10) Value of interest in pooled separate accounts	1c(10)	0	0
(11) Value of interest in master trust investment accounts	1c(11)	0	0
(12) Value of interest in 103-12 investment entities	1c(12)	0	0
(13) Value of interest in registered investment companies (e.g., mutual funds)	1c(13)	1446720	1075776
(14) Value of funds held in insurance company general account (unallocated contracts).....	1c(14)	0	0
(15) Other.....	1c(15)	0	0

1d Employer-related investments:		(a) Beginning of Year	(b) End of Year
(1) Employer securities	1d(1)	0	0
(2) Employer real property	1d(2)	0	0
1e Buildings and other property used in plan operation	1e	0	0
1f Total assets (add all amounts in lines 1a through 1e)	1f	21174748	23536923

Liabilities

1g Benefit claims payable	1g	0	0
1h Operating payables	1h	0	0
1i Acquisition indebtedness	1i	0	0
1j Other liabilities	1j	0	0
1k Total liabilities (add all amounts in lines 1g through 1j)	1k	0	0

Net Assets

1l Net assets (subtract line 1k from line 1f)	1l	21174748	23536923
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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)	1038267	
(B) Participants	2a(1)(B)	1992832	
(C) Others (including rollovers)	2a(1)(C)	116722	
(2) Noncash contributions	2a(2)	0	
(3) Total contributions. Add lines 2a(1)(A) , (B) , (C) , and line 2a(2)	2a(3)		3147821
b Earnings on investments:			
(1) Interest:			
(A) Interest-bearing cash (including money market accounts and certificates of deposit)	2b(1)(A)	0	
(B) U.S. Government securities	2b(1)(B)	0	
(C) Corporate debt instruments	2b(1)(C)	0	
(D) Loans (other than to participants)	2b(1)(D)	0	
(E) Participant loans	2b(1)(E)	31985	
(F) Other	2b(1)(F)	0	
(G) Total interest. Add lines 2b(1)(A) through (F)	2b(1)(G)		31985
(2) Dividends: (A) Preferred stock	2b(2)(A)	0	
(B) Common stock	2b(2)(B)	0	
(C) Registered investment company shares (e.g. mutual funds)	2b(2)(C)	69082	
(D) Total dividends. Add lines 2b(2)(A) , (B) , and (C)	2b(2)(D)		69082
(3) Rents	2b(3)		0
(4) Net gain (loss) on sale of assets: (A) Aggregate proceeds	2b(4)(A)	0	
(B) Aggregate carrying amount (see instructions)	2b(4)(B)	0	
(C) Subtract line 2b(4)(B) from line 2b(4)(A) and enter result	2b(4)(C)		0
(5) Unrealized appreciation (depreciation) of assets: (A) Real estate	2b(5)(A)	0	
(B) Other	2b(5)(B)	0	
(C) Total unrealized appreciation of assets. Add lines 2b(5)(A) and (B)	2b(5)(C)		0

		(a) Amount	(b) Total
(6) Net investment gain (loss) from common/collective trusts	2b(6)		2634220
(7) Net investment gain (loss) from pooled separate accounts	2b(7)		0
(8) Net investment gain (loss) from master trust investment accounts	2b(8)		0
(9) Net investment gain (loss) from 103-12 investment entities	2b(9)		0
(10) Net investment gain (loss) from registered investment companies (e.g., mutual funds)	2b(10)		13408
c Other income	2c		0
d Total income. Add all income amounts in column (b) and enter total	2d		5896516

Expenses

e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	3464540	
(2) To insurance carriers for the provision of benefits	2e(2)	0	
(3) Other	2e(3)	0	
(4) Total benefit payments. Add lines 2e(1) through (3)	2e(4)		3464540
f Corrective distributions (see instructions)	2f		0
g Certain deemed distributions of participant loans (see instructions)	2g		0
h Interest expense	2h		0
i Administrative expenses:			
(1) Salaries and allowances	2i(1)	0	
(2) Contract administrator fees	2i(2)	0	
(3) Recordkeeping fees	2i(3)	38542	
(4) IQPA audit fees	2i(4)	0	
(5) Investment advisory and investment management fees	2i(5)	31259	
(6) Bank or trust company trustee/custodial fees	2i(6)	0	
(7) Actuarial fees	2i(7)	0	
(8) Legal fees	2i(8)	0	
(9) Valuation/appraisal fees	2i(9)	0	
(10) Other trustee fees and expenses	2i(10)	0	
(11) Other expenses	2i(11)	0	
(12) Total administrative expenses. Add lines 2i(1) through (11)	2i(12)		69801
j Total expenses. Add all expense amounts in column (b) and enter total	2j		3534341

Net Income and Reconciliation

k Net income (loss). Subtract line 2j from line 2d	2k		2362175
l Transfers of assets:			
(1) To this plan	2l(1)		0
(2) From this plan	2l(2)		0

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: **BAKER TILLY US, LLP**

(2) EIN: **30-1413443**

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

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

Part IV Compliance Questions

4 CCTs and PSAs do not complete Part IV. MTIAs, 103-12 IEs, and GIAs do not complete lines 4a, 4e, 4f, 4g, 4h, 4k, 4m, 4n, or 5. 103-12 IEs also do not complete lines 4j and 4l. MTIAs also do not complete line 4l. DCGs do not complete lines 4e, 4f, 4k, 4l, and 5, and DCGs generally complete the rest of Part IV collectively for all plans in the DCG, except as otherwise provided (see instructions).

During the plan year:

	Yes	No	Amount
a Was there a failure to transmit to the plan any participant contributions within the time period described in 29 CFR 2510.3-102? Continue to answer "Yes" for any prior year failures until fully corrected. (See instructions and DOL's Voluntary Fiduciary Correction Program.)		☒	
b Were any loans by the plan or fixed income obligations due the plan in default as of the close of the plan year or classified during the year as uncollectible? Disregard participant loans secured by participant's account balance. (Attach Schedule G (Form 5500) Part I if "Yes" is checked.)		☒	
c Were any leases to which the plan was a party in default or classified during the year as uncollectible? (Attach Schedule G (Form 5500) Part II if "Yes" is checked.)		☒	
d Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 4a. Attach Schedule G (Form 5500) Part III if "Yes" is checked.)		☒	
e Was this plan covered by a fidelity bond?	☒		500000
f Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?		☒	
g Did the plan hold any assets whose current value was neither readily determinable on an established market nor set by an independent third party appraiser?		☒	
h Did the plan receive any noncash contributions whose value was neither readily determinable on an established market nor set by an independent third party appraiser?		☒	
i Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.)	☒		
j Were any plan transactions or series of transactions in excess of 5% of the current value of plan assets? (Attach schedule of transactions if "Yes" is checked and see instructions for format requirements.)		☒	
k Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?		☒	
l Has the plan failed to provide any benefit when due under the plan?		☒	
m If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.)		☒	
n If 4m was answered "Yes," check the "Yes" box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3.			

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

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

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

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

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

SCHEDULE R (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Retirement Plan Information This schedule is required to be filed under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6058(a) of the Internal Revenue Code (the Code). ▶ File as an attachment to Form 5500.	OMB No. 1210-0110 2025 This Form is Open to Public Inspection.
For calendar plan year 2025 or fiscal plan year beginning 01/01/2025 and ending 12/31/2025		
A Name of plan THE KNOX COMPANY RETIREMENT SAVINGS PLAN		B Three-digit plan number (PN) ▶ 003
C Plan sponsor's name as shown on line 2a of Form 5500 KNOX ASSOCIATES, INC.		D Employer Identification Number (EIN) 95-3617858
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
2 Enter the EIN(s) of payor(s) who paid benefits on behalf of the plan to participants or beneficiaries during the year (if more than two, enter EINs of the two payors who paid the greatest dollar amounts of benefits): EIN(s): 04-6568107		
Profit-sharing plans, ESOPs, and stock bonus plans, skip line 3.		
3 Number of participants (living or deceased) whose benefits were distributed in a single sum, during the plan year.....		3
Part II	Funding Information (If the plan is not subject to the minimum funding requirements of section 412 of the Internal Revenue Code or ERISA section 302, skip this Part.)	
4 Is the plan administrator making an election under Code section 412(d)(2) or ERISA section 302(d)(2)? ☐ Yes ☐ No ☐ N/A		
If the plan is a defined benefit plan, go to line 8.		
5 If a waiver of the minimum funding standard for a prior year is being amortized in this plan year, see instructions and enter the date of the ruling letter granting the waiver. Date: Month _____ Day _____ Year _____		
If you completed line 5, complete lines 3, 9, and 10 of Schedule MB and do not complete the remainder of this schedule.		
6 a Enter the minimum required contribution for this plan year (include any prior year accumulated funding deficiency not waived)		6a
b Enter the amount contributed by the employer to the plan for this plan year		6b
c Subtract the amount in line 6b from the amount in line 6a. Enter the result (enter a minus sign to the left of a negative amount).....		6c
If you completed line 6c, skip lines 8 and 9.		
7 Will the minimum funding amount reported on line 6c be met by the funding deadline? ☐ Yes ☐ No ☐ N/A		
8 If a change in actuarial cost method was made for this plan year pursuant to a revenue procedure or other authority providing automatic approval for the change or a class ruling letter, does the plan sponsor or plan administrator agree with the change? ☐ Yes ☐ No ☐ N/A		
Part III	Amendments	
9 If this is a defined benefit pension plan, were any amendments adopted during this plan year that increased or decreased the value of benefits? If yes, check the appropriate box. If no, check the "No" box..... ☐ Increase ☐ Decrease ☐ Both ☐ No		
Part IV	ESOPs (see instructions). If this is not a plan described under section 409(a) or 4975(e)(7) of the Internal Revenue Code, skip this Part.	
10 Were unallocated employer securities or proceeds from the sale of unallocated securities used to repay any exempt loan? ☐ Yes ☐ No		
11 a Does the ESOP hold any preferred stock? ☐ Yes ☐ No		
b If the ESOP has an outstanding exempt loan with the employer as lender, is such loan part of a "back-to-back" loan? (See instructions for definition of "back-to-back" loan.) ☐ Yes ☐ No		
12 Does the ESOP hold any stock that is not readily tradable on an established securities market? ☐ Yes ☐ No		
For Paperwork Reduction Act Notice, see the Instructions for Form 5500.		
Schedule R (Form 5500) 2025 v. 250312		

