

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 2021 This Form is Open to Public Inspection
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Part I	Annual Report Identification Information
For calendar plan year 2021 or fiscal plan year beginning <u>01/01/2021</u> and ending <u>12/31/2021</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 ☐ an amended return/report ☐ the final 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 ☐ special extension (enter description) ☐ automatic extension ☐ the DFVC program
E	If this is a retroactively adopted plan permitted by SECURE Act section 201, check here. ▶ ☐

Part II	Basic Plan Information—enter all requested information				
1a Name of plan <u>PENNS WOODS BANCORP, INC. 401(K) 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>001</u></td> </tr> <tr> <td colspan="2">1c Effective date of plan <u>01/01/1993</u></td> </tr> </table>	1b Three-digit plan number (PN) ▶	<u>001</u>	1c Effective date of plan <u>01/01/1993</u>	
1b Three-digit plan number (PN) ▶	<u>001</u>				
1c Effective date of plan <u>01/01/1993</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>PENNS WOODS BANCORP, INC.</u> <u>300 MARKET STREET</u> <u>WILLIAMSPORT, PA 17703-0967</u>	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td>2b Employer Identification Number (EIN) <u>23-2226454</u></td> </tr> <tr> <td>2c Plan Sponsor's telephone number <u>570-322-1111</u></td> </tr> <tr> <td>2d Business code (see instructions) <u>522110</u></td> </tr> </table>	2b Employer Identification Number (EIN) <u>23-2226454</u>	2c Plan Sponsor's telephone number <u>570-322-1111</u>	2d Business code (see instructions) <u>522110</u>	
2b Employer Identification Number (EIN) <u>23-2226454</u>					
2c Plan Sponsor's telephone number <u>570-322-1111</u>					
2d Business code (see instructions) <u>522110</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.	09/16/2022	STACEY HEYES
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE			
	Signature of employer/plan sponsor	Date	Enter name of individual signing as employer or plan sponsor
SIGN HERE			
	Signature of DFE	Date	Enter name of individual signing as DFE

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

Form 5500 (2021)
v. 210624

3a Plan administrator's name and address ☒ Same as Plan Sponsor		3b Administrator's EIN	
		3c Administrator's telephone number	
4 If the name and/or EIN of the plan sponsor or the plan name has changed since the last return/report filed for this plan, enter the plan sponsor's name, EIN, the plan name and the plan number from the last return/report: a Sponsor's name c Plan Name		4b EIN 4d PN	
5 Total number of participants at the beginning of the plan year		5	318
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)	293
a(2) Total number of active participants at the end of the plan year		6a(2)	304
b Retired or separated participants receiving benefits.....		6b	2
c Other retired or separated participants entitled to future benefits		6c	41
d Subtotal. Add lines 6a(2) , 6b , and 6c		6d	347
e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits.		6e	0
f Total. Add lines 6d and 6e		6f	347
g Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item)		6g	271
h Number of participants who terminated employment during the plan year with accrued benefits that were less than 100% vested		6h	17
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 3H 3D 2R			
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) ☐ <u>0</u> 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 2021 Form M-1 annual report. If the plan was not required to file the 2021 Form M-1 annual report, enter the Receipt Confirmation Code for the most recent Form M-1 that was required to be filed under the Form M-1 filing requirements. (Failure to enter a valid Receipt Confirmation Code will subject the Form 5500 filing to rejection as incomplete.)

Receipt Confirmation Code _____

SCHEDULE C (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Service Provider Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA). ▶ File as an attachment to Form 5500.	OMB No. 1210-0110
		2021
		This Form is Open to Public Inspection.

For calendar plan year 2021 or fiscal plan year beginning 01/01/2021 and ending 12/31/2021		
A Name of plan PENNS WOODS BANCORP, INC. 401(K) PLAN	B Three-digit plan number (PN) ▶	001
C Plan sponsor's name as shown on line 2a of Form 5500 PENNS WOODS BANCORP, INC.	D Employer Identification Number (EIN) 23-2226454	

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
FIDELITY INVESTMENTS INSTITUTIONAL
04-2647786

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

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

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

FIDELITY INVESTMENTS INSTITUTIONAL

04-2647786

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
37 60 64 65 71	RECORDKEEPER	40509	Yes ☒ No ☐	Yes ☒ No ☐	0	Yes ☒ No ☐

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

VOYA FINANCIAL ADVISORS INC

41-0945505

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
27	ADVISOR	11250	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 ☐

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
FIDELITY INVESTMENTS INSTITUTIONAL	60	0
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	
CALV INTL RSP IDX I - DST ASSET MA 430 W 7TH STREET STE 219432 KANSAS CITY, MO 64105	0.10%	
(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
FIDELITY INVESTMENTS INSTITUTIONAL	60	0
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	
CALVERT GREEN BOND I - DST ASSET M 430 W 7TH STREET STE 219432 KANSAS CITY, MO 64105	0.10%	
(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
FIDELITY INVESTMENTS INSTITUTIONAL	60	0
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	
DL SHLLR ENH CAPE I - U.S. BANCORP 615 EAST MICHIGAN STREET, MILWAUKEE, WISCONSIN 53202 MILWAUKEE, WI 53201	0.15%	

Part I Service Provider Information (continued)

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

(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
FIDELITY INVESTMENTS INSTITUTIONAL	60	0
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	
JHANCOCK REG BANK I - JOHN HANCOCK 01-0233346	0.10%	
(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	
(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	

Part II Service Providers Who Fail or Refuse to Provide Information

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

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

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

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

Explanation:

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

Explanation:

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

Explanation:

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

Explanation:

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

Explanation:

SCHEDULE D (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration	DFE/Participating Plan Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA). ► File as an attachment to Form 5500.	OMB No. 1210-0110 2021 This Form is Open to Public Inspection.
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For calendar plan year 2021 or fiscal plan year beginning 01/01/2021 and ending 12/31/2021

A Name of plan <u>PENNS WOODS BANCORP, INC. 401(K) PLAN</u>	B Three-digit plan number (PN) ►	<u>001</u>
C Plan or DFE sponsor's name as shown on line 2a of Form 5500 <u>PENNS WOODS BANCORP, INC.</u>	D Employer Identification Number (EIN) <u>23-2226454</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: <u>FLEXPATH MOD RET R1</u>		
b Name of sponsor of entity listed in (a): <u>WILMINGTON TRUST FIDUCIARY SERVICES</u>		
c EIN-PN <u>47-2248665-211</u>	d Entity code <u>C</u>	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) <u>379650</u>
a Name of MTIA, CCT, PSA, or 103-12 IE: <u>FLEXPATH AGR 2035 R1</u>		
b Name of sponsor of entity listed in (a): <u>WILMINGTON TRUST FIDUCIARY SERVICES</u>		
c EIN-PN <u>47-2468898-216</u>	d Entity code <u>C</u>	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) <u>145493</u>
a Name of MTIA, CCT, PSA, or 103-12 IE: <u>FLEXPATH AGR RET R1</u>		
b Name of sponsor of entity listed in (a): <u>WILMINGTON TRUST FIDUCIARY SERVICES</u>		
c EIN-PN <u>47-2238264-210</u>	d Entity code <u>C</u>	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) <u>238</u>
a Name of MTIA, CCT, PSA, or 103-12 IE: <u>FLEXPATH CON 2035 R1</u>		
b Name of sponsor of entity listed in (a): <u>WILMINGTON TRUST FIDUCIARY SERVICES</u>		
c EIN-PN <u>47-2491300-218</u>	d Entity code <u>C</u>	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) <u>725</u>
a Name of MTIA, CCT, PSA, or 103-12 IE: <u>FLEXPATH AGR 2055 R1</u>		
b Name of sponsor of entity listed in (a): <u>WILMINGTON TRUST FIDUCIARY SERVICES</u>		
c EIN-PN <u>47-2554270-222</u>	d Entity code <u>C</u>	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) <u>17569</u>
a Name of MTIA, CCT, PSA, or 103-12 IE: <u>FLEXPATH MOD 2045 R1</u>		
b Name of sponsor of entity listed in (a): <u>WILMINGTON TRUST FIDUCIARY SERVICES</u>		
c EIN-PN <u>47-2516187-220</u>	d Entity code <u>C</u>	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) <u>1681543</u>
a Name of MTIA, CCT, PSA, or 103-12 IE: <u>FLEXPATH AGR 2025 R1</u>		
b Name of sponsor of entity listed in (a): <u>WILMINGTON TRUST FIDUCIARY SERVICES</u>		
c EIN-PN <u>47-2275031-213</u>	d Entity code <u>C</u>	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) <u>5520</u>

a Name of MTIA, CCT, PSA, or 103-12 IE: **FLEXPATH CON 2045 R1**

b Name of sponsor of entity listed in (a): **WILMINGTON TRUST FIDUCIARY SERVICES**

