

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>PENN ENGINEERING 401(K) PLAN</u>
1b	Three-digit plan number (PN) ▶ <u>002</u>
1c	Effective date of plan <u>01/01/2005</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>PENN ENGINEERING & MANUFACTURING CORP.</u> <u>5190 OLD EASTON ROAD</u> <u>DANBORO, PA 18916-1000</u>
2b	Employer Identification Number (EIN) <u>23-0951065</u>
2c	Plan Sponsor's telephone number <u>215-766-8853</u>
2d	Business code (see instructions) <u>339900</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.	09/29/2022	SANDRA SCHIMPF
	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	1020
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)	718
a(2) Total number of active participants at the end of the plan year		6a(2)	766
b Retired or separated participants receiving benefits.....		6b	6
c Other retired or separated participants entitled to future benefits		6c	344
d Subtotal. Add lines 6a(2) , 6b , and 6c		6d	1116
e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits.		6e	3
f Total. Add lines 6d and 6e		6f	1119
g Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item)		6g	1082
h Number of participants who terminated employment during the plan year with accrued benefits that were less than 100% vested		6h	31
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 3H			
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>1</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 A (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Insurance Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA). ▶ File as an attachment to Form 5500. ▶ Insurance companies are required to provide the information pursuant to ERISA section 103(a)(2).	OMB No. 1210-0110 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 PENN ENGINEERING 401(K) PLAN	B Three-digit plan number (PN) ▶ 002
C Plan sponsor's name as shown on line 2a of Form 5500 PENN ENGINEERING & MANUFACTURING CORP.	D Employer Identification Number (EIN) 23-0951065

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

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

(b) EIN	(c) NAIC code	(d) Contract or identification number	(e) Approximate number of persons covered at end of policy or contract year	Policy or contract year	
				(f) From	(g) To
71-0294708	86509	YH1127	1119	01/01/2021	12/31/2021

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Part II Investment and Annuity Contract Information

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

4 Current value of plan's interest under this contract in the general account at year end **4** 11243601**5** Current value of plan's interest under this contract in separate accounts at year end..... **5****6** Contracts With Allocated Funds:**a** State the basis of premium rates ▶**b** Premiums paid to carrier **6b****c** Premiums due but unpaid at the end of the year **6c****d** If the carrier, service, or other organization incurred any specific costs in connection with the acquisition or retention of the contract or policy, enter amount. **6d**

Specify nature of costs ▶

e Type of contract: (1) ☐ individual policies (2) ☐ group deferred annuity(3) ☐ other (specify) ▶**f** If contract purchased, in whole or in part, to distribute benefits from a terminating plan, check here ▶ ☐**7** Contracts With Unallocated Funds (Do not include portions of these contracts maintained in separate accounts)**a** Type of contract: (1) ☐ deposit administration (2) ☐ immediate participation guarantee(3) ☐ guaranteed investment (4) ☒ other ▶ GROUP PENSION FUNDING**b** Balance at the end of the previous year **7b** 9817463**c** Additions: (1) Contributions deposited during the year **7c(1)** 533842(2) Dividends and credits..... **7c(2)**(3) Interest credited during the year..... **7c(3)** 239251(4) Transferred from separate account..... **7c(4)**(5) Other (specify below)..... **7c(5)** 1870140

▶ *

(6) Total additions **7c(6)** 2643233**d** Total of balance and additions (add lines **7b** and **7c(6)**) **7d** 12460696**e** Deductions:(1) Disbursed from fund to pay benefits or purchase annuities during year **7e(1)** 1333995(2) Administration charge made by carrier..... **7e(2)** 128066(3) Transferred to separate account..... **7e(3)**(4) Other (specify below)..... **7e(4)** 43558

▶ *

(5) Total deductions **7e(5)** 1505619**f** Balance at the end of the current year (subtract line **7e(5)** from line **7d**)..... **7f** 10955077

Part III Welfare Benefit Contract Information

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

8 Benefit and contract type (check all applicable boxes)

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

9 Experience-rated contracts:

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

10 Nonexperience-rated contracts:

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

Part IV Provision of Information

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

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

SCHEDULE C (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Service Provider Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA). ▶ File as an attachment to Form 5500.	OMB No. 1210-0110
		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 PENN ENGINEERING 401(K) PLAN	B Three-digit plan number (PN) ▶	002
C Plan sponsor's name as shown on line 2a of Form 5500 PENN ENGINEERING & MANUFACTURING CORP.	D Employer Identification Number (EIN) 23-0951065	

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
VOYA RETIREMENT INSURANCE & ANNUITY
71-0294708

(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)

VOYA RETIREMENT INSURANCE & ANNUITY

71-0294708

(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?
64	SERVICE PROVIDER	226107	Yes ☒ No ☐	Yes ☒ No ☐	0	Yes ☐ No ☒

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

RESOURCES INV. ADV. FCT STONE ST

11-1000111

(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?
99	SERVICE PROVIDER	90435	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

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

WITHUM SMITH BROWN

22-2027092

(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?
99	SERVICE PROVIDER	11050	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

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

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

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

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

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

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

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

Part I Service Provider Information (continued)

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

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

Part II Service Providers Who Fail or Refuse to Provide Information

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

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

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

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

Explanation:

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

Explanation:

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

Explanation:

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

Explanation:

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

Explanation:

SCHEDULE 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 PENN ENGINEERING 401(K) PLAN	B Three-digit plan number (PN) ►	002
C Plan sponsor's name as shown on line 2a of Form 5500 PENN ENGINEERING & MANUFACTURING CORP.	D Employer Identification Number (EIN) 23-0951065	

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		
b Receivables (less allowance for doubtful accounts):			
(1) Employer contributions	1b(1)		
(2) Participant contributions.....	1b(2)		
(3) Other	1b(3)		
c General investments:			
(1) Interest-bearing cash (include money market accounts & certificates of deposit)	1c(1)		
(2) U.S. Government securities	1c(2)		
(3) Corporate debt instruments (other than employer securities):			
(A) Preferred	1c(3)(A)		
(B) All other	1c(3)(B)		
(4) Corporate stocks (other than employer securities):			
(A) Preferred	1c(4)(A)		
(B) Common	1c(4)(B)		
(5) Partnership/joint venture interests	1c(5)		
(6) Real estate (other than employer real property)	1c(6)		
(7) Loans (other than to participants)	1c(7)		
(8) Participant loans	1c(8)	1304260	1150986
(9) Value of interest in common/collective trusts	1c(9)		
(10) Value of interest in pooled separate accounts	1c(10)		
(11) Value of interest in master trust investment accounts	1c(11)		
(12) Value of interest in 103-12 investment entities	1c(12)		
(13) Value of interest in registered investment companies (e.g., mutual funds)	1c(13)	119570038	134709074
(14) Value of funds held in insurance company general account (unallocated contracts).....	1c(14)	9817463	10955077
(15) Other.....	1c(15)		

		(a) Beginning of Year	(b) End of Year
1d	Employer-related investments:		
(1)	Employer securities.....	1d(1)	
(2)	Employer real property.....	1d(2)	
e	Buildings and other property used in plan operation	1e	
f	Total assets (add all amounts in lines 1a through 1e)	1f	130691761 146815137
Liabilities			
g	Benefit claims payable	1g	
h	Operating payables	1h	
i	Acquisition indebtedness.....	1i	
j	Other liabilities.....	1j	
k	Total liabilities (add all amounts in lines 1g through 1j)	1k	0 0
Net Assets			
l	Net assets (subtract line 1k from line 1f)	1l	130691761 146815137

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.