Part V Additional Information for Multiemployer Defined Benefit Pension Plans

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

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

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

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

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

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

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

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

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

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

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

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

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

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

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

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

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

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

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

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

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

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

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

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

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

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

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

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

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

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

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

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

a The current plan year. Check the box to indicate the counting method used to determine the number of inactive participants: ☐ last contributing employer ☐ alternative ☐ reasonable approximation (see instructions for required attachment).....

14a

b The plan year immediately preceding the current plan year. ☐ Check the box if the number reported is a change from what was previously reported (see instructions for required attachment).....

14b

c The second preceding plan year. ☐ Check the box if the number reported is a change from what was previously reported (see instructions for required attachment).....

14c

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

a The corresponding number for the plan year immediately preceding the current plan year.....

15a

b The corresponding number for the second preceding plan year.....

15b

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

a Enter the number of employers who withdrew during the preceding plan year.....

16a

b If line 16a is greater than 0, enter the aggregate amount of withdrawal liability assessed or estimated to be assessed against such withdrawn employers.....

16b

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

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

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

19 If the total number of participants is 1,000 or more, complete lines (a) 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 06 / 30 / 2020 (MM/DD/YYYY) and the Opinion Letter serial number Q702438A.

Knox Associates, Inc.

Financial Statements

December 31, 2025 and 2024

Knox Associates, Inc.

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December 31, 2025 and 2024

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Independent Auditors' Report

To the Board of Directors and Shareholders of
Knox Associates, Inc.

Opinion

We have audited the financial statements of Knox Associates, Inc. (the Company), which comprise the balance sheets as of December 31, 2025 and 2024, and the related statements of income and changes in shareholders' equity and cash flows 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 financial position of the Company as of December 31, 2025 and 2024, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for a reasonable period of time.

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.

Baker Tilly US, LLP

Tempe, Arizona
March 23, 2026

Knox Associates, Inc.

Balance Sheets

December 31, 2025 and 2024

	2025	2024
Assets		
Current Assets		
Cash and cash equivalents	\$ 20,281,232	\$ 8,772,856
Accounts receivable, net	2,685,839	4,360,958
Employer Retention Credit receivable	-	985,613
Inventory, net	8,536,524	9,908,302
Prepays and other current assets	2,510,587	1,872,634
Total current assets	34,014,182	25,900,363
Property and Equipment, Net	5,275,247	5,972,373
Other Assets		
Operating lease right-of-use assets	13,904,254	15,199,129
Cash surrender value of life insurance policies	1,054,964	945,804
Intangible assets, net	116,667	130,000
Total other assets	15,075,885	16,274,933
Total assets	\$ 54,365,314	\$ 48,147,669
Liabilities and Shareholders' Equity		
Current Liabilities		
Accounts payable	\$ 2,351,014	\$ 2,656,158
Accrued expenses and other current liabilities	5,076,675	6,630,029
Reserve for refunds	1,830,993	2,026,700
Customer deposits	1,305,578	1,251,104
Current portion of deferred compensation	678,102	356,643
Current portion of deferred revenue	1,969,204	1,721,544
Current portion of operating lease liabilities	1,532,259	1,457,435
Current portion of long-term debt	-	1,380,557
Total current liabilities	14,743,825	17,480,170
Deferred Compensation, Less Current Portion	2,311,369	1,595,065
Deferred Revenue, Less Current Portion	426,506	422,503
Operating Lease Liabilities, Less Current Portion	13,420,708	14,765,389
Long-Term Debt, Less Current Portion	-	546,927
Total liabilities	30,902,408	34,810,054
Shareholders' Equity		
Additional paid-in capital	76,160	76,160
Retained earnings	23,386,746	13,261,455
Total shareholders' equity	23,462,906	13,337,615
Total liabilities and shareholders' equity	\$ 54,365,314	\$ 48,147,669

See notes to financial statements

Knox Associates, Inc.

Statements of Income and Changes in Shareholders' Equity
Years Ended December 31, 2025 and 2024

	<u>2025</u>	<u>2024</u>
Net Sales	\$ 99,785,829	\$ 89,497,526
Cost of Sales	<u>35,996,380</u>	<u>35,324,718</u>
Gross profit	63,789,449	54,172,808
Selling, General and Administrative Expenses	<u>46,745,178</u>	<u>46,359,801</u>
Income from operations	<u>17,044,271</u>	<u>7,813,007</u>
Other Income (Expense)		
Interest income (expense), net	634,771	45,722
Other income (expense)	<u>51,776</u>	<u>(510,410)</u>
Total other income (expense), net	<u>686,547</u>	<u>(464,688)</u>
Income before provision (benefit) for income taxes	17,730,818	7,348,319
Income Tax Provision (Benefit)	<u>140,454</u>	<u>(387,924)</u>
Net income	17,590,364	7,736,243
Shareholders' Equity, Beginning	13,337,615	14,962,079
Distributions to shareholders	<u>(7,465,073)</u>	<u>(9,360,707)</u>
Shareholders' Equity, Ending	<u>\$ 23,462,906</u>	<u>\$ 13,337,615</u>

See notes to financial statements

Knox Associates, Inc.

Statements of Cash Flows

Years Ended December 31, 2025 and 2024

	<u>2025</u>	<u>2024</u>
Cash Flows From Operating Activities		
Net income	\$ 17,590,364	\$ 7,736,243
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	2,104,945	2,049,676
Bad debt expense	6,249	55,685
Reserve for refunds	1,566,993	2,026,700
Warranty provision	495,582	2,179,522
Impairment loss on leasehold improvements	-	499,255
Loss on sale of property and equipment	14,385	93,461
Change in cash surrender value of life insurance	(109,160)	(122,096)
Change in provision for slow-moving and obsolete inventory	166,394	(273,670)
Amortization of operating lease right-of-use assets	1,559,638	1,509,055
(Increase) decrease in:		
Accounts receivable	1,668,870	(1,343,507)
Employer Retention Credit receivable	985,613	-
Inventory	1,205,385	711,004
Prepays and other current assets	(637,953)	(289,686)
Increase (decrease) in:		
Accounts payable	(305,144)	(1,330,289)
Accrued expenses and other current liabilities	(2,048,936)	(748,634)
Reserve for refunds	(1,762,700)	-
Customer deposits	54,474	494,432
Deferred compensation	1,037,763	671,200
Due to related party	-	(358,336)
Deferred revenue	251,663	440,647
Operating lease liabilities	(1,534,621)	(1,408,143)
Net cash provided by operating activities	<u>22,309,804</u>	<u>12,592,519</u>
Cash Flows From Investing Activities		
Purchases of property and equipment	<u>(1,408,871)</u>	<u>(1,434,322)</u>
Net cash used in investing activities	<u>(1,408,871)</u>	<u>(1,434,322)</u>
Cash Flows From Financing Activities		
Payments on long-term debt	(1,927,484)	(1,765,837)
Distributions to shareholders	<u>(7,465,073)</u>	<u>(9,360,707)</u>
Net cash used in financing activities	<u>(9,392,557)</u>	<u>(11,126,544)</u>
Net increase in cash	11,508,376	31,653
Cash and Cash Equivalents, Beginning	<u>8,772,856</u>	<u>8,741,203</u>
Cash and Cash Equivalents, Ending	<u><u>\$ 20,281,232</u></u>	<u><u>\$ 8,772,856</u></u>

See notes to financial statements

Knox Associates, Inc.