c EIN-PN 47-2529162-221	d Entity code C	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 161868
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a Name of MTIA, CCT, PSA, or 103-12 IE: **FLEXPATH MOD 2025 R1**

b Name of sponsor of entity listed in (a): **WILMINGTON TRUST FIDUCIARY SERVICES**

c EIN-PN 47-2285799-214	d Entity code C	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 4296882
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a Name of MTIA, CCT, PSA, or 103-12 IE: **FLEXPATH AGR 2045 R1**

b Name of sponsor of entity listed in (a): **WILMINGTON TRUST FIDUCIARY SERVICES**

c EIN-PN 47-2503540-219	d Entity code C	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 369887
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a Name of MTIA, CCT, PSA, or 103-12 IE: **FLEXPATH MOD 2055 R1**

b Name of sponsor of entity listed in (a): **WILMINGTON TRUST FIDUCIARY SERVICES**

c EIN-PN 47-2563528-223	d Entity code C	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 790869
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a Name of MTIA, CCT, PSA, or 103-12 IE: **FLEXPATH MOD 2035 R1**

b Name of sponsor of entity listed in (a): **WILMINGTON TRUST FIDUCIARY SERVICES**

c EIN-PN 47-2478524-217	d Entity code C	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 4058965
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a Name of MTIA, CCT, PSA, or 103-12 IE: **FLEXPATH CON RET R1**

b Name of sponsor of entity listed in (a): **WILMINGTON TRUST FIDUCIARY SERVICES**

c EIN-PN 47-2264760-212	d Entity code C	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 24092
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a Name of MTIA, CCT, PSA, or 103-12 IE: **FLEXPATH CON 2055 R1**

b Name of sponsor of entity listed in (a): **WILMINGTON TRUST FIDUCIARY SERVICES**

c EIN-PN 47-2575758-224	d Entity code C	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 8067
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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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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
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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 2021 This Form is Open to Public Inspection
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For calendar plan year 2021 or fiscal plan year beginning 01/01/2021 and ending 12/31/2021		
A Name of plan PENNS WOODS BANCORP, INC. 401(K) PLAN	B Three-digit plan number (PN) ►	001
C Plan sponsor's name as shown on line 2a of Form 5500 PENNS WOODS BANCORP, INC.	D Employer Identification Number (EIN) 23-2226454	

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

Assets		(a) Beginning of Year	(b) End of Year
a Total noninterest-bearing cash.....	1a	0	0
b Receivables (less allowance for doubtful accounts):			
(1) Employer contributions	1b(1)	0	0
(2) Participant contributions.....	1b(2)	0	0
(3) Other	1b(3)	0	0
c General investments:			
(1) Interest-bearing cash (include money market accounts & certificates of deposit)	1c(1)	498716	286802
(2) U.S. Government securities	1c(2)	0	0
(3) Corporate debt instruments (other than employer securities):			
(A) Preferred	1c(3)(A)	0	0
(B) All other	1c(3)(B)	0	0
(4) Corporate stocks (other than employer securities):			
(A) Preferred	1c(4)(A)	0	0
(B) Common	1c(4)(B)	143819	172051
(5) Partnership/joint venture interests	1c(5)	0	0
(6) Real estate (other than employer real property)	1c(6)	0	0
(7) Loans (other than to participants)	1c(7)	0	0
(8) Participant loans	1c(8)	150581	175560
(9) Value of interest in common/collective trusts	1c(9)	10013924	11941368
(10) Value of interest in pooled separate accounts	1c(10)	0	0
(11) Value of interest in master trust investment accounts	1c(11)	0	0
(12) Value of interest in 103-12 investment entities	1c(12)	0	0
(13) Value of interest in registered investment companies (e.g., mutual funds)	1c(13)	3353033	4350914
(14) Value of funds held in insurance company general account (unallocated contracts).....	1c(14)	0	0
(15) Other.....	1c(15)	0	0

1d Employer-related investments:		(a) Beginning of Year	(b) End of Year
(1) Employer securities.....	1d(1)	0	0
(2) Employer real property.....	1d(2)	0	0
e Buildings and other property used in plan operation	1e	0	0
f Total assets (add all amounts in lines 1a through 1e)	1f	14160073	16926695

Liabilities

g Benefit claims payable	1g	0	0
h Operating payables	1h	0	0
i Acquisition indebtedness.....	1i	0	0
j Other liabilities.....	1j	0	0
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	14160073	16926695
---	-----------	----------	----------

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)	565676	
(B) Participants	2a(1)(B)	1043051	
(C) Others (including rollovers).....	2a(1)(C)	156670	
(2) Noncash contributions.....	2a(2)	0	1765397
(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)	39	
(B) U.S. Government securities	2b(1)(B)	0	
(C) Corporate debt instruments	2b(1)(C)	0	
(D) Loans (other than to participants)	2b(1)(D)	0	
(E) Participant loans.....	2b(1)(E)	8678	
(F) Other	2b(1)(F)	0	
(G) Total interest. Add lines 2b(1)(A) through (F)	2b(1)(G)		8717
(2) Dividends: (A) Preferred stock.....	2b(2)(A)	0	220985
(B) Common stock	2b(2)(B)	2876	
(C) Registered investment company shares (e.g. mutual funds).....	2b(2)(C)	218109	
(D) Total dividends. Add lines 2b(2)(A) , (B) , and (C)	2b(2)(D)		
(3) Rents	2b(3)		0
(4) Net gain (loss) on sale of assets: (A) Aggregate proceeds	2b(4)(A)	16377	
(B) Aggregate carrying amount (see instructions).....	2b(4)(B)	16473	
(C) Subtract line 2b(4)(B) from line 2b(4)(A) and enter result	2b(4)(C)		-96
(5) Unrealized appreciation (depreciation) of assets: (A) Real estate	2b(5)(A)	0	975
(B) Other	2b(5)(B)	975	
(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)		1298138
(7) Net investment gain (loss) from pooled separate accounts.....	2b(7)		0
(8) Net investment gain (loss) from master trust investment accounts.....	2b(8)		0
(9) Net investment gain (loss) from 103-12 investment entities.....	2b(9)		0
(10) Net investment gain (loss) from registered investment companies (e.g., mutual funds).....	2b(10)		391143
c Other income.....	2c		0
d Total income. Add all income amounts in column (b) and enter total.....	2d		3685259
Expenses			
e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers.....	2e(1)	858834	
(2) To insurance carriers for the provision of benefits.....	2e(2)	0	
(3) Other.....	2e(3)	0	
(4) Total benefit payments. Add lines 2e(1) through (3).....	2e(4)		858834
f Corrective distributions (see instructions).....	2f		2811
g Certain deemed distributions of participant loans (see instructions).....	2g		0
h Interest expense.....	2h		0
i Administrative expenses: (1) Professional fees.....	2i(1)	0	
(2) Contract administrator fees.....	2i(2)	0	
(3) Investment advisory and management fees.....	2i(3)	1533	
(4) Other.....	2i(4)	55459	
(5) Total administrative expenses. Add lines 2i(1) through (4).....	2i(5)		56992
j Total expenses. Add all expense amounts in column (b) and enter total.....	2j		918637
Net Income and Reconciliation			
k Net income (loss). Subtract line 2j from line 2d.....	2k		2766622
l Transfers of assets:			
(1) To this plan.....	2l(1)		0
(2) From this plan.....	2l(2)		0

Part III Accountant's Opinion

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

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

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

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

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

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

(1) Name: S.R. SNODGRASS, P.C.

(2) EIN: 25-1616561

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	

	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		2500000
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		X	
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 2021 This Form is Open to Public Inspection.
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For calendar plan year 2021 or fiscal plan year beginning 01/01/2021 and ending 12/31/2021

A Name of plan PENNS WOODS BANCORP, INC. 401(K) PLAN	B Three-digit plan number (PN) ► 001
C Plan sponsor's name as shown on line 2a of Form 5500 PENNS WOODS BANCORP, INC.	D Employer Identification Number (EIN) 23-2226454

Part I	Distributions
---------------	----------------------

All references to distributions relate only to payments of benefits during the plan year.