		(a) Amount	(b) Total
Income			
a	Contributions:		
(1)	Received or receivable in cash from: (A) Employers	2a(1)(A)	4003489
	(B) Participants	2a(1)(B)	4320840
	(C) Others (including rollovers).....	2a(1)(C)	523477
(2)	Noncash contributions.....	2a(2)	
(3)	Total contributions. Add lines 2a(1)(A) , (B) , (C) , and line 2a(2)	2a(3)	8847806
b	Earnings on investments:		
(1)	Interest:		
	(A) Interest-bearing cash (including money market accounts and certificates of deposit).....	2b(1)(A)	
	(B) U.S. Government securities	2b(1)(B)	
	(C) Corporate debt instruments	2b(1)(C)	
	(D) Loans (other than to participants)	2b(1)(D)	
	(E) Participant loans.....	2b(1)(E)	64302
	(F) Other	2b(1)(F)	239251
	(G) Total interest. Add lines 2b(1)(A) through (F)	2b(1)(G)	303553
(2)	Dividends: (A) Preferred stock.....	2b(2)(A)	
	(B) Common stock	2b(2)(B)	
	(C) Registered investment company shares (e.g. mutual funds).....	2b(2)(C)	15848631
	(D) Total dividends. Add lines 2b(2)(A) , (B) , and (C)	2b(2)(D)	15848631
(3)	Rents	2b(3)	
(4)	Net gain (loss) on sale of assets: (A) Aggregate proceeds	2b(4)(A)	
	(B) Aggregate carrying amount (see instructions).....	2b(4)(B)	
	(C) Subtract line 2b(4)(B) from line 2b(4)(A) and enter result	2b(4)(C)	0
(5)	Unrealized appreciation (depreciation) of assets: (A) Real estate	2b(5)(A)	
	(B) Other	2b(5)(B)	
	(C) Total unrealized appreciation of assets. Add lines 2b(5)(A) and (B)	2b(5)(C)	0

		(a) Amount	(b) Total
(6) Net investment gain (loss) from common/collective trusts.....	2b(6)		
(7) Net investment gain (loss) from pooled separate accounts.....	2b(7)		
(8) Net investment gain (loss) from master trust investment accounts.....	2b(8)		
(9) Net investment gain (loss) from 103-12 investment entities.....	2b(9)		
(10) Net investment gain (loss) from registered investment companies (e.g., mutual funds).....	2b(10)		1524354
c Other income.....	2c		118863
d Total income. Add all income amounts in column (b) and enter total.....	2d		26643207
Expenses			
e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers.....	2e(1)	10175875	
(2) To insurance carriers for the provision of benefits.....	2e(2)		
(3) Other.....	2e(3)		
(4) Total benefit payments. Add lines 2e(1) through (3).....	2e(4)		10175875
f Corrective distributions (see instructions).....	2f		16364
g Certain deemed distributions of participant loans (see instructions).....	2g		
h Interest expense.....	2h		
i Administrative expenses: (1) Professional fees.....	2i(1)		
(2) Contract administrator fees.....	2i(2)		
(3) Investment advisory and management fees.....	2i(3)		
(4) Other.....	2i(4)	327592	
(5) Total administrative expenses. Add lines 2i(1) through (4).....	2i(5)		327592
j Total expenses. Add all expense amounts in column (b) and enter total.....	2j		10519831
Net Income and Reconciliation			
k Net income (loss). Subtract line 2j from line 2d.....	2k		16123376
l Transfers of assets:			
(1) To this plan.....	2l(1)		
(2) From this plan.....	2l(2)		

Part III Accountant's Opinion

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

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

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

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

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

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

(1) Name: WITHUM SMITH & BROWN PC

(2) EIN: 22-2027092

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		7000000
f Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?		X	
4f		X	
g Did the plan hold any assets whose current value was neither readily determinable on an established market nor set by an independent third party appraiser?			
4g		X	
h Did the plan receive any noncash contributions whose value was neither readily determinable on an established market nor set by an independent third party appraiser?			
4h		X	
i Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.)	X		
4i	X		
j Were any plan transactions or series of transactions in excess of 5% of the current value of plan assets? (Attach schedule of transactions if "Yes" is checked and see instructions for format requirements.)			
4j		X	
k Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?			
4k		X	
l Has the plan failed to provide any benefit when due under the plan?			
4l		X	
m If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.)			
4m		X	
n If 4m was answered "Yes," check the "Yes" box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3.			
4n			

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

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

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

5c Was the plan a defined benefit plan covered under the PBGC insurance program at any time during this plan year? (See ERISA section 4021 and instructions.) ☐ Yes ☐ No ☐ Not determined
If "Yes" is checked, enter the My PAA confirmation number from the PBGC premium filing for this plan year _____.

SCHEDULE R (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Retirement Plan Information This schedule is required to be filed under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6058(a) of the Internal Revenue Code (the Code). ▶ File as an attachment to Form 5500.	OMB No. 1210-0110 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>PENN ENGINEERING 401(K) PLAN</u>	B Three-digit plan number (PN) ▶ <u>002</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>PENN ENGINEERING & MANUFACTURING CORP.</u>	D Employer Identification Number (EIN) <u>23-0951065</u>

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): <u>71-0294708</u>		
Profit-sharing plans, ESOPs, and stock bonus plans, skip line 3.		
3 Number of participants (living or deceased) whose benefits were distributed in a single sum, during the plan year	3	

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

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

Part III	Amendments
-----------------	-------------------

9 If this is a defined benefit pension plan, were any amendments adopted during this plan year that increased or decreased the value of benefits? If yes, check the appropriate box. If no, check the "No" box.....	☐ Increase	☐ Decrease	☐ Both	☐ No
--	-----------------------------------	-----------------------------------	-------------------------------	-----------------------------

Part IV	ESOPs (see instructions). If this is not a plan described under section 409(a) or 4975(e)(7) of the Internal Revenue Code, skip this Part.
----------------	---

10 Were unallocated employer securities or proceeds from the sale of unallocated securities used to repay any exempt loan?	☐ Yes	☐ No
11 a Does the ESOP hold any preferred stock?	☐ Yes	☐ No
b If the ESOP has an outstanding exempt loan with the employer as lender, is such loan part of a "back-to-back" loan? (See instructions for definition of "back-to-back" loan.)	☐ Yes	☐ No
12 Does the ESOP hold any stock that is not readily tradable on an established securities market?	☐ Yes	☐ No

