

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 2020 This Form is Open to Public Inspection
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Part I	Annual Report Identification Information
For calendar plan year 2020 or fiscal plan year beginning <u>01/01/2020</u> and ending <u>12/31/2020</u>	
A This return/report is for:	☐ a multiemployer plan ☐ a multiple-employer plan (Filers checking this box must attach a list of 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)

Part II	Basic Plan Information —enter all requested information				
1a Name of plan <u>CARDONE INDUSTRIES, INC. 401(K) SAFE HARBOR PLAN</u>	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 80%;">1b Three-digit plan number (PN) ▶</td> <td style="width: 20%; text-align: center;"><u>003</u></td> </tr> <tr> <td colspan="2">1c Effective date of plan <u>05/01/2018</u></td> </tr> </table>	1b Three-digit plan number (PN) ▶	<u>003</u>	1c Effective date of plan <u>05/01/2018</u>	
1b Three-digit plan number (PN) ▶	<u>003</u>				
1c Effective date of plan <u>05/01/2018</u>					
2a Plan sponsor's name (employer, if for a single-employer plan) Mailing address (include room, apt., suite no. and street, or P.O. Box) City or town, state or province, country, and ZIP or foreign postal code (if foreign, see instructions) <u>CARDONE INDUSTRIES, INC.</u> <u>5501 WHITAKER AVENUE</u> <u>PHILADELPHIA, PA 19124-1799</u>	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td>2b Employer Identification Number (EIN) <u>23-3000982</u></td> </tr> <tr> <td>2c Plan Sponsor's telephone number <u>215-912-3000</u></td> </tr> <tr> <td>2d Business code (see instructions) <u>336300</u></td> </tr> </table>	2b Employer Identification Number (EIN) <u>23-3000982</u>	2c Plan Sponsor's telephone number <u>215-912-3000</u>	2d Business code (see instructions) <u>336300</u>	
2b Employer Identification Number (EIN) <u>23-3000982</u>					
2c Plan Sponsor's telephone number <u>215-912-3000</u>					
2d Business code (see instructions) <u>336300</u>					

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

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

SIGN HERE	Filed with authorized/valid electronic signature.	10/13/2021	DE ANNA CASTRO
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE	Filed with authorized/valid electronic signature.	10/13/2021	DE ANNA CASTRO
	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

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

Form 5500 (2020)
v. 200204

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 CARDONE INDUSTRIES, INC. c Plan Name CARDONE INDUSTRIES, INC. 401(K) SAFE HARBOR PLAN		4b EIN 23-1916269 4d PN 003	
5 Total number of participants at the beginning of the plan year		5	2075
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.....		6a(1)	1544
a(2) Total number of active participants at the end of the plan year		6a(2)	1249
b Retired or separated participants receiving benefits.....		6b	5
c Other retired or separated participants entitled to future benefits		6c	766
d Subtotal. Add lines 6a(2) , 6b , and 6c		6d	2020
e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits.		6e	0
f Total. Add lines 6d and 6e		6f	2020
g Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item)		6g	2020
h Number of participants who terminated employment during the plan year with accrued benefits that were less than 100% vested		6h	21
7 Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item).....		7	
8a If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristics Codes in the instructions: 2E 2F 2G 2J 2K 2T 3D			
b If the plan provides welfare benefits, enter the applicable welfare feature codes from the List of Plan Characteristics Codes in the instructions:			
9a Plan funding arrangement (check all that apply) (1) ☒ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☒ Trust (4) ☐ General assets of the sponsor		9b Plan benefit arrangement (check all that apply) (1) ☒ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☒ Trust (4) ☐ General assets of the sponsor	
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		b General Schedules (1) ☒ H (Financial Information) (2) ☐ I (Financial Information – Small Plan) (3) ☒ 1 A (Insurance Information) (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 2020 Form M-1 annual report. If the plan was not required to file the 2020 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 A (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Insurance 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. ▶ Insurance companies are required to provide the information pursuant to ERISA section 103(a)(2).	OMB No. 1210-0110 2020 This Form is Open to Public Inspection
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For calendar plan year 2020 or fiscal plan year beginning 01/01/2020 and ending 12/31/2020		
A Name of plan CARDONE INDUSTRIES, INC. 401(K) SAFE HARBOR PLAN	B Three-digit plan number (PN) ▶	003
C Plan sponsor's name as shown on line 2a of Form 5500 CARDONE INDUSTRIES, INC.	D Employer Identification Number (EIN) 23-3000982	

Part I	Information Concerning Insurance Contract Coverage, Fees, and Commissions	Provide information for each contract on a separate Schedule A. Individual contracts grouped as a unit in Parts II and III can be reported on a single Schedule A.
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1 Coverage Information:

(a) Name of insurance carrier
PRUDENTIAL RETIREMENT INSURANCE AND ANNUITY COMPANY

(b) EIN	(c) NAIC code	(d) Contract or identification number	(e) Approximate number of persons covered at end of policy or contract year	Policy or contract year	
				(f) From	(g) To
06-1050034	93629	075174	2020	01/01/2020	12/31/2020

2 Insurance fee and commission information. Enter the total fees and total commissions paid. List in line 3 the agents, brokers, and other persons in descending order of the amount paid.

(a) Total amount of commissions paid	(b) Total amount of fees paid
0	0

3 Persons receiving commissions and fees. (Complete as many entries as needed to report all persons).

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	

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(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
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(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	

Part II Investment and Annuity Contract Information

Where individual contracts are provided, the entire group of such individual contracts with each carrier may be treated as a unit for purposes of this report.

4	Current value of plan's interest under this contract in the general account at year end	4	12141381
5	Current value of plan's interest under this contract in separate accounts at year end.....	5	23938384

6 Contracts With Allocated Funds:**a** State the basis of premium rates ▶

b	Premiums paid to carrier	6b	
c	Premiums due but unpaid at the end of the year	6c	
d	If the carrier, service, or other organization incurred any specific costs in connection with the acquisition or retention of the contract or policy, enter amount. Specify nature of costs ▶	6d	

e Type of contract: (1) ☐ individual policies (2) ☐ group deferred annuity
(3) ☐ other (specify) ▶

f If contract purchased, in whole or in part, to distribute benefits from a terminating plan, check here ▶ ☐**7** Contracts With Unallocated Funds (Do not include portions of these contracts maintained in separate accounts)

a Type of contract: (1) ☐ deposit administration (2) ☐ immediate participation guarantee
(3) ☐ guaranteed investment (4) ☒ other ▶ GUARANTEED GENERAL ACCOUNT CONTRACT

b	Balance at the end of the previous year	7b	10191884
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c	Additions: (1) Contributions deposited during the year	7c(1)	729783	
	(2) Dividends and credits.....	7c(2)		
	(3) Interest credited during the year.....	7c(3)	259695	
	(4) Transferred from separate account.....	7c(4)	1151140	
	(5) Other (specify below)	7c(5)	3544048	

▶ LOAN REPAYMENTS, TRANSFERS IN MISC. IN PLAN ROLLOVER

(6) Total additions	7c(6)	5684666
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d	Total of balance and additions (add lines 7b and 7c(6))	7d	15876550
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e Deductions:

(1) Disbursed from fund to pay benefits or purchase annuities during year	7e(1)	1895017	
	7e(2)	1250	
	7e(3)	209876	
	7e(4)	1629026	

▶ FORF. DR., TRANSFERS OUT LOAN INITIATIONS MISC. OUT

(5) Total deductions	7e(5)	3735169
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f	Balance at the end of the current year (subtract line 7e(5) from line 7d)	7f	12141381
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Part III Welfare Benefit Contract Information

If more than one contract covers the same group of employees of the same employer(s) or members of the same employee organizations(s), the information may be combined for reporting purposes if such contracts are experience-rated as a unit. Where contracts cover individual employees, the entire group of such individual contracts with each carrier may be treated as a unit for purposes of this report.

8 Benefit and contract type (check all applicable boxes)

- a** ☐ Health (other than dental or vision)
 b ☐ Dental
 c ☐ Vision
 d ☐ Life insurance
e ☐ Temporary disability (accident and sickness)
 f ☐ Long-term disability
 g ☐ Supplemental unemployment
 h ☐ Prescription drug
i ☐ Stop loss (large deductible)
 j ☐ HMO contract
 k ☐ PPO contract
 l ☐ Indemnity contract
m ☐ Other (specify) ▶

9 Experience-rated contracts:

a Premiums: (1) Amount received	9a(1)		
(2) Increase (decrease) in amount due but unpaid	9a(2)		
(3) Increase (decrease) in unearned premium reserve	9a(3)		
(4) Earned ((1) + (2) - (3))		9a(4)	
b Benefit charges (1) Claims paid	9b(1)		
(2) Increase (decrease) in claim reserves	9b(2)		
(3) Incurred claims (add (1) and (2))		9b(3)	
(4) Claims charged		9b(4)	
c Remainder of premium: (1) Retention charges (on an accrual basis) --			
(A) Commissions	9c(1)(A)		
(B) Administrative service or other fees	9c(1)(B)		
(C) Other specific acquisition costs	9c(1)(C)		
(D) Other expenses	9c(1)(D)		
(E) Taxes	9c(1)(E)		
(F) Charges for risks or other contingencies	9c(1)(F)		
(G) Other retention charges	9c(1)(G)		
(H) Total retention		9c(1)(H)	
(2) Dividends or retroactive rate refunds. (These amounts were ☐ paid in cash, or ☐ credited.)		9c(2)	
d Status of policyholder reserves at end of year: (1) Amount held to provide benefits after retirement		9d(1)	
(2) Claim reserves		9d(2)	
(3) Other reserves		9d(3)	
e Dividends or retroactive rate refunds due. (Do not include amount entered in line 9c(2).)		9e	

10 Nonexperience-rated contracts:

a Total premiums or subscription charges paid to carrier	10a	
b If the carrier, service, or other organization incurred any specific costs in connection with the acquisition or retention of the contract or policy, other than reported in Part I, line 2 above, report amount. Specify nature of costs.	10b	

Part IV Provision of Information

11 Did the insurance company fail to provide any information necessary to complete Schedule A? ☐ Yes ☐ No

12 If the answer to line 11 is "Yes," specify the information not provided. ▶

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
		2020
		This Form is Open to Public Inspection.

For calendar plan year 2020 or fiscal plan year beginning 01/01/2020 and ending 12/31/2020		
A Name of plan CARDONE INDUSTRIES, INC. 401(K) SAFE HARBOR PLAN	B Three-digit plan number (PN) ▶	003
C Plan sponsor's name as shown on line 2a of Form 5500 CARDONE INDUSTRIES, INC.	D Employer Identification Number (EIN) 23-3000982	

Part I	Service Provider Information (see instructions)
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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
PRUDENTIAL RETIREMENT INSURANCE AND
06-1050034

(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)

PRUDENTIAL RETIREMENT INSURANCE AND

06-1050034

(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?
13 15 37 50 64 65	NONE	102017	Yes ☒ No ☐	Yes ☒ No ☐	0	Yes ☒ No ☐

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

UBS FINANCIAL SERVICES, INC.

13-2638166

(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	NONE	91781	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

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

CAPFINANCIAL PARTNERS LLC

26-0058143

(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?
15 27	NONE	25022	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

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

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

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ 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 ☐

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

Part II Service Providers Who Fail or Refuse to Provide Information

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

(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
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(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 2020 This Form is Open to Public Inspection.
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For calendar plan year 2020 or fiscal plan year beginning 01/01/2020 and ending 12/31/2020

A Name of plan <u>CARDONE INDUSTRIES, INC. 401(K) SAFE HARBOR PLAN</u>	B Three-digit plan number (PN) ►	<u>003</u>
C Plan or DFE sponsor's name as shown on line 2a of Form 5500 <u>CARDONE INDUSTRIES, INC.</u>	D Employer Identification Number (EIN) <u>23-3000982</u>	

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: DRYDEN S&P 500 INDEX FUND

b Name of sponsor of entity listed in (a): PRUDENTIAL RETIREMENT INS.

c EIN-PN <u>06-1050034-123</u>	d Entity code <u>P</u>	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) <u>22644524</u>
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a Name of MTIA, CCT, PSA, or 103-12 IE: QMA MID CAP INDEX FUND

b Name of sponsor of entity listed in (a): PRUDENTIAL RETIREMENT INS.

c EIN-PN <u>06-1050034-833</u>	d Entity code <u>P</u>	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) <u>533118</u>
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a Name of MTIA, CCT, PSA, or 103-12 IE: QMA SMALL CAP INDEX FUND

b Name of sponsor of entity listed in (a): PRUDENTIAL RETIREMENT INS.

c EIN-PN <u>06-1050034-832</u>	d Entity code <u>P</u>	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) <u>760742</u>
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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)
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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)
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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)
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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)
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a Name of MTIA, CCT, PSA, or 103-12 IE:

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)**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)

(Complete as many entries as needed to report all participating plans)

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
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**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
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 2020 This Form is Open to Public Inspection
For calendar plan year 2020 or fiscal plan year beginning <u>01/01/2020</u> and ending <u>12/31/2020</u>		
A Name of plan <u>CARDONE INDUSTRIES, INC. 401(K) SAFE HARBOR PLAN</u>	B Three-digit plan number (PN) ►	<u>003</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>CARDONE INDUSTRIES, INC.</u>	D Employer Identification Number (EIN) <u>23-3000982</u>	

