

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 ☐ the final return/report ☐ an amended return/report ☐ a short plan year return/report (less than 12 months)
C If the plan is a collectively-bargained plan, check here.	☐
D Check box if filing under:	☒ Form 5558 ☐ automatic extension ☐ the DFVC program ☐ special extension (enter description)
E If this is a retroactively adopted plan permitted by SECURE Act section 201, check here.	☐

Part II	Basic Plan Information—enter all requested information										
1a Name of plan <u>FLANDERS ELECTRIC MOTOR SERVICE, LLC 401(K) PROFIT SHARING PLAN</u>	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 80%;">1b Three-digit plan number (PN) ▶</td> <td style="width: 20%; text-align: center;"><u>001</u></td> </tr> <tr> <td colspan="2">1c Effective date of plan <u>12/31/1977</u></td> </tr> <tr> <td colspan="2">2b Employer Identification Number (EIN) <u>35-1072135</u></td> </tr> <tr> <td colspan="2">2c Plan Sponsor's telephone number <u>812-867-7421</u></td> </tr> <tr> <td colspan="2">2d Business code (see instructions) <u>811310</u></td> </tr> </table>	1b Three-digit plan number (PN) ▶	<u>001</u>	1c Effective date of plan <u>12/31/1977</u>		2b Employer Identification Number (EIN) <u>35-1072135</u>		2c Plan Sponsor's telephone number <u>812-867-7421</u>		2d Business code (see instructions) <u>811310</u>	
1b Three-digit plan number (PN) ▶	<u>001</u>										
1c Effective date of plan <u>12/31/1977</u>											
2b Employer Identification Number (EIN) <u>35-1072135</u>											
2c Plan Sponsor's telephone number <u>812-867-7421</u>											
2d Business code (see instructions) <u>811310</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>FLANDERS ELECTRIC MOTOR SERVICE, LLC</u> <u>8101 BAUMGART ROAD</u> <u>EVANSVILLE, IN 47725</u>											

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

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

SIGN HERE	Filed with authorized/valid electronic signature.	10/10/2022	MAKENZIE COULTER
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE	Filed with authorized/valid electronic signature.	10/10/2022	MAKENZIE COULTER
	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 FLANDERS ELECTRIC MOTOR SERVICE, LLC 8101 BAUMGART ROAD EVANSVILLE, IN 47725		3b Administrator's EIN 35-1072135 3c Administrator's telephone number 812-867-7421																				
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 FLANDERS ELECTRIC MOTOR SERVICE, INC. c Plan Name FLANDERS ELECTRIC MOTOR SERVICE, INC. 401(K)PROFIT SHARING PLAN		4b EIN 35-1072135 4d PN 001																				
5 Total number of participants at the beginning of the plan year		5 755																				
6 Number of participants as of the end of the plan year unless otherwise stated (welfare plans complete only lines 6a(1) , 6a(2) , 6b , 6c , and 6d). a(1) Total number of active participants at the beginning of the plan year..... a(2) Total number of active participants at the end of the plan year b Retired or separated participants receiving benefits..... c Other retired or separated participants entitled to future benefits d Subtotal. Add lines 6a(2) , 6b , and 6c e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits. f Total. Add lines 6d and 6e g Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item) h Number of participants who terminated employment during the plan year with accrued benefits that were less than 100% vested		<table border="1" style="width: 100%; border-collapse: collapse;"> <tr><td colspan="2" style="height: 20px;"></td></tr> <tr><td style="width: 15%;">6a(1)</td><td style="text-align: right;">529</td></tr> <tr><td>6a(2)</td><td style="text-align: right;">501</td></tr> <tr><td>6b</td><td style="text-align: right;">2</td></tr> <tr><td>6c</td><td style="text-align: right;">227</td></tr> <tr><td>6d</td><td style="text-align: right;">730</td></tr> <tr><td>6e</td><td style="text-align: right;">0</td></tr> <tr><td>6f</td><td style="text-align: right;">730</td></tr> <tr><td>6g</td><td style="text-align: right;">715</td></tr> <tr><td>6h</td><td style="text-align: right;">16</td></tr> </table>			6a(1)	529	6a(2)	501	6b	2	6c	227	6d	730	6e	0	6f	730	6g	715	6h	16
6a(1)	529																					
6a(2)	501																					
6b	2																					
6c	227																					
6d	730																					
6e	0																					
6f	730																					
6g	715																					
6h	16																					
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 3D 2T 2S 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>2</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 FLANDERS ELECTRIC MOTOR SERVICE, LLC 401(K) PROFIT SHARING PLAN	B Three-digit plan number (PN) ▶ 001
C Plan sponsor's name as shown on line 2a of Form 5500 FLANDERS ELECTRIC MOTOR SERVICE, LLC	D Employer Identification Number (EIN) 35-1072135