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

Schedule R (Form 5500) 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 _____

PENN ENGINEERING 401(K) PLAN
Financial Statements
December 31, 2021 and 2020
With Independent Auditor's Report

Penn Engineering 401(k) Plan
Table of Contents
December 31, 2021 and 2020

Independent Auditor's Report	1-4
Financial Statements	
Statements of Net Assets Available for Benefits	5
Statement of Changes in Net Assets Available for Benefits	6
Notes to Financial Statements	7-12
Supplementary Information	
Schedule H, Line 4i – Schedule of Assets (Held at End of Year)	13

INDEPENDENT AUDITOR'S REPORT

To the Trustees,
Penn Engineering 401(k) Plan:

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

We have performed an audit of the financial statements of Penn Engineering 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 statement of net assets available for benefits as of December 31, 2021, and the related statement of changes in net assets available for benefits for the year then ended, and the related notes to 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 a qualified institution 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.
- The information in the accompanying 2021 Financial Statements related to assets held by and certified to by a qualified institution agrees to, or is derived from, in all material respects, the information prepared and certified by an institution that management determined meets the requirements of ERISA Section 103(a)(3)(C).

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Plan's ability to continue as a going concern for one year after the date that the 2021 Financial Statements are available to be issued.

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

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.

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 accounting principles generally accepted in the United States of America.

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

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

Other Matter - 2021 Supplemental Schedules Required by ERISA

The supplemental schedule H, line 4i – schedule of assets (held at end of year) as of December 31, 2021 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.

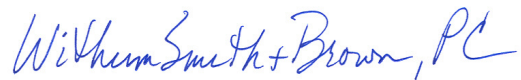
In forming our opinion on the supplemental schedule, we evaluated whether the supplemental schedule, other than the information agreed to or derived from the certified investment information, including its form and content, is presented in conformity with the DOL's Rules and Regulations for Reporting 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 a qualified institution agrees to, or is derived from, in all material respects, the information prepared and certified by an institution that management determined meets the requirements of ERISA Section 103(a)(3)(C).

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 September 17, 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.

A handwritten signature in blue ink that reads 'Withum Smith & Brown, PC'. The signature is written in a cursive, flowing style.

September 27, 2022

Penn Engineering 401(k) Plan
Statements of Net Assets Available for Benefits
December 31, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Assets		
Investments		
Investments at fair value	\$ 134,709,074	\$ 119,570,038
Fully benefit-responsive investment contract at contract value	<u>10,955,077</u>	<u>9,817,463</u>
	<u>145,664,151</u>	<u>129,387,501</u>
Receivables		
Notes receivable from participants	1,150,986	1,304,260
Contribution receivable - employer	<u>24,298</u>	<u>704,805</u>
	<u>1,175,284</u>	<u>2,009,065</u>
	146,839,435	131,396,566
Liabilities		
Excess contributions	<u>-</u>	<u>18,087</u>
Net assets available for benefits	<u>\$ 146,839,435</u>	<u>\$ 131,378,479</u>

The Notes to Financial Statements are an integral part of these statements.

Penn Engineering 401(k) Plan
Statement of Changes in Net Assets Available for Benefits
Year Ended December 31, 2021

Additions

Investment income	
Net appreciation in fair value of investments	\$ 1,524,354
Interest and dividend income	<u>16,087,882</u>
Total investment income	<u>17,612,236</u>
 Interest income - notes receivable from participants	 <u>64,302</u>
 Contributions	
Participants	4,320,840
Employer	3,322,982
Rollover	<u>523,477</u>
Total contributions	<u>8,167,299</u>
 Other income	
Plan servicing credit	109,566
Miscellaneous	<u>9,297</u>
	<u>118,863</u>
 Total additions	 <u>25,962,700</u>

Deductions

Benefits paid to participants	10,174,152
Administrative expenses	<u>327,592</u>
Total deductions	<u>10,501,744</u>

Net change in net assets available for benefits 15,460,956

Net assets available for benefits

Beginning of year	<u>131,378,479</u>
 End of year	 <u>\$ 146,839,435</u>

The Notes to Financial Statements are an integral part of this statement.

**Penn Engineering 401(k) Plan
Notes to Financial Statements
December 31, 2021 and 2020**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The financial statements of Penn Engineering 401(k) Plan (the “Plan”) have been prepared on an accrual basis. Under this method of accounting, contributions and investment income are recorded when earned, and expenses are recorded when incurred.

Use of Estimates

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

Administrative Expenses

All reasonable administrative expenses and custodian fees necessary to operate and administer the Plan are paid by the Plan, unless otherwise paid by the Plan sponsor. Expenses of maintaining the Plan that are paid directly by the Plan sponsor are excluded from these financial statements.

Valuation of Investments

Investments, except for fully benefit-responsive investment contracts, are reported at fair value. Fully benefit-responsive investment contracts are reported at contract value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value measurements are discussed in the investment note.

Purchases and sales of securities are recorded on a trade-date basis. Realized gains or losses on investment transactions are determined using the first-in, first-out method and investment transactions are recorded at the trade date. Dividends are recorded on the ex-dividend date. Interest income is recorded on the accrual basis.

Valuation of Notes Receivable from Participants

The notes receivable from participants are valued at cost plus accrued interest, which approximates fair value. No allowances for credit losses have been recorded as of December 31, 2021 and 2020.

Payment of Benefits

Benefits are recorded when paid.

Excess Contributions Payable

Amounts payable to participants for contributions in excess of amounts allowed by the Internal Revenue Service (“IRS”) are recorded as a liability with a corresponding reduction to contributions. The Plan did not have any excess contributions for the Plan year ended December 31, 2021.

2. PLAN DESCRIPTION

The following description of the Plan provides only general information. Participants should refer to the Plan document for a more complete description of the Plan.

General

The Plan was implemented by Penn Engineering & Manufacturing Corp. and certain related entities (the “Plan Sponsor” or the “Company”) in 1954. The Plan is a defined contribution 401(k) plan with a qualified cash or deferred arrangement (“CODA”), as defined under Section 401(k) of the Internal Revenue Code (“IRC”) and is subject to the Employee Retirement Income Security Act of 1974 (“ERISA”).

**Penn Engineering 401(k) Plan
Notes to Financial Statements
December 31, 2021 and 2020**

Eligibility

Employees of the Plan Sponsor are eligible to participate upon completing 60 days of service and attaining 17 years of age. Effective January 1, 2017, employees of Link Tool & Manufacturing Co., LLC were eligible to participate. Effective January 19, 2018, employees of Haeger Incorporated were eligible to participate.

Contributions

Any eligible employee may participate in the Plan by completing a salary reduction agreement and may elect to have contributions made on a pre-tax basis of not more than 100% of eligible compensation. Total participant contributions may not exceed amounts in accordance with IRS guidelines.