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	3868977301
b Receivables (less allowance for doubtful accounts):			
(1) Employer contributions		1b(1)	40597003149982
(2) Participant contributions.....		1b(2)	50557
(3) Other		1b(3)	
c General investments:			
(1) Interest-bearing cash (include money market accounts & certificates of deposit)		1c(1)	
(2) U.S. Government securities		1c(2)	
(3) Corporate debt instruments (other than employer securities):			
(A) Preferred		1c(3)(A)	
(B) All other.....		1c(3)(B)	
(4) Corporate stocks (other than employer securities):			
(A) Preferred		1c(4)(A)	
(B) Common		1c(4)(B)	
(5) Partnership/joint venture interests		1c(5)	
(6) Real estate (other than employer real property)		1c(6)	
(7) Loans (other than to participants).....		1c(7)	
(8) Participant loans		1c(8)	19843121776051
(9) Value of interest in common/collective trusts		1c(9)	0
(10) Value of interest in pooled separate accounts		1c(10)	2360245723938384
(11) Value of interest in master trust investment accounts		1c(11)	
(12) Value of interest in 103-12 investment entities		1c(12)	
(13) Value of interest in registered investment companies (e.g., mutual funds)		1c(13)	6328687470987482
(14) Value of funds held in insurance company general account (unallocated contracts).....		1c(14)	1019188412141381
(15) Other.....		1c(15)	

1d Employer-related investments:		(a) Beginning of Year	(b) End of Year
(1) Employer securities.....	1d(1)		
(2) Employer real property.....	1d(2)		
e Buildings and other property used in plan operation	1e		
f Total assets (add all amounts in lines 1a through 1e)	1f	103163916	112121138

Liabilities

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

Net Assets

l Net assets (subtract line 1k from line 1f).....	1l	103163916	112121138
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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)	3399553	
(B) Participants	2a(1)(B)	2580146	
(C) Others (including rollovers).....	2a(1)(C)	161927	
(2) Noncash contributions	2a(2)		6141626
(3) Total contributions. Add lines 2a(1)(A) , (B) , (C) , and line 2a(2)	2a(3)		
b Earnings on investments:			
(1) Interest:			
(A) Interest-bearing cash (including money market accounts and certificates of deposit).....	2b(1)(A)		
(B) U.S. Government securities	2b(1)(B)		
(C) Corporate debt instruments	2b(1)(C)		
(D) Loans (other than to participants)	2b(1)(D)		
(E) Participant loans.....	2b(1)(E)	97228	
(F) Other	2b(1)(F)	259695	
(G) Total interest. Add lines 2b(1)(A) through (F)	2b(1)(G)		356923
(2) Dividends: (A) Preferred stock.....	2b(2)(A)		762787
(B) Common stock	2b(2)(B)		
(C) Registered investment company shares (e.g. mutual funds).....	2b(2)(C)	762787	
(D) Total dividends. Add lines 2b(2)(A) , (B) , and (C)	2b(2)(D)		762787
(3) Rents	2b(3)		
(4) Net gain (loss) on sale of assets: (A) Aggregate proceeds	2b(4)(A)		0
(B) Aggregate carrying amount (see instructions).....	2b(4)(B)		
(C) Subtract line 2b(4)(B) from line 2b(4)(A) and enter result	2b(4)(C)		
(5) Unrealized appreciation (depreciation) of assets: (A) Real estate	2b(5)(A)		0
(B) Other	2b(5)(B)		
(C) Total unrealized appreciation of assets. Add lines 2b(5)(A) and (B)	2b(5)(C)		

		(a) Amount	(b) Total
(6) Net investment gain (loss) from common/collective trusts.....	2b(6)		
(7) Net investment gain (loss) from pooled separate accounts.....	2b(7)		3589986
(8) Net investment gain (loss) from master trust investment accounts	2b(8)		
(9) Net investment gain (loss) from 103-12 investment entities	2b(9)		
(10) Net investment gain (loss) from registered investment companies (e.g., mutual funds)	2b(10)		11228264
c Other income	2c		-17617
d Total income. Add all income amounts in column (b) and enter total.....	2d		22061969

Expenses**e** Benefit payment and payments to provide benefits:

(1) Directly to participants or beneficiaries, including direct rollovers.....	2e(1)	12840788	
(2) To insurance carriers for the provision of benefits	2e(2)		
(3) Other.....	2e(3)		
(4) Total benefit payments. Add lines 2e(1) through (3)	2e(4)		12840788
f Corrective distributions (see instructions)	2f		2235
g Certain deemed distributions of participant loans (see instructions).....	2g		29904
h Interest expense.....	2h		
i Administrative expenses: (1) Professional fees	2i(1)		
(2) Contract administrator fees	2i(2)		
(3) Investment advisory and management fees	2i(3)		
(4) Other.....	2i(4)	231820	
(5) Total administrative expenses. Add lines 2i(1) through (4)	2i(5)		231820
j Total expenses. Add all expense amounts in column (b) and enter total.....	2j		13104747

Net Income and Reconciliation

k Net income (loss). Subtract line 2j from line 2d	2k		8957222
l Transfers of assets:			
(1) To this plan.....	2l(1)		
(2) From this plan	2l(2)		

Part III Accountant's Opinion

3 Complete lines 3a through 3c if the opinion of an independent qualified public accountant is attached to this Form 5500. Complete line 3d if an opinion is not attached.

a The attached opinion of an independent qualified public accountant for this plan is (see instructions):

(1) ☒ Unmodified (2) ☐ Qualified (3) ☐ Disclaimer (4) ☐ Adverse

b Check the appropriate box(es) to indicate whether the IQPA performed an ERISA section 103(a)(3)(C) audit. Check both boxes (1) and (2) if the audit was performed pursuant to both 29 CFR 2520.103-8 and 29 CFR 2520.103-12(d). Check box (3) if pursuant to neither.

(1) ☒ DOL Regulation 2520.103-8 (2) ☐ DOL Regulation 2520.103-12(d) (3) ☐ neither DOL Regulation 2520.103-8 nor DOL Regulation 2520.103-12(d).

c Enter the name and EIN of the accountant (or accounting firm) below:

(1) Name: **CARON & BLETZER, PLLC**

(2) EIN: **04-3499945**

d The opinion of an independent qualified public accountant is **not attached** because:

(1) ☐ This form is filed for a CCT, PSA, 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.

During the plan year:

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.)

	Yes	No	Amount
4a	X		65527

	Yes	No	Amount
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.)			
4b		X	
c Were any leases to which the plan was a party in default or classified during the year as uncollectible? (Attach Schedule G (Form 5500) Part II if "Yes" is checked.)			
4c		X	
d Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 4a. Attach Schedule G (Form 5500) Part III if "Yes" is checked.)			
4d		X	
e Was this plan covered by a fidelity bond?	X		2000000
f Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?		X	
4f		X	
g Did the plan hold any assets whose current value was neither readily determinable on an established market nor set by an independent third party appraiser?			
4g		X	
h Did the plan receive any noncash contributions whose value was neither readily determinable on an established market nor set by an independent third party appraiser?			
4h		X	
i Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.)	X		
4i	X		
j Were any plan transactions or series of transactions in excess of 5% of the current value of plan assets? (Attach schedule of transactions if "Yes" is checked and see instructions for format requirements.)			
4j		X	
k Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?			
4k		X	
l Has the plan failed to provide any benefit when due under the plan?			
4l		X	
m If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.)			
4m		X	
n If 4m was answered "Yes," check the "Yes" box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3.			
4n			
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 2020 This Form is Open to Public Inspection.
For calendar plan year 2020 or fiscal plan year beginning 01/01/2020 and ending 12/31/2020		
A Name of plan CARDONE INDUSTRIES, INC. 401(K) SAFE HARBOR PLAN		B Three-digit plan number (PN) ▶ 003
C Plan sponsor's name as shown on line 2a of Form 5500 CARDONE INDUSTRIES, INC.		D Employer Identification Number (EIN) 23-3000982
Part I	Distributions	
All references to distributions relate only to payments of benefits during the plan year.		
1 Total value of distributions paid in property other than in cash or the forms of property specified in the instructions.....		1 0
2 Enter the EIN(s) of payor(s) who paid benefits on behalf of the plan to participants or beneficiaries during the year (if more than two, enter EINs of the two payors who paid the greatest dollar amounts of benefits): EIN(s): 22-1211670		
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) 2020 v. 200204		

Part V Additional Information for Multiemployer Defined Benefit Pension Plans

13 Enter the following information for each employer that contributed more than 5% of total contributions to the plan during the plan year (measured in dollars). See instructions. *Complete as many entries as needed to report all applicable employers.*

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

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

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

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

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

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

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

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

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

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

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

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

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

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

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

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

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

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

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

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

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

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

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

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

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

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

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

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

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

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

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

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

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

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

14a**14b****14c**

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

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

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

15a**15b**

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

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

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

16a**16b**

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

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

- 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) through (c)

a Enter the percentage of plan assets held as:

Stock: _____% Investment-Grade Debt: _____% High-Yield Debt: _____% Real Estate: _____% Other: _____%

b Provide the average duration of the combined investment-grade and high-yield debt:

☐ 0-3 years ☐ 3-6 years ☐ 6-9 years ☐ 9-12 years ☐ 12-15 years ☐ 15-18 years ☐ 18-21 years ☐ 21 years or more

c What duration measure was used to calculate line 19(b)?

☐ Effective duration ☐ Macaulay duration ☐ Modified duration ☐ Other (specify): _____

- 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 _____

**CARDONE INDUSTRIES, INC.
401(k) SAFE HARBOR PLAN**

FINANCIAL STATEMENTS

December 31, 2020 and 2019 and
For the Year Ended December 31, 2020



CARON & BLETZER, PLLC

Certified Public Accountants and Business Consultants

CARDONE INDUSTRIES, INC. 401(k) SAFE HARBOR PLAN
CONTENTS

	Page(s)
Independent Auditor's Report	1-2
Financial Statements:	
Statements of Net Assets Available for Benefits	3
Statement of Changes in Net Assets Available for Benefits	4
Notes to Financial Statements	5-12
Supplemental Schedules:	
Schedule H, Line 4(a) - Schedule of Delinquent Participant Contributions	13
Schedule H, Line 4(i) - Schedule of Assets (Held at End of Year)	14

Certain supplemental schedules have been omitted because they are either not required or not applicable.



Independent Auditor's Report

To the Plan Administrator of the Cardone Industries, Inc. 401(k) Safe Harbor Plan:

Report on the Financial Statements

We were engaged to audit the accompanying financial statements of the Cardone Industries, Inc. 401(k) Safe Harbor Plan (the "Plan"), which comprise the statements of net assets available for benefits as of December 31, 2020 and 2019, and the related statement of changes in net assets available for benefits for the year ended December 31, 2020, and the related notes to the financial statements.

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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on conducting the audits in accordance with auditing standards generally accepted in the United States of America. Because of the matter described in the *Basis for Disclaimer of Opinion* paragraph, however, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion.

Basis for Disclaimer of Opinion

As permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974, the plan administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the information summarized in Note G, which was certified by Prudential Bank & Trust, F.S.B. and Prudential Retirement Insurance and Annuity Company, the trustees of the Plan, except for comparing such information with the related information included in the financial statements. We have been informed by the plan administrator that the trustees hold the Plan's investment assets and execute investment transactions. The plan administrator has obtained a certification from the trustees as of December 31, 2020 and 2019, and for the year ended December 31, 2020, that the information provided to the plan administrator by the trustees is complete and accurate.

Disclaimer of Opinion

Because of the significance of the matter described in the Basis for Disclaimer of Opinion paragraph, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion. Accordingly, we do not express an opinion on these financial statements.

Other Matter - Supplemental Schedules

The supplemental Schedule H, Line 4(a) - Schedule of Delinquent Participant Contributions for the year ended December 31, 2020 and the Schedule H, Line 4(i) - Schedule of Assets (Held at End of Year) as of December 31, 2020 are required by the Department of Labor's ("DOL") Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 and are presented for the purpose of additional analysis and are not a required part of the financial statements. Because of the significance of the matter described in the *Basis for Disclaimer of Opinion* paragraph, we do not express an opinion on these supplemental schedules.

Report on Form and Content in Compliance With DOL Rules and Regulations

The form and content of the information included in the financial statements and supplemental schedules, other than that derived from the information certified by the trustees, have been audited by us in accordance with auditing standards generally accepted in the United States of America and, in our opinion, are presented in compliance with the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974.

A handwritten signature in black ink that reads "Caron & Bleyer, PLLC". The signature is written in a cursive, flowing style.

Kingston, NH
October 12, 2021

CARDONE INDUSTRIES, INC. 401(k) SAFE HARBOR PLAN
STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS
December 31, 2020 and 2019

	<u>2020</u>	<u>2019</u>
Cash	\$ 77,301	\$ 38,689
Investments, at fair value:		
Pooled separate accounts	23,938,384	23,602,457
Mutual funds	<u>70,987,482</u>	<u>63,286,874</u>
Total investments at fair value	94,925,866	86,889,331
Investments, at contract value:		
Guaranteed insurance contracts	<u>12,141,381</u>	<u>10,191,884</u>
Total investments	107,067,247	97,081,215
Receivables:		
Notes receivable from participants	1,776,051	1,984,312
Participant contributions	50,557	-
Employer contributions	<u>3,149,982</u>	<u>4,059,700</u>
Total receivables	<u>4,976,590</u>	<u>6,044,012</u>
Net assets available for benefits	<u>\$ 112,121,138</u>	<u>\$ 103,163,916</u>

The accompanying notes are an integral
part of the financial statements.