Notes to Financial Statements
December 31, 2025 and 2024

1. Nature of Operations and Summary of Significant Accounting Policies

Nature of Operations

Knox Transitional, Inc. was incorporated under the laws of the state of Arizona on January 3, 2005, and subsequently renamed Knox Associates, Inc. (the Company). The Company's principal business is the manufacture, distribution, and sale of specialized lock systems, including lock boxes, fire suppression protection, and rapid entry and security products to customers throughout the United States and Canada. Customers include municipalities, building owners, contractors and other specialty businesses. A significant percentage of sales are collected via credit card.

Related-Party Leasing Arrangements

The Company leases its office facilities from an entity owned by two trusts which is controlled by the majority shareholder of the Company (Note 8). The Company and these entities are under common control, substantially all the activities between the Company and this entity are related to the leasing activities, and the principal amount of the debt of this entity, at the inception of the guarantee made by the majority shareholder of the Company for that debt, does not exceed the value of the facilities leased by the Company. The Company, which qualifies as a private company, has elected not to evaluate whether this entity is a variable interest entity.

Cash and Cash Equivalents

For purposes of the statements of cash flows, the Company considers all highly liquid investments purchased with a maturity date of three months or less at the date of acquisition to be cash equivalents.

Accounts Receivable

The Company recognizes an allowance for credit losses for trade and other receivables to present the net amount expected to be collected as of the balance sheet date. Such allowance is based on the credit losses expected to arise over the life of the asset which includes consideration of past events and historical loss experience, current events and future events based on management's expectation as of the balance sheet date. Receivables are written off when the Company determines that such receivables are deemed uncollectible.

The Company utilizes the loss rate method in determining its lifetime expected credit losses on its receivables. This method is used for calculating an estimate of losses based primarily on the Company's historical loss experience. In determining its loss rates, the Company evaluates information related to its historical losses and adjusted for current conditions.

The allowance for credit losses at December 31, 2025 and 2024 was \$66,249 and \$60,000, respectively.

Inventories

Inventories are stated at the lower of cost (determined on the first-in, first-out basis) or net realizable value. Management assesses slow-moving and obsolete inventory at least annually and periodically scraps obsolete inventory. A reserve for slow-moving and obsolete inventory is established, when necessary, based on historical sales, future purchase commitments, and management's experience.

Property and Equipment

Property and equipment are recorded at cost. Expenditures for major renewals and betterments that extend the useful lives of equipment are capitalized. Expenditures for maintenance and repairs are charged to expense as incurred. When items of property or equipment are sold or retired, the related cost and accumulated depreciation and amortization are removed from the accounts and any gain or loss is included in income. Depreciation of property and equipment is computed using the straight-line method over their estimated useful lives, ranging from 3 to 10 years. Leasehold improvements are amortized using the straight-line method over the lesser of the terms of the lease or the estimated lives of the improvements.

Intangible Assets

Intangible assets consist of costs related to obtaining a website domain name. These costs are amortized to expense on a straight-line basis over the estimated useful life of 15 years. The Company purchased the domain name in 2019 for \$200,000. Amortization expense related to intangible assets was approximately \$13,000 during the years ended December 31, 2025 and 2024. Accumulated amortization at December 31, 2025 and 2024 was approximately \$83,000 and \$70,000, respectively.

Estimated amortization expense on intangible assets for the next nine years is approximately \$13,000 per year.

Long-Lived Assets

The Company reviews the carrying values of its long-lived assets for possible impairment whenever events or changes in circumstances indicate that the carrying amount of assets to be held and used may not be recoverable. Impairment losses on leasehold improvements of \$499,255 were recognized during the year ended December 31, 2024 and is included in other income (expense) on the accompanying statement of income and changes in shareholders' equity. There were no impairment losses recognized for the year ended December 31, 2025.

Revenue Recognition

Revenue is recognized upon transfer of control of promised services or goods to customers in an amount that reflects the consideration the Company expects to receive in exchange for those services or goods.

Product Sales

Revenue transactions associated with the sale of products comprise a single performance obligation. The Company satisfies the performance obligation and records revenue when transfer of control has passed to the customer. Control is transferred when the Company has a present right to payment and title and the significant risks and rewards of ownership of products are transferred to its customers. For product sales, control generally transfers when products are shipped. The payment terms and conditions in customer contracts generally vary from 30 to 90 days from transfer of control.

Software Services

The Company also earns revenue from software subscription fees for its cloud-based software used to sync and manage system users, data, and devices related to electronic key systems. The performance obligation is to provide access to their software over a period of time. The Company satisfies the performance obligation and records revenue on a straight-line basis over the length of the subscription term, which is generally 1 to 5 years. The Company defers revenue from software subscription fees collected in advance.

Sales Tax

Taxes assessed by a governmental authority that are both imposed on and concurrent with a specific revenue-producing transaction, that are collected by the Company from a customer, are excluded from revenue.

Returns, Discounts and Allowances

The Company's contracts give rise to variable consideration, including returns, discounts, and allowances that reduce the transaction price and therefore reduce revenue. These amounts are generally credited to customers based on sales activity, price concessions, or product return rights. Variable consideration is estimated at the amount most likely to be realized.

For arrangements that include customer or distributor return rights, the Company records a refund liability for expected refunds and a return asset for the right to recover goods expected to be returned. The refund liability represents the portion of consideration the Company does not expect to be entitled to and is remeasured at each reporting date, with corresponding adjustments to revenue. The return asset is measured at the carrying amount of the inventory expected to be returned, net of expected recovery costs and any estimated reduction in value and is adjusted for indicators of impairment. Related effects are recognized in inventory and cost of sales.

The Company's sales to distributors include contractual rights of return at specified times and upon contract termination. As of December 31, 2025 and 2024, inventory held by distributors that was subject to return was approximately \$3,916,000 and \$4,637,000, respectively. The Company recorded expected return liabilities of approximately \$1,830,000 and \$2,026,700, respectively, and related inventory returns of approximately \$794,000 and \$1,015,000, respectively.

Shipping and Handling Costs

Shipping and handling costs associated with outbound freight after control over a product has transferred to a customer are accounted for as fulfillment costs and are included in cost of sales.

During the years ended December 31, 2025 and 2024, freight and handling amounts billed to customers included in net sales totaled approximately \$5,578,000 and \$5,160,000, respectively. The related costs of freight and handling for the years ended December 31, 2025 and 2024 totaled approximately \$2,789,000 and \$2,622,000, respectively.

Advertising

Advertising costs are expensed as incurred. During the years ended December 31, 2025 and 2024, the Company incurred advertising expense of approximately \$1,090,574 and \$1,574,692, respectively.

Research and Development

Research and development costs are recorded in selling, general and administrative expenses in the year they are incurred.

Warranties

The Company provides a warranty against manufacturing defects in its products and records an expense and liability for expected costs related to the obligation. During 2024, the Company experienced a warranty matter in one state that increased the previous year warranty provision. Should the matter be expanded to other states, this would have a significant impact on the Company's results of operations and cash flows.

Knox Associates, Inc.

Notes to Financial Statements

December 31, 2025 and 2024

A rollforward of the warranty accrual, which is included in accrued expenses, as of December 31 is as follows:

	2025	2024
Balance, beginning	\$ 1,960,824	\$ 809,281
Warranty claims paid during year	(1,334,038)	(1,027,979)
Current year warranty provision	495,582	2,179,522
Warranty reserve adjustment	-	-
Balance, ending	<u>\$ 1,122,368</u>	<u>\$ 1,960,824</u>

Operating Leases

Right-of-use assets represent the Company's right to use an underlying asset for the lease term, while lease liabilities represent the Company's obligation to make lease payments arising from the lease. Right-of-use assets and lease liabilities are recognized at the commencement date of a lease based on the net present value of lease payments over the lease term.

Right-of-use assets are assessed for impairment in accordance with the Company's long-lived asset policy. The Company reassesses lease classification and remeasures right-of-use assets and lease liabilities when a lease is modified and that modification is not accounted for as a separate new lease or upon certain other events that require reassessment in accordance with Topic 842.

The Company made significant assumptions and judgments in applying the requirements of Topic 842. In particular, the Company:

- Evaluated whether a contract contains a lease, by considering factors such as whether the Company obtained substantially all rights to control an identifiable underlying asset and whether the lessor has substantive substitution rights.
- Determines whether contracts contain embedded leases.

The Company has elected the following accounting policies:

- When the rate implicit in the lease is not determinable, rather than use the Company's incremental borrowing rate, the Company elected to use a risk-free discount rate for the initial and subsequent measurement of lease liabilities.
- Not to apply the recognition requirements for leases with an original term of 12 months or less, for which the Company is not likely to exercise a renewal option or purchase the asset at the end of the lease; rather, short-term leases will continue to be recorded on a straight-line basis over the lease term.
- Not to include immaterial leases on the balance sheets.

Each policy applies to all asset classes.