The Company contributes as a matching contribution a discretionary percentage of the compensation that a participant contributes to the Plan. The employer may also make a discretionary nonelective contribution. Discretionary contributions may vary based on the participants' employer.

Effective May 1, 2020, the Company amended the Plan to suspend the employer matching contributions, one of several measures implemented in an effort to mitigate the impacts of the coronavirus pandemic. This suspension was effective through June 30, 2020 and the employer match was reinstated effective July 1, 2020.

Participant Accounts

Each participant's account is credited with the participant's contribution and allocations of the Company's contributions and Plan earnings. 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 account. Participants may direct their contributions to various investment choices provided by the Plan.

Notes Receivable from Participants

Participants may borrow from their fund accounts up to a maximum equal to the lesser of \$50,000 or 50% of their vested account balance. Loan terms are generally five years but may be higher for the purchase of a primary residence. All loans are secured by the remaining vested balance in the participant's account and bear interest at prime rate plus 1% at the time of origination, which ranges from 4.25% to 7.50%.

Vesting

Participants are immediately 100% vested in their deferred contribution accounts. Employees of Atlas Engineering are immediately vested in their employer nonelective and matching contributions. Employees of the Danboro and Winston facilities vest in both employer nonelective and matching contributions after three years of service. Employees of QRP, Inc. vest in their employer nonelective and matching contributions ratably at 20% over six years commencing at two years of service. Employees of Heyco Products Corp. vest ratably at 10% in their employer nonelective and matching contributions at one and two years of service and then vest ratably at 20% over the next four years. Employees of Haeger Incorporated vest in their employer nonelective and matching contributions after two years of service. The remaining Plan participants become fully vested in the Plan Sponsor's contributions after five years.

Payment of Benefits

Upon termination of service, a participant may receive a lump-sum payment equal to the vested value of his or her account, or upon death, disability, or retirement, elect to receive a lump sum payment, installments over a period of time, or an annuity.

**Penn Engineering 401(k) Plan
Notes to Financial Statements
December 31, 2021 and 2020**

Forfeitures

Forfeited invested accounts totaled \$13,718 and \$26,312 at December 31, 2021 and 2020, respectively. Forfeiture allocations may be used to reduce employer contributions and pay for administrative expenses. For the year ended December 31, 2021, forfeitures in the amount of \$25,379 were used to offset employer contributions.

3. INFORMATION CERTIFIED BY THE TRUSTEE (UNAUDITED)

The Plan administrator has elected the method of compliance permitted by 29 CFR 2520.103-5(c) of the Department of Labor's ("DOL") Rules and Regulations for Reporting and Disclosure under ERISA. Accordingly, as permitted under such election, Voya Institutional Trust Company (the "Trustee") has certified the completeness and accuracy of all investments and notes receivable from participants as of December 31, 2021 and 2020 in the accompanying statements of net assets available for benefits and the related investment income and notes receivable from participants activity for the year ended December 31, 2021 in the accompanying statement of changes in net assets available for benefits, as well as the supplemental schedule H, line 4i – schedule of assets (held at end of year) as of December 31, 2021. No auditing procedures were performed by the independent auditors as permitted by 29 CFR 2520.103-8 of the DOL's Rules and Regulations for Reporting and Disclosure under ERISA with respect to information certified as complete and accurate by the Trustee, except for comparing such information with the related information included in the financial statements and supplemental schedule. Based on information provided and certified by the Trustee, there are no fixed income obligations, leases or debt instruments in default or deemed uncollectible, as defined by ERISA, for the years ended December 31, 2021 and 2020.

4. INVESTMENT CONTRACT WITH INSURANCE COMPANY

The Plan entered into a fully benefit-responsive investment contract through an unallocated insurance contract. The unallocated insurance contract consists of investments in a Voya fixed account. The investments are credited with earnings on the underlying investments and charged for participant withdrawals and administrative expenses. The guaranteed investment contract issuer is contractually obligated to repay the principal and a specified interest rate that is guaranteed to the Plan.

As described in Note 1, because the guaranteed investment contract is fully benefit-responsive, contract value is the relevant measurement attribute for that portion of the net assets available for benefits attributable to the guaranteed investment contract. Contract value, as reported to the Plan by Voya, represents contributions made under the contract, plus earnings, less participant's withdrawals and administrative expenses. Participants may ordinarily direct the withdrawal or transfer of all or a portion of their investment at contract value. As of December 31, 2021 and 2020, contract value of the unallocated insurance contract was \$10,955,077 and \$9,817,463, respectively. The crediting interest rate is based on a formula agreed upon with the issuer. The crediting interest rates for the years ended December 31, 2021 and 2020 were 1.40% and 1.65%, respectively.

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

The Plan administrator believes that any events that would limit the Plan's ability to transact at contract value with participants are not probable of occurring.

Penn Engineering 401(k) Plan
Notes to Financial Statements
December 31, 2021 and 2020

5. FAIR VALUE ACCOUNTING

The Financial Accounting Standards Board (“FASB”) established a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described below:

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

Level 2 - Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.

Level 3 - Unobservable inputs that are supported by little or no market activity and that are financial instruments whose values are determined using pricing models, discounted cash flow methodologies, or similar techniques, as well as instruments for which the determination of fair value requires significant judgment or estimation.

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

Registered Investment Companies: Shares of registered investment companies are valued at quoted market prices which represent the net asset value of shares held by the Plan at year-end.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Plan believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

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

2021				
	Level 1	Level 2	Level 3	Total
Registered investment companies	<u>\$ 134,709,074</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 134,709,074</u>
2020				
	Level 1	Level 2	Level 3	Total
Registered investment companies	<u>\$ 119,570,038</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 119,570,038</u>

**Penn Engineering 401(k) Plan
Notes to Financial Statements
December 31, 2021 and 2020**

6. RISKS AND UNCERTAINTIES

The Plan invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market and credit risk. 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 the amounts reported in the statements of net assets available for benefits.

The 2019 novel coronavirus ("COVID-19") has adversely affected and may continue to adversely affect economic activity globally, nationally, and locally. Following the COVID-19 outbreak in March 2020, the values of investment securities have experienced significant volatility. These economic and market conditions and other effects of the COVID-19 outbreak may continue to cause volatility. The extent of the adverse impact of the COVID-19 outbreak on the Plan participants' account balances cannot be predicted at this time.

7. INCOME TAX STATUS

The Internal Revenue Service has determined and informed the Company, in a letter dated August 9, 2017, that the Plan is designed in accordance with the applicable section of the IRC. The Plan was restated effective January 1, 2016 to conform with the Pension Protection Act. Although the Plan has been amended since receiving the determination letter, the Plan administrator believes that the Plan is designed and is currently being operated in compliance with the applicable requirements of the IRC.