CARDONE INDUSTRIES, INC. 401(k) SAFE HARBOR PLAN
STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS
For the year ended December 31, 2020

	<u>2020</u>
Additions:	
Investment income:	
Net appreciation in fair value of investments	\$ 13,420,394
Dividend and interest income	<u>2,499,949</u>
	15,920,343
Contributions:	
Participant contributions	2,580,146
Rollover contributions	161,927
Employer contributions	<u>3,399,553</u>
	<u>6,141,626</u>
Total additions	22,061,969
Deductions:	
Benefits paid to participants	12,872,927
Administrative expenses	<u>231,820</u>
Total deductions	<u>13,104,747</u>
Net increase	8,957,222
Net assets available for benefits:	
Beginning of year	<u>103,163,916</u>
End of year	<u>\$ 112,121,138</u>

The accompanying notes are an integral
part of the financial statements.

CARDONE INDUSTRIES, INC. 401(k) SAFE HARBOR PLAN
NOTES TO FINANCIAL STATEMENTS

A. DESCRIPTION OF PLAN:

The following description of the Cardone Industries, Inc. 401(k) Safe Harbor Plan (the "Plan") provides only general information. Participants should refer to the plan document for a complete description of the Plan's provisions.

General

The Plan is a defined contribution plan covering substantially all employees of Cardone Industries, Inc. (the "Company"). The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974, as amended ("ERISA").

Contributions

Upon meeting eligibility requirements participants may contribute up to 50% of their plan compensation on a pre-tax or after-tax Roth basis except for Dallas Chemical & Production Workers Union Local 30 who are limited to 20% of their plan compensation, subject to Internal Revenue Code ("IRC") limitations. Participants who are at least 50 may make an additional "catch up" contribution subject to IRC limitations. Participants may also contribute funds from another qualified plan ("rollover contributions"), subject to certain requirements.

Participant contributions may be matched by the Company at a percentage of a participant's compensation, as determined by the Company, for employees who completed least 250 hours of service within the first three months of employment. Employees must be employed on the last day of the plan year and have worked at least 1,000 hours during the plan year to be eligible for matching contributions. For the plan year ended December 31, 2020 the Company matched the lesser of 100% of the first 10% of a non-union participant's deferral contributions or 4% of the participant's compensation deferred, and the lesser of 100% of the first 10% of a union participant's deferral contributions or 1% of the participant's compensation deferred.

The Company contributes a safe harbor contribution equal to 3% of a participant's compensation for non-union employees. The Company also contributes non-elective contributions for employees who have complete a year of service. Employees must be employed on the last day of the plan year and have worked at least 1,000 hours during the plan year to be eligible for non-elective contributions. Non-union participants receive a 2% fixed ESOP Replacement contribution and a discretionary 2% profit sharing contribution for a maximum non-elective contribution of 4%. All SEIU Local 252 employees covered by a collective bargaining agreement receive a 2% fixed ESOP Replacement contribution and a 3% pension replacement contribution for a maximum non-elective contribution of 5%. The Company made a non-elective contribution of \$1,939,964 for the 2020 plan year.

All Harlingen Plastic Workers Union Local 18 employees covered by a collective bargaining agreement receive a fixed \$25 per month contribution. Such employees must work at least 40 hours in each month to be eligible to receive a contribution for that month.

CARDONE INDUSTRIES, INC. 401(k) SAFE HARBOR PLAN
NOTES TO FINANCIAL STATEMENTS

Prior to June 1, 2019, all Dallas Chemical & Production Workers Union Local 30 employees covered by a collective bargaining agreement received a fixed \$20 per month contribution. Effective June 1, 2019, such employees receive a fixed \$35 per month contribution. Such employees must work at least 40 hours in each month to be eligible to receive a contribution for that month.

Participant Accounts

Each participant's account is credited or charged with contributions, investment income, and administrative expenses. Investment income, including realized and unrealized gains and losses, and expenses are allocated to participants' accounts based on each participant's account balance within each fund. Participants determine the percentage in which contributions are to be invested in each fund. Participants may change their investment options as set forth in the plan document. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account.

Vesting

Participants are fully vested in that portion of their account which represents their contributions, safe harbor contributions, and the income earned thereon. Participants become 100% vested in the Company's contributions and earnings thereon upon death, total and permanent disability, or attainment of normal retirement age. Otherwise, a participant's interest in the Company's contributions and earnings thereon vests according to the following schedule:

<u>Completed Years of Service</u>	<u>Percent Vested</u>
1 year	25%
2 years	50%
3 years	75%
4 years	100%

Forfeitures

When certain terminations of participation in the Plan occur, the nonvested portion of the participant's account represents a forfeiture, as defined by the Plan. Forfeited balances are first used to restore re-employed participants' accounts. Any remaining forfeitures may be used to pay plan expenses or to reduce company contributions. During 2020, \$131,062 of forfeitures were used to reduce company contributions and \$13,522 were used to pay plan expenses. Unallocated forfeitures at December 31, 2020 and 2019 were \$23,324 and \$47,998, respectively.

Distribution of Benefits

Benefits may be distributed to participants upon termination of employment by reason of retirement, disability, death or other separation from service. Distributions under the Plan may be made in lump sums, installment payments, or partial withdrawals.

CARDONE INDUSTRIES, INC. 401(k) SAFE HARBOR PLAN
NOTES TO FINANCIAL STATEMENTS

A participant may also request a withdrawal upon attainment of age 59 1/2 or upon demonstration by the participant to the plan administrator that the participant is suffering from "hardship", as defined in the plan document.

During 2020, the Plan adopted the distribution provision of the Coronavirus Aid, Relief, and Economic Security ("CARES") Act that was signed into law on March 27, 2020. A CARES Act distribution allows the Plan's participants to take a COVID-19 related distribution up to \$100,000 from the Plan beginning on or after January 1, 2020 and before December 31, 2020. During 2020, participants elected to take \$1,393,998 of COVID-19 related distributions. Written amendments to the Plan reflect these operational changes will be adopted at a later date in accordance with applicable law and IRS guidance.

Notes Receivable from Participants

A participant may request a loan in an amount not less than \$750. The loan amount is limited to the lesser of one-half of the participant's vested account balance or \$50,000. Loans must bear a reasonable rate of interest. All loans are collateralized by the participant's account and must be supported by a promissory note. All loans must be repaid within five years unless the proceeds are used to acquire a principal residence, in which case a longer repayment period is allowed. No more than one loan may be outstanding at any time. Principal and interest is generally paid ratably through payroll deductions each pay period.

B. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Basis of Accounting

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

Use of Estimates

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

Investment Valuation and Income Recognition

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

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

CARDONE INDUSTRIES, INC. 401(k) SAFE HARBOR PLAN
NOTES TO FINANCIAL STATEMENTS

Notes Receivable from Participants

Notes receivable from participants are measured at their unpaid principal balance plus any accrued but unpaid interest. Interest income is recorded on the accrual basis. No allowance for credit losses has been recorded as of December 31, 2020 or 2019. Delinquent participant loans are reclassified as distributions based upon the terms of the plan document.

Expenses of the Plan

Substantially all of the administrative expenses incurred by the Plan are paid by the Plan. Participant transaction expenses are paid by participants initiating the transaction. Any expenses not paid by the Plan are paid by the Company. Expenses that are paid by the Company are excluded from these financial statements. Investment related expenses are included in net appreciation in fair value of investments.

Payment of Benefits

Benefits are recorded when paid.

C. FAIR VALUE MEASUREMENTS:

The framework for measuring fair value provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1) and the lowest priority to unobservable inputs (level 3). The three levels of the fair value hierarchy under FASB ASC 820 are described as follows:

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

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

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

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement.

CARDONE INDUSTRIES, INC. 401(k) SAFE HARBOR PLAN
NOTES TO FINANCIAL STATEMENTS

Following is a description of the valuation methodologies used by the Plan. There have been no changes in the methodologies used at December 31, 2020 and 2019.

Mutual funds – Valued at the daily closing price as reported by the fund. Mutual funds held by the Plan are open-end mutual funds that are registered with the SEC. These funds are required to publish their daily net asset value (NAV) and to transact at that price. The mutual funds held by the Plan are deemed to be actively traded.

Pooled separate accounts – Valued at the net asset value of units of a pooled separate account. The net asset value, as provided by the contract issuer, is used as a practical expedient to estimate fair value. The net asset value is based on the fair value of the underlying investments held by the fund less its liabilities. This practical expedient would not be used if it is determined to be probable that the fund will sell the investment for an amount different from the reported net asset value.

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

<u>Description</u>	2020			
	<u>Total</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Mutual funds	\$ 70,987,482	\$ 70,987,482	\$ -	\$ -
Total investments in the fair value hierarchy	70,987,482	<u>\$ 70,987,482</u>	<u>\$ -</u>	<u>\$ -</u>
Investments measured at net asset value(1):				
Pooled separate accounts	<u>23,938,384</u>			
Total investments at fair value	<u>\$ 94,925,866</u>			

<u>Description</u>	2019			
	<u>Total</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Mutual funds	\$ 63,286,874	\$ 63,286,874	\$ -	\$ -
Total investments in the fair value hierarchy	63,286,874	<u>\$ 63,286,874</u>	<u>\$ -</u>	<u>\$ -</u>
Investments measured at net asset value(1):				
Pooled separate accounts	<u>23,602,457</u>			
Total investments at fair value	<u>\$ 86,889,331</u>			

(1) In accordance with Subtopic 820-10, certain investments that were measured at net asset value per share (or its equivalent) have not been classified in the fair value hierarchy. The fair value amounts presented in this table are intended to permit reconciliation of the fair value hierarchy to the line items presented in the statements of net assets available for benefits.

CARDONE INDUSTRIES, INC. 401(k) SAFE HARBOR PLAN
NOTES TO FINANCIAL STATEMENTS

The pooled separate accounts that the plan is invested in allow for daily redemptions for participants; however, redemptions for the plan may be delayed up to 30 days. There are no unfunded commitments.

D. INVESTMENT CONTRACT WITH INSURANCE COMPANY:

The Plan holds a traditional investment contract issued by Prudential Retirement Insurance and Annuity Company ("the contract issuer"). The contract meets the fully benefit-responsive investment contract criteria and therefore is reported at contract value. Contract value is the relevant measure for fully benefit-responsive investment contracts because this is the amount received by participants if they were to initiate permitted transactions under the Plan. Contract value represents contributions made under the contract, plus earnings, less participant withdrawals and administrative expenses.

With traditional investment contracts, the Plan owns only the contract itself. These contracts are designed to accrue interest based on crediting rates established by the contract issuers.

The traditional investment contract held by the Plan is a guaranteed investment contract. The contract issuer is contractually obligated to repay the principal and interest at a specified interest rate that is guaranteed to the Plan. The crediting rate is based on a formula established by the contract issuer but may not be less than 1.50 percent. Such interest rates are reviewed on a semi-annual basis for resetting. The contract does not have a maturity date.

Lump sums are permitted unless the total distribution amount plus all other distributions during the year would exceed 10% of the Guaranteed Income Fund pool balance as of January 1. If the total distribution amount plus all other distributions during the year would exceed the 10% limit, then 6 equal installment payments would be made. Alternatively, the plan may elect to receive annual installments over the course of no more than 10 years.

The Plan's ability to receive amounts due in accordance with fully benefit-responsive investment contracts is dependent on the third-party issuer's ability to meet its financial obligations. The issuer's ability to meet its contractual obligations may be affected by future economic and regulatory developments.

Certain events might limit the ability of the Plan to transact at contract value with the contract issuer. Such events include the following: (1) amendments to the plan documents (including complete or partial plan termination or merger with another plan), (2) changes to the Plan's prohibition on competing investment options or deletion of equity wash provisions, (3) bankruptcy of the plan sponsor or other plan sponsor events (for example, divestitures or spin-offs of a subsidiary) that cause a significant withdrawal from the Plan, or (4) the failure of the trust to qualify for exemption from federal income taxes or any required prohibited transaction exemption under ERISA.

No events are probable of occurring that might limit the ability of the Plan to transact at contract value with the contract issuer and that would also limit the ability of the Plan to transact at contract value with the participants.

CARDONE INDUSTRIES, INC. 401(k) SAFE HARBOR PLAN
NOTES TO FINANCIAL STATEMENTS

E. PARTIES-IN-INTEREST:

Section 3(14) of ERISA defines a party-in-interest to include, among others, fiduciaries or employees of the Plan, any person who provides services to the Plan or an employer whose employees are covered by the Plan. Accordingly, loans to participants and the management of investments held by the trustees are considered party-in-interest transactions.

F. TAX STATUS:

The Internal Revenue Service ("IRS") has determined and informed the sponsor of the prototype document adopted by the Company by a letter dated April 29, 2014 that the prototype plan document and related trust are designed in accordance with applicable sections of the IRC. Although the Plan has been amended since receiving the opinion letter, the plan administrator believes that the Plan is designed and is currently being operated in compliance with the applicable requirements of the IRC and therefore believes that the Plan is qualified and the related trust is tax-exempt.

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

G. COMPLIANCE AND ERISA:

The plan administrator has elected the method of compliance permitted under 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA. Accordingly, no auditing procedures with respect to the information certified by Prudential Bank & Trust, F.S.B. and Prudential Retirement Insurance and Annuity Company, the trustees of the Plan, were performed by the independent auditors except for comparing the information to the financial statements and supplemental schedules. The trustees have certified as to the completeness and accuracy of the investments (including notes receivable from participants) held by the Plan as of December 31, 2020 and 2019, the investment earnings and other investment-related transactions of the Plan for the year ended December 31, 2020, and the information contained in the supplemental Schedule H, Line 4(i) - Schedule of Assets (Held at End of Year) as of December 31, 2020.

H. PLAN TERMINATION:

Although the Plan was established with the intention that it will continue indefinitely, the Company retains the right to discontinue its contributions at any time or to terminate the Plan, subject to the provisions of ERISA. In the event of plan termination, all participants will become 100% vested in their accounts.