Income Taxes

The Company's shareholders have elected to be taxed as an S corporation for income tax purposes and, as such, is not subject to income taxes. Rather, all items of taxable income, deductions, and tax credits are passed through to and are reported by its owners on their respective income tax returns. The Company's tax status as a pass-through entity is based on an election of all the shareholders. S corporations can potentially have federal income taxes at the corporate level due to either violation of the S corporation rules or built-in gains. The Company is subject to state income taxes based on the elections and filings in each applicable state. The Company is also subject to California and Texas state franchise tax. The related provisions for state income and franchise taxes are included in the income tax provision on the statements of income. The Company is required to file and does file tax returns with the Internal Revenue Service and other taxing authorities.

The Company follows Accounting Standards Codification (ASC) for uncertainty in income taxes which requires that tax positions initially need to be recognized in the financial statements when it is more-likely-than-not that the positions will not be sustained upon examination by the tax authorities. As of December 31, 2025 and 2024, the Company had no uncertain tax positions that qualify for either recognition or disclosure in the financial statements.

The Company's policy for penalties and interest assessed by income taxing authorities is to include them in general and administrative expenses. For the years ended December 31, 2025 and 2024, the Company did not incur any interest or penalties.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

Adoption of New Accounting Standard

The Company early adopted ASU No. 2025-05, *Financial Instruments—Credit Losses (Topic 326): Practical Expedient for Current Accounts Receivable and Current Contract Assets*. This update permits entities to apply a practical expedient when estimating expected credit losses on current accounts receivable and current contract assets arising from revenue transactions under ASC 606.

Under this expedient, the Company estimates expected credit losses using historical loss experience adjusted for current conditions at the balance sheet date, without incorporating forward-looking forecasts. The Company elected early adoption of this guidance as of December 31, 2025, and applied it prospectively. The adoption did not have a material impact on the Company's financial statements.

Date of Management's Review

In preparing these financial statements, the Company has evaluated events and transactions for potential recognition or disclosure through March 23, 2026, the date the financial statements were available to be issued.

Knox Associates, Inc.

Notes to Financial Statements
December 31, 2025 and 2024

2. Concentration of Credit Risk

Financial instruments that potentially subject the Company to significant concentrations of credit risk consist principally of cash and cash equivalents, as well as accounts receivable. The Company maintains its cash in bank accounts, which at times may exceed amounts insured by the Federal Deposit Insurance Corporation (FDIC). The Company has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on cash balances. The Company performs ongoing credit evaluations of its customers and maintains an allowance for potential credit losses.

3. Inventories

Inventories consist of the following at December 31:

	2025	2024
Raw materials	\$ 6,249,237	\$ 6,679,415
Sub-assemblies	2,287,321	2,540,262
Finished goods	217,801	518,667
Estimate for inventory returns	794,200	1,015,600
	9,548,559	10,753,944
Reserve for slow-moving and obsolete inventory	(1,012,035)	(845,642)
Total	<u>\$ 8,536,524</u>	<u>\$ 9,908,302</u>

4. Property and Equipment, Net

Property and equipment, net consist of the following at December 31:

	2025	2024
Machinery and equipment	\$ 8,602,161	\$ 8,119,796
Office furniture and equipment	10,484,275	9,682,459
Automobiles and forklifts	197,844	197,844
Leasehold improvements	3,147,168	3,147,168
	22,431,448	21,147,267
Accumulated depreciation and amortization	(17,824,940)	(15,849,546)
	4,606,508	5,297,721
Assets in progress	668,739	674,652
Total	<u>\$ 5,275,247</u>	<u>\$ 5,972,373</u>

Assets in progress represent costs incurred on new assets that have not been placed in service. Depreciation will begin once these assets are placed in service. Depreciation expense related to property and equipment totaled \$2,091,612 and \$2,036,343 for the years ended December 31, 2025 and 2024, respectively.

Knox Associates, Inc.

Notes to Financial Statements
December 31, 2025 and 2024

5. Line of Credit

The Company has a revolving line of credit with a financial institution which provided for maximum borrowings of \$5,000,000. The line of credit bears interest based upon an adjustable SOFR plus 3.5% (7.4% and 8.4% at December 31, 2025 and 2024, respectively) and matures on August 1, 2026. The line is secured by all inventory and equipment and is guaranteed by the majority shareholder of the Company. The line also includes a standby letter of credit with a maximum limit equal to \$5,000,000. As of December 31, 2025 and 2024, there was no outstanding balance on the line of credit.

6. Long-Term Debt

During 2020, the Company entered into a term-based loan for \$4,000,000. The note bears interest at a rate of 3.88% and requires monthly principal payments of approximately \$62,000 through April 2025. As of December 31, 2025 and 2024, the outstanding balance of the note was \$0 and \$328,678, respectively. During the year ended December 31, 2025, the Company repaid in full its outstanding balance and did not renew or refinance the obligation upon maturity.

During 2022, the Company entered into another term-based loan for \$4,000,000. The note bears interest at a rate of 5.24% and requires monthly principal payments of approximately \$85,000 through June 2026. As of December 31, 2025 and 2024, the outstanding balance of the note was \$0 and \$1,598,806, respectively. During the year ended December 31, 2025, the Company repaid in full its outstanding balance and did not renew or refinance the obligation.

Total interest expense under these loans was approximately \$36,000 and \$127,000 for the years ended December 31, 2025 and 2024, respectively.

7. Revenue

Disaggregation of Revenues

The following table presents the Company's revenues disaggregated by products and services for the years ended December 31:

	2025	2024
Product sales	\$ 96,884,115	\$ 86,826,805
Software services	2,901,714	2,670,721
Total revenues	<u>\$ 99,785,829</u>	<u>\$ 89,497,526</u>

Accounts Receivable and Contract Balances

The timing of revenue recognition, billings and cash collections results in billed accounts receivable, customer deposits (contract liabilities related to product sales), and deferred revenue (contract liabilities related to software services) on the balance sheets. Customers sometimes make advances or deposits before revenue is recognized, resulting in contract liabilities. These deposits are liquidated when revenue is recognized. In all other cases, product sales are generally billed subsequent to revenue recognition, resulting in accounts receivable. Payment for software services is generally due and collected at the commencement of delivery of services, resulting in deferred revenue. Deferred service revenue is recognized on a straight-line basis over the length of the subscription term as the services are performed, which is generally 1 to 5 years.

Knox Associates, Inc.

Notes to Financial Statements
December 31, 2025 and 2024

Accounts receivable and contract balances consisted of the following at December 31, 2025, 2024 and 2023:

	2025	2024	2023
Receivables	\$ 2,685,839	\$ 4,360,958	\$ 3,073,136
Customer deposits	1,305,578	1,251,104	756,672
Deferred revenue	2,395,710	2,144,047	1,703,400

Revenue recognized for the years ended December 31, 2025 and 2024 that was included in the contract liability balance at the beginning of the respective year was approximately \$1,700,000 and \$1,900,000, respectively

8. Commitments and Contingencies

Operating Leases

The Company leases a facility in Arizona from Deer Valley Project, LLC (DVP), an entity under common control. The Company pays for all maintenance, personal property taxes, and insurance. DVP made significant improvements to the premises at the Company's request, which were completed in 2018. Upon completion of the improvements, the Company's base rent increased from \$45,000 to approximately \$85,000 in April 2018 per month and then increased to approximately \$105,000 in August 2018. The base rent will continue to increase ten percent (10%) over the prior year's base rent on the 5th, 10th and 15th anniversaries of the lease term. The lease matures in August 2035. The debt to the financial institution that DVP has entered into in order to finance the purchase and improvements of the facility leased by the Company is guaranteed by the majority shareholder of the Company. The balance of the debt at December 31, 2025 is approximately \$6,000,000. The debt is collateralized by the property leased by the Company.

The Company may step in and perform under this guarantee if DVP or the guarantors fail to pay principal and interest payments to the lender when due. The Company has not experienced any losses in connection with this guarantee. This guarantee does not expire until the note is paid in full. There is currently no recorded liability for potential losses under this guarantee, nor is there any recorded liability for the Company's obligation to "stand ready" to fund the guarantee.

Related-party rent expense totaled approximately \$1,600,000 for each of the years ended December 31, 2025 and 2024.

The Company also leases various facilities, vehicles and equipment under operating leases with nonrelated parties expiring through October 2028. Current monthly payments under these leases are approximately \$14,000 plus operating expenses and escalate through the terms of the various leases. Rent expense under these leases totaled approximately \$229,000 and \$192,000 during the years ended December 31, 2025 and 2024, respectively.

Knox Associates, Inc.

Notes to Financial Statements
December 31, 2025 and 2024

The future minimum annual lease payments on operating leases are as follows:

Years ended December 31:	
2026	\$ 1,774,941
2027	1,710,556
2028	1,587,992
2029	1,553,640
2030	1,605,428
Thereafter	<u>7,975,352</u>
Total lease payments	16,207,909
Less present value discount	<u>(1,254,942)</u>
Total lease liabilities	14,952,967
Less current portion	<u>(1,532,259)</u>
Long-term lease liabilities	<u>\$ 13,420,708</u>

The operating lease right-of-use assets and liabilities were calculated using a weighted-average discount rate of 1.71% and 1.71% as of December 31, 2025 and 2024, respectively. As of December 31, 2025 and 2024, the weighted-average remaining lease term was 9.5 years and 10.4 years, respectively.