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 Internal Revenue Service. The Plan administrator has analyzed the tax positions taken by the Plan, and has concluded that as of December 31, 2021 and 2020, 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.

8. 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 Plan termination, participants will become 100% vested in their accounts.

9. RELATED PARTY AND PARTY-IN-INTEREST TRANSACTIONS

Certain Plan investments are shares in investments managed by Voya. Voya is also the Trustee for the Plan; therefore, these transactions and notes receivable from participants qualify as party-in-interest transactions. Administrative expenses paid to the Trustee by the Plan amounted to \$327,592 for the year ended December 31, 2021.

The Plan received a servicing credit of \$109,566 during the year ended December 31, 2021 directly from the Plan administrator as a return of fund revenue.

Additionally, during the 2021 Plan year, the Plan administrator contributed \$125,217, to a Plan servicing account. The opening account balance as of January 1, 2021 was \$63,007. The account accrued \$40,925 in investment losses. During the year ended December 31, 2021, \$111,033 of this credit was used to pay professional fees for the Plan, resulting in an unallocated balance of \$36,266 at December 31, 2021.

Penn Engineering 401(k) Plan
Notes to Financial Statements
December 31, 2021 and 2020

10. RECONCILIATION TO FORM 5500

The following is a reconciliation of net assets available for benefits from the statements of net assets available for benefits and the filed form 5500 as of December 31:

	<u>2021</u>	<u>2020</u>
Net assets available for benefits per statements of net assets available for benefits	\$ 146,839,435	\$ 131,378,479
Contribution receivable - employer per statements of net assets available for benefits	(24,298)	(704,805)
Excess contributions per statements of net assets available for benefits	<u>-</u>	<u>18,087</u>
Net assets available for benefits per filed form 5500	<u>\$ 146,815,137</u>	<u>\$ 130,691,761</u>

The following is a reconciliation of net change in net assets available for benefits from the statement of changes in net assets available for benefits and the filed form 5500 for the year ended December 31, 2021:

Net change in net assets available for benefits per statement of changes in net assets available for benefits	\$ 15,460,956
Contribution receivable - employer per statement of net assets available for benefits as of December 31, 2020	704,805
Contribution receivable - employer per statement of net assets available for benefits as of December 31, 2021	(24,298)
Excess contributions per statement of net assets available for benefits as of December 31, 2020	<u>(18,087)</u>
Net income per filed form 5500	<u>\$ 16,123,376</u>

11. SUBSEQUENT EVENTS

Subsequent events were evaluated through September 27, 2022, which is the date the financial statements were available to be issued. Based on that evaluation, the Plan has determined that no subsequent events have occurred which would require adjustment to or disclosure in the financial statements.

SUPPLEMENTARY INFORMATION

Penn Engineering 401(k) Plan
(E.I.N. 23-0951065 Plan 002)
Schedule H, Line 4i – Schedule of Assets (Held at End of Year)
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>Registered Investment Companies</u>			
	Invesco Oppenheimer	Invesco Opp Developing Markets Fund	**	\$ 476,103
	Fidelity	Fidelity Small Cap Index Fund	**	1,338,149
	Fidelity	Fidelity Mid Cap Index Fund	**	4,009,919
	Fidelity	Fidelity 500 Index Fund	**	2,890,604
	MFS Investment Management	MFS Core Equity Fund	**	11,049,882
	MFS Investment Management	MFS Research International Fund	**	3,978,005
	MFS Investment Management	MFS Total Return Fund	**	3,106,600
	MFS Investment Management	MFS Government Securities Fund	**	509,031
*	Voya Financial	Voya Government Money Market Fund	**	13,716
	Goldman Sachs	Goldman Sachs Small Cap Value Fund	**	1,394,219
	JPMorgan Investment Management	JPMorgan Smart Retirement Income Fund	**	2,373,014
	JPMorgan Investment Management	JPMorgan Smart Retirement 2020 Fund	**	9,294,337
	JPMorgan Investment Management	JPMorgan Smart Retirement 2025 Fund	**	15,946,271
	JPMorgan Investment Management	JPMorgan Smart Retirement 2030 Fund	**	20,084,907
	JPMorgan Investment Management	JPMorgan Smart Retirement 2035 Fund	**	17,038,102
	JPMorgan Investment Management	JPMorgan Smart Retirement 2040 Fund	**	7,886,850
	JPMorgan Investment Management	JPMorgan Smart Retirement 2045 Fund	**	4,721,538
	JPMorgan Investment Management	JPMorgan Smart Retirement 2050 Fund	**	1,884,476
	JPMorgan Investment Management	JPMorgan Smart Retirement 2055 Fund	**	1,387,123
	JPMorgan Investment Management	JPMorgan Smart Retirement 2060 Fund	**	405,161
	Loomis, Sayles & Company	Loomis Sayles Strategic Income Fund	**	401,876
	Loomis, Sayles & Company	Loomis Sayles Core Plus Bond Fund	**	2,876,564
	DFA	DFA U.S. Large Cap Value Portfolio	**	988,433
	MainStay	MainStay Winslow Large Cap Growth Fund	**	18,836,445
	Victory Capital Management	Victory Sycamore Established Value Fund	**	1,817,749
				134,709,074
	<u>Fully Benefit-Responsive Investment Contract</u>			
*	Voya Financial	Voya Fixed Account	**	10,955,077
*	<u>Notes Receivable From Participants</u>		**	1,150,986
		Interest rates of 4.25% to 7.50% maturing through 2026		
				<u>\$ 146,815,137</u>

* Represents a party-in-interest.

** Cost has been omitted for participant directed investments.

See Independent Auditor's Report.

Attachment to 2021 Form 5500
Schedule H, line 4i - Schedule of Assets
(Held at End of Year)
Penn Engineering 401(k) Plan
EIN#23-0951065
Plan#002
As Of December 31, 2021