CARDONE INDUSTRIES, INC. 401(k) SAFE HARBOR PLAN
NOTES TO FINANCIAL STATEMENTS

I. RISKS AND UNCERTAINTIES:

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

The specific impact of the COVID-19 global pandemic on the Plan's investment securities is not readily determinable as of the date of these financial statements. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

J. SUBSEQUENT EVENTS:

The Company has evaluated subsequent events through October 12, 2021, the date these financial statements were available for issuance.

CARDONE INDUSTRIES, INC. 401(k) SAFE HARBOR PLAN
EIN: 23-3000982
Plan Number: 003

SCHEDULE H, Line 4(a) - SCHEDULE OF DELINQUENT PARTICIPANT CONTRIBUTIONS
For the year ended December 31, 2020

Total that Constitute Nonexempt Prohibited Transactions

Plan Year	Participant Contributions Transferred Late to Plan		Contributions Not Corrected	Contributions Corrected Outside VFCP	Contributions Pending Correction in VFCP	Total Fully Corrected Under VFCP and PTE 2002-51
2020	\$ 65,527	*	\$ -	\$ 65,527	\$ -	\$ -

* Indicates late participant loan repayments are included.

CARDONE INDUSTRIES, INC. 401(k) SAFE HARBOR PLAN
 EIN: 23-3000982
 Plan Number: 003

SCHEDULE H, LINE 4(i) - SCHEDULE OF ASSETS (HELD AT END OF YEAR)
 December 31, 2020

(a)	(b)	(c)	(d)	(e)
	Identity of issue, borrower, lessor or similar party	Description of investment including maturity date, rate of interest, collateral, par or maturity value	Cost	Current value
	<u>Investments, at fair value:</u>			
	American Funds New World R6 Fund	Mutual fund	**	\$ 1,310,781
	John Hancock Funds Disciplined Value Mid Cap R6 Fund	"	**	468,041
	Vanguard Target Retirement 2040 Fund	"	**	1,855,264
	Vanguard Target Retirement 2050 Fund	"	**	1,922,032
	Vanguard Total Bond Market Index Fund	"	**	5,978,868
	AB Large Cap Growth Z Fund	"	**	17,024,964
	Loomis Sayles Core Plus Bond Fund	"	**	8,804,054
	Delaware Value R6 Fund	"	**	485,047
	Vanguard Target Retirement 2030 Fund	"	**	3,033,906
	American Funds Income R6 Fund	"	**	2,292,933
	Victory RS Small Cap Growth R6 Fund	"	**	7,140,431
	Vanguard Target Retirement Income Fund	"	**	368,527
	Vanguard Target Retirement 2020 Fund	"	**	2,305,274
	MFS International Intrinsic Value R6 Fund	"	**	320,317
	MFS International Growth R6 Fund	"	**	1,632,721
	Vanguard Target Retirement 2060 Fund	"	**	795,740
	MFS Mid Cap Growth R6 Fund	"	**	5,762,910
	Vanguard Total World Stock Index Institutional Fund	"	**	9,485,672
*	Dryden S&P 500 Index Fund	Pooled separate account	**	22,644,524
*	QMA Mid Cap Index Fund	"	**	533,118
*	QMA Small Cap Index Fund	"	**	760,742
	Total investments, at fair value			94,925,866
	<u>Investments, at contract value:</u>			
*	Guaranteed Income Fund	Guaranteed account	**	12,141,381
	Total investments on the statement of net assets available for benefits			107,067,247
*	Participant Loans	(4.25% - 6.50%)	-	1,776,051
	Total investments on the Form 5500			<u>\$ 108,843,298</u>

** Cost omitted for participant directed investments.

* Denotes party-in-interest to the Plan.



**CARDONE INDUSTRIES, INC.
401(k) SAFE HARBOR PLAN**

FINANCIAL STATEMENTS

December 31, 2020 and 2019 and
For the Year Ended December 31, 2020



CARON & BLETZER, PLLC

Certified Public Accountants and Business Consultants

CARDONE INDUSTRIES, INC. 401(k) SAFE HARBOR PLAN
CONTENTS

	Page(s)
Independent Auditor's Report	1-2
Financial Statements:	
Statements of Net Assets Available for Benefits	3
Statement of Changes in Net Assets Available for Benefits	4
Notes to Financial Statements	5-12
Supplemental Schedules:	
Schedule H, Line 4(a) - Schedule of Delinquent Participant Contributions	13
Schedule H, Line 4(i) - Schedule of Assets (Held at End of Year)	14

Certain supplemental schedules have been omitted because they are either not required or not applicable.



Independent Auditor's Report

To the Plan Administrator of the Cardone Industries, Inc. 401(k) Safe Harbor Plan:

Report on the Financial Statements

We were engaged to audit the accompanying financial statements of the Cardone Industries, Inc. 401(k) Safe Harbor Plan (the "Plan"), which comprise the statements of net assets available for benefits as of December 31, 2020 and 2019, and the related statement of changes in net assets available for benefits for the year ended December 31, 2020, and the related notes to the financial statements.

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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on conducting the audits in accordance with auditing standards generally accepted in the United States of America. Because of the matter described in the *Basis for Disclaimer of Opinion* paragraph, however, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion.

Basis for Disclaimer of Opinion

As permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974, the plan administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the information summarized in Note G, which was certified by Prudential Bank & Trust, F.S.B. and Prudential Retirement Insurance and Annuity Company, the trustees of the Plan, except for comparing such information with the related information included in the financial statements. We have been informed by the plan administrator that the trustees hold the Plan's investment assets and execute investment transactions. The plan administrator has obtained a certification from the trustees as of December 31, 2020 and 2019, and for the year ended December 31, 2020, that the information provided to the plan administrator by the trustees is complete and accurate.

Disclaimer of Opinion

Because of the significance of the matter described in the Basis for Disclaimer of Opinion paragraph, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion. Accordingly, we do not express an opinion on these financial statements.

Other Matter - Supplemental Schedules

The supplemental Schedule H, Line 4(a) - Schedule of Delinquent Participant Contributions for the year ended December 31, 2020 and the Schedule H, Line 4(i) - Schedule of Assets (Held at End of Year) as of December 31, 2020 are required by the Department of Labor's ("DOL") Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 and are presented for the purpose of additional analysis and are not a required part of the financial statements. Because of the significance of the matter described in the *Basis for Disclaimer of Opinion* paragraph, we do not express an opinion on these supplemental schedules.

Report on Form and Content in Compliance With DOL Rules and Regulations

The form and content of the information included in the financial statements and supplemental schedules, other than that derived from the information certified by the trustees, have been audited by us in accordance with auditing standards generally accepted in the United States of America and, in our opinion, are presented in compliance with the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974.

A handwritten signature in black ink that reads "Caron & Bleyer, PLLC". The signature is written in a cursive, flowing style.

Kingston, NH
October 12, 2021

CARDONE INDUSTRIES, INC. 401(k) SAFE HARBOR PLAN
STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS
December 31, 2020 and 2019

	<u>2020</u>	<u>2019</u>
Cash	\$ 77,301	\$ 38,689
Investments, at fair value:		
Pooled separate accounts	23,938,384	23,602,457
Mutual funds	<u>70,987,482</u>	<u>63,286,874</u>
Total investments at fair value	94,925,866	86,889,331
Investments, at contract value:		
Guaranteed insurance contracts	<u>12,141,381</u>	<u>10,191,884</u>
Total investments	107,067,247	97,081,215
Receivables:		
Notes receivable from participants	1,776,051	1,984,312
Participant contributions	50,557	-
Employer contributions	<u>3,149,982</u>	<u>4,059,700</u>
Total receivables	<u>4,976,590</u>	<u>6,044,012</u>
Net assets available for benefits	<u>\$ 112,121,138</u>	<u>\$ 103,163,916</u>

The accompanying notes are an integral
part of the financial statements.

CARDONE INDUSTRIES, INC. 401(k) SAFE HARBOR PLAN
STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS
For the year ended December 31, 2020

	<u>2020</u>
Additions:	
Investment income:	
Net appreciation in fair value of investments	\$ 13,420,394
Dividend and interest income	<u>2,499,949</u>
	15,920,343
Contributions:	
Participant contributions	2,580,146
Rollover contributions	161,927
Employer contributions	<u>3,399,553</u>
	<u>6,141,626</u>
Total additions	22,061,969
Deductions:	
Benefits paid to participants	12,872,927
Administrative expenses	<u>231,820</u>
Total deductions	<u>13,104,747</u>
Net increase	8,957,222
Net assets available for benefits:	
Beginning of year	<u>103,163,916</u>
End of year	<u>\$ 112,121,138</u>

The accompanying notes are an integral
part of the financial statements.

CARDONE INDUSTRIES, INC. 401(k) SAFE HARBOR PLAN
NOTES TO FINANCIAL STATEMENTS

A. DESCRIPTION OF PLAN:

The following description of the Cardone Industries, Inc. 401(k) Safe Harbor Plan (the "Plan") provides only general information. Participants should refer to the plan document for a complete description of the Plan's provisions.

General

The Plan is a defined contribution plan covering substantially all employees of Cardone Industries, Inc. (the "Company"). The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974, as amended ("ERISA").

Contributions

Upon meeting eligibility requirements participants may contribute up to 50% of their plan compensation on a pre-tax or after-tax Roth basis except for Dallas Chemical & Production Workers Union Local 30 who are limited to 20% of their plan compensation, subject to Internal Revenue Code ("IRC") limitations. Participants who are at least 50 may make an additional "catch up" contribution subject to IRC limitations. Participants may also contribute funds from another qualified plan ("rollover contributions"), subject to certain requirements.

Participant contributions may be matched by the Company at a percentage of a participant's compensation, as determined by the Company, for employees who completed least 250 hours of service within the first three months of employment. Employees must be employed on the last day of the plan year and have worked at least 1,000 hours during the plan year to be eligible for matching contributions. For the plan year ended December 31, 2020 the Company matched the lesser of 100% of the first 10% of a non-union participant's deferral contributions or 4% of the participant's compensation deferred, and the lesser of 100% of the first 10% of a union participant's deferral contributions or 1% of the participant's compensation deferred.

The Company contributes a safe harbor contribution equal to 3% of a participant's compensation for non-union employees. The Company also contributes non-elective contributions for employees who have complete a year of service. Employees must be employed on the last day of the plan year and have worked at least 1,000 hours during the plan year to be eligible for non-elective contributions. Non-union participants receive a 2% fixed ESOP Replacement contribution and a discretionary 2% profit sharing contribution for a maximum non-elective contribution of 4%. All SEIU Local 252 employees covered by a collective bargaining agreement receive a 2% fixed ESOP Replacement contribution and a 3% pension replacement contribution for a maximum non-elective contribution of 5%. The Company made a non-elective contribution of \$1,939,964 for the 2020 plan year.

All Harlingen Plastic Workers Union Local 18 employees covered by a collective bargaining agreement receive a fixed \$25 per month contribution. Such employees must work at least 40 hours in each month to be eligible to receive a contribution for that month.

CARDONE INDUSTRIES, INC. 401(k) SAFE HARBOR PLAN
NOTES TO FINANCIAL STATEMENTS

Prior to June 1, 2019, all Dallas Chemical & Production Workers Union Local 30 employees covered by a collective bargaining agreement received a fixed \$20 per month contribution. Effective June 1, 2019, such employees receive a fixed \$35 per month contribution. Such employees must work at least 40 hours in each month to be eligible to receive a contribution for that month.

Participant Accounts

Each participant's account is credited or charged with contributions, investment income, and administrative expenses. Investment income, including realized and unrealized gains and losses, and expenses are allocated to participants' accounts based on each participant's account balance within each fund. Participants determine the percentage in which contributions are to be invested in each fund. Participants may change their investment options as set forth in the plan document. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account.

Vesting

Participants are fully vested in that portion of their account which represents their contributions, safe harbor contributions, and the income earned thereon. Participants become 100% vested in the Company's contributions and earnings thereon upon death, total and permanent disability, or attainment of normal retirement age. Otherwise, a participant's interest in the Company's contributions and earnings thereon vests according to the following schedule:

<u>Completed Years of Service</u>	<u>Percent Vested</u>
1 year	25%
2 years	50%
3 years	75%
4 years	100%

Forfeitures

When certain terminations of participation in the Plan occur, the nonvested portion of the participant's account represents a forfeiture, as defined by the Plan. Forfeited balances are first used to restore re-employed participants' accounts. Any remaining forfeitures may be used to pay plan expenses or to reduce company contributions. During 2020, \$131,062 of forfeitures were used to reduce company contributions and \$13,522 were used to pay plan expenses. Unallocated forfeitures at December 31, 2020 and 2019 were \$23,324 and \$47,998, respectively.

Distribution of Benefits

Benefits may be distributed to participants upon termination of employment by reason of retirement, disability, death or other separation from service. Distributions under the Plan may be made in lump sums, installment payments, or partial withdrawals.

CARDONE INDUSTRIES, INC. 401(k) SAFE HARBOR PLAN
NOTES TO FINANCIAL STATEMENTS

A participant may also request a withdrawal upon attainment of age 59 1/2 or upon demonstration by the participant to the plan administrator that the participant is suffering from "hardship", as defined in the plan document.

During 2020, the Plan adopted the distribution provision of the Coronavirus Aid, Relief, and Economic Security ("CARES") Act that was signed into law on March 27, 2020. A CARES Act distribution allows the Plan's participants to take a COVID-19 related distribution up to \$100,000 from the Plan beginning on or after January 1, 2020 and before December 31, 2020. During 2020, participants elected to take \$1,393,998 of COVID-19 related distributions. Written amendments to the Plan reflect these operational changes will be adopted at a later date in accordance with applicable law and IRS guidance.