9. Equity

The Company has authorized 250,000 shares of no par value, voting common stock, of which 50,000 shares are issued and outstanding. The Company has authorized 10,000,000 shares of no par value, nonvoting common stock, of which 1,050,000 shares are issued and outstanding.

10. Cash Surrender Value of Life Insurance

The Company is the beneficiary of corporate-owned life insurance policies on certain current and former employees which have a combined cash surrender value of \$1,054,964 and \$945,804 at December 31, 2025 and 2024, respectively. The policies were acquired to fund the phantom stock deferred compensation plan. The Company is under no obligation to pay for these policies, and the deferred compensation obligation is not dependent upon these policies.

11. Retirement and Deferred Compensation Plans

The Company has a retirement savings plan under the provisions of Section 401(k) of the Internal Revenue Code covering substantially all its employees. The plan allows participants to make pretax contributions up to the allowable limit set by the IRS, with the Company matching 100% of the employees' elective deferrals up to 4% of their pay. During the years ended December 31, 2025 and 2024, the Company contributed approximately \$1,080,000 and \$760,000, respectively.

In 2017, the Company established a phantom stock deferred compensation plan. The Company records deferred compensation and amortizes these amounts to compensation expense over the requisite service period. All granted phantom stock options vest over a three-year period from the date the options were granted. For the years ended December 31, 2025 and 2024, the Company recorded compensation expense related to the phantom stock plan of approximately \$0 and \$0, respectively. At December 31, 2025 and 2024, accrued compensation related to this plan was approximately \$292,000 and \$256,000, respectively. Effective December 31, 2020, the phantom stock plan was frozen, and no additional stock options will be granted.

Effective January 1, 2020, the Company established the Knox Associates, Inc. Deferred Compensation Plan. The plan provides nonqualified deferred compensation credits (credits) to members of a select group of management or highly compensated employees. For each December 31, on which an individual remains employed by the Company and a participant under the plan, the Company will provide a credit for the participant in an amount determined by the board of directors. Credits vest on December 31 of the second calendar year following the end of the year for which the credits were awarded. The Company records deferred compensation for awarded credits once an employee has rendered all the service necessary to have earned the right to receive them and the amount is expected to be paid. For the years ended December 31, 2025 and 2024, the Company recorded compensation expense related to the plan of approximately \$1,160,000 and \$940,000, respectively. At December 31, 2025 and 2024, accrued compensation related to this plan was approximately \$2,697,000 and \$1,696,000, respectively.

12. Employee Retention Credit (ERC)

On March 27, 2020, in response to the Covid-19 pandemic, the U.S. Congress enacted the Coronavirus Aid, Relief, and Economic Security Act (CARES Act), which among other things, contains an employee retention credit (ERC). On December 27, 2020, the Consolidated Appropriations Act, 2021 (CAA) was signed into law, which among other things, provides the retroactive ability for entities that received Paycheck Protection Program (PPP) loans to also obtain the ERC. The ERC allows, based on certain eligibility rules, for a credit against certain payroll taxes based on a percentage of wages paid to each employee commencing on March 13, 2020 and through September 30, 2021. Eligibility and the amount of the credit is determined on a quarter-by-quarter basis throughout 2020 and 2021 based on various factors including, the number of full time employees employed during 2019, whether there was a partial or full shutdown of the business due to government orders and/or whether a certain percentage decline of gross receipts occurred during each quarter in 2020 or 2021 versus the same quarter in 2019. GAAP does not address accounting for governmental assistance, as such, in the absence of standards specific to a transaction, ASC 105 directs a company to look to accounting guidance for similar transactions and apply the guidance by analogy. As such, the Company applied International Accounting Standards (IAS) 20 which provides an accounting model for the accounting of different forms of government assistance. Under this model, government assistance is not recognized until there is reasonable assurance (similar to the probable threshold in GAAP) that the conditions attached to the assistance will be met and the assistance will be received. The Company determined it qualified for the tax credit for certain quarters in 2021 and filed amended 941-X to claim a refund of payroll taxes paid during those applicable quarters. The outstanding balance of the ERC is \$985,613 and is recorded as a receivable as of December 31, 2024. The entire balance was collected during the year ended December 31, 2025.

13. Supplementary Disclosure of Cash Flow Information

Cash paid for interest was approximately \$40,000 and \$137,000 during the years ended December 31, 2025 and 2024, respectively. Cash paid for income taxes was approximately \$110,000 and \$92,000 for the years ended December 31, 2025 and 2024, respectively. Due to overpayment of taxes in prior years, the Company received tax refunds of approximately \$448,000 during the year ended December 31, 2024.

Cash paid for amounts included in the measurement of lease liabilities include operating cash flows from operating leases totaling \$1,822,431 and \$1,690,846 for the years ended December 31, 2025 and 2024, respectively.

Knox Associates, Inc.

Notes to Financial Statements
December 31, 2025 and 2024

Noncash activity related to leases includes operating lease right-of-use assets obtained in exchange for lease liabilities of \$264,763 and \$276,262 for the years ended December 31, 2025 and 2024, respectively.

14. Adjustments to Previously Issued Financial Statements

During fiscal 2025, the Company recorded immaterial adjustments to adjust the presentation of deferred compensation balance. In FY24, the entire deferred compensation balance of \$1,951,708 was classified within short-term liabilities. Specifically, the accrued expense and other current liabilities caption. However, \$1,595,065 of the recorded balance related to long-term liabilities. To correct the classification error, the Company created the deferred compensation, current, caption and the deferred compensation, less current portion, caption on the balance sheet. The current and long-term portion of the deferred compensation balance as of December 31, 2024, was reclassified to \$356,643 and \$1,595,065, respectively.

Knox Associates, Inc.

Financial Statements

December 31, 2025 and 2024

Knox Associates, Inc.

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Independent Auditors' Report

To the Board of Directors and Shareholders of
Knox Associates, Inc.

Opinion

We have audited the financial statements of Knox Associates, Inc. (the Company), which comprise the balance sheets as of December 31, 2025 and 2024, and the related statements of income and changes in shareholders' equity and cash flows 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 financial position of the Company as of December 31, 2025 and 2024, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for a reasonable period of time.

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.

Baker Tilly US, LLP

Tempe, Arizona
March 23, 2026

Knox Associates, Inc.

Balance Sheets

December 31, 2025 and 2024

	2025	2024
Assets		
Current Assets		
Cash and cash equivalents	\$ 20,281,232	\$ 8,772,856
Accounts receivable, net	2,685,839	4,360,958
Employer Retention Credit receivable	-	985,613
Inventory, net	8,536,524	9,908,302
Prepays and other current assets	2,510,587	1,872,634
Total current assets	34,014,182	25,900,363
Property and Equipment, Net	5,275,247	5,972,373
Other Assets		
Operating lease right-of-use assets	13,904,254	15,199,129
Cash surrender value of life insurance policies	1,054,964	945,804
Intangible assets, net	116,667	130,000
Total other assets	15,075,885	16,274,933
Total assets	\$ 54,365,314	\$ 48,147,669
Liabilities and Shareholders' Equity		
Current Liabilities		
Accounts payable	\$ 2,351,014	\$ 2,656,158
Accrued expenses and other current liabilities	5,076,675	6,630,029
Reserve for refunds	1,830,993	2,026,700
Customer deposits	1,305,578	1,251,104
Current portion of deferred compensation	678,102	356,643
Current portion of deferred revenue	1,969,204	1,721,544
Current portion of operating lease liabilities	1,532,259	1,457,435
Current portion of long-term debt	-	1,380,557
Total current liabilities	14,743,825	17,480,170
Deferred Compensation, Less Current Portion	2,311,369	1,595,065
Deferred Revenue, Less Current Portion	426,506	422,503
Operating Lease Liabilities, Less Current Portion	13,420,708	14,765,389
Long-Term Debt, Less Current Portion	-	546,927
Total liabilities	30,902,408	34,810,054
Shareholders' Equity		
Additional paid-in capital	76,160	76,160
Retained earnings	23,386,746	13,261,455
Total shareholders' equity	23,462,906	13,337,615
Total liabilities and shareholders' equity	\$ 54,365,314	\$ 48,147,669

See notes to financial statements

Knox Associates, Inc.