1 Total value of distributions paid in property other than in cash or the forms of property specified in the instructions.....	1	
2 Enter the EIN(s) of payor(s) who paid benefits on behalf of the plan to participants or beneficiaries during the year (if more than two, enter EINs of the two payors who paid the greatest dollar amounts of benefits): EIN(s): 04-6568107		
Profit-sharing plans, ESOPs, and stock bonus plans, skip line 3.		
3 Number of participants (living or deceased) whose benefits were distributed in a single sum, during the plan year	3	

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

4 Is the plan administrator making an election under Code section 412(d)(2) or ERISA section 302(d)(2)?	☐ Yes	☐ No	☐ N/A
If the plan is a defined benefit plan, go to line 8.			
5 If a waiver of the minimum funding standard for a prior year is being amortized in this plan year, see instructions and enter the date of the ruling letter granting the waiver. Date: Month _____ Day _____ Year _____ If you completed line 5, complete lines 3, 9, and 10 of Schedule MB and do not complete the remainder of this schedule.			
6 a Enter the minimum required contribution for this plan year (include any prior year accumulated funding deficiency not waived)	6a		
b Enter the amount contributed by the employer to the plan for this plan year	6b		
c Subtract the amount in line 6b from the amount in line 6a. Enter the result (enter a minus sign to the left of a negative amount).....	6c		
If you completed line 6c, skip lines 8 and 9.			
7 Will the minimum funding amount reported on line 6c be met by the funding deadline?	☐ Yes	☐ No	☐ N/A
8 If a change in actuarial cost method was made for this plan year pursuant to a revenue procedure or other authority providing automatic approval for the change or a class ruling letter, does the plan sponsor or plan administrator agree with the change?	☐ Yes	☐ No	☐ N/A

Part III	Amendments
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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) 2021
v. 201209

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).....

14a

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

14b

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

14c

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

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

15a

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

15b

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

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

16a

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

16b

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

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

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

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

PENNS WOODS BANCORP, INC. 401(k) PLAN
WILLIAMSPORT, PENNSYLVANIA

AUDIT REPORT
DECEMBER 31, 2021

PENNS WOODS BANCORP, INC. 401(k) PLAN
DECEMBER 31, 2021

	<u>Page Number</u>
Independent Auditor's Report	1–4
Statement of Net Assets Available for Benefits	5
Statement of Changes in Net Assets Available for Benefits	6
Notes to Financial Statements	7–13
Supplemental Information	14–15

INDEPENDENT AUDITOR'S REPORT

Board of Trustees
Penns Woods Bancorp, Inc. 401(k) Plan
Williamsport, Pennsylvania

Scope and Nature of the ERISA Section 103(a)(3)(C) Audit of the 2021 Financial Statements

We have performed an audit of the financial statements of Penns Woods Bancorp, Inc.

401(k) Plan (the "Plan"), an employee benefit plan subject to the Employee Retirement Income Security Act of 1974 (ERISA), as permitted by ERISA Section 103(a)(3)(C) (ERISA Section 103(a)(3)(C) audit). The financial statements comprise the statements of net assets available for benefits as of December 31, 2021 and 2020, the related statements of changes in net assets available for benefits and in accumulated plan benefits for the years then ended, and the related notes to the financial statements (2021 financial statements).

Management, having determined it is permissible in the circumstances, has elected to have the audit of the 2021 financial statements performed in accordance with ERISA Section 103(a)(3)(C) pursuant to 29 CFR 2520.103-8 of the Department of Labor's (DOL) Rules and Regulations for Reporting and Disclosure under ERISA. As permitted by ERISA Section 103(a)(3)(C), our audit need not extend to any statements or information related to assets held for investment of the Plan (investment information) by a bank or similar institution or insurance carrier that is regulated, supervised, and subject to periodic examination by a state or federal agency, provided that the statements or information regarding assets so held are prepared and certified to by the bank or similar institution or insurance carrier in accordance with 29 CFR 2520.103-5 of the DOL's Rules and Regulations for Reporting and Disclosure under ERISA (qualified institution).

Management has obtained a certification from Fidelity as of and for the year ended December 31, 2021, stating that the certified investment information, as described in Note 3 to the financial statements, is complete and accurate.

Opinion on the 2021 Financial Statements

In our opinion, based on our audit and on the procedures performed as described in the Auditor's Responsibilities for the Audit of the 2021 Financial Statements section:

- The amounts and disclosures in the accompanying 2021 financial statements, other than those agreed to or derived from the certified investment information, are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

Opinion on the 2021 Financial Statements (Continued)

- The information in the accompanying 2021 financial statements related to assets held by and certified to by Fidelity agrees to, or is derived from, in all material respects, the information prepared and certified by an institution that management determined meets the requirements of ERISA Section 103(a)(3)(C).

Basis for Opinion on the 2021 Financial Statements

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the 2021 Financial Statements section of our report. We are required to be independent of the Plan and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our ERISA Section 103(a)(3)(C) audit opinion.

Responsibilities of Management for the 2021 Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the 2021 Financial Statements

Except as described in the Scope and Nature of the ERISA Section 103(a)(3)(C) Audit of the 2021 Financial Statements section of our report, our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance, and, therefore, is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

Auditor's Responsibilities for the Audit of the 2021 Financial Statements (Continued)

In performing an audit in accordance with GAAS, we:

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

Our audit did not extend to the certified investment information, except for obtaining and reading the certification, comparing the certified investment information with the related information presented and disclosed in the 2021 financial statements, and reading the disclosures relating to the certified investment information to assess whether they are in accordance with the presentation and disclosure requirements of U.S. GAAP.

Accordingly, the objective of an ERISA Section 103(a)(3)(C) audit is not to express an opinion about whether the financial statements as a whole are presented fairly, in all material respects, in accordance with U.S. GAAP.

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

Other Matters

2021 Supplemental Schedule Required by ERISA

The supplemental schedule of Schedule H, Line 4i – Schedule of Assets (Held at End of Year) is presented for purposes of additional analysis and is not a required part of the financial statements but is supplementary information required by the DOL’s Rules and Regulations for Reporting and Disclosure under ERISA. Such information is the responsibility of management and was derived from, and relates directly to, the underlying accounting and other records used to prepare the financial statements. The information included in the supplemental schedule, other than that agreed to or derived from the certified investment information, has been subjected to auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with GAAS. For information included in the supplemental schedule that agreed to or is derived from the certified investment information, we compared such information to the related certified investment information.

In forming our opinion on the supplemental schedule, we evaluated whether the supplemental schedule, other than the information agreed to or derived from the certified investment information, including its form and content, is presented in conformity with the DOL’s Rules and Regulations for Reporting and Disclosure under ERISA.

In our opinion:

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

Auditor’s Report on the 2020 Financial Statements

We were engaged to audit the 2020 financial statements of the Plan. As permitted by 29 CFR 2520.103-8 of the DOL’s Rules and Regulations for Reporting and Disclosure under ERISA, the plan administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the information certified by a qualified institution. In our report dated October 14, 2021, we indicated that (a) because of the significance of the information that we did not audit, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion, and accordingly, we did not express an opinion on the 2020 financial statements, and (b) the form and content of the information included in the 2020 financial statements, other than that derived from the certified information, were presented in compliance with the DOL’s Rules and Regulations for Reporting and Disclosure under ERISA.



Cranberry Township, Pennsylvania
July 29, 2022

PENNS WOODS BANCORP, INC. 401(k) PLAN
STATEMENT OF NET ASSETS AVAILABLE FOR BENEFITS

	At December 31,	
	<u>2021</u>	<u>2020</u>
ASSETS		
Cash	\$ 286,802	\$ 498,716
Investments, at fair value	16,464,333	13,510,776
Notes receivable from participants	<u>175,560</u>	<u>150,581</u>
 Total investments at fair value	 16,926,695	 14,160,073
 Participant contribution receivable	 -	 4,281
Employer contribution receivable	<u>-</u>	<u>6,014</u>
 Total assets	 16,926,695	 14,170,368
LIABILITIES		
Excess contribution payable	<u>-</u>	<u>2,811</u>
 Total liabilities	 -	 2,811
 Net assets available for benefits	 <u>\$ 16,926,695</u>	 <u>\$ 14,167,557</u>

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

PENNS WOODS BANCORP, INC. 401(k) PLAN
STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS
YEAR ENDED DECEMBER 31, 2021

ADDITIONS TO NET ASSETS ATTRIBUTED TO:

Investment income:

Net appreciation in fair value of investments	\$ 1,690,160
Interest and dividends	<u>221,024</u>

Total investment income	1,911,184
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Interest income on notes receivable from participants	8,678
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Contributions:

Participants	1,038,770
Employer	559,662
Rollovers	<u>156,670</u>

Total contributions	<u>1,755,102</u>
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Total additions	<u>3,674,964</u>
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DEDUCTIONS FROM NET ASSETS ATTRIBUTED TO:

Benefits paid to participants	858,834
Administrative expenses	<u>56,992</u>

Total deductions	<u>915,826</u>
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Net increase	2,759,138
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NET ASSETS AVAILABLE FOR BENEFITS

Beginning of the year	<u>14,167,557</u>
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End of the year	<u><u>\$ 16,926,695</u></u>
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The accompanying notes are an integral part of these financial statements.