Notes Receivable from Participants

A participant may request a loan in an amount not less than \$750. The loan amount is limited to the lesser of one-half of the participant's vested account balance or \$50,000. Loans must bear a reasonable rate of interest. All loans are collateralized by the participant's account and must be supported by a promissory note. All loans must be repaid within five years unless the proceeds are used to acquire a principal residence, in which case a longer repayment period is allowed. No more than one loan may be outstanding at any time. Principal and interest is generally paid ratably through payroll deductions each pay period.

B. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Basis of Accounting

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

Use of Estimates

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

Investment Valuation and Income Recognition

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

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

CARDONE INDUSTRIES, INC. 401(k) SAFE HARBOR PLAN
NOTES TO FINANCIAL STATEMENTS

Notes Receivable from Participants

Notes receivable from participants are measured at their unpaid principal balance plus any accrued but unpaid interest. Interest income is recorded on the accrual basis. No allowance for credit losses has been recorded as of December 31, 2020 or 2019. Delinquent participant loans are reclassified as distributions based upon the terms of the plan document.

Expenses of the Plan

Substantially all of the administrative expenses incurred by the Plan are paid by the Plan. Participant transaction expenses are paid by participants initiating the transaction. Any expenses not paid by the Plan are paid by the Company. Expenses that are paid by the Company are excluded from these financial statements. Investment related expenses are included in net appreciation in fair value of investments.

Payment of Benefits

Benefits are recorded when paid.

C. FAIR VALUE MEASUREMENTS:

The framework for measuring fair value provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1) and the lowest priority to unobservable inputs (level 3). The three levels of the fair value hierarchy under FASB ASC 820 are described as follows:

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

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

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

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement.

CARDONE INDUSTRIES, INC. 401(k) SAFE HARBOR PLAN
NOTES TO FINANCIAL STATEMENTS

Following is a description of the valuation methodologies used by the Plan. There have been no changes in the methodologies used at December 31, 2020 and 2019.

Mutual funds – Valued at the daily closing price as reported by the fund. Mutual funds held by the Plan are open-end mutual funds that are registered with the SEC. These funds are required to publish their daily net asset value (NAV) and to transact at that price. The mutual funds held by the Plan are deemed to be actively traded.

Pooled separate accounts – Valued at the net asset value of units of a pooled separate account. The net asset value, as provided by the contract issuer, is used as a practical expedient to estimate fair value. The net asset value is based on the fair value of the underlying investments held by the fund less its liabilities. This practical expedient would not be used if it is determined to be probable that the fund will sell the investment for an amount different from the reported net asset value.

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

<u>Description</u>	2020			
	<u>Total</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Mutual funds	\$ 70,987,482	\$ 70,987,482	\$ -	\$ -
Total investments in the fair value hierarchy	70,987,482	<u>\$ 70,987,482</u>	<u>\$ -</u>	<u>\$ -</u>
Investments measured at net asset value(1):				
Pooled separate accounts	<u>23,938,384</u>			
Total investments at fair value	<u>\$ 94,925,866</u>			

<u>Description</u>	2019			
	<u>Total</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Mutual funds	\$ 63,286,874	\$ 63,286,874	\$ -	\$ -
Total investments in the fair value hierarchy	63,286,874	<u>\$ 63,286,874</u>	<u>\$ -</u>	<u>\$ -</u>
Investments measured at net asset value(1):				
Pooled separate accounts	<u>23,602,457</u>			
Total investments at fair value	<u>\$ 86,889,331</u>			

(1) In accordance with Subtopic 820-10, certain investments that were measured at net asset value per share (or its equivalent) have not been classified in the fair value hierarchy. The fair value amounts presented in this table are intended to permit reconciliation of the fair value hierarchy to the line items presented in the statements of net assets available for benefits.

CARDONE INDUSTRIES, INC. 401(k) SAFE HARBOR PLAN
NOTES TO FINANCIAL STATEMENTS

The pooled separate accounts that the plan is invested in allow for daily redemptions for participants; however, redemptions for the plan may be delayed up to 30 days. There are no unfunded commitments.

D. INVESTMENT CONTRACT WITH INSURANCE COMPANY:

The Plan holds a traditional investment contract issued by Prudential Retirement Insurance and Annuity Company ("the contract issuer"). The contract meets the fully benefit-responsive investment contract criteria and therefore is reported at contract value. Contract value is the relevant measure for fully benefit-responsive investment contracts because this is the amount received by participants if they were to initiate permitted transactions under the Plan. Contract value represents contributions made under the contract, plus earnings, less participant withdrawals and administrative expenses.

With traditional investment contracts, the Plan owns only the contract itself. These contracts are designed to accrue interest based on crediting rates established by the contract issuers.

The traditional investment contract held by the Plan is a guaranteed investment contract. The contract issuer is contractually obligated to repay the principal and interest at a specified interest rate that is guaranteed to the Plan. The crediting rate is based on a formula established by the contract issuer but may not be less than 1.50 percent. Such interest rates are reviewed on a semi-annual basis for resetting. The contract does not have a maturity date.

Lump sums are permitted unless the total distribution amount plus all other distributions during the year would exceed 10% of the Guaranteed Income Fund pool balance as of January 1. If the total distribution amount plus all other distributions during the year would exceed the 10% limit, then 6 equal installment payments would be made. Alternatively, the plan may elect to receive annual installments over the course of no more than 10 years.

The Plan's ability to receive amounts due in accordance with fully benefit-responsive investment contracts is dependent on the third-party issuer's ability to meet its financial obligations. The issuer's ability to meet its contractual obligations may be affected by future economic and regulatory developments.

Certain events might limit the ability of the Plan to transact at contract value with the contract issuer. Such events include the following: (1) amendments to the plan documents (including complete or partial plan termination or merger with another plan), (2) changes to the Plan's prohibition on competing investment options or deletion of equity wash provisions, (3) bankruptcy of the plan sponsor or other plan sponsor events (for example, divestitures or spin-offs of a subsidiary) that cause a significant withdrawal from the Plan, or (4) the failure of the trust to qualify for exemption from federal income taxes or any required prohibited transaction exemption under ERISA.

No events are probable of occurring that might limit the ability of the Plan to transact at contract value with the contract issuer and that would also limit the ability of the Plan to transact at contract value with the participants.

CARDONE INDUSTRIES, INC. 401(k) SAFE HARBOR PLAN
NOTES TO FINANCIAL STATEMENTS

E. PARTIES-IN-INTEREST:

Section 3(14) of ERISA defines a party-in-interest to include, among others, fiduciaries or employees of the Plan, any person who provides services to the Plan or an employer whose employees are covered by the Plan. Accordingly, loans to participants and the management of investments held by the trustees are considered party-in-interest transactions.

F. TAX STATUS:

The Internal Revenue Service ("IRS") has determined and informed the sponsor of the prototype document adopted by the Company by a letter dated April 29, 2014 that the prototype plan document and related trust are designed in accordance with applicable sections of the IRC. Although the Plan has been amended since receiving the opinion letter, the plan administrator believes that the Plan is designed and is currently being operated in compliance with the applicable requirements of the IRC and therefore believes that the Plan is qualified and the related trust is tax-exempt.

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

G. COMPLIANCE AND ERISA:

The plan administrator has elected the method of compliance permitted under 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA. Accordingly, no auditing procedures with respect to the information certified by Prudential Bank & Trust, F.S.B. and Prudential Retirement Insurance and Annuity Company, the trustees of the Plan, were performed by the independent auditors except for comparing the information to the financial statements and supplemental schedules. The trustees have certified as to the completeness and accuracy of the investments (including notes receivable from participants) held by the Plan as of December 31, 2020 and 2019, the investment earnings and other investment-related transactions of the Plan for the year ended December 31, 2020, and the information contained in the supplemental Schedule H, Line 4(i) - Schedule of Assets (Held at End of Year) as of December 31, 2020.

H. PLAN TERMINATION:

Although the Plan was established with the intention that it will continue indefinitely, the Company retains the right to discontinue its contributions at any time or to terminate the Plan, subject to the provisions of ERISA. In the event of plan termination, all participants will become 100% vested in their accounts.

CARDONE INDUSTRIES, INC. 401(k) SAFE HARBOR PLAN
NOTES TO FINANCIAL STATEMENTS

I. RISKS AND UNCERTAINTIES:

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

The specific impact of the COVID-19 global pandemic on the Plan's investment securities is not readily determinable as of the date of these financial statements. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

J. SUBSEQUENT EVENTS:

The Company has evaluated subsequent events through October 12, 2021, the date these financial statements were available for issuance.

CARDONE INDUSTRIES, INC. 401(k) SAFE HARBOR PLAN
EIN: 23-3000982
Plan Number: 003

SCHEDULE H, Line 4(a) - SCHEDULE OF DELINQUENT PARTICIPANT CONTRIBUTIONS
For the year ended December 31, 2020

Total that Constitute Nonexempt Prohibited Transactions

Plan Year	Participant Contributions Transferred Late to Plan		Contributions Not Corrected	Contributions Corrected Outside VFCP	Contributions Pending Correction in VFCP	Total Fully Corrected Under VFCP and PTE 2002-51
2020	\$ 65,527	*	\$ -	\$ 65,527	\$ -	\$ -

* Indicates late participant loan repayments are included.

CARDONE INDUSTRIES, INC. 401(k) SAFE HARBOR PLAN
 EIN: 23-3000982
 Plan Number: 003

SCHEDULE H, LINE 4(i) - SCHEDULE OF ASSETS (HELD AT END OF YEAR)
 December 31, 2020

(a)	(b)	(c)	(d)	(e)
	Identity of issue, borrower, lessor or similar party	Description of investment including maturity date, rate of interest, collateral, par or maturity value	Cost	Current value
	<u>Investments, at fair value:</u>			
	American Funds New World R6 Fund	Mutual fund	**	\$ 1,310,781
	John Hancock Funds Disciplined Value Mid Cap R6 Fund	"	**	468,041
	Vanguard Target Retirement 2040 Fund	"	**	1,855,264
	Vanguard Target Retirement 2050 Fund	"	**	1,922,032
	Vanguard Total Bond Market Index Fund	"	**	5,978,868
	AB Large Cap Growth Z Fund	"	**	17,024,964
	Loomis Sayles Core Plus Bond Fund	"	**	8,804,054
	Delaware Value R6 Fund	"	**	485,047
	Vanguard Target Retirement 2030 Fund	"	**	3,033,906
	American Funds Income R6 Fund	"	**	2,292,933
	Victory RS Small Cap Growth R6 Fund	"	**	7,140,431
	Vanguard Target Retirement Income Fund	"	**	368,527
	Vanguard Target Retirement 2020 Fund	"	**	2,305,274
	MFS International Intrinsic Value R6 Fund	"	**	320,317
	MFS International Growth R6 Fund	"	**	1,632,721
	Vanguard Target Retirement 2060 Fund	"	**	795,740
	MFS Mid Cap Growth R6 Fund	"	**	5,762,910
	Vanguard Total World Stock Index Institutional Fund	"	**	9,485,672
*	Dryden S&P 500 Index Fund	Pooled separate account	**	22,644,524
*	QMA Mid Cap Index Fund	"	**	533,118
*	QMA Small Cap Index Fund	"	**	760,742
	Total investments, at fair value			94,925,866
	<u>Investments, at contract value:</u>			
*	Guaranteed Income Fund	Guaranteed account	**	12,141,381
	Total investments on the statement of net assets available for benefits			107,067,247
*	Participant Loans	(4.25% - 6.50%)	-	1,776,051
	Total investments on the Form 5500			<u>\$ 108,843,298</u>

** Cost omitted for participant directed investments.

* Denotes party-in-interest to the Plan.



**CARDONE INDUSTRIES, INC.
401(k) SAFE HARBOR PLAN**

FINANCIAL STATEMENTS

December 31, 2020 and 2019 and
For the Year Ended December 31, 2020



CARON & BLETZER, PLLC

Certified Public Accountants and Business Consultants

CARDONE INDUSTRIES, INC. 401(k) SAFE HARBOR PLAN
CONTENTS

	Page(s)
Independent Auditor's Report	1-2
Financial Statements:	
Statements of Net Assets Available for Benefits	3
Statement of Changes in Net Assets Available for Benefits	4
Notes to Financial Statements	5-12
Supplemental Schedules:	
Schedule H, Line 4(a) - Schedule of Delinquent Participant Contributions	13
Schedule H, Line 4(i) - Schedule of Assets (Held at End of Year)	14

Certain supplemental schedules have been omitted because they are either not required or not applicable.



Independent Auditor's Report

To the Plan Administrator of the Cardone Industries, Inc. 401(k) Safe Harbor Plan:

Report on the Financial Statements

We were engaged to audit the accompanying financial statements of the Cardone Industries, Inc. 401(k) Safe Harbor Plan (the "Plan"), which comprise the statements of net assets available for benefits as of December 31, 2020 and 2019, and the related statement of changes in net assets available for benefits for the year ended December 31, 2020, and the related notes to the financial statements.

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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on conducting the audits in accordance with auditing standards generally accepted in the United States of America. Because of the matter described in the *Basis for Disclaimer of Opinion* paragraph, however, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion.

Basis for Disclaimer of Opinion

As permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974, the plan administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the information summarized in Note G, which was certified by Prudential Bank & Trust, F.S.B. and Prudential Retirement Insurance and Annuity Company, the trustees of the Plan, except for comparing such information with the related information included in the financial statements. We have been informed by the plan administrator that the trustees hold the Plan's investment assets and execute investment transactions. The plan administrator has obtained a certification from the trustees as of December 31, 2020 and 2019, and for the year ended December 31, 2020, that the information provided to the plan administrator by the trustees is complete and accurate.