(a) (b) Identity of issue, borrower, lessor or similar party	(c) Description of investments including maturity date, rate of interest, collateral, par, or maturity date	(d) Cost	(e) Current Value
DFA US Large Cap VI Port Ins	Registered Investment Company		\$988,433
Fidelity 500 Index Fund	Registered Investment Company		\$2,890,604
Fidelity Mid Cap Idx Fd	Registered Investment Company		\$4,009,919
Fidelity Sm Cp Ind Fd	Registered Investment Company		\$1,338,149
Gldmn Sachs SmCp VI F - I Sh	Registered Investment Company		\$1,394,219
Inv Dev Mrkts Fd Y	Registered Investment Company		\$476,103
JPMorgan SmartRet 2020 Fnd R6	Registered Investment Company		\$9,294,337
JPMorgan SmartRet 2025 Fnd R6	Registered Investment Company		\$15,946,271
JPMorgan SmartRet 2030 Fnd R6	Registered Investment Company		\$20,084,907
JPMorgan SmartRet 2035 Fnd R6	Registered Investment Company		\$17,038,102
JPMorgan SmartRet 2040 Fnd R6	Registered Investment Company		\$7,886,851
JPMorgan SmartRet 2045 Fnd R6	Registered Investment Company		\$4,721,538
JPMorgan SmartRet 2050 Fnd R6	Registered Investment Company		\$1,884,476
JPMorgan SmartRet 2055 Fnd R6	Registered Investment Company		\$1,387,123
JPMorgan SmartRet 2060 Fnd R6	Registered Investment Company		\$405,161
JPMorgan SmartRet Inc Fnd R6	Registered Investment Company		\$2,373,014
Loomis Sayles Core Plus Bd F Y	Registered Investment Company		\$2,876,564
Loomis Sayles Strat Inc Fnd Y	Registered Investment Company		\$401,876
MainStayWinslow LgCp Gr Fd I	Registered Investment Company		\$18,836,445
MFS Core Equity Fund R4	Registered Investment Company		\$11,049,882
MFS Govmt Securities Fnd A	Registered Investment Company		\$509,031
MFS Research Intl Fnd R4	Registered Investment Company		\$3,978,005
MFS Total Return Fund R4	Registered Investment Company		\$3,106,600
Victory Sycmr Est VI Fd I	Registered Investment Company		\$1,817,749
* Voya Fixed Account (4062)	Insurance Company General Account		\$10,955,077
* Voya Gv Mny Mkt F A (Hld Acct)	Registered Investment Company		\$13,716
LOAN FUND	Participant Loans - Rates 4.25% to 7.50%		\$1,150,986
TOTAL			\$146,815,137

* denotes party-in-interest

Column (d) is not required as the Plan's investments are totally participant directed.

PENN ENGINEERING 401(K) PLAN
Financial Statements
December 31, 2021 and 2020
With Independent Auditor's Report

Penn Engineering 401(k) Plan
Table of Contents
December 31, 2021 and 2020

Independent Auditor's Report	1-4
Financial Statements	
Statements of Net Assets Available for Benefits	5
Statement of Changes in Net Assets Available for Benefits	6
Notes to Financial Statements	7-12
Supplementary Information	
Schedule H, Line 4i – Schedule of Assets (Held at End of Year)	13

INDEPENDENT AUDITOR'S REPORT

To the Trustees,
Penn Engineering 401(k) Plan:

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

We have performed an audit of the financial statements of Penn Engineering 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 statement of net assets available for benefits as of December 31, 2021, and the related statement of changes in net assets available for benefits for the year then ended, and the related notes to 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 a qualified institution 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.
- The information in the accompanying 2021 Financial Statements related to assets held by and certified to by a qualified institution agrees to, or is derived from, in all material respects, the information prepared and certified by an institution that management determined meets the requirements of ERISA Section 103(a)(3)(C).

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Plan's ability to continue as a going concern for one year after the date that the 2021 Financial Statements are available to be issued.

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

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.

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 accounting principles generally accepted in the United States of America.

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

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

Other Matter - 2021 Supplemental Schedules Required by ERISA

The supplemental schedule H, line 4i – schedule of assets (held at end of year) as of December 31, 2021 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.

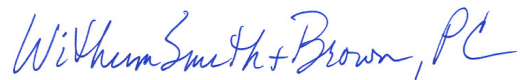
In forming our opinion on the supplemental schedule, we evaluated whether the supplemental schedule, other than the information agreed to or derived from the certified investment information, including its form and content, is presented in conformity with the DOL's Rules and Regulations for Reporting 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 a qualified institution agrees to, or is derived from, in all material respects, the information prepared and certified by an institution that management determined meets the requirements of ERISA Section 103(a)(3)(C).

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 September 17, 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.

A handwritten signature in blue ink that reads 'Withum Smith & Brown, PC'. The signature is written in a cursive, flowing style.

September 27, 2022

Penn Engineering 401(k) Plan
Statements of Net Assets Available for Benefits
December 31, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Assets		
Investments		
Investments at fair value	\$ 134,709,074	\$ 119,570,038
Fully benefit-responsive investment contract at contract value	<u>10,955,077</u>	<u>9,817,463</u>
	<u>145,664,151</u>	<u>129,387,501</u>
Receivables		
Notes receivable from participants	1,150,986	1,304,260
Contribution receivable - employer	<u>24,298</u>	<u>704,805</u>
	<u>1,175,284</u>	<u>2,009,065</u>
	146,839,435	131,396,566
Liabilities		
Excess contributions	<u>-</u>	<u>18,087</u>
Net assets available for benefits	<u>\$ 146,839,435</u>	<u>\$ 131,378,479</u>

The Notes to Financial Statements are an integral part of these statements.

Penn Engineering 401(k) Plan
Statement of Changes in Net Assets Available for Benefits
Year Ended December 31, 2021

Additions

Investment income	
Net appreciation in fair value of investments	\$ 1,524,354
Interest and dividend income	<u>16,087,882</u>
Total investment income	<u>17,612,236</u>
 Interest income - notes receivable from participants	 <u>64,302</u>
 Contributions	
Participants	4,320,840
Employer	3,322,982
Rollover	<u>523,477</u>
Total contributions	<u>8,167,299</u>
 Other income	
Plan servicing credit	109,566
Miscellaneous	<u>9,297</u>
	<u>118,863</u>
 Total additions	 <u>25,962,700</u>

Deductions

Benefits paid to participants	10,174,152
Administrative expenses	<u>327,592</u>
Total deductions	<u>10,501,744</u>

Net change in net assets available for benefits 15,460,956

Net assets available for benefits

Beginning of year	<u>131,378,479</u>
 End of year	 <u>\$ 146,839,435</u>

The Notes to Financial Statements are an integral part of this statement.

**Penn Engineering 401(k) Plan
Notes to Financial Statements
December 31, 2021 and 2020**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The financial statements of Penn Engineering 401(k) Plan (the “Plan”) have been prepared on an accrual basis. Under this method of accounting, contributions and investment income are recorded when earned, and expenses are recorded when incurred.

Use of Estimates

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

Administrative Expenses

All reasonable administrative expenses and custodian fees necessary to operate and administer the Plan are paid by the Plan, unless otherwise paid by the Plan sponsor. Expenses of maintaining the Plan that are paid directly by the Plan sponsor are excluded from these financial statements.

Valuation of Investments

Investments, except for fully benefit-responsive investment contracts, are reported at fair value. Fully benefit-responsive investment contracts are reported at contract value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value measurements are discussed in the investment note.

Purchases and sales of securities are recorded on a trade-date basis. Realized gains or losses on investment transactions are determined using the first-in, first-out method and investment transactions are recorded at the trade date. Dividends are recorded on the ex-dividend date. Interest income is recorded on the accrual basis.

Valuation of Notes Receivable from Participants

The notes receivable from participants are valued at cost plus accrued interest, which approximates fair value. No allowances for credit losses have been recorded as of December 31, 2021 and 2020.

Payment of Benefits

Benefits are recorded when paid.