PENNS WOODS BANCORP, INC. 401(k) PLAN
NOTES TO FINANCIAL STATEMENTS

NOTE 1 – DESCRIPTION OF PLAN

The following brief description of the Penns Woods Bancorp, Inc. 401(k) Plan (the “Plan”) for the employees of Penns Woods Bancorp, Inc. (the “Company”) is provided for general information purposes only. Participants should refer to the Plan Document for a more complete description of the Plan’s provisions.

General

The Plan is a defined contribution plan covering the employees of the Company who have attained the age of 21. Eligible participants are able to contribute to the Plan on the first day of each month following date of hire. The employer will match 100 percent of the employee’s contribution percentage up to 4 percent. The Plan includes a 401(k) before-tax savings feature, which permits participants to defer compensation under Section 401(a) of the Internal Revenue Code (IRC). Plan is subject to the provisions of ERISA. The Board of Directors is responsible for oversights of the Plan. The Plan’s Trustee determines the appropriateness of the Plan’s investment offerings, monitor investment performance, and reports to the Board of Directors.

Contributions

Employees may elect to contribute through the 401(k) feature, 1 percent to 50 percent of their base salaries each period, to the maximum amount permitted by the IRC. Participants who have attained age 50 before the end of the Plan year are eligible to make catch-up contributions. Participants may also contribute amounts representing distributions from other qualified defined benefit or defined contribution plans. Participants direct the investment of their contributions into various investment options offered by the Plan. The employer matches up to 100 percent of the employee’s contribution percentage up to 4 percent. Contributions are subject to certain limitations.

Additionally, the employer, at its discretion, may make profit sharing contributions to eligible employees. This includes Penns Woods Bancorp, Inc. employees who have attained the age of 21 and, have completed one year of service, which is a 12-consecutive-month period beginning on the date of hire. Each participant’s profit sharing account is credited with Plan earnings. Allocations are based upon units accumulated by each participant’s account. Units are apportioned based upon participant wages. The benefit to which each participant is entitled is that which can be provided from the participant’s account.

Participants’ Accounts

Each participant’s account is credited with the participant’s contribution and allocations of (a) the Company’s contribution and (b) Plan earnings, and charged with an allocation of administrative expenses. Allocations are based on participant earnings or account balances, as defined. The benefit to which a participant is entitled is the benefit that can be provided from the participant’s vested account.

NOTE 1 – DESCRIPTION OF PLAN (Continued)

Vesting

Participants are immediately vested in their contributions plus actual earnings thereon. Vesting in the Company's contributions is based on completion of service years. Employees become 20 percent vested after one year of service during which they are participating in the Plan.

Vesting then increases by 20 percent per year of additional service until full vesting after five years of service during which the employee was participating in the Plan.

Eligible employees become fully vested in the employer discretionary profit sharing contribution after five years of service, subsequent to initial eligibility.

Notes Receivable from Participants

Participants may borrow from their fund accounts a minimum of \$1,000, up to a maximum equal to the lesser of \$50,000 or 50 percent of their account balance. The loans are secured by the balance in the participant's account and bear interest at rates determined by the Plan Administrator based on the prevailing interest rates charged by persons in the business of lending money for loans that would be made under similar circumstances. The interest rate will remain fixed throughout the duration of the loan. Principal and interest are paid ratably through monthly payroll deductions.

Excess Contribution Payable

The amount payable to participants for contributions in excess of amounts allowed by the Internal Revenue Service is recorded as a liability. The excess contribution payable amount was distributed prior to March 15, 2022.

Payment of Benefits

On termination of service due to death, disability, termination of employment, or retirement, a participant may elect to receive a lump sum amount equal to the vested value of his or her account, or delay receipt of payment until age 65, at which time a distribution is required, provided their vested benefit, excluding amounts attributable to rollovers, exceeds \$5,000. If vested benefits excluding amounts attributable to rollovers are less than \$5,000, the Plan Administrator will direct the Trustee that any account exceeding \$1,000 be distributed to an Individual Retirement Account (IRA) or Annuity. If vested benefits excluding amounts attributable to rollovers are less than \$1,000, the Plan Administrator will direct the Trustee to distribute a lump sum distribution.

Forfeitures

Forfeitures are retained in the Plan and may first be used to pay administrative expenses. Any remaining amounts will be used to reduce employer contributions payable under the Plan. At December 31, 2021 and 2020, there were no forfeited nonvested account balances. Forfeitures of \$11,707 and \$25,892 were used in 2021 and 2020, respectively, to pay administrative expenses.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The financial statements of the Plan were prepared on the accrual basis of accounting. Investment contracts held by a defined-contribution plan are required to be reported at contract value, which is the relevant measurement attribute for that portion of the net assets available for benefits of a defined-contribution plan attributable to fully benefit-responsive investment contracts, because contract value is the amount participants would receive if they were to initiate permitted transactions under the terms of the Plan.

Use of Estimates

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

Investment Valuation and Income Recognition

The Plan's investments are reported at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Plan's trustee, Fidelity Management Trust Company, determines the Plan's valuation policies utilizing information provided by the investment advisors, custodians, and insurance company. See Note 8 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 includes the Plan's gains and losses on investments bought and sold as well as held during the year.

Notes Receivable from Participants

Notes receivable from participants are measured at their unpaid principal balance plus any accrued but unpaid interest. Interest income is recorded on the accrual basis. No allowance for credit losses has been recorded as of December 31, 2021 or 2020. If a participant ceases to make loan repayments and the Plan Administrator deems the participant loans to be in default, the participant loan balance is reduced and a benefit payment is recorded.

Payment of Benefits

Benefits are recorded when paid.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Administrative Expenses

Certain administrative functions are performed by officers and employees of the Company. No such officer or employee receives compensation from the Plan and are excluded from the financial statements. Investment-related expenses are included in net appreciation of the fair value of investments. Certain other administrative expenses are paid directly by the Company.

NOTE 3 – INVESTMENTS

The Plan's investments are administered by the Trustee, Fidelity Management Trust Company (Trustee) under an agreement dated November 1, 2019.

The following is a summary of the investment information as of December 31, 2021 and 2020, and for the year ended December 31, 2021, included throughout the Plan's financial statements and supplemental schedule, that was prepared by or derived from information provided by the Trustee and furnished to the Plan Administrator. The Plan Administrator has obtained certifications from the Trustee that information provided to the Plan Administrator by the Trustee related to the following investments is complete and accurate. Accordingly, as permitted by 29 CFR 2520.103-8 of the DOL's Rules and Regulations for Reporting and Disclosure under ERISA, the Plan Administrator instructed the Plan's independent auditors not to perform any auditing procedures with respect to information that appears throughout the financial statements and supplemental schedule, related to the following investments:

	<u>2021</u>	<u>2020</u>
Mutual funds, at fair value	\$ 4,350,914	\$ 3,353,033
Common corporate stocks, at fair value	172,051	143,819
Common collective trust, at fair value	<u>11,941,368</u>	<u>10,013,924</u>
	<u>\$ 16,464,333</u>	<u>\$ 13,510,776</u>
Notes receivable from participants	\$ <u>175,560</u>	\$ <u>150,581</u>
Cash	<u>\$ 286,802</u>	<u>\$ 498,716</u>

The Trustees also certified to the completeness and accuracy of \$1,690,160 of net appreciation in fair value of investments, \$8,678 of interest income on notes receivable, and \$221,024 of interest and dividends related to the aforementioned investments for the year ended December 31, 2021.

NOTE 4 – PLAN TERMINATION

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

NOTE 5 – TAX STATUS

On November 27, 2001, the Internal Revenue Service stated that the prototype adopted by the Plan, as designed, qualifies under Section 401(a) of the IRC. The Internal Revenue Service has determined and informed the Bank by letter dated March 31, 2014, that the Plan and related trust are designed in accordance with applicable sections of the IRC. The Plan has been amended since receiving the determination letter. However, the Plan Administrator and the Plan's tax counsel believe that the Plan is designed and currently being operated in compliance with the applicable requirements of the IRC. Therefore, no provision for income taxes has been included in the Plan's financial statements.

Accounting principles generally accepted in the United States of America require Plan management to evaluate tax positions taken by the Plan and recognize a tax liability if the Plan has taken an uncertain position that more likely than not would not be sustained upon examination by the taxing jurisdictions. The Plan Administrator has analyzed the tax positions taken by the Plan, and has concluded that as of December 31, 2021, there are no uncertain positions taken or expected to be taken that would require recognition of a liability or disclosure in the financial statements. The Plan is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. The Plan Administrator believes it is no longer subject to income tax examinations for years prior to 2018.

NOTE 6 – RELATED-PARTY AND PARTY-IN-INTEREST TRANSACTIONS

Certain Plan investments are managed by Fidelity Management Trust Company, the defined Trustee of the Plan. The Company absorbs some costs incurred in relation to the administration of the Plan. Such costs include legal, administrative, and accounting fees. These costs amounted to \$11,600 and \$10,300 for the year ended December 31, 2021 and 2020.