Disclaimer of Opinion

Because of the significance of the matter described in the Basis for Disclaimer of Opinion paragraph, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion. Accordingly, we do not express an opinion on these financial statements.

Other Matter - Supplemental Schedules

The supplemental Schedule H, Line 4(a) - Schedule of Delinquent Participant Contributions for the year ended December 31, 2020 and the Schedule H, Line 4(i) - Schedule of Assets (Held at End of Year) as of December 31, 2020 are required by the Department of Labor's ("DOL") Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 and are presented for the purpose of additional analysis and are not a required part of the financial statements. Because of the significance of the matter described in the *Basis for Disclaimer of Opinion* paragraph, we do not express an opinion on these supplemental schedules.

Report on Form and Content in Compliance With DOL Rules and Regulations

The form and content of the information included in the financial statements and supplemental schedules, other than that derived from the information certified by the trustees, have been audited by us in accordance with auditing standards generally accepted in the United States of America and, in our opinion, are presented in compliance with the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974.

A handwritten signature in black ink that reads "Caron & Bleyer, PLLC". The signature is written in a cursive, flowing style.

Kingston, NH
October 12, 2021

CARDONE INDUSTRIES, INC. 401(k) SAFE HARBOR PLAN
STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS
December 31, 2020 and 2019

	<u>2020</u>	<u>2019</u>
Cash	\$ 77,301	\$ 38,689
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Notes receivable from participants	1,776,051	1,984,312
Participant contributions	50,557	-
Employer contributions	<u>3,149,982</u>	<u>4,059,700</u>
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Net assets available for benefits	<u>\$ 112,121,138</u>	<u>\$ 103,163,916</u>

The accompanying notes are an integral
part of the financial statements.

CARDONE INDUSTRIES, INC. 401(k) SAFE HARBOR PLAN
STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS
For the year ended December 31, 2020

	<u>2020</u>
Additions:	
Investment income:	
Net appreciation in fair value of investments	\$ 13,420,394
Dividend and interest income	<u>2,499,949</u>
	15,920,343
Contributions:	
Participant contributions	2,580,146
Rollover contributions	161,927
Employer contributions	<u>3,399,553</u>
	<u>6,141,626</u>
Total additions	22,061,969
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Benefits paid to participants	12,872,927
Administrative expenses	<u>231,820</u>
Total deductions	<u>13,104,747</u>
Net increase	8,957,222
Net assets available for benefits:	
Beginning of year	<u>103,163,916</u>
End of year	<u>\$ 112,121,138</u>

The accompanying notes are an integral
part of the financial statements.

CARDONE INDUSTRIES, INC. 401(k) SAFE HARBOR PLAN
NOTES TO FINANCIAL STATEMENTS

A. DESCRIPTION OF PLAN:

The following description of the Cardone Industries, Inc. 401(k) Safe Harbor Plan (the "Plan") provides only general information. Participants should refer to the plan document for a complete description of the Plan's provisions.

General

The Plan is a defined contribution plan covering substantially all employees of Cardone Industries, Inc. (the "Company"). The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974, as amended ("ERISA").

Contributions

Upon meeting eligibility requirements participants may contribute up to 50% of their plan compensation on a pre-tax or after-tax Roth basis except for Dallas Chemical & Production Workers Union Local 30 who are limited to 20% of their plan compensation, subject to Internal Revenue Code ("IRC") limitations. Participants who are at least 50 may make an additional "catch up" contribution subject to IRC limitations. Participants may also contribute funds from another qualified plan ("rollover contributions"), subject to certain requirements.

Participant contributions may be matched by the Company at a percentage of a participant's compensation, as determined by the Company, for employees who completed least 250 hours of service within the first three months of employment. Employees must be employed on the last day of the plan year and have worked at least 1,000 hours during the plan year to be eligible for matching contributions. For the plan year ended December 31, 2020 the Company matched the lesser of 100% of the first 10% of a non-union participant's deferral contributions or 4% of the participant's compensation deferred, and the lesser of 100% of the first 10% of a union participant's deferral contributions or 1% of the participant's compensation deferred.

The Company contributes a safe harbor contribution equal to 3% of a participant's compensation for non-union employees. The Company also contributes non-elective contributions for employees who have complete a year of service. Employees must be employed on the last day of the plan year and have worked at least 1,000 hours during the plan year to be eligible for non-elective contributions. Non-union participants receive a 2% fixed ESOP Replacement contribution and a discretionary 2% profit sharing contribution for a maximum non-elective contribution of 4%. All SEIU Local 252 employees covered by a collective bargaining agreement receive a 2% fixed ESOP Replacement contribution and a 3% pension replacement contribution for a maximum non-elective contribution of 5%. The Company made a non-elective contribution of \$1,939,964 for the 2020 plan year.

All Harlingen Plastic Workers Union Local 18 employees covered by a collective bargaining agreement receive a fixed \$25 per month contribution. Such employees must work at least 40 hours in each month to be eligible to receive a contribution for that month.

CARDONE INDUSTRIES, INC. 401(k) SAFE HARBOR PLAN
NOTES TO FINANCIAL STATEMENTS

Prior to June 1, 2019, all Dallas Chemical & Production Workers Union Local 30 employees covered by a collective bargaining agreement received a fixed \$20 per month contribution. Effective June 1, 2019, such employees receive a fixed \$35 per month contribution. Such employees must work at least 40 hours in each month to be eligible to receive a contribution for that month.

Participant Accounts

Each participant's account is credited or charged with contributions, investment income, and administrative expenses. Investment income, including realized and unrealized gains and losses, and expenses are allocated to participants' accounts based on each participant's account balance within each fund. Participants determine the percentage in which contributions are to be invested in each fund. Participants may change their investment options as set forth in the plan document. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account.

Vesting

Participants are fully vested in that portion of their account which represents their contributions, safe harbor contributions, and the income earned thereon. Participants become 100% vested in the Company's contributions and earnings thereon upon death, total and permanent disability, or attainment of normal retirement age. Otherwise, a participant's interest in the Company's contributions and earnings thereon vests according to the following schedule:

<u>Completed Years of Service</u>	<u>Percent Vested</u>
1 year	25%
2 years	50%
3 years	75%
4 years	100%

Forfeitures

When certain terminations of participation in the Plan occur, the nonvested portion of the participant's account represents a forfeiture, as defined by the Plan. Forfeited balances are first used to restore re-employed participants' accounts. Any remaining forfeitures may be used to pay plan expenses or to reduce company contributions. During 2020, \$131,062 of forfeitures were used to reduce company contributions and \$13,522 were used to pay plan expenses. Unallocated forfeitures at December 31, 2020 and 2019 were \$23,324 and \$47,998, respectively.

Distribution of Benefits

Benefits may be distributed to participants upon termination of employment by reason of retirement, disability, death or other separation from service. Distributions under the Plan may be made in lump sums, installment payments, or partial withdrawals.

CARDONE INDUSTRIES, INC. 401(k) SAFE HARBOR PLAN
NOTES TO FINANCIAL STATEMENTS

A participant may also request a withdrawal upon attainment of age 59 1/2 or upon demonstration by the participant to the plan administrator that the participant is suffering from "hardship", as defined in the plan document.

During 2020, the Plan adopted the distribution provision of the Coronavirus Aid, Relief, and Economic Security ("CARES") Act that was signed into law on March 27, 2020. A CARES Act distribution allows the Plan's participants to take a COVID-19 related distribution up to \$100,000 from the Plan beginning on or after January 1, 2020 and before December 31, 2020. During 2020, participants elected to take \$1,393,998 of COVID-19 related distributions. Written amendments to the Plan reflect these operational changes will be adopted at a later date in accordance with applicable law and IRS guidance.

Notes Receivable from Participants

A participant may request a loan in an amount not less than \$750. The loan amount is limited to the lesser of one-half of the participant's vested account balance or \$50,000. Loans must bear a reasonable rate of interest. All loans are collateralized by the participant's account and must be supported by a promissory note. All loans must be repaid within five years unless the proceeds are used to acquire a principal residence, in which case a longer repayment period is allowed. No more than one loan may be outstanding at any time. Principal and interest is generally paid ratably through payroll deductions each pay period.

B. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Basis of Accounting

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

Use of Estimates

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

Investment Valuation and Income Recognition

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

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

CARDONE INDUSTRIES, INC. 401(k) SAFE HARBOR PLAN
NOTES TO FINANCIAL STATEMENTS

Notes Receivable from Participants

Notes receivable from participants are measured at their unpaid principal balance plus any accrued but unpaid interest. Interest income is recorded on the accrual basis. No allowance for credit losses has been recorded as of December 31, 2020 or 2019. Delinquent participant loans are reclassified as distributions based upon the terms of the plan document.

Expenses of the Plan

Substantially all of the administrative expenses incurred by the Plan are paid by the Plan. Participant transaction expenses are paid by participants initiating the transaction. Any expenses not paid by the Plan are paid by the Company. Expenses that are paid by the Company are excluded from these financial statements. Investment related expenses are included in net appreciation in fair value of investments.

Payment of Benefits

Benefits are recorded when paid.

C. FAIR VALUE MEASUREMENTS:

The framework for measuring fair value provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1) and the lowest priority to unobservable inputs (level 3). The three levels of the fair value hierarchy under FASB ASC 820 are described as follows:

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

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

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

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement.

CARDONE INDUSTRIES, INC. 401(k) SAFE HARBOR PLAN
NOTES TO FINANCIAL STATEMENTS

Following is a description of the valuation methodologies used by the Plan. There have been no changes in the methodologies used at December 31, 2020 and 2019.

Mutual funds – Valued at the daily closing price as reported by the fund. Mutual funds held by the Plan are open-end mutual funds that are registered with the SEC. These funds are required to publish their daily net asset value (NAV) and to transact at that price. The mutual funds held by the Plan are deemed to be actively traded.

Pooled separate accounts – Valued at the net asset value of units of a pooled separate account. The net asset value, as provided by the contract issuer, is used as a practical expedient to estimate fair value. The net asset value is based on the fair value of the underlying investments held by the fund less its liabilities. This practical expedient would not be used if it is determined to be probable that the fund will sell the investment for an amount different from the reported net asset value.

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

<u>Description</u>	2020			
	<u>Total</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Mutual funds	\$ 70,987,482	\$ 70,987,482	\$ -	\$ -
Total investments in the fair value hierarchy	70,987,482	<u>\$ 70,987,482</u>	<u>\$ -</u>	<u>\$ -</u>
Investments measured at net asset value(1):				
Pooled separate accounts	<u>23,938,384</u>			
Total investments at fair value	<u>\$ 94,925,866</u>			

<u>Description</u>	2019			
	<u>Total</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Mutual funds	\$ 63,286,874	\$ 63,286,874	\$ -	\$ -
Total investments in the fair value hierarchy	63,286,874	<u>\$ 63,286,874</u>	<u>\$ -</u>	<u>\$ -</u>
Investments measured at net asset value(1):				
Pooled separate accounts	<u>23,602,457</u>			
Total investments at fair value	<u>\$ 86,889,331</u>			

(1) In accordance with Subtopic 820-10, certain investments that were measured at net asset value per share (or its equivalent) have not been classified in the fair value hierarchy. The fair value amounts presented in this table are intended to permit reconciliation of the fair value hierarchy to the line items presented in the statements of net assets available for benefits.

CARDONE INDUSTRIES, INC. 401(k) SAFE HARBOR PLAN
NOTES TO FINANCIAL STATEMENTS

The pooled separate accounts that the plan is invested in allow for daily redemptions for participants; however, redemptions for the plan may be delayed up to 30 days. There are no unfunded commitments.

D. INVESTMENT CONTRACT WITH INSURANCE COMPANY:

The Plan holds a traditional investment contract issued by Prudential Retirement Insurance and Annuity Company ("the contract issuer"). The contract meets the fully benefit-responsive investment contract criteria and therefore is reported at contract value. Contract value is the relevant measure for fully benefit-responsive investment contracts because this is the amount received by participants if they were to initiate permitted transactions under the Plan. Contract value represents contributions made under the contract, plus earnings, less participant withdrawals and administrative expenses.

With traditional investment contracts, the Plan owns only the contract itself. These contracts are designed to accrue interest based on crediting rates established by the contract issuers.

The traditional investment contract held by the Plan is a guaranteed investment contract. The contract issuer is contractually obligated to repay the principal and interest at a specified interest rate that is guaranteed to the Plan. The crediting rate is based on a formula established by the contract issuer but may not be less than 1.50 percent. Such interest rates are reviewed on a semi-annual basis for resetting. The contract does not have a maturity date.

Lump sums are permitted unless the total distribution amount plus all other distributions during the year would exceed 10% of the Guaranteed Income Fund pool balance as of January 1. If the total distribution amount plus all other distributions during the year would exceed the 10% limit, then 6 equal installment payments would be made. Alternatively, the plan may elect to receive annual installments over the course of no more than 10 years.

The Plan's ability to receive amounts due in accordance with fully benefit-responsive investment contracts is dependent on the third-party issuer's ability to meet its financial obligations. The issuer's ability to meet its contractual obligations may be affected by future economic and regulatory developments.

Certain events might limit the ability of the Plan to transact at contract value with the contract issuer. Such events include the following: (1) amendments to the plan documents (including complete or partial plan termination or merger with another plan), (2) changes to the Plan's prohibition on competing investment options or deletion of equity wash provisions, (3) bankruptcy of the plan sponsor or other plan sponsor events (for example, divestitures or spin-offs of a subsidiary) that cause a significant withdrawal from the Plan, or (4) the failure of the trust to qualify for exemption from federal income taxes or any required prohibited transaction exemption under ERISA.