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

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

(b) EIN	(c) NAIC code	(d) Contract or identification number	(e) Approximate number of persons covered at end of policy or contract year	Policy or contract year	
				(f) From	(g) To
06-1050034	93629	074189	730	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

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(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	8104392
5	Current value of plan's interest under this contract in separate accounts at year end.....	5	5581359

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

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

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

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

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

b	Balance at the end of the previous year	7b	8097131
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c	Additions: (1) Contributions deposited during the year	7c(1)	498606	
	(2) Dividends and credits.....	7c(2)		
	(3) Interest credited during the year.....	7c(3)	169861	
	(4) Transferred from separate account.....	7c(4)	90351	
	(5) Other (specify below)	7c(5)	1594756	

▶ TRANSFERRED FROM SEPARATE ACCOUNT LOAN
REPAYMENTS,MISCELLANEOUS IN TRANSFERS IN,FORFEITURE CREDITS

(6)Total additions	7c(6)	2353574
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d	Total of balance and additions (add lines 7b and 7c(6))	7d	10450705
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e Deductions:

	(1) Disbursed from fund to pay benefits or purchase annuities during year	7e(1)	1612346	
	(2) Administration charge made by carrier.....	7e(2)	242	
	(3) Transferred to separate account.....	7e(3)	61623	
	(4) Other (specify below)	7e(4)	671102	

▶ LOAN INITIATIONS TRANSFERS OUT,MISCELLANEOUS OUT
FORFEITURES DEBITS

(5) Total deductions	7e(5)	2345313
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f	Balance at the end of the current year (subtract line 7e(5) from line 7d)	7f	8105392
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Part III Welfare Benefit Contract Information

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

8 Benefit and contract type (check all applicable boxes)

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

9 Experience-rated contracts:

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

10 Nonexperience-rated contracts:

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

Part IV Provision of Information

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

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

SCHEDULE 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 FLANDERS ELECTRIC MOTOR SERVICE, LLC 401(K) PROFIT SHARING PLAN	B Three-digit plan number (PN) ▶ 001
C Plan sponsor's name as shown on line 2a of Form 5500 FLANDERS ELECTRIC MOTOR SERVICE, LLC	D Employer Identification Number (EIN) 35-1072135

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

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

(b) EIN	(c) NAIC code	(d) Contract or identification number	(e) Approximate number of persons covered at end of policy or contract year	Policy or contract year	
				(f) From	(g) To
06-1050034	93629	074189	730	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

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

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	(c) Amount	(d) Purpose	

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

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	(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	-4
5	Current value of plan's interest under this contract in separate accounts at year end.....	5	0

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

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

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

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

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

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

(6) Total additions	7c(6)	0
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d	Total of balance and additions (add lines 7b and 7c(6))	7d	-4
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e	Deductions:			
	(1) Disbursed from fund to pay benefits or purchase annuities during year	7e(1)		
	(2) Administration charge made by carrier.....	7e(2)		
	(3) Transferred to separate account.....	7e(3)		
	(4) Other (specify below)	7e(4)		
	▶			

(5) Total deductions	7e(5)	0
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f	Balance at the end of the current year (subtract line 7e(5) from line 7d)	7f	-4
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Part III Welfare Benefit Contract Information

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

8 Benefit and contract type (check all applicable boxes)

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

9 Experience-rated contracts:

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

10 Nonexperience-rated contracts:

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

Part IV Provision of Information

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

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

SCHEDULE C (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Service Provider Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA). ▶ File as an attachment to Form 5500.	OMB No. 1210-0110
		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 FLANDERS ELECTRIC MOTOR SERVICE, LLC 401(K) PROFIT SHARING PLAN	B Three-digit plan number (PN) ▶	001
C Plan sponsor's name as shown on line 2a of Form 5500 FLANDERS ELECTRIC MOTOR SERVICE, LLC	D Employer Identification Number (EIN) 35-1072135	

Part I	Service Provider Information (see instructions)
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You must complete this Part, in accordance with the instructions, to report the information required for **each person** who received, directly or indirectly, \$5,000 or more in total compensation (i.e., money or anything else of monetary value) in connection with services rendered to the plan or the person's position with the plan during the plan year. If a person received **only** eligible indirect compensation for which the plan received the required disclosures, you are required to answer line 1 but are not required to include that person when completing the remainder of this Part.

1 Information on Persons Receiving Only Eligible Indirect Compensation

- a** Check "Yes" or "No" to indicate whether you are excluding a person from the remainder of this Part because they received only eligible indirect compensation for which the plan received the required disclosures (see instructions for definitions and conditions)..... ☒ Yes ☐ No
- b** If you answered line 1a "Yes," enter the name and EIN or address of each person providing the required disclosures for the service providers who received only eligible indirect compensation. Complete as many entries as needed (see instructions).