Excess Contributions Payable

Amounts payable to participants for contributions in excess of amounts allowed by the Internal Revenue Service (“IRS”) are recorded as a liability with a corresponding reduction to contributions. The Plan did not have any excess contributions for the Plan year ended December 31, 2021.

2. PLAN DESCRIPTION

The following description of the Plan provides only general information. Participants should refer to the Plan document for a more complete description of the Plan.

General

The Plan was implemented by Penn Engineering & Manufacturing Corp. and certain related entities (the “Plan Sponsor” or the “Company”) in 1954. The Plan is a defined contribution 401(k) plan with a qualified cash or deferred arrangement (“CODA”), as defined under Section 401(k) of the Internal Revenue Code (“IRC”) and is subject to the Employee Retirement Income Security Act of 1974 (“ERISA”).

**Penn Engineering 401(k) Plan
Notes to Financial Statements
December 31, 2021 and 2020**

Eligibility

Employees of the Plan Sponsor are eligible to participate upon completing 60 days of service and attaining 17 years of age. Effective January 1, 2017, employees of Link Tool & Manufacturing Co., LLC were eligible to participate. Effective January 19, 2018, employees of Haeger Incorporated were eligible to participate.

Contributions

Any eligible employee may participate in the Plan by completing a salary reduction agreement and may elect to have contributions made on a pre-tax basis of not more than 100% of eligible compensation. Total participant contributions may not exceed amounts in accordance with IRS guidelines.

The Company contributes as a matching contribution a discretionary percentage of the compensation that a participant contributes to the Plan. The employer may also make a discretionary nonelective contribution. Discretionary contributions may vary based on the participants' employer.

Effective May 1, 2020, the Company amended the Plan to suspend the employer matching contributions, one of several measures implemented in an effort to mitigate the impacts of the coronavirus pandemic. This suspension was effective through June 30, 2020 and the employer match was reinstated effective July 1, 2020.

Participant Accounts

Each participant's account is credited with the participant's contribution and allocations of the Company's contributions and Plan earnings. 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 account. Participants may direct their contributions to various investment choices provided by the Plan.

Notes Receivable from Participants

Participants may borrow from their fund accounts up to a maximum equal to the lesser of \$50,000 or 50% of their vested account balance. Loan terms are generally five years but may be higher for the purchase of a primary residence. All loans are secured by the remaining vested balance in the participant's account and bear interest at prime rate plus 1% at the time of origination, which ranges from 4.25% to 7.50%.

Vesting

Participants are immediately 100% vested in their deferred contribution accounts. Employees of Atlas Engineering are immediately vested in their employer nonelective and matching contributions. Employees of the Danboro and Winston facilities vest in both employer nonelective and matching contributions after three years of service. Employees of QRP, Inc. vest in their employer nonelective and matching contributions ratably at 20% over six years commencing at two years of service. Employees of Heyco Products Corp. vest ratably at 10% in their employer nonelective and matching contributions at one and two years of service and then vest ratably at 20% over the next four years. Employees of Haeger Incorporated vest in their employer nonelective and matching contributions after two years of service. The remaining Plan participants become fully vested in the Plan Sponsor's contributions after five years.

Payment of Benefits

Upon termination of service, a participant may receive a lump-sum payment equal to the vested value of his or her account, or upon death, disability, or retirement, elect to receive a lump sum payment, installments over a period of time, or an annuity.

**Penn Engineering 401(k) Plan
Notes to Financial Statements
December 31, 2021 and 2020**

Forfeitures

Forfeited invested accounts totaled \$13,718 and \$26,312 at December 31, 2021 and 2020, respectively. Forfeiture allocations may be used to reduce employer contributions and pay for administrative expenses. For the year ended December 31, 2021, forfeitures in the amount of \$25,379 were used to offset employer contributions.

3. INFORMATION CERTIFIED BY THE TRUSTEE (UNAUDITED)

The Plan administrator has elected the method of compliance permitted by 29 CFR 2520.103-5(c) of the Department of Labor's ("DOL") Rules and Regulations for Reporting and Disclosure under ERISA. Accordingly, as permitted under such election, Voya Institutional Trust Company (the "Trustee") has certified the completeness and accuracy of all investments and notes receivable from participants as of December 31, 2021 and 2020 in the accompanying statements of net assets available for benefits and the related investment income and notes receivable from participants activity for the year ended December 31, 2021 in the accompanying statement of changes in net assets available for benefits, as well as the supplemental schedule H, line 4i – schedule of assets (held at end of year) as of December 31, 2021. No auditing procedures were performed by the independent auditors as permitted by 29 CFR 2520.103-8 of the DOL's Rules and Regulations for Reporting and Disclosure under ERISA with respect to information certified as complete and accurate by the Trustee, except for comparing such information with the related information included in the financial statements and supplemental schedule. Based on information provided and certified by the Trustee, there are no fixed income obligations, leases or debt instruments in default or deemed uncollectible, as defined by ERISA, for the years ended December 31, 2021 and 2020.

4. INVESTMENT CONTRACT WITH INSURANCE COMPANY

The Plan entered into a fully benefit-responsive investment contract through an unallocated insurance contract. The unallocated insurance contract consists of investments in a Voya fixed account. The investments are credited with earnings on the underlying investments and charged for participant withdrawals and administrative expenses. The guaranteed investment contract issuer is contractually obligated to repay the principal and a specified interest rate that is guaranteed to the Plan.

As described in Note 1, because the guaranteed investment contract is fully benefit-responsive, contract value is the relevant measurement attribute for that portion of the net assets available for benefits attributable to the guaranteed investment contract. Contract value, as reported to the Plan by Voya, represents contributions made under the contract, plus earnings, less participant's withdrawals and administrative expenses. Participants may ordinarily direct the withdrawal or transfer of all or a portion of their investment at contract value. As of December 31, 2021 and 2020, contract value of the unallocated insurance contract was \$10,955,077 and \$9,817,463, respectively. The crediting interest rate is based on a formula agreed upon with the issuer. The crediting interest rates for the years ended December 31, 2021 and 2020 were 1.40% and 1.65%, respectively.

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

The Plan administrator believes that any events that would limit the Plan's ability to transact at contract value with participants are not probable of occurring.

Penn Engineering 401(k) Plan
Notes to Financial Statements
December 31, 2021 and 2020

5. FAIR VALUE ACCOUNTING

The Financial Accounting Standards Board (“FASB”) established a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described below:

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

Level 2 - Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.

Level 3 - Unobservable inputs that are supported by little or no market activity and that are financial instruments whose values are determined using pricing models, discounted cash flow methodologies, or similar techniques, as well as instruments for which the determination of fair value requires significant judgment or estimation.