Statements of Income and Changes in Shareholders' Equity
Years Ended December 31, 2025 and 2024

	2025	2024
Net Sales	\$ 99,785,829	\$ 89,497,526
Cost of Sales	<u>35,996,380</u>	<u>35,324,718</u>
Gross profit	63,789,449	54,172,808
Selling, General and Administrative Expenses	<u>46,745,178</u>	<u>46,359,801</u>
Income from operations	<u>17,044,271</u>	<u>7,813,007</u>
Other Income (Expense)		
Interest income (expense), net	634,771	45,722
Other income (expense)	<u>51,776</u>	<u>(510,410)</u>
Total other income (expense), net	<u>686,547</u>	<u>(464,688)</u>
Income before provision (benefit) for income taxes	17,730,818	7,348,319
Income Tax Provision (Benefit)	<u>140,454</u>	<u>(387,924)</u>
Net income	17,590,364	7,736,243
Shareholders' Equity, Beginning	13,337,615	14,962,079
Distributions to shareholders	<u>(7,465,073)</u>	<u>(9,360,707)</u>
Shareholders' Equity, Ending	<u><u>\$ 23,462,906</u></u>	<u><u>\$ 13,337,615</u></u>

See notes to financial statements

Knox Associates, Inc.

Statements of Cash Flows

Years Ended December 31, 2025 and 2024

	<u>2025</u>	<u>2024</u>
Cash Flows From Operating Activities		
Net income	\$ 17,590,364	\$ 7,736,243
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	2,104,945	2,049,676
Bad debt expense	6,249	55,685
Reserve for refunds	1,566,993	2,026,700
Warranty provision	495,582	2,179,522
Impairment loss on leasehold improvements	-	499,255
Loss on sale of property and equipment	14,385	93,461
Change in cash surrender value of life insurance	(109,160)	(122,096)
Change in provision for slow-moving and obsolete inventory	166,394	(273,670)
Amortization of operating lease right-of-use assets	1,559,638	1,509,055
(Increase) decrease in:		
Accounts receivable	1,668,870	(1,343,507)
Employer Retention Credit receivable	985,613	-
Inventory	1,205,385	711,004
Prepays and other current assets	(637,953)	(289,686)
Increase (decrease) in:		
Accounts payable	(305,144)	(1,330,289)
Accrued expenses and other current liabilities	(2,048,936)	(748,634)
Reserve for refunds	(1,762,700)	-
Customer deposits	54,474	494,432
Deferred compensation	1,037,763	671,200
Due to related party	-	(358,336)
Deferred revenue	251,663	440,647
Operating lease liabilities	(1,534,621)	(1,408,143)
Net cash provided by operating activities	<u>22,309,804</u>	<u>12,592,519</u>
Cash Flows From Investing Activities		
Purchases of property and equipment	<u>(1,408,871)</u>	<u>(1,434,322)</u>
Net cash used in investing activities	<u>(1,408,871)</u>	<u>(1,434,322)</u>
Cash Flows From Financing Activities		
Payments on long-term debt	(1,927,484)	(1,765,837)
Distributions to shareholders	<u>(7,465,073)</u>	<u>(9,360,707)</u>
Net cash used in financing activities	<u>(9,392,557)</u>	<u>(11,126,544)</u>
Net increase in cash	11,508,376	31,653
Cash and Cash Equivalents, Beginning	<u>8,772,856</u>	<u>8,741,203</u>
Cash and Cash Equivalents, Ending	<u>\$ 20,281,232</u>	<u>\$ 8,772,856</u>

See notes to financial statements

Knox Associates, Inc.

Notes to Financial Statements
December 31, 2025 and 2024

1. Nature of Operations and Summary of Significant Accounting Policies

Nature of Operations

Knox Transitional, Inc. was incorporated under the laws of the state of Arizona on January 3, 2005, and subsequently renamed Knox Associates, Inc. (the Company). The Company's principal business is the manufacture, distribution, and sale of specialized lock systems, including lock boxes, fire suppression protection, and rapid entry and security products to customers throughout the United States and Canada. Customers include municipalities, building owners, contractors and other specialty businesses. A significant percentage of sales are collected via credit card.

Related-Party Leasing Arrangements

The Company leases its office facilities from an entity owned by two trusts which is controlled by the majority shareholder of the Company (Note 8). The Company and these entities are under common control, substantially all the activities between the Company and this entity are related to the leasing activities, and the principal amount of the debt of this entity, at the inception of the guarantee made by the majority shareholder of the Company for that debt, does not exceed the value of the facilities leased by the Company. The Company, which qualifies as a private company, has elected not to evaluate whether this entity is a variable interest entity.

Cash and Cash Equivalents

For purposes of the statements of cash flows, the Company considers all highly liquid investments purchased with a maturity date of three months or less at the date of acquisition to be cash equivalents.

Accounts Receivable

The Company recognizes an allowance for credit losses for trade and other receivables to present the net amount expected to be collected as of the balance sheet date. Such allowance is based on the credit losses expected to arise over the life of the asset which includes consideration of past events and historical loss experience, current events and future events based on management's expectation as of the balance sheet date. Receivables are written off when the Company determines that such receivables are deemed uncollectible.

The Company utilizes the loss rate method in determining its lifetime expected credit losses on its receivables. This method is used for calculating an estimate of losses based primarily on the Company's historical loss experience. In determining its loss rates, the Company evaluates information related to its historical losses and adjusted for current conditions.

The allowance for credit losses at December 31, 2025 and 2024 was \$66,249 and \$60,000, respectively.

Inventories

Inventories are stated at the lower of cost (determined on the first-in, first-out basis) or net realizable value. Management assesses slow-moving and obsolete inventory at least annually and periodically scraps obsolete inventory. A reserve for slow-moving and obsolete inventory is established, when necessary, based on historical sales, future purchase commitments, and management's experience.

Property and Equipment

Property and equipment are recorded at cost. Expenditures for major renewals and betterments that extend the useful lives of equipment are capitalized. Expenditures for maintenance and repairs are charged to expense as incurred. When items of property or equipment are sold or retired, the related cost and accumulated depreciation and amortization are removed from the accounts and any gain or loss is included in income. Depreciation of property and equipment is computed using the straight-line method over their estimated useful lives, ranging from 3 to 10 years. Leasehold improvements are amortized using the straight-line method over the lesser of the terms of the lease or the estimated lives of the improvements.

Intangible Assets

Intangible assets consist of costs related to obtaining a website domain name. These costs are amortized to expense on a straight-line basis over the estimated useful life of 15 years. The Company purchased the domain name in 2019 for \$200,000. Amortization expense related to intangible assets was approximately \$13,000 during the years ended December 31, 2025 and 2024. Accumulated amortization at December 31, 2025 and 2024 was approximately \$83,000 and \$70,000, respectively.

Estimated amortization expense on intangible assets for the next nine years is approximately \$13,000 per year.

Long-Lived Assets

The Company reviews the carrying values of its long-lived assets for possible impairment whenever events or changes in circumstances indicate that the carrying amount of assets to be held and used may not be recoverable. Impairment losses on leasehold improvements of \$499,255 were recognized during the year ended December 31, 2024 and is included in other income (expense) on the accompanying statement of income and changes in shareholders' equity. There were no impairment losses recognized for the year ended December 31, 2025.

Revenue Recognition

Revenue is recognized upon transfer of control of promised services or goods to customers in an amount that reflects the consideration the Company expects to receive in exchange for those services or goods.

Product Sales

Revenue transactions associated with the sale of products comprise a single performance obligation. The Company satisfies the performance obligation and records revenue when transfer of control has passed to the customer. Control is transferred when the Company has a present right to payment and title and the significant risks and rewards of ownership of products are transferred to its customers. For product sales, control generally transfers when products are shipped. The payment terms and conditions in customer contracts generally vary from 30 to 90 days from transfer of control.

Software Services

The Company also earns revenue from software subscription fees for its cloud-based software used to sync and manage system users, data, and devices related to electronic key systems. The performance obligation is to provide access to their software over a period of time. The Company satisfies the performance obligation and records revenue on a straight-line basis over the length of the subscription term, which is generally 1 to 5 years. The Company defers revenue from software subscription fees collected in advance.

Knox Associates, Inc.

Notes to Financial Statements
December 31, 2025 and 2024

Sales Tax

Taxes assessed by a governmental authority that are both imposed on and concurrent with a specific revenue-producing transaction, that are collected by the Company from a customer, are excluded from revenue.

Returns, Discounts and Allowances

The Company's contracts give rise to variable consideration, including returns, discounts, and allowances that reduce the transaction price and therefore reduce revenue. These amounts are generally credited to customers based on sales activity, price concessions, or product return rights. Variable consideration is estimated at the amount most likely to be realized.

For arrangements that include customer or distributor return rights, the Company records a refund liability for expected refunds and a return asset for the right to recover goods expected to be returned. The refund liability represents the portion of consideration the Company does not expect to be entitled to and is remeasured at each reporting date, with corresponding adjustments to revenue. The return asset is measured at the carrying amount of the inventory expected to be returned, net of expected recovery costs and any estimated reduction in value and is adjusted for indicators of impairment. Related effects are recognized in inventory and cost of sales.