No events are probable of occurring that might limit the ability of the Plan to transact at contract value with the contract issuer and that would also limit the ability of the Plan to transact at contract value with the participants.

CARDONE INDUSTRIES, INC. 401(k) SAFE HARBOR PLAN
NOTES TO FINANCIAL STATEMENTS

E. PARTIES-IN-INTEREST:

Section 3(14) of ERISA defines a party-in-interest to include, among others, fiduciaries or employees of the Plan, any person who provides services to the Plan or an employer whose employees are covered by the Plan. Accordingly, loans to participants and the management of investments held by the trustees are considered party-in-interest transactions.

F. TAX STATUS:

The Internal Revenue Service ("IRS") has determined and informed the sponsor of the prototype document adopted by the Company by a letter dated April 29, 2014 that the prototype plan document and related trust are designed in accordance with applicable sections of the IRC. Although the Plan has been amended since receiving the opinion letter, the plan administrator believes that the Plan is designed and is currently being operated in compliance with the applicable requirements of the IRC and therefore believes that the Plan is qualified and the related trust is tax-exempt.

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

G. COMPLIANCE AND ERISA:

The plan administrator has elected the method of compliance permitted under 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA. Accordingly, no auditing procedures with respect to the information certified by Prudential Bank & Trust, F.S.B. and Prudential Retirement Insurance and Annuity Company, the trustees of the Plan, were performed by the independent auditors except for comparing the information to the financial statements and supplemental schedules. The trustees have certified as to the completeness and accuracy of the investments (including notes receivable from participants) held by the Plan as of December 31, 2020 and 2019, the investment earnings and other investment-related transactions of the Plan for the year ended December 31, 2020, and the information contained in the supplemental Schedule H, Line 4(i) - Schedule of Assets (Held at End of Year) as of December 31, 2020.

H. PLAN TERMINATION:

Although the Plan was established with the intention that it will continue indefinitely, the Company retains the right to discontinue its contributions at any time or to terminate the Plan, subject to the provisions of ERISA. In the event of plan termination, all participants will become 100% vested in their accounts.

CARDONE INDUSTRIES, INC. 401(k) SAFE HARBOR PLAN
NOTES TO FINANCIAL STATEMENTS

I. RISKS AND UNCERTAINTIES:

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

The specific impact of the COVID-19 global pandemic on the Plan's investment securities is not readily determinable as of the date of these financial statements. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

J. SUBSEQUENT EVENTS:

The Company has evaluated subsequent events through October 12, 2021, the date these financial statements were available for issuance.

CARDONE INDUSTRIES, INC. 401(k) SAFE HARBOR PLAN
EIN: 23-3000982
Plan Number: 003

SCHEDULE H, Line 4(a) - SCHEDULE OF DELINQUENT PARTICIPANT CONTRIBUTIONS
For the year ended December 31, 2020

Total that Constitute Nonexempt Prohibited Transactions

Plan Year	Participant Contributions Transferred Late to Plan		Contributions Not Corrected	Contributions Corrected Outside VFCP	Contributions Pending Correction in VFCP	Total Fully Corrected Under VFCP and PTE 2002-51
2020	\$ 65,527	*	\$ -	\$ 65,527	\$ -	\$ -

* Indicates late participant loan repayments are included.

CARDONE INDUSTRIES, INC. 401(k) SAFE HARBOR PLAN
 EIN: 23-3000982
 Plan Number: 003

SCHEDULE H, LINE 4(i) - SCHEDULE OF ASSETS (HELD AT END OF YEAR)
 December 31, 2020

(a)	(b)	(c)	(d)	(e)
	Identity of issue, borrower, lessor or similar party	Description of investment including maturity date, rate of interest, collateral, par or maturity value	Cost	Current value
	<u>Investments, at fair value:</u>			
	American Funds New World R6 Fund	Mutual fund	**	\$ 1,310,781
	John Hancock Funds Disciplined Value Mid Cap R6 Fund	"	**	468,041
	Vanguard Target Retirement 2040 Fund	"	**	1,855,264
	Vanguard Target Retirement 2050 Fund	"	**	1,922,032
	Vanguard Total Bond Market Index Fund	"	**	5,978,868
	AB Large Cap Growth Z Fund	"	**	17,024,964
	Loomis Sayles Core Plus Bond Fund	"	**	8,804,054
	Delaware Value R6 Fund	"	**	485,047
	Vanguard Target Retirement 2030 Fund	"	**	3,033,906
	American Funds Income R6 Fund	"	**	2,292,933
	Victory RS Small Cap Growth R6 Fund	"	**	7,140,431
	Vanguard Target Retirement Income Fund	"	**	368,527
	Vanguard Target Retirement 2020 Fund	"	**	2,305,274
	MFS International Intrinsic Value R6 Fund	"	**	320,317
	MFS International Growth R6 Fund	"	**	1,632,721
	Vanguard Target Retirement 2060 Fund	"	**	795,740
	MFS Mid Cap Growth R6 Fund	"	**	5,762,910
	Vanguard Total World Stock Index Institutional Fund	"	**	9,485,672
*	Dryden S&P 500 Index Fund	Pooled separate account	**	22,644,524
*	QMA Mid Cap Index Fund	"	**	533,118
*	QMA Small Cap Index Fund	"	**	760,742
	Total investments, at fair value			94,925,866
	<u>Investments, at contract value:</u>			
*	Guaranteed Income Fund	Guaranteed account	**	12,141,381
	Total investments on the statement of net assets available for benefits			107,067,247
*	Participant Loans	(4.25% - 6.50%)	-	1,776,051
	Total investments on the Form 5500			<u>\$ 108,843,298</u>

** Cost omitted for participant directed investments.

* Denotes party-in-interest to the Plan.



**CARDONE INDUSTRIES, INC.
401(k) SAFE HARBOR PLAN**

FINANCIAL STATEMENTS

December 31, 2020 and 2019 and
For the Year Ended December 31, 2020



CARON & BLETZER, PLLC

Certified Public Accountants and Business Consultants

CARDONE INDUSTRIES, INC. 401(k) SAFE HARBOR PLAN
CONTENTS

	Page(s)
Independent Auditor's Report	1-2
Financial Statements:	
Statements of Net Assets Available for Benefits	3
Statement of Changes in Net Assets Available for Benefits	4
Notes to Financial Statements	5-12
Supplemental Schedules:	
Schedule H, Line 4(a) - Schedule of Delinquent Participant Contributions	13
Schedule H, Line 4(i) - Schedule of Assets (Held at End of Year)	14

Certain supplemental schedules have been omitted because they are either not required or not applicable.



Independent Auditor's Report

To the Plan Administrator of the Cardone Industries, Inc. 401(k) Safe Harbor Plan:

Report on the Financial Statements

We were engaged to audit the accompanying financial statements of the Cardone Industries, Inc. 401(k) Safe Harbor Plan (the "Plan"), which comprise the statements of net assets available for benefits as of December 31, 2020 and 2019, and the related statement of changes in net assets available for benefits for the year ended December 31, 2020, and the related notes to the financial statements.

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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on conducting the audits in accordance with auditing standards generally accepted in the United States of America. Because of the matter described in the *Basis for Disclaimer of Opinion* paragraph, however, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion.

Basis for Disclaimer of Opinion

As permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974, the plan administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the information summarized in Note G, which was certified by Prudential Bank & Trust, F.S.B. and Prudential Retirement Insurance and Annuity Company, the trustees of the Plan, except for comparing such information with the related information included in the financial statements. We have been informed by the plan administrator that the trustees hold the Plan's investment assets and execute investment transactions. The plan administrator has obtained a certification from the trustees as of December 31, 2020 and 2019, and for the year ended December 31, 2020, that the information provided to the plan administrator by the trustees is complete and accurate.

Disclaimer of Opinion

Because of the significance of the matter described in the Basis for Disclaimer of Opinion paragraph, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion. Accordingly, we do not express an opinion on these financial statements.

Other Matter - Supplemental Schedules

The supplemental Schedule H, Line 4(a) - Schedule of Delinquent Participant Contributions for the year ended December 31, 2020 and the Schedule H, Line 4(i) - Schedule of Assets (Held at End of Year) as of December 31, 2020 are required by the Department of Labor's ("DOL") Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 and are presented for the purpose of additional analysis and are not a required part of the financial statements. Because of the significance of the matter described in the *Basis for Disclaimer of Opinion* paragraph, we do not express an opinion on these supplemental schedules.

Report on Form and Content in Compliance With DOL Rules and Regulations

The form and content of the information included in the financial statements and supplemental schedules, other than that derived from the information certified by the trustees, have been audited by us in accordance with auditing standards generally accepted in the United States of America and, in our opinion, are presented in compliance with the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974.

A handwritten signature in black ink that reads "Caron & Bleyer, PLLC". The signature is written in a cursive, flowing style.

Kingston, NH
October 12, 2021

CARDONE INDUSTRIES, INC. 401(k) SAFE HARBOR PLAN
STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS
December 31, 2020 and 2019

	<u>2020</u>	<u>2019</u>
Cash	\$ 77,301	\$ 38,689
Investments, at fair value:		
Pooled separate accounts	23,938,384	23,602,457
Mutual funds	<u>70,987,482</u>	<u>63,286,874</u>
Total investments at fair value	94,925,866	86,889,331
Investments, at contract value:		
Guaranteed insurance contracts	<u>12,141,381</u>	<u>10,191,884</u>
Total investments	107,067,247	97,081,215
Receivables:		
Notes receivable from participants	1,776,051	1,984,312
Participant contributions	50,557	-
Employer contributions	<u>3,149,982</u>	<u>4,059,700</u>
Total receivables	<u>4,976,590</u>	<u>6,044,012</u>
Net assets available for benefits	<u>\$ 112,121,138</u>	<u>\$ 103,163,916</u>

The accompanying notes are an integral
part of the financial statements.

CARDONE INDUSTRIES, INC. 401(k) SAFE HARBOR PLAN
STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS
For the year ended December 31, 2020

	<u>2020</u>
Additions:	
Investment income:	
Net appreciation in fair value of investments	\$ 13,420,394
Dividend and interest income	<u>2,499,949</u>
	15,920,343
Contributions:	
Participant contributions	2,580,146
Rollover contributions	161,927
Employer contributions	<u>3,399,553</u>
	<u>6,141,626</u>
Total additions	22,061,969
Deductions:	
Benefits paid to participants	12,872,927
Administrative expenses	<u>231,820</u>
Total deductions	<u>13,104,747</u>
Net increase	8,957,222
Net assets available for benefits:	
Beginning of year	<u>103,163,916</u>
End of year	<u>\$ 112,121,138</u>

The accompanying notes are an integral
part of the financial statements.

CARDONE INDUSTRIES, INC. 401(k) SAFE HARBOR PLAN
NOTES TO FINANCIAL STATEMENTS

A. DESCRIPTION OF PLAN:

The following description of the Cardone Industries, Inc. 401(k) Safe Harbor Plan (the "Plan") provides only general information. Participants should refer to the plan document for a complete description of the Plan's provisions.

General

The Plan is a defined contribution plan covering substantially all employees of Cardone Industries, Inc. (the "Company"). The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974, as amended ("ERISA").

Contributions

Upon meeting eligibility requirements participants may contribute up to 50% of their plan compensation on a pre-tax or after-tax Roth basis except for Dallas Chemical & Production Workers Union Local 30 who are limited to 20% of their plan compensation, subject to Internal Revenue Code ("IRC") limitations. Participants who are at least 50 may make an additional "catch up" contribution subject to IRC limitations. Participants may also contribute funds from another qualified plan ("rollover contributions"), subject to certain requirements.

Participant contributions may be matched by the Company at a percentage of a participant's compensation, as determined by the Company, for employees who completed least 250 hours of service within the first three months of employment. Employees must be employed on the last day of the plan year and have worked at least 1,000 hours during the plan year to be eligible for matching contributions. For the plan year ended December 31, 2020 the Company matched the lesser of 100% of the first 10% of a non-union participant's deferral contributions or 4% of the participant's compensation deferred, and the lesser of 100% of the first 10% of a union participant's deferral contributions or 1% of the participant's compensation deferred.

The Company contributes a safe harbor contribution equal to 3% of a participant's compensation for non-union employees. The Company also contributes non-elective contributions for employees who have complete a year of service. Employees must be employed on the last day of the plan year and have worked at least 1,000 hours during the plan year to be eligible for non-elective contributions. Non-union participants receive a 2% fixed ESOP Replacement contribution and a discretionary 2% profit sharing contribution for a maximum non-elective contribution of 4%. All SEIU Local 252 employees covered by a collective bargaining agreement receive a 2% fixed ESOP Replacement contribution and a 3% pension replacement contribution for a maximum non-elective contribution of 5%. The Company made a non-elective contribution of \$1,939,964 for the 2020 plan year.

All Harlingen Plastic Workers Union Local 18 employees covered by a collective bargaining agreement receive a fixed \$25 per month contribution. Such employees must work at least 40 hours in each month to be eligible to receive a contribution for that month.

CARDONE INDUSTRIES, INC. 401(k) SAFE HARBOR PLAN
NOTES TO FINANCIAL STATEMENTS

Prior to June 1, 2019, all Dallas Chemical & Production Workers Union Local 30 employees covered by a collective bargaining agreement received a fixed \$20 per month contribution. Effective June 1, 2019, such employees receive a fixed \$35 per month contribution. Such employees must work at least 40 hours in each month to be eligible to receive a contribution for that month.

Participant Accounts

Each participant's account is credited or charged with contributions, investment income, and administrative expenses. Investment income, including realized and unrealized gains and losses, and expenses are allocated to participants' accounts based on each participant's account balance within each fund. Participants determine the percentage in which contributions are to be invested in each fund. Participants may change their investment options as set forth in the plan document. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account.

