

SHAFFER DISTRIBUTING COMPANY
Columbus, Ohio

FINANCIAL STATEMENTS
December 31, 2021 and 2020



Crowe LLP
Independent Member Crowe Global

INDEPENDENT ACCOUNTANT'S REVIEW REPORT

Board of Directors
Shaffer Distributing Company
Columbus, Ohio

We have reviewed the accompanying financial statements of Shaffer Distributing Company, which comprise the balance sheets as of December 31, 2021 and 2020, and the related statements of income, shareholders' equity, and cash flows for the years then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of company management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Accountant's Responsibility

Our responsibility is to conduct the review engagements in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

We are required to be independent of Shaffer Distributing Company and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our reviews.

Accountant's Conclusion

Based on our reviews, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

A handwritten signature in black ink that reads "Crowe LLP".

Crowe LLP

Columbus, Ohio
February 28, 2022

SHAFFER DISTRIBUTING COMPANY
BALANCE SHEETS
December 31, 2021 and 2020

	<u>2021</u>	<u>2020</u>
ASSETS		
Current assets		
Cash and cash equivalents	\$ 1,432,775	\$ 3,440,541
Accounts receivable, net of allowance for doubtful accounts of \$53,477 and \$57,135 in 2021 and 2020, respectively	5,372,814	1,875,147
Accounts receivable, affiliate	38,284	6,892
Merchandise inventory	2,573,832	773,298
Prepaid expenses and other current assets	<u>417,171</u>	<u>146,849</u>
Total current assets	9,834,876	6,242,727
Deposits and other assets	273,098	262,940
Property and equipment, net	2,570,297	1,614,627
Goodwill, net	<u>20,000</u>	<u>40,000</u>
	<u>2,863,395</u>	<u>1,917,567</u>
 Total assets	 <u>\$ 12,698,271</u>	 <u>\$ 8,160,294</u>
 LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities		
Accounts payable	\$ 922,820	\$ 612,418
Customer deposits	2,174,492	576,930
Accounts payable, affiliate	-	14,589
Line of credit	861,465	-
Other liabilities	<u>1,291,894</u>	<u>502,087</u>
Total current liabilities	5,250,671	1,706,024
Shareholders' equity		
Common stock, no par value	26,000	26,000
Treasury stock	(1,221,881)	-
Additional paid-in capital	87,120	87,120
Retained earnings	<u>8,556,361</u>	<u>6,341,150</u>
Total shareholders' equity	<u>7,447,600</u>	<u>6,454,270</u>
 Total liabilities and shareholders' equity	 <u>\$ 12,698,271</u>	 <u>\$ 8,160,294</u>

See accompanying notes to financial statements
and independent accountant's review report.

SHAFFER DISTRIBUTING COMPANY
STATEMENTS OF INCOME
Years ended December 31, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Distribution sales	\$ 22,158,243	\$ 14,830,176
Route collections	<u>4,726,161</u>	<u>3,357,420</u>
	26,884,404	18,187,596
 Cost of sales	 <u>16,979,110</u>	 <u>11,157,295</u>
	<u>9,905,294</u>	<u>7,030,301</u>
 Operating expenses	 9,752,505	 8,837,322
 Other income		
Management fee income	920,000	745,000
Interest income	27,994	1,068
Service charges	11,221	9,040
Other, net	<u>1,150,207</u>	<u>1,246,540</u>
	<u>2,109,422</u>	<u>2,001,648</u>
 Net income	 <u>\$ 2,262,211</u>	 <u>\$ 194,627</u>

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