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

Registered Investment Companies: Shares of registered investment companies are valued at quoted market prices which represent the net asset value of shares held by the Plan at year-end.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Plan believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

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

2021				
	Level 1	Level 2	Level 3	Total
Registered investment companies	<u>\$ 134,709,074</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 134,709,074</u>
2020				
	Level 1	Level 2	Level 3	Total
Registered investment companies	<u>\$ 119,570,038</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 119,570,038</u>

**Penn Engineering 401(k) Plan
Notes to Financial Statements
December 31, 2021 and 2020**

6. RISKS AND UNCERTAINTIES

The Plan invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market and credit risk. 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 the amounts reported in the statements of net assets available for benefits.

The 2019 novel coronavirus ("COVID-19") has adversely affected and may continue to adversely affect economic activity globally, nationally, and locally. Following the COVID-19 outbreak in March 2020, the values of investment securities have experienced significant volatility. These economic and market conditions and other effects of the COVID-19 outbreak may continue to cause volatility. The extent of the adverse impact of the COVID-19 outbreak on the Plan participants' account balances cannot be predicted at this time.

7. INCOME TAX STATUS

The Internal Revenue Service has determined and informed the Company, in a letter dated August 9, 2017, that the Plan is designed in accordance with the applicable section of the IRC. The Plan was restated effective January 1, 2016 to conform with the Pension Protection Act. Although the Plan has been amended since receiving the determination letter, the Plan administrator believes that the Plan is designed and is currently being operated in compliance with the applicable requirements of the IRC.

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 Internal Revenue Service. The Plan administrator has analyzed the tax positions taken by the Plan, and has concluded that as of December 31, 2021 and 2020, 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.

8. 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 Plan termination, participants will become 100% vested in their accounts.

9. RELATED PARTY AND PARTY-IN-INTEREST TRANSACTIONS

Certain Plan investments are shares in investments managed by Voya. Voya is also the Trustee for the Plan; therefore, these transactions and notes receivable from participants qualify as party-in-interest transactions. Administrative expenses paid to the Trustee by the Plan amounted to \$327,592 for the year ended December 31, 2021.

The Plan received a servicing credit of \$109,566 during the year ended December 31, 2021 directly from the Plan administrator as a return of fund revenue.

Additionally, during the 2021 Plan year, the Plan administrator contributed \$125,217, to a Plan servicing account. The opening account balance as of January 1, 2021 was \$63,007. The account accrued \$40,925 in investment losses. During the year ended December 31, 2021, \$111,033 of this credit was used to pay professional fees for the Plan, resulting in an unallocated balance of \$36,266 at December 31, 2021.

Penn Engineering 401(k) Plan
Notes to Financial Statements
December 31, 2021 and 2020

10. RECONCILIATION TO FORM 5500

The following is a reconciliation of net assets available for benefits from the statements of net assets available for benefits and the filed form 5500 as of December 31:

	<u>2021</u>	<u>2020</u>
Net assets available for benefits per statements of net assets available for benefits	\$ 146,839,435	\$ 131,378,479
Contribution receivable - employer per statements of net assets available for benefits	(24,298)	(704,805)
Excess contributions per statements of net assets available for benefits	<u>-</u>	<u>18,087</u>
Net assets available for benefits per filed form 5500	<u>\$ 146,815,137</u>	<u>\$ 130,691,761</u>

The following is a reconciliation of net change in net assets available for benefits from the statement of changes in net assets available for benefits and the filed form 5500 for the year ended December 31, 2021:

Net change in net assets available for benefits per statement of changes in net assets available for benefits	\$ 15,460,956
Contribution receivable - employer per statement of net assets available for benefits as of December 31, 2020	704,805
Contribution receivable - employer per statement of net assets available for benefits as of December 31, 2021	(24,298)
Excess contributions per statement of net assets available for benefits as of December 31, 2020	<u>(18,087)</u>
Net income per filed form 5500	<u>\$ 16,123,376</u>

11. SUBSEQUENT EVENTS

Subsequent events were evaluated through September 27, 2022, which is the date the financial statements were available to be issued. Based on that evaluation, the Plan has determined that no subsequent events have occurred which would require adjustment to or disclosure in the financial statements.

SUPPLEMENTARY INFORMATION

Penn Engineering 401(k) Plan
(E.I.N. 23-0951065 Plan 002)
Schedule H, Line 4i – Schedule of Assets (Held at End of Year)
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>Registered Investment Companies</u>			
	Invesco Oppenheimer	Invesco Opp Developing Markets Fund	**	\$ 476,103
	Fidelity	Fidelity Small Cap Index Fund	**	1,338,149
	Fidelity	Fidelity Mid Cap Index Fund	**	4,009,919
	Fidelity	Fidelity 500 Index Fund	**	2,890,604
	MFS Investment Management	MFS Core Equity Fund	**	11,049,882
	MFS Investment Management	MFS Research International Fund	**	3,978,005
	MFS Investment Management	MFS Total Return Fund	**	3,106,600
	MFS Investment Management	MFS Government Securities Fund	**	509,031
*	Voya Financial	Voya Government Money Market Fund	**	13,716
	Goldman Sachs	Goldman Sachs Small Cap Value Fund	**	1,394,219
	JPMorgan Investment Management	JPMorgan Smart Retirement Income Fund	**	2,373,014
	JPMorgan Investment Management	JPMorgan Smart Retirement 2020 Fund	**	9,294,337
	JPMorgan Investment Management	JPMorgan Smart Retirement 2025 Fund	**	15,946,271
	JPMorgan Investment Management	JPMorgan Smart Retirement 2030 Fund	**	20,084,907
	JPMorgan Investment Management	JPMorgan Smart Retirement 2035 Fund	**	17,038,102
	JPMorgan Investment Management	JPMorgan Smart Retirement 2040 Fund	**	7,886,850
	JPMorgan Investment Management	JPMorgan Smart Retirement 2045 Fund	**	4,721,538
	JPMorgan Investment Management	JPMorgan Smart Retirement 2050 Fund	**	1,884,476
	JPMorgan Investment Management	JPMorgan Smart Retirement 2055 Fund	**	1,387,123
	JPMorgan Investment Management	JPMorgan Smart Retirement 2060 Fund	**	405,161
	Loomis, Sayles & Company	Loomis Sayles Strategic Income Fund	**	401,876
	Loomis, Sayles & Company	Loomis Sayles Core Plus Bond Fund	**	2,876,564
	DFA	DFA U.S. Large Cap Value Portfolio	**	988,433
	MainStay	MainStay Winslow Large Cap Growth Fund	**	18,836,445
	Victory Capital Management	Victory Sycamore Established Value Fund	**	1,817,749
				134,709,074
	<u>Fully Benefit-Responsive Investment Contract</u>			
*	Voya Financial	Voya Fixed Account	**	10,955,077
*	<u>Notes Receivable From Participants</u>		**	1,150,986
		Interest rates of 4.25% to 7.50% maturing through 2026		
				<u>\$ 146,815,137</u>

* Represents a party-in-interest.

** Cost has been omitted for participant directed investments.

See Independent Auditor's Report.