NOTE 7 – FAIR VALUE MEASUREMENTS

The following disclosures show the hierarchical disclosure framework associated with the level of pricing observations utilized in measuring assets and liabilities at fair value. The three broad levels of pricing observations are as follows:

Level I: Quoted prices are available in active markets for identical assets or liabilities as of the reported date.

Level II: Pricing inputs are other than quoted prices in active markets, which are either directly or indirectly observable as of the reported date. The nature of these assets and liabilities includes items for which quoted prices are available but traded less frequently, and items that are fair-valued using other financial instruments, the parameters of which can be directly observed.

Level III: Valuation derived from valuation techniques in which one or more significant inputs or significant value drivers are unobservable.

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

Mutual Funds

Mutual funds are valued at the daily closing price as reported by the fund. Mutual funds held by the Plan are open-end mutual funds that are registered with the Securities and Exchange Commission. These funds

NOTE 8 – FAIR VALUE MEASUREMENTS

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.

Common/Collective Trust Funds

Common trusts are valued at the NAV of shares held by the Plan at year-end adjusted for any cash held for liquidity purposes and any fees imposed by the fund. The net asset value per unit is determined by dividing the net assets by the number of units outstanding on the day of valuation. In accordance with the terms of the Plan of Trust, the net asset value of the fund is determined daily. Units are issued and redeemed daily, at the daily net asset value. Also the net investment income and realized and unrealized gains on investment are not distributed.

Common Corporate Stock

Valued at the closing price reported on the active market on which the securities are traded.

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

December 31, 2021				
	Level I	Level II	Level III	Total
Assets:				
Mutual funds	\$ 4,350,914	\$ -	\$ -	\$ 4,350,914
Common stock	172,051	-	-	172,051
Common collective trusts (a)	-	-	-	11,941,368
Investments at fair value	<u>\$ 4,522,965</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 16,464,333</u>
December 31, 2020				
	Level I	Level II	Level III	Total
Assets:				
Mutual funds	\$ 3,353,033	\$ -	\$ -	\$ 3,353,033
Common stock	143,819	-	-	143,819
Common collective trusts (a)	-	-	-	10,013,924
Investments at fair value	<u>\$ 3,496,852</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 13,510,776</u>

- a) Investments that were measured at net asset value per share (or its equivalent) have not been classified in the fair value hierarchy. These amounts are being presented in the tables above to permit reconciliation of fair value hierarchy to the amounts present in the Statement of Net Assets Available for Benefits.

NOTE 9 – RISKS AND UNCERTAINTIES

The Plan invests in various investment securities. Investment securities are exposed to various risks, such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect participants' account balances and the amounts reported in the Statement of Net Assets Available for Benefits. As of December 31, 2021, the Plan had investments of \$4,296,882 that were concentrated in Flexpath Mod 2025 R1 fund and \$4,058,965 that were concentrated in Flexpath Mod 2035 R1 fund. As of December 31, 2020, the Plan had investments of \$3,847,918 that were concentrated in Flexpath Mod 2025 R1 fund, \$3,377,614 that were concentrated in Flexpath Mod 2035 R1 fund, and investments of \$1,485,899 that were concentrated in the Flexpath Mod 2045 R1 fund.

NOTE 10 – RECONCILIATION OF FINANCIAL STATEMENTS TO FORM 5500

The following is a reconciliation of net assets available for benefits per the financial statements at December 31, 2020, to Form 5500:

Net assets available for benefits per the financial statements	\$ 14,167,557
Participant contribution receivable accrual	(4,281)
Employer contribution receivable accrual	(6,014)
Excess contribution payable accrual	2,811
Net asset available for benefits per Form 5500	<u>\$ 14,160,073</u>

The following is a reconciliation of changes in net assets available for benefits per the financial statements December 31, 2021, to Form 5500:

Participant contributions per the financial statements	\$ 1,038,770
Less: Adjustment for contribution receivable accrual	<u>4,281</u>
Participant contributions per Form 5500	<u>\$ 1,043,051</u>
Employer contributions per the financial statements	\$ 559,662
Less: Adjustment for contribution receivable accrual	<u>6,014</u>
Employer contributions per Form 5500	<u>\$ 565,676</u>

NOTE 11 – SUBSEQUENT EVENTS

No subsequent events were identified through July 29, 2022, the date these financial statements were issued.

SUPPLEMENTAL INFORMATION

PENNS WOODS BANCORP, INC. 401(k) PLAN
SCHEDULE H, LINE 4i - SCHEDULE OF ASSETS (HELD AT END OF YEAR)
EMPLOYER IDENTIFICATION NUMBER 24-0622580
PLAN NUMBER - 002
DECEMBER 31, 2021

(a)	(b) Identity of Issuer, Borrower, Lessor, or Similar Party	(c) Description of Investment, Including Maturity Date, Rate of Interest, Collateral, Par, or Maturity Value	(d) Cost	(e) Current Value
	Cash		NR \$	286,802
	<u>Mutual Funds</u>			
*	Lord Abbett	LD ABT ULT SHT BD R6	1,433.949 units NR	14,339
*	Calvert	Calv US LG CP CRI R6	2,494.541 units NR	106,591
*	Calvert	Calvert Green Bond I	2,012.347 units NR	32,097
*	Jhancock	Jhancock Reg Bank I	4,354.937 units NR	141,579
*	Vanguard	Vang Hi Div IDX Adm	15,239.538 units NR	515,096
*	PGIM	PGIM J Utility R6	6,036.580 units NR	97,008
*	MFS	MFS Technology R6	3,725.519 units NR	271,553
*	BlackRock	BLKRK HLTH SCI OPP K	2,466.984 units NR	197,408
*	DoubleLine Shiller	DL SHLLR ENH Cape I	2,709.124 units NR	48,222
*	BlackRock	BLKRK High Yield BD K	9,952.841 units NR	78,030
*	PGIM	PGIM Total RTN BD R6	11,535.808 units NR	167,154
*	American Funds	AF New Perspect R6	5,831.224 units NR	387,485
*	American Funds	AF Balanced R6	12,319.312 units NR	412,451
*	Jhancock	J H Triton N	4,974.780 units NR	172,326
*	Calvert	Calv Intl RSP IDX I	1,259.095 units NR	38,881
*	Fidelity	FID US Bond Idx	9,685.140 units NR	116,028
*	Fidelity	FID 500 Index	2,134.440 units NR	352,866
*	Fidelity	FID EMRG Mkts Idx	10,593.566 units NR	128,076
*	Fidelity	FID GLB EX US Idx	5,852.551 units NR	89,486
*	Fidelity	FID Mid Cap Idx	7,028.384 units NR	224,838
*	Fidelity	FID Real Estate Idx	678.723 units NR	13,683
*	Fidelity	FID Sm Cap Idx	4,987.210 units NR	137,448
*	Fidelity	FID INFL PR BD Idx	280.515 units NR	3,131
*	Fidelity	FID Lg Cap Gr Idx	6,880.662 units NR	203,943
*	Fidelity	FID Lg Cap Val Idx	7,698.778 units NR	125,798
*	Fidelity	FID Contrafund K6	6,561.170 units NR	153,138
*	Fidelity	FID Low-Priced St K6	7,964.780 units NR	122,259
	Total			4,350,914

PENNS WOODS BANCORP, INC. 401(k) PLAN
SCHEDULE H, LINE 4i - SCHEDULE OF ASSETS (HELD AT END OF YEAR) (Continued)
EMPLOYER IDENTIFICATION NUMBER 24-0622580
PLAN NUMBER - 002
DECEMBER 31, 2021

(a)	(b) Identity of Issuer, Borrower, Lessor, or Similar Party	(c) Description of Investment, Including Maturity Date, Rate of Interest, Collateral, Par, or Maturity Value	(d) Cost	(e) Current Value
	<u>Common collective trust fund</u>			
*	Fidelity	Flexpath Agr Ret R1	14.922 units	NR
*	Fidelity	Flexpath Mod Ret R1	25,326.914 units	NR
*	Fidelity	Flexpath Con Ret R1	1,694.260 units	NR
*	Fidelity	Flexpath Agr 2025 R1	313.297 units	NR
*	Fidelity	Flexpath Mod 2025 R1	270,584.524 units	NR
*	Fidelity	Flexpath Agr 2035 R1	7,430.697 units	NR
*	Fidelity	Flexpath Mod 2035 R1	230,754.115 units	NR
*	Fidelity	Flexpath Con 2035 R1	44.007 units	NR
*	Fidelity	Flexpath Agr 2045 R1	18,096.226 units	NR
*	Fidelity	Flexpath Mod 2045 R1	88,689.001 units	NR
*	Fidelity	Flexpath Con 2045 R1	8,721.315 units	NR
*	Fidelity	Flexpath Agr 2055 R1	857.885 units	NR
*	Fidelity	Flexpath Mod 2055 R1	40,914.085 units	NR
*	Fidelity	Flexpath Con 2055 R1	396.009 units	NR
	Total			11,941,368
*	Common stock		-	172,051
*	Participant loans	Interest rate of 3.25% - 6.50%	-	175,560
	Total	Maturity date of 2022 - 2029		<u>\$ 16,926,695</u>