The Company's sales to distributors include contractual rights of return at specified times and upon contract termination. As of December 31, 2025 and 2024, inventory held by distributors that was subject to return was approximately \$3,916,000 and \$4,637,000, respectively. The Company recorded expected return liabilities of approximately \$1,830,000 and \$2,026,700, respectively, and related inventory returns of approximately \$794,000 and \$1,015,000, respectively.

Shipping and Handling Costs

Shipping and handling costs associated with outbound freight after control over a product has transferred to a customer are accounted for as fulfillment costs and are included in cost of sales.

During the years ended December 31, 2025 and 2024, freight and handling amounts billed to customers included in net sales totaled approximately \$5,578,000 and \$5,160,000, respectively. The related costs of freight and handling for the years ended December 31, 2025 and 2024 totaled approximately \$2,789,000 and \$2,622,000, respectively.

Advertising

Advertising costs are expensed as incurred. During the years ended December 31, 2025 and 2024, the Company incurred advertising expense of approximately \$1,090,574 and \$1,574,692, respectively.

Research and Development

Research and development costs are recorded in selling, general and administrative expenses in the year they are incurred.

Warranties

The Company provides a warranty against manufacturing defects in its products and records an expense and liability for expected costs related to the obligation. During 2024, the Company experienced a warranty matter in one state that increased the previous year warranty provision. Should the matter be expanded to other states, this would have a significant impact on the Company's results of operations and cash flows.

Knox Associates, Inc.

Notes to Financial Statements

December 31, 2025 and 2024

A rollforward of the warranty accrual, which is included in accrued expenses, as of December 31 is as follows:

	2025	2024
Balance, beginning	\$ 1,960,824	\$ 809,281
Warranty claims paid during year	(1,334,038)	(1,027,979)
Current year warranty provision	495,582	2,179,522
Warranty reserve adjustment	-	-
Balance, ending	<u>\$ 1,122,368</u>	<u>\$ 1,960,824</u>

Operating Leases

Right-of-use assets represent the Company's right to use an underlying asset for the lease term, while lease liabilities represent the Company's obligation to make lease payments arising from the lease. Right-of-use assets and lease liabilities are recognized at the commencement date of a lease based on the net present value of lease payments over the lease term.

Right-of-use assets are assessed for impairment in accordance with the Company's long-lived asset policy. The Company reassesses lease classification and remeasures right-of-use assets and lease liabilities when a lease is modified and that modification is not accounted for as a separate new lease or upon certain other events that require reassessment in accordance with Topic 842.

The Company made significant assumptions and judgments in applying the requirements of Topic 842. In particular, the Company:

- Evaluated whether a contract contains a lease, by considering factors such as whether the Company obtained substantially all rights to control an identifiable underlying asset and whether the lessor has substantive substitution rights.
- Determines whether contracts contain embedded leases.

The Company has elected the following accounting policies:

- When the rate implicit in the lease is not determinable, rather than use the Company's incremental borrowing rate, the Company elected to use a risk-free discount rate for the initial and subsequent measurement of lease liabilities.
- Not to apply the recognition requirements for leases with an original term of 12 months or less, for which the Company is not likely to exercise a renewal option or purchase the asset at the end of the lease; rather, short-term leases will continue to be recorded on a straight-line basis over the lease term.
- Not to include immaterial leases on the balance sheets.

Each policy applies to all asset classes.

Income Taxes

The Company's shareholders have elected to be taxed as an S corporation for income tax purposes and, as such, is not subject to income taxes. Rather, all items of taxable income, deductions, and tax credits are passed through to and are reported by its owners on their respective income tax returns. The Company's tax status as a pass-through entity is based on an election of all the shareholders. S corporations can potentially have federal income taxes at the corporate level due to either violation of the S corporation rules or built-in gains. The Company is subject to state income taxes based on the elections and filings in each applicable state. The Company is also subject to California and Texas state franchise tax. The related provisions for state income and franchise taxes are included in the income tax provision on the statements of income. The Company is required to file and does file tax returns with the Internal Revenue Service and other taxing authorities.

The Company follows Accounting Standards Codification (ASC) for uncertainty in income taxes which requires that tax positions initially need to be recognized in the financial statements when it is more-likely-than-not that the positions will not be sustained upon examination by the tax authorities. As of December 31, 2025 and 2024, the Company had no uncertain tax positions that qualify for either recognition or disclosure in the financial statements.

The Company's policy for penalties and interest assessed by income taxing authorities is to include them in general and administrative expenses. For the years ended December 31, 2025 and 2024, the Company did not incur any interest or penalties.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

Adoption of New Accounting Standard

The Company early adopted ASU No. 2025-05, *Financial Instruments—Credit Losses (Topic 326): Practical Expedient for Current Accounts Receivable and Current Contract Assets*. This update permits entities to apply a practical expedient when estimating expected credit losses on current accounts receivable and current contract assets arising from revenue transactions under ASC 606.

Under this expedient, the Company estimates expected credit losses using historical loss experience adjusted for current conditions at the balance sheet date, without incorporating forward-looking forecasts. The Company elected early adoption of this guidance as of December 31, 2025, and applied it prospectively. The adoption did not have a material impact on the Company's financial statements.

Date of Management's Review

In preparing these financial statements, the Company has evaluated events and transactions for potential recognition or disclosure through March 23, 2026, the date the financial statements were available to be issued.

Knox Associates, Inc.

Notes to Financial Statements
December 31, 2025 and 2024

2. Concentration of Credit Risk

Financial instruments that potentially subject the Company to significant concentrations of credit risk consist principally of cash and cash equivalents, as well as accounts receivable. The Company maintains its cash in bank accounts, which at times may exceed amounts insured by the Federal Deposit Insurance Corporation (FDIC). The Company has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on cash balances. The Company performs ongoing credit evaluations of its customers and maintains an allowance for potential credit losses.

3. Inventories

Inventories consist of the following at December 31:

	2025	2024
Raw materials	\$ 6,249,237	\$ 6,679,415
Sub-assemblies	2,287,321	2,540,262
Finished goods	217,801	518,667
Estimate for inventory returns	794,200	1,015,600
	9,548,559	10,753,944
Reserve for slow-moving and obsolete inventory	(1,012,035)	(845,642)
Total	\$ 8,536,524	\$ 9,908,302

4. Property and Equipment, Net

Property and equipment, net consist of the following at December 31:

	2025	2024
Machinery and equipment	\$ 8,602,161	\$ 8,119,796
Office furniture and equipment	10,484,275	9,682,459
Automobiles and forklifts	197,844	197,844
Leasehold improvements	3,147,168	3,147,168
	22,431,448	21,147,267
Accumulated depreciation and amortization	(17,824,940)	(15,849,546)
	4,606,508	5,297,721
Assets in progress	668,739	674,652
Total	\$ 5,275,247	\$ 5,972,373

Assets in progress represent costs incurred on new assets that have not been placed in service. Depreciation will begin once these assets are placed in service. Depreciation expense related to property and equipment totaled \$2,091,612 and \$2,036,343 for the years ended December 31, 2025 and 2024, respectively.

Knox Associates, Inc.

Notes to Financial Statements
December 31, 2025 and 2024

5. Line of Credit

The Company has a revolving line of credit with a financial institution which provided for maximum borrowings of \$5,000,000. The line of credit bears interest based upon an adjustable SOFR plus 3.5% (7.4% and 8.4% at December 31, 2025 and 2024, respectively) and matures on August 1, 2026. The line is secured by all inventory and equipment and is guaranteed by the majority shareholder of the Company. The line also includes a standby letter of credit with a maximum limit equal to \$5,000,000. As of December 31, 2025 and 2024, there was no outstanding balance on the line of credit.

6. Long-Term Debt

During 2020, the Company entered into a term-based loan for \$4,000,000. The note bears interest at a rate of 3.88% and requires monthly principal payments of approximately \$62,000 through April 2025. As of December 31, 2025 and 2024, the outstanding balance of the note was \$0 and \$328,678, respectively. During the year ended December 31, 2025, the Company repaid in full its outstanding balance and did not renew or refinance the obligation upon maturity.

During 2022, the Company entered into another term-based loan for \$4,000,000. The note bears interest at a rate of 5.24% and requires monthly principal payments of approximately \$85,000 through June 2026. As of December 31, 2025 and 2024, the outstanding balance of the note was \$0 and \$1,598,806, respectively. During the year ended December 31, 2025, the Company repaid in full its outstanding balance and did not renew or refinance the obligation.

Total interest expense under these loans was approximately \$36,000 and \$127,000 for the years ended December 31, 2025 and 2024, respectively.

7. Revenue

Disaggregation of Revenues

The following table presents the Company's revenues disaggregated by products and services for the years ended December 31:

	2025	2024
Product sales	\$ 96,884,115	\$ 86,826,805
Software services	2,901,714	2,670,721
Total revenues	<u>\$ 99,785,829</u>	<u>\$ 89,497,526</u>

Accounts Receivable and Contract Balances

The timing of revenue recognition, billings and cash collections results in billed accounts receivable, customer deposits (contract liabilities related to product sales), and deferred revenue (contract liabilities related to software services) on the balance sheets. Customers sometimes make advances or deposits before revenue is recognized, resulting in contract liabilities. These deposits are liquidated when revenue is recognized. In all other cases, product sales are generally billed subsequent to revenue recognition, resulting in accounts receivable. Payment for software services is generally due and collected at the commencement of delivery of services, resulting in deferred revenue. Deferred service revenue is recognized on a straight-line basis over the length of the subscription term as the services are performed, which is generally 1 to 5 years.