Vesting

Participants are fully vested in that portion of their account which represents their contributions, safe harbor contributions, and the income earned thereon. Participants become 100% vested in the Company's contributions and earnings thereon upon death, total and permanent disability, or attainment of normal retirement age. Otherwise, a participant's interest in the Company's contributions and earnings thereon vests according to the following schedule:

<u>Completed Years of Service</u>	<u>Percent Vested</u>
1 year	25%
2 years	50%
3 years	75%
4 years	100%

Forfeitures

When certain terminations of participation in the Plan occur, the nonvested portion of the participant's account represents a forfeiture, as defined by the Plan. Forfeited balances are first used to restore re-employed participants' accounts. Any remaining forfeitures may be used to pay plan expenses or to reduce company contributions. During 2020, \$131,062 of forfeitures were used to reduce company contributions and \$13,522 were used to pay plan expenses. Unallocated forfeitures at December 31, 2020 and 2019 were \$23,324 and \$47,998, respectively.

Distribution of Benefits

Benefits may be distributed to participants upon termination of employment by reason of retirement, disability, death or other separation from service. Distributions under the Plan may be made in lump sums, installment payments, or partial withdrawals.

CARDONE INDUSTRIES, INC. 401(k) SAFE HARBOR PLAN
NOTES TO FINANCIAL STATEMENTS

A participant may also request a withdrawal upon attainment of age 59 1/2 or upon demonstration by the participant to the plan administrator that the participant is suffering from "hardship", as defined in the plan document.

During 2020, the Plan adopted the distribution provision of the Coronavirus Aid, Relief, and Economic Security ("CARES") Act that was signed into law on March 27, 2020. A CARES Act distribution allows the Plan's participants to take a COVID-19 related distribution up to \$100,000 from the Plan beginning on or after January 1, 2020 and before December 31, 2020. During 2020, participants elected to take \$1,393,998 of COVID-19 related distributions. Written amendments to the Plan reflect these operational changes will be adopted at a later date in accordance with applicable law and IRS guidance.

Notes Receivable from Participants

A participant may request a loan in an amount not less than \$750. The loan amount is limited to the lesser of one-half of the participant's vested account balance or \$50,000. Loans must bear a reasonable rate of interest. All loans are collateralized by the participant's account and must be supported by a promissory note. All loans must be repaid within five years unless the proceeds are used to acquire a principal residence, in which case a longer repayment period is allowed. No more than one loan may be outstanding at any time. Principal and interest is generally paid ratably through payroll deductions each pay period.

B. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Basis of Accounting

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

Use of Estimates

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

Investment Valuation and Income Recognition

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

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

CARDONE INDUSTRIES, INC. 401(k) SAFE HARBOR PLAN
NOTES TO FINANCIAL STATEMENTS

Notes Receivable from Participants

Notes receivable from participants are measured at their unpaid principal balance plus any accrued but unpaid interest. Interest income is recorded on the accrual basis. No allowance for credit losses has been recorded as of December 31, 2020 or 2019. Delinquent participant loans are reclassified as distributions based upon the terms of the plan document.

Expenses of the Plan

Substantially all of the administrative expenses incurred by the Plan are paid by the Plan. Participant transaction expenses are paid by participants initiating the transaction. Any expenses not paid by the Plan are paid by the Company. Expenses that are paid by the Company are excluded from these financial statements. Investment related expenses are included in net appreciation in fair value of investments.

Payment of Benefits

Benefits are recorded when paid.

C. FAIR VALUE MEASUREMENTS:

The framework for measuring fair value provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1) and the lowest priority to unobservable inputs (level 3). The three levels of the fair value hierarchy under FASB ASC 820 are described as follows:

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

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

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

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement.

CARDONE INDUSTRIES, INC. 401(k) SAFE HARBOR PLAN
NOTES TO FINANCIAL STATEMENTS

Following is a description of the valuation methodologies used by the Plan. There have been no changes in the methodologies used at December 31, 2020 and 2019.

Mutual funds – Valued at the daily closing price as reported by the fund. Mutual funds held by the Plan are open-end mutual funds that are registered with the SEC. These funds are required to publish their daily net asset value (NAV) and to transact at that price. The mutual funds held by the Plan are deemed to be actively traded.

Pooled separate accounts – Valued at the net asset value of units of a pooled separate account. The net asset value, as provided by the contract issuer, is used as a practical expedient to estimate fair value. The net asset value is based on the fair value of the underlying investments held by the fund less its liabilities. This practical expedient would not be used if it is determined to be probable that the fund will sell the investment for an amount different from the reported net asset value.

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

<u>Description</u>	2020			
	<u>Total</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Mutual funds	\$ 70,987,482	\$ 70,987,482	\$ -	\$ -
Total investments in the fair value hierarchy	70,987,482	<u>\$ 70,987,482</u>	<u>\$ -</u>	<u>\$ -</u>
Investments measured at net asset value(1):				
Pooled separate accounts	<u>23,938,384</u>			
Total investments at fair value	<u>\$ 94,925,866</u>			

<u>Description</u>	2019			
	<u>Total</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Mutual funds	\$ 63,286,874	\$ 63,286,874	\$ -	\$ -
Total investments in the fair value hierarchy	63,286,874	<u>\$ 63,286,874</u>	<u>\$ -</u>	<u>\$ -</u>
Investments measured at net asset value(1):				
Pooled separate accounts	<u>23,602,457</u>			
Total investments at fair value	<u>\$ 86,889,331</u>			

(1) In accordance with Subtopic 820-10, certain investments that were measured at net asset value per share (or its equivalent) have not been classified in the fair value hierarchy. The fair value amounts presented in this table are intended to permit reconciliation of the fair value hierarchy to the line items presented in the statements of net assets available for benefits.

CARDONE INDUSTRIES, INC. 401(k) SAFE HARBOR PLAN
NOTES TO FINANCIAL STATEMENTS

The pooled separate accounts that the plan is invested in allow for daily redemptions for participants; however, redemptions for the plan may be delayed up to 30 days. There are no unfunded commitments.

D. INVESTMENT CONTRACT WITH INSURANCE COMPANY:

The Plan holds a traditional investment contract issued by Prudential Retirement Insurance and Annuity Company ("the contract issuer"). The contract meets the fully benefit-responsive investment contract criteria and therefore is reported at contract value. Contract value is the relevant measure for fully benefit-responsive investment contracts because this is the amount received by participants if they were to initiate permitted transactions under the Plan. Contract value represents contributions made under the contract, plus earnings, less participant withdrawals and administrative expenses.

With traditional investment contracts, the Plan owns only the contract itself. These contracts are designed to accrue interest based on crediting rates established by the contract issuers.

The traditional investment contract held by the Plan is a guaranteed investment contract. The contract issuer is contractually obligated to repay the principal and interest at a specified interest rate that is guaranteed to the Plan. The crediting rate is based on a formula established by the contract issuer but may not be less than 1.50 percent. Such interest rates are reviewed on a semi-annual basis for resetting. The contract does not have a maturity date.

Lump sums are permitted unless the total distribution amount plus all other distributions during the year would exceed 10% of the Guaranteed Income Fund pool balance as of January 1. If the total distribution amount plus all other distributions during the year would exceed the 10% limit, then 6 equal installment payments would be made. Alternatively, the plan may elect to receive annual installments over the course of no more than 10 years.

The Plan's ability to receive amounts due in accordance with fully benefit-responsive investment contracts is dependent on the third-party issuer's ability to meet its financial obligations. The issuer's ability to meet its contractual obligations may be affected by future economic and regulatory developments.

Certain events might limit the ability of the Plan to transact at contract value with the contract issuer. Such events include the following: (1) amendments to the plan documents (including complete or partial plan termination or merger with another plan), (2) changes to the Plan's prohibition on competing investment options or deletion of equity wash provisions, (3) bankruptcy of the plan sponsor or other plan sponsor events (for example, divestitures or spin-offs of a subsidiary) that cause a significant withdrawal from the Plan, or (4) the failure of the trust to qualify for exemption from federal income taxes or any required prohibited transaction exemption under ERISA.

No events are probable of occurring that might limit the ability of the Plan to transact at contract value with the contract issuer and that would also limit the ability of the Plan to transact at contract value with the participants.

CARDONE INDUSTRIES, INC. 401(k) SAFE HARBOR PLAN
NOTES TO FINANCIAL STATEMENTS

E. PARTIES-IN-INTEREST:

Section 3(14) of ERISA defines a party-in-interest to include, among others, fiduciaries or employees of the Plan, any person who provides services to the Plan or an employer whose employees are covered by the Plan. Accordingly, loans to participants and the management of investments held by the trustees are considered party-in-interest transactions.

F. TAX STATUS:

The Internal Revenue Service ("IRS") has determined and informed the sponsor of the prototype document adopted by the Company by a letter dated April 29, 2014 that the prototype plan document and related trust are designed in accordance with applicable sections of the IRC. Although the Plan has been amended since receiving the opinion letter, the plan administrator believes that the Plan is designed and is currently being operated in compliance with the applicable requirements of the IRC and therefore believes that the Plan is qualified and the related trust is tax-exempt.

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

G. COMPLIANCE AND ERISA:

The plan administrator has elected the method of compliance permitted under 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA. Accordingly, no auditing procedures with respect to the information certified by Prudential Bank & Trust, F.S.B. and Prudential Retirement Insurance and Annuity Company, the trustees of the Plan, were performed by the independent auditors except for comparing the information to the financial statements and supplemental schedules. The trustees have certified as to the completeness and accuracy of the investments (including notes receivable from participants) held by the Plan as of December 31, 2020 and 2019, the investment earnings and other investment-related transactions of the Plan for the year ended December 31, 2020, and the information contained in the supplemental Schedule H, Line 4(i) - Schedule of Assets (Held at End of Year) as of December 31, 2020.

H. PLAN TERMINATION:

Although the Plan was established with the intention that it will continue indefinitely, the Company retains the right to discontinue its contributions at any time or to terminate the Plan, subject to the provisions of ERISA. In the event of plan termination, all participants will become 100% vested in their accounts.

CARDONE INDUSTRIES, INC. 401(k) SAFE HARBOR PLAN
NOTES TO FINANCIAL STATEMENTS

I. RISKS AND UNCERTAINTIES:

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

The specific impact of the COVID-19 global pandemic on the Plan's investment securities is not readily determinable as of the date of these financial statements. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

J. SUBSEQUENT EVENTS:

The Company has evaluated subsequent events through October 12, 2021, the date these financial statements were available for issuance.

CARDONE INDUSTRIES, INC. 401(k) SAFE HARBOR PLAN
EIN: 23-3000982
Plan Number: 003

SCHEDULE H, Line 4(a) - SCHEDULE OF DELINQUENT PARTICIPANT CONTRIBUTIONS
For the year ended December 31, 2020

Total that Constitute Nonexempt Prohibited Transactions

Plan Year	Participant Contributions Transferred Late to Plan		Contributions Not Corrected	Contributions Corrected Outside VFCP	Contributions Pending Correction in VFCP	Total Fully Corrected Under VFCP and PTE 2002-51
2020	\$ 65,527	*	\$ -	\$ 65,527	\$ -	\$ -

* Indicates late participant loan repayments are included.

CARDONE INDUSTRIES, INC. 401(k) SAFE HARBOR PLAN
 EIN: 23-3000982
 Plan Number: 003

SCHEDULE H, LINE 4(i) - SCHEDULE OF ASSETS (HELD AT END OF YEAR)
 December 31, 2020

(a)	(b)	(c)	(d)	(e)
	Identity of issue, borrower, lessor or similar party	Description of investment including maturity date, rate of interest, collateral, par or maturity value	Cost	Current value
	<u>Investments, at fair value:</u>			
	American Funds New World R6 Fund	Mutual fund	**	\$ 1,310,781
	John Hancock Funds Disciplined Value Mid Cap R6 Fund	"	**	468,041
	Vanguard Target Retirement 2040 Fund	"	**	1,855,264
	Vanguard Target Retirement 2050 Fund	"	**	1,922,032
	Vanguard Total Bond Market Index Fund	"	**	5,978,868
	AB Large Cap Growth Z Fund	"	**	17,024,964
	Loomis Sayles Core Plus Bond Fund	"	**	8,804,054
	Delaware Value R6 Fund	"	**	485,047
	Vanguard Target Retirement 2030 Fund	"	**	3,033,906
	American Funds Income R6 Fund	"	**	2,292,933
	Victory RS Small Cap Growth R6 Fund	"	**	7,140,431
	Vanguard Target Retirement Income Fund	"	**	368,527
	Vanguard Target Retirement 2020 Fund	"	**	2,305,274
	MFS International Intrinsic Value R6 Fund	"	**	320,317
	MFS International Growth R6 Fund	"	**	1,632,721
	Vanguard Target Retirement 2060 Fund	"	**	795,740
	MFS Mid Cap Growth R6 Fund	"	**	5,762,910
	Vanguard Total World Stock Index Institutional Fund	"	**	9,485,672
*	Dryden S&P 500 Index Fund	Pooled separate account	**	22,644,524
*	QMA Mid Cap Index Fund	"	**	533,118
*	QMA Small Cap Index Fund	"	**	760,742
	Total investments, at fair value			94,925,866
	<u>Investments, at contract value:</u>			
*	Guaranteed Income Fund	Guaranteed account	**	12,141,381
	Total investments on the statement of net assets available for benefits			107,067,247
*	Participant Loans	(4.25% - 6.50%)	-	1,776,051
	Total investments on the Form 5500			<u>\$ 108,843,298</u>

** Cost omitted for participant directed investments.

* Denotes party-in-interest to the Plan.