* - Party-in-interest

NR - Not required

PENNS WOODS BANCORP, INC. 401(k) PLAN
WILLIAMSPORT, PENNSYLVANIA

AUDIT REPORT
DECEMBER 31, 2021

PENNS WOODS BANCORP, INC. 401(k) PLAN
DECEMBER 31, 2021

	<u>Page Number</u>
Independent Auditor's Report	1–4
Statement of Net Assets Available for Benefits	5
Statement of Changes in Net Assets Available for Benefits	6
Notes to Financial Statements	7–13
Supplemental Information	14–15

INDEPENDENT AUDITOR'S REPORT

Board of Trustees
Penns Woods Bancorp, Inc. 401(k) Plan
Williamsport, Pennsylvania

Scope and Nature of the ERISA Section 103(a)(3)(C) Audit of the 2021 Financial Statements

We have performed an audit of the financial statements of Penns Woods Bancorp, Inc.

401(k) Plan (the "Plan"), an employee benefit plan subject to the Employee Retirement Income Security Act of 1974 (ERISA), as permitted by ERISA Section 103(a)(3)(C) (ERISA Section 103(a)(3)(C) audit). The financial statements comprise the statements of net assets available for benefits as of December 31, 2021 and 2020, the related statements of changes in net assets available for benefits and in accumulated plan benefits for the years then ended, and the related notes to the financial statements (2021 financial statements).

Management, having determined it is permissible in the circumstances, has elected to have the audit of the 2021 financial statements performed in accordance with ERISA Section 103(a)(3)(C) pursuant to 29 CFR 2520.103-8 of the Department of Labor's (DOL) Rules and Regulations for Reporting and Disclosure under ERISA. As permitted by ERISA Section 103(a)(3)(C), our audit need not extend to any statements or information related to assets held for investment of the Plan (investment information) by a bank or similar institution or insurance carrier that is regulated, supervised, and subject to periodic examination by a state or federal agency, provided that the statements or information regarding assets so held are prepared and certified to by the bank or similar institution or insurance carrier in accordance with 29 CFR 2520.103-5 of the DOL's Rules and Regulations for Reporting and Disclosure under ERISA (qualified institution).

Management has obtained a certification from Fidelity as of and for the year ended December 31, 2021, stating that the certified investment information, as described in Note 3 to the financial statements, is complete and accurate.

Opinion on the 2021 Financial Statements

In our opinion, based on our audit and on the procedures performed as described in the Auditor's Responsibilities for the Audit of the 2021 Financial Statements section:

- The amounts and disclosures in the accompanying 2021 financial statements, other than those agreed to or derived from the certified investment information, are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

Opinion on the 2021 Financial Statements (Continued)

- The information in the accompanying 2021 financial statements related to assets held by and certified to by Fidelity agrees to, or is derived from, in all material respects, the information prepared and certified by an institution that management determined meets the requirements of ERISA Section 103(a)(3)(C).

Basis for Opinion on the 2021 Financial Statements

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the 2021 Financial Statements section of our report. We are required to be independent of the Plan and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our ERISA Section 103(a)(3)(C) audit opinion.

Responsibilities of Management for the 2021 Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the 2021 Financial Statements

Except as described in the Scope and Nature of the ERISA Section 103(a)(3)(C) Audit of the 2021 Financial Statements section of our report, our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance, and, therefore, is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

Auditor's Responsibilities for the Audit of the 2021 Financial Statements (Continued)

In performing an audit in accordance with GAAS, we:

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

Our audit did not extend to the certified investment information, except for obtaining and reading the certification, comparing the certified investment information with the related information presented and disclosed in the 2021 financial statements, and reading the disclosures relating to the certified investment information to assess whether they are in accordance with the presentation and disclosure requirements of U.S. GAAP.

Accordingly, the objective of an ERISA Section 103(a)(3)(C) audit is not to express an opinion about whether the financial statements as a whole are presented fairly, in all material respects, in accordance with U.S. GAAP.

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

Other Matters

2021 Supplemental Schedule Required by ERISA

The supplemental schedule of Schedule H, Line 4i – Schedule of Assets (Held at End of Year) is presented for purposes of additional analysis and is not a required part of the financial statements but is supplementary information required by the DOL’s Rules and Regulations for Reporting and Disclosure under ERISA. Such information is the responsibility of management and was derived from, and relates directly to, the underlying accounting and other records used to prepare the financial statements. The information included in the supplemental schedule, other than that agreed to or derived from the certified investment information, has been subjected to auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with GAAS. For information included in the supplemental schedule that agreed to or is derived from the certified investment information, we compared such information to the related certified investment information.

In forming our opinion on the supplemental schedule, we evaluated whether the supplemental schedule, other than the information agreed to or derived from the certified investment information, including its form and content, is presented in conformity with the DOL’s Rules and Regulations for Reporting and Disclosure under ERISA.

In our opinion:

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

Auditor’s Report on the 2020 Financial Statements

We were engaged to audit the 2020 financial statements of the Plan. As permitted by 29 CFR 2520.103-8 of the DOL’s Rules and Regulations for Reporting and Disclosure under ERISA, the plan administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the information certified by a qualified institution. In our report dated October 14, 2021, we indicated that (a) because of the significance of the information that we did not audit, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion, and accordingly, we did not express an opinion on the 2020 financial statements, and (b) the form and content of the information included in the 2020 financial statements, other than that derived from the certified information, were presented in compliance with the DOL’s Rules and Regulations for Reporting and Disclosure under ERISA.



Cranberry Township, Pennsylvania
July 29, 2022

PENNS WOODS BANCORP, INC. 401(k) PLAN
STATEMENT OF NET ASSETS AVAILABLE FOR BENEFITS

	At December 31,	
	<u>2021</u>	<u>2020</u>
ASSETS		
Cash	\$ 286,802	\$ 498,716
Investments, at fair value	16,464,333	13,510,776
Notes receivable from participants	<u>175,560</u>	<u>150,581</u>
 Total investments at fair value	 16,926,695	 14,160,073
 Participant contribution receivable	 -	 4,281
Employer contribution receivable	<u>-</u>	<u>6,014</u>
 Total assets	 16,926,695	 14,170,368
LIABILITIES		
Excess contribution payable	<u>-</u>	<u>2,811</u>
 Total liabilities	 -	 2,811
 Net assets available for benefits	 <u>\$ 16,926,695</u>	 <u>\$ 14,167,557</u>

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

PENNS WOODS BANCORP, INC. 401(k) PLAN
STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS
YEAR ENDED DECEMBER 31, 2021

ADDITIONS TO NET ASSETS ATTRIBUTED TO:

Investment income:

Net appreciation in fair value of investments	\$ 1,690,160
Interest and dividends	<u>221,024</u>

Total investment income	1,911,184
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Interest income on notes receivable from participants	8,678
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Contributions:

Participants	1,038,770
Employer	559,662
Rollovers	<u>156,670</u>

Total contributions	<u>1,755,102</u>
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Total additions	<u>3,674,964</u>
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DEDUCTIONS FROM NET ASSETS ATTRIBUTED TO:

Benefits paid to participants	858,834
Administrative expenses	<u>56,992</u>

Total deductions	<u>915,826</u>
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Net increase	2,759,138
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NET ASSETS AVAILABLE FOR BENEFITS

Beginning of the year	<u>14,167,557</u>
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End of the year	<u><u>\$ 16,926,695</u></u>
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The accompanying notes are an integral part of these financial statements.

PENNS WOODS BANCORP, INC. 401(k) PLAN
NOTES TO FINANCIAL STATEMENTS

NOTE 1 – DESCRIPTION OF PLAN

The following brief description of the Penns Woods Bancorp, Inc. 401(k) Plan (the “Plan”) for the employees of Penns Woods Bancorp, Inc. (the “Company”) is provided for general information purposes only. Participants should refer to the Plan Document for a more complete description of the Plan’s provisions.