Knox Associates, Inc.

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Accounts receivable and contract balances consisted of the following at December 31, 2025, 2024 and 2023:

	2025	2024	2023
Receivables	\$ 2,685,839	\$ 4,360,958	\$ 3,073,136
Customer deposits	1,305,578	1,251,104	756,672
Deferred revenue	2,395,710	2,144,047	1,703,400

Revenue recognized for the years ended December 31, 2025 and 2024 that was included in the contract liability balance at the beginning of the respective year was approximately \$1,700,000 and \$1,900,000, respectively

8. Commitments and Contingencies

Operating Leases

The Company leases a facility in Arizona from Deer Valley Project, LLC (DVP), an entity under common control. The Company pays for all maintenance, personal property taxes, and insurance. DVP made significant improvements to the premises at the Company's request, which were completed in 2018. Upon completion of the improvements, the Company's base rent increased from \$45,000 to approximately \$85,000 in April 2018 per month and then increased to approximately \$105,000 in August 2018. The base rent will continue to increase ten percent (10%) over the prior year's base rent on the 5th, 10th and 15th anniversaries of the lease term. The lease matures in August 2035. The debt to the financial institution that DVP has entered into in order to finance the purchase and improvements of the facility leased by the Company is guaranteed by the majority shareholder of the Company. The balance of the debt at December 31, 2025 is approximately \$6,000,000. The debt is collateralized by the property leased by the Company.

The Company may step in and perform under this guarantee if DVP or the guarantors fail to pay principal and interest payments to the lender when due. The Company has not experienced any losses in connection with this guarantee. This guarantee does not expire until the note is paid in full. There is currently no recorded liability for potential losses under this guarantee, nor is there any recorded liability for the Company's obligation to "stand ready" to fund the guarantee.

Related-party rent expense totaled approximately \$1,600,000 for each of the years ended December 31, 2025 and 2024.

The Company also leases various facilities, vehicles and equipment under operating leases with nonrelated parties expiring through October 2028. Current monthly payments under these leases are approximately \$14,000 plus operating expenses and escalate through the terms of the various leases. Rent expense under these leases totaled approximately \$229,000 and \$192,000 during the years ended December 31, 2025 and 2024, respectively.

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The future minimum annual lease payments on operating leases are as follows:

Years ended December 31:	
2026	\$ 1,774,941
2027	1,710,556
2028	1,587,992
2029	1,553,640
2030	1,605,428
Thereafter	<u>7,975,352</u>
Total lease payments	16,207,909
Less present value discount	<u>(1,254,942)</u>
Total lease liabilities	14,952,967
Less current portion	<u>(1,532,259)</u>
Long-term lease liabilities	<u>\$ 13,420,708</u>

The operating lease right-of-use assets and liabilities were calculated using a weighted-average discount rate of 1.71% and 1.71% as of December 31, 2025 and 2024, respectively. As of December 31, 2025 and 2024, the weighted-average remaining lease term was 9.5 years and 10.4 years, respectively.

9. Equity

The Company has authorized 250,000 shares of no par value, voting common stock, of which 50,000 shares are issued and outstanding. The Company has authorized 10,000,000 shares of no par value, nonvoting common stock, of which 1,050,000 shares are issued and outstanding.

10. Cash Surrender Value of Life Insurance

The Company is the beneficiary of corporate-owned life insurance policies on certain current and former employees which have a combined cash surrender value of \$1,054,964 and \$945,804 at December 31, 2025 and 2024, respectively. The policies were acquired to fund the phantom stock deferred compensation plan. The Company is under no obligation to pay for these policies, and the deferred compensation obligation is not dependent upon these policies.

11. Retirement and Deferred Compensation Plans

The Company has a retirement savings plan under the provisions of Section 401(k) of the Internal Revenue Code covering substantially all its employees. The plan allows participants to make pretax contributions up to the allowable limit set by the IRS, with the Company matching 100% of the employees' elective deferrals up to 4% of their pay. During the years ended December 31, 2025 and 2024, the Company contributed approximately \$1,080,000 and \$760,000, respectively.

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In 2017, the Company established a phantom stock deferred compensation plan. The Company records deferred compensation and amortizes these amounts to compensation expense over the requisite service period. All granted phantom stock options vest over a three-year period from the date the options were granted. For the years ended December 31, 2025 and 2024, the Company recorded compensation expense related to the phantom stock plan of approximately \$0 and \$0, respectively. At December 31, 2025 and 2024, accrued compensation related to this plan was approximately \$292,000 and \$256,000, respectively. Effective December 31, 2020, the phantom stock plan was frozen, and no additional stock options will be granted.

Effective January 1, 2020, the Company established the Knox Associates, Inc. Deferred Compensation Plan. The plan provides nonqualified deferred compensation credits (credits) to members of a select group of management or highly compensated employees. For each December 31, on which an individual remains employed by the Company and a participant under the plan, the Company will provide a credit for the participant in an amount determined by the board of directors. Credits vest on December 31 of the second calendar year following the end of the year for which the credits were awarded. The Company records deferred compensation for awarded credits once an employee has rendered all the service necessary to have earned the right to receive them and the amount is expected to be paid. For the years ended December 31, 2025 and 2024, the Company recorded compensation expense related to the plan of approximately \$1,160,000 and \$940,000, respectively. At December 31, 2025 and 2024, accrued compensation related to this plan was approximately \$2,697,000 and \$1,696,000, respectively.

12. Employee Retention Credit (ERC)

On March 27, 2020, in response to the Covid-19 pandemic, the U.S. Congress enacted the Coronavirus Aid, Relief, and Economic Security Act (CARES Act), which among other things, contains an employee retention credit (ERC). On December 27, 2020, the Consolidated Appropriations Act, 2021 (CAA) was signed into law, which among other things, provides the retroactive ability for entities that received Paycheck Protection Program (PPP) loans to also obtain the ERC. The ERC allows, based on certain eligibility rules, for a credit against certain payroll taxes based on a percentage of wages paid to each employee commencing on March 13, 2020 and through September 30, 2021. Eligibility and the amount of the credit is determined on a quarter-by-quarter basis throughout 2020 and 2021 based on various factors including, the number of full time employees employed during 2019, whether there was a partial or full shutdown of the business due to government orders and/or whether a certain percentage decline of gross receipts occurred during each quarter in 2020 or 2021 versus the same quarter in 2019. GAAP does not address accounting for governmental assistance, as such, in the absence of standards specific to a transaction, ASC 105 directs a company to look to accounting guidance for similar transactions and apply the guidance by analogy. As such, the Company applied International Accounting Standards (IAS) 20 which provides an accounting model for the accounting of different forms of government assistance. Under this model, government assistance is not recognized until there is reasonable assurance (similar to the probable threshold in GAAP) that the conditions attached to the assistance will be met and the assistance will be received. The Company determined it qualified for the tax credit for certain quarters in 2021 and filed amended 941-X to claim a refund of payroll taxes paid during those applicable quarters. The outstanding balance of the ERC is \$985,613 and is recorded as a receivable as of December 31, 2024. The entire balance was collected during the year ended December 31, 2025.

13. Supplementary Disclosure of Cash Flow Information

Cash paid for interest was approximately \$40,000 and \$137,000 during the years ended December 31, 2025 and 2024, respectively. Cash paid for income taxes was approximately \$110,000 and \$92,000 for the years ended December 31, 2025 and 2024, respectively. Due to overpayment of taxes in prior years, the Company received tax refunds of approximately \$448,000 during the year ended December 31, 2024.

Cash paid for amounts included in the measurement of lease liabilities include operating cash flows from operating leases totaling \$1,822,431 and \$1,690,846 for the years ended December 31, 2025 and 2024, respectively.

Noncash activity related to leases includes operating lease right-of-use assets obtained in exchange for lease liabilities of \$264,763 and \$276,262 for the years ended December 31, 2025 and 2024, respectively.

14. Adjustments to Previously Issued Financial Statements

During fiscal 2025, the Company recorded immaterial adjustments to adjust the presentation of deferred compensation balance. In FY24, the entire deferred compensation balance of \$1,951,708 was classified within short-term liabilities. Specifically, the accrued expense and other current liabilities caption. However, \$1,595,065 of the recorded balance related to long-term liabilities. To correct the classification error, the Company created the deferred compensation, current, caption and the deferred compensation, less current portion, caption on the balance sheet. The current and long-term portion of the deferred compensation balance as of December 31, 2024, was reclassified to \$356,643 and \$1,595,065, respectively.