General

The Plan is a defined contribution plan covering the employees of the Company who have attained the age of 21. Eligible participants are able to contribute to the Plan on the first day of each month following date of hire. The employer will match 100 percent of the employee’s contribution percentage up to 4 percent. The Plan includes a 401(k) before-tax savings feature, which permits participants to defer compensation under Section 401(a) of the Internal Revenue Code (IRC). Plan is subject to the provisions of ERISA. The Board of Directors is responsible for oversights of the Plan. The Plan’s Trustee determines the appropriateness of the Plan’s investment offerings, monitor investment performance, and reports to the Board of Directors.

Contributions

Employees may elect to contribute through the 401(k) feature, 1 percent to 50 percent of their base salaries each period, to the maximum amount permitted by the IRC. Participants who have attained age 50 before the end of the Plan year are eligible to make catch-up contributions. Participants may also contribute amounts representing distributions from other qualified defined benefit or defined contribution plans. Participants direct the investment of their contributions into various investment options offered by the Plan. The employer matches up to 100 percent of the employee’s contribution percentage up to 4 percent. Contributions are subject to certain limitations.

Additionally, the employer, at its discretion, may make profit sharing contributions to eligible employees. This includes Penns Woods Bancorp, Inc. employees who have attained the age of 21 and, have completed one year of service, which is a 12-consecutive-month period beginning on the date of hire. Each participant’s profit sharing account is credited with Plan earnings. Allocations are based upon units accumulated by each participant’s account. Units are apportioned based upon participant wages. The benefit to which each participant is entitled is that which can be provided from the participant’s account.

Participants’ Accounts

Each participant’s account is credited with the participant’s contribution and allocations of (a) the Company’s contribution and (b) Plan earnings, and charged with an allocation of administrative expenses. Allocations are based on participant earnings or account balances, as defined. The benefit to which a participant is entitled is the benefit that can be provided from the participant’s vested account.

NOTE 1 – DESCRIPTION OF PLAN (Continued)

Vesting

Participants are immediately vested in their contributions plus actual earnings thereon. Vesting in the Company's contributions is based on completion of service years. Employees become 20 percent vested after one year of service during which they are participating in the Plan.

Vesting then increases by 20 percent per year of additional service until full vesting after five years of service during which the employee was participating in the Plan.

Eligible employees become fully vested in the employer discretionary profit sharing contribution after five years of service, subsequent to initial eligibility.

Notes Receivable from Participants

Participants may borrow from their fund accounts a minimum of \$1,000, up to a maximum equal to the lesser of \$50,000 or 50 percent of their account balance. The loans are secured by the balance in the participant's account and bear interest at rates determined by the Plan Administrator based on the prevailing interest rates charged by persons in the business of lending money for loans that would be made under similar circumstances. The interest rate will remain fixed throughout the duration of the loan. Principal and interest are paid ratably through monthly payroll deductions.

Excess Contribution Payable

The amount payable to participants for contributions in excess of amounts allowed by the Internal Revenue Service is recorded as a liability. The excess contribution payable amount was distributed prior to March 15, 2022.

Payment of Benefits

On termination of service due to death, disability, termination of employment, or retirement, a participant may elect to receive a lump sum amount equal to the vested value of his or her account, or delay receipt of payment until age 65, at which time a distribution is required, provided their vested benefit, excluding amounts attributable to rollovers, exceeds \$5,000. If vested benefits excluding amounts attributable to rollovers are less than \$5,000, the Plan Administrator will direct the Trustee that any account exceeding \$1,000 be distributed to an Individual Retirement Account (IRA) or Annuity. If vested benefits excluding amounts attributable to rollovers are less than \$1,000, the Plan Administrator will direct the Trustee to distribute a lump sum distribution.

Forfeitures

Forfeitures are retained in the Plan and may first be used to pay administrative expenses. Any remaining amounts will be used to reduce employer contributions payable under the Plan. At December 31, 2021 and 2020, there were no forfeited nonvested account balances. Forfeitures of \$11,707 and \$25,892 were used in 2021 and 2020, respectively, to pay administrative expenses.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The financial statements of the Plan were prepared on the accrual basis of accounting. Investment contracts held by a defined-contribution plan are required to be reported at contract value, which is the relevant measurement attribute for that portion of the net assets available for benefits of a defined-contribution plan attributable to fully benefit-responsive investment contracts, because contract value is the amount participants would receive if they were to initiate permitted transactions under the terms of the Plan.

Use of Estimates

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

Investment Valuation and Income Recognition

The Plan's investments are reported at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Plan's trustee, Fidelity Management Trust Company, determines the Plan's valuation policies utilizing information provided by the investment advisors, custodians, and insurance company. See Note 8 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 includes the Plan's gains and losses on investments bought and sold as well as held during the year.

Notes Receivable from Participants

Notes receivable from participants are measured at their unpaid principal balance plus any accrued but unpaid interest. Interest income is recorded on the accrual basis. No allowance for credit losses has been recorded as of December 31, 2021 or 2020. If a participant ceases to make loan repayments and the Plan Administrator deems the participant loans to be in default, the participant loan balance is reduced and a benefit payment is recorded.

Payment of Benefits

Benefits are recorded when paid.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Administrative Expenses

Certain administrative functions are performed by officers and employees of the Company. No such officer or employee receives compensation from the Plan and are excluded from the financial statements. Investment-related expenses are included in net appreciation of the fair value of investments. Certain other administrative expenses are paid directly by the Company.

NOTE 3 – INVESTMENTS

The Plan's investments are administered by the Trustee, Fidelity Management Trust Company (Trustee) under an agreement dated November 1, 2019.

The following is a summary of the investment information as of December 31, 2021 and 2020, and for the year ended December 31, 2021, included throughout the Plan's financial statements and supplemental schedule, that was prepared by or derived from information provided by the Trustee and furnished to the Plan Administrator. The Plan Administrator has obtained certifications from the Trustee that information provided to the Plan Administrator by the Trustee related to the following investments is complete and accurate. Accordingly, as permitted by 29 CFR 2520.103-8 of the DOL's Rules and Regulations for Reporting and Disclosure under ERISA, the Plan Administrator instructed the Plan's independent auditors not to perform any auditing procedures with respect to information that appears throughout the financial statements and supplemental schedule, related to the following investments:

	<u>2021</u>	<u>2020</u>
Mutual funds, at fair value	\$ 4,350,914	\$ 3,353,033
Common corporate stocks, at fair value	172,051	143,819
Common collective trust, at fair value	<u>11,941,368</u>	<u>10,013,924</u>
	<u>\$ 16,464,333</u>	<u>\$ 13,510,776</u>
Notes receivable from participants	\$ <u>175,560</u>	\$ <u>150,581</u>
Cash	\$ <u>286,802</u>	\$ <u>498,716</u>

The Trustees also certified to the completeness and accuracy of \$1,690,160 of net appreciation in fair value of investments, \$8,678 of interest income on notes receivable, and \$221,024 of interest and dividends related to the aforementioned investments for the year ended December 31, 2021.

NOTE 4 – PLAN TERMINATION

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

NOTE 5 – TAX STATUS

On November 27, 2001, the Internal Revenue Service stated that the prototype adopted by the Plan, as designed, qualifies under Section 401(a) of the IRC. The Internal Revenue Service has determined and informed the Bank by letter dated March 31, 2014, that the Plan and related trust are designed in accordance with applicable sections of the IRC. The Plan has been amended since receiving the determination letter. However, the Plan Administrator and the Plan's tax counsel believe that the Plan is designed and currently being operated in compliance with the applicable requirements of the IRC. Therefore, no provision for income taxes has been included in the Plan's financial statements.

Accounting principles generally accepted in the United States of America require Plan management to evaluate tax positions taken by the Plan and recognize a tax liability if the Plan has taken an uncertain position that more likely than not would not be sustained upon examination by the taxing jurisdictions. The Plan Administrator has analyzed the tax positions taken by the Plan, and has concluded that as of December 31, 2021, there are no uncertain positions taken or expected to be taken that would require recognition of a liability or disclosure in the financial statements. The Plan is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. The Plan Administrator believes it is no longer subject to income tax examinations for years prior to 2018.

NOTE 6 – RELATED-PARTY AND PARTY-IN-INTEREST TRANSACTIONS

Certain Plan investments are managed by Fidelity Management Trust Company, the defined Trustee of the Plan. The Company absorbs some costs incurred in relation to the administration of the Plan. Such costs include legal, administrative, and accounting fees. These costs amounted to \$11,600 and \$10,300 for the year ended December 31, 2021 and 2020.

NOTE 7 – FAIR VALUE MEASUREMENTS

The following disclosures show the hierarchical disclosure framework associated with the level of pricing observations utilized in measuring assets and liabilities at fair value. The three broad levels of pricing observations are as follows:

Level I: Quoted prices are available in active markets for identical assets or liabilities as of the reported date.

Level II: Pricing inputs are other than quoted prices in active markets, which are either directly or indirectly observable as of the reported date. The nature of these assets and liabilities includes items for which quoted prices are available but traded less frequently, and items that are fair-valued using other financial instruments, the parameters of which can be directly observed.

Level III: Valuation derived from valuation techniques in which one or more significant inputs or significant value drivers are unobservable.

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

Mutual Funds

Mutual funds are valued at the daily closing price as reported by the fund. Mutual funds held by the Plan are open-end mutual funds that are registered with the Securities and Exchange Commission. These funds

NOTE 8 – FAIR VALUE MEASUREMENTS

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.

Common/Collective Trust Funds

Common trusts are valued at the NAV of shares held by the Plan at year-end adjusted for any cash held for liquidity purposes and any fees imposed by the fund. The net asset value per unit is determined by dividing the net assets by the number of units outstanding on the day of valuation. In accordance with the terms of the Plan of Trust, the net asset value of the fund is determined daily. Units are issued and redeemed daily, at the daily net asset value. Also the net investment income and realized and unrealized gains on investment are not distributed.

Common Corporate Stock

Valued at the closing price reported on the active market on which the securities are traded.

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

December 31, 2021				
	Level I	Level II	Level III	Total
Assets:				
Mutual funds	\$ 4,350,914	\$ -	\$ -	\$ 4,350,914
Common stock	172,051	-	-	172,051
Common collective trusts (a)	-	-	-	11,941,368
Investments at fair value	<u>\$ 4,522,965</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 16,464,333</u>
December 31, 2020				
	Level I	Level II	Level III	Total
Assets:				
Mutual funds	\$ 3,353,033	\$ -	\$ -	\$ 3,353,033
Common stock	143,819	-	-	143,819
Common collective trusts (a)	-	-	-	10,013,924
Investments at fair value	<u>\$ 3,496,852</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 13,510,776</u>

- a) Investments that were measured at net asset value per share (or its equivalent) have not been classified in the fair value hierarchy. These amounts are being presented in the tables above to permit reconciliation of fair value hierarchy to the amounts present in the Statement of Net Assets Available for Benefits.

NOTE 9 – RISKS AND UNCERTAINTIES

The Plan invests in various investment securities. Investment securities are exposed to various risks, such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect participants' account balances and the amounts reported in the Statement of Net Assets Available for Benefits. As of December 31, 2021, the Plan had investments of \$4,296,882 that were concentrated in Flexpath Mod 2025 R1 fund and \$4,058,965 that were concentrated in Flexpath Mod 2035 R1 fund. As of December 31, 2020, the Plan had investments of \$3,847,918 that were concentrated in Flexpath Mod 2025 R1 fund, \$3,377,614 that were concentrated in Flexpath Mod 2035 R1 fund, and investments of \$1,485,899 that were concentrated in the Flexpath Mod 2045 R1 fund.

NOTE 10 – RECONCILIATION OF FINANCIAL STATEMENTS TO FORM 5500

The following is a reconciliation of net assets available for benefits per the financial statements at December 31, 2020, to Form 5500:

Net assets available for benefits per the financial statements	\$ 14,167,557
Participant contribution receivable accrual	(4,281)
Employer contribution receivable accrual	(6,014)
Excess contribution payable accrual	2,811
Net asset available for benefits per Form 5500	<u>\$ 14,160,073</u>

The following is a reconciliation of changes in net assets available for benefits per the financial statements December 31, 2021, to Form 5500:

Participant contributions per the financial statements	\$ 1,038,770
Less: Adjustment for contribution receivable accrual	<u>4,281</u>
Participant contributions per Form 5500	<u>\$ 1,043,051</u>
Employer contributions per the financial statements	\$ 559,662
Less: Adjustment for contribution receivable accrual	<u>6,014</u>
Employer contributions per Form 5500	<u>\$ 565,676</u>

NOTE 11 – SUBSEQUENT EVENTS

No subsequent events were identified through July 29, 2022, the date these financial statements were issued.

SUPPLEMENTAL INFORMATION

PENNS WOODS BANCORP, INC. 401(k) PLAN
SCHEDULE H, LINE 4i - SCHEDULE OF ASSETS (HELD AT END OF YEAR)
EMPLOYER IDENTIFICATION NUMBER 24-0622580
PLAN NUMBER - 002
DECEMBER 31, 2021

(a)	(b) Identity of Issuer, Borrower, Lessor, or Similar Party	(c) Description of Investment, Including Maturity Date, Rate of Interest, Collateral, Par, or Maturity Value	(d) Cost	(e) Current Value
	Cash		NR \$	286,802
	<u>Mutual Funds</u>			
*	Lord Abbett	LD ABT ULT SHT BD R6	1,433.949 units NR	14,339
*	Calvert	Calv US LG CP CRI R6	2,494.541 units NR	106,591
*	Calvert	Calvert Green Bond I	2,012.347 units NR	32,097
*	Jhancock	Jhancock Reg Bank I	4,354.937 units NR	141,579
*	Vanguard	Vang Hi Div IDX Adm	15,239.538 units NR	515,096
*	PGIM	PGIM J Utility R6	6,036.580 units NR	97,008
*	MFS	MFS Technology R6	3,725.519 units NR	271,553
*	BlackRock	BLKRK HLTH SCI OPP K	2,466.984 units NR	197,408
*	DoubleLine Shiller	DL SHLLR ENH Cape I	2,709.124 units NR	48,222
*	BlackRock	BLKRK High Yield BD K	9,952.841 units NR	78,030
*	PGIM	PGIM Total RTN BD R6	11,535.808 units NR	167,154
*	American Funds	AF New Perspect R6	5,831.224 units NR	387,485
*	American Funds	AF Balanced R6	12,319.312 units NR	412,451
*	Jhancock	J H Triton N	4,974.780 units NR	172,326
*	Calvert	Calv Intl RSP IDX I	1,259.095 units NR	38,881
*	Fidelity	FID US Bond Idx	9,685.140 units NR	116,028
*	Fidelity	FID 500 Index	2,134.440 units NR	352,866
*	Fidelity	FID EMRG Mkts Idx	10,593.566 units NR	128,076
*	Fidelity	FID GLB EX US Idx	5,852.551 units NR	89,486
*	Fidelity	FID Mid Cap Idx	7,028.384 units NR	224,838
*	Fidelity	FID Real Estate Idx	678.723 units NR	13,683
*	Fidelity	FID Sm Cap Idx	4,987.210 units NR	137,448
*	Fidelity	FID INFL PR BD Idx	280.515 units NR	3,131
*	Fidelity	FID Lg Cap Gr Idx	6,880.662 units NR	203,943
*	Fidelity	FID Lg Cap Val Idx	7,698.778 units NR	125,798
*	Fidelity	FID Contrafund K6	6,561.170 units NR	153,138
*	Fidelity	FID Low-Priced St K6	7,964.780 units NR	122,259
	Total			4,350,914

PENNS WOODS BANCORP, INC. 401(k) PLAN
SCHEDULE H, LINE 4i - SCHEDULE OF ASSETS (HELD AT END OF YEAR) (Continued)
EMPLOYER IDENTIFICATION NUMBER 24-0622580
PLAN NUMBER - 002
DECEMBER 31, 2021

(a)	(b) Identity of Issuer, Borrower, Lessor, or Similar Party	(c) Description of Investment, Including Maturity Date, Rate of Interest, Collateral, Par, or Maturity Value	(d) Cost	(e) Current Value
	<u>Common collective trust fund</u>			
*	Fidelity	Flexpath Agr Ret R1	14.922 units	NR
*	Fidelity	Flexpath Mod Ret R1	25,326.914 units	NR
*	Fidelity	Flexpath Con Ret R1	1,694.260 units	NR
*	Fidelity	Flexpath Agr 2025 R1	313.297 units	NR
*	Fidelity	Flexpath Mod 2025 R1	270,584.524 units	NR
*	Fidelity	Flexpath Agr 2035 R1	7,430.697 units	NR
*	Fidelity	Flexpath Mod 2035 R1	230,754.115 units	NR
*	Fidelity	Flexpath Con 2035 R1	44.007 units	NR
*	Fidelity	Flexpath Agr 2045 R1	18,096.226 units	NR
*	Fidelity	Flexpath Mod 2045 R1	88,689.001 units	NR
*	Fidelity	Flexpath Con 2045 R1	8,721.315 units	NR
*	Fidelity	Flexpath Agr 2055 R1	857.885 units	NR
*	Fidelity	Flexpath Mod 2055 R1	40,914.085 units	NR
*	Fidelity	Flexpath Con 2055 R1	396.009 units	NR
	Total			11,941,368
*	Common stock		-	172,051
*	Participant loans	Interest rate of 3.25% - 6.50%	-	175,560
	Total	Maturity date of 2022 - 2029		<u>\$ 16,926,695</u>

* - Party-in-interest

NR - Not required