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation
PRUDENTIAL RETIREMENT INSURANCE AND
06-1050034

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

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

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

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

PRUDENTIAL RETIREMENT INSURANCE AND

06-1050034

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
13 15 37 50 64	NONE	79202	Yes ☒ No ☐	Yes ☒ No ☐	0	Yes ☒ No ☐

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

LOCKTON INVESTMENT ADVISORS, LLC

20-8874282

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
27	NONE	55872	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

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

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

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

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

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

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

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

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

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

Part I Service Provider Information (continued)

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

(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
(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
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide

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

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

Explanation:

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

Explanation:

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

Explanation:

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

Explanation:

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

Explanation:

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

A Name of plan <u>FLANDERS ELECTRIC MOTOR SERVICE, LLC 401(K) PROFIT SHARING PLAN</u>	B Three-digit plan number (PN) ►	<u>001</u>
C Plan or DFE sponsor's name as shown on line 2a of Form 5500 <u>FLANDERS ELECTRIC MOTOR SERVICE, LLC</u>	D Employer Identification Number (EIN) <u>35-1072135</u>	

Part I	Information on interests in MTIAs, CCTs, PSAs, and 103-12 IEs (to be completed by plans and DFEs) (Complete as many entries as needed to report all interests in DFEs)
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a Name of MTIA, CCT, PSA, or 103-12 IE: <u>PRU DAY ONE IFX TRGT BAL</u>		
b Name of sponsor of entity listed in (a): <u>PRUDENTIAL RETIREMENT INS.</u>		
c EIN-PN <u>06-1050034-697</u>	d Entity code <u>P</u>	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) <u>1502604</u>
a Name of MTIA, CCT, PSA, or 103-12 IE: <u>PRU TOTAL RETURN BONDSA</u>		
b Name of sponsor of entity listed in (a): <u>PRUDENTIAL RETIREMENT INS.</u>		
c EIN-PN <u>06-1050034-814</u>	d Entity code <u>P</u>	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) <u>4078755</u>
a Name of MTIA, CCT, PSA, or 103-12 IE:		
b Name of sponsor of entity listed in (a):		
c EIN-PN	d Entity code	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)
a Name of MTIA, CCT, PSA, or 103-12 IE:		
b Name of sponsor of entity listed in (a):		
c EIN-PN	d Entity code	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)
a Name of MTIA, CCT, PSA, or 103-12 IE:		
b Name of sponsor of entity listed in (a):		
c EIN-PN	d Entity code	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)
a Name of MTIA, CCT, PSA, or 103-12 IE:		
b Name of sponsor of entity listed in (a):		
c EIN-PN	d Entity code	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)
a Name of MTIA, CCT, PSA, or 103-12 IE:		
b Name of sponsor of entity listed in (a):		
c EIN-PN	d Entity code	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)
a Name of MTIA, CCT, PSA, or 103-12 IE:		
b Name of sponsor of entity listed in (a):		
c EIN-PN	d Entity code	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)
a Name of MTIA, CCT, PSA, or 103-12 IE:		
b Name of sponsor of entity listed in (a):		
c EIN-PN	d Entity code	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)
a Name of MTIA, CCT, PSA, or 103-12 IE:		
b Name of sponsor of entity listed in (a):		
c EIN-PN	d Entity code	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)
a Name of MTIA, CCT, PSA, or 103-12 IE:		
b Name of sponsor of entity listed in (a):		
c EIN-PN	d Entity code	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
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103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
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103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
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103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
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103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)

Part II Information on Participating Plans (to be completed by DFEs)

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

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

SCHEDULE H (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Financial Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA), and section 6058(a) of the Internal Revenue Code (the Code). ► File as an attachment to Form 5500.	OMB No. 1210-0110 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 FLANDERS ELECTRIC MOTOR SERVICE, LLC 401(K) PROFIT SHARING PLAN	B Three-digit plan number (PN) ►	001
C Plan sponsor's name as shown on line 2a of Form 5500 FLANDERS ELECTRIC MOTOR SERVICE, LLC	D Employer Identification Number (EIN) 35-1072135	

Part I	Asset and Liability Statement
---------------	--------------------------------------

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

Assets		(a) Beginning of Year	(b) End of Year
a Total noninterest-bearing cash.....	1a		
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)	364286	0
(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)	35338	176823
(9) Value of interest in common/collective trusts	1c(9)		
(10) Value of interest in pooled separate accounts	1c(10)	4657951	5581359
(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)	34070059	34563846
(14) Value of funds held in insurance company general account (unallocated contracts).....	1c(14)	8096127	8104388
(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	47223761	48426416

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	47223761	48426416
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Part II Income and Expense Statement

2 Plan income, expenses, and changes in net assets for the year. Include all income and expenses of the plan, including any trust(s) or separately maintained fund(s) and any payments/receipts to/from insurance carriers. Round off amounts to the nearest dollar. MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 2a, 2b(1)(E), 2e, 2f, and 2g.

Income

		(a) Amount	(b) Total
a Contributions:			
(1) Received or receivable in cash from: (A) Employers	2a(1)(A)	741914	
(B) Participants	2a(1)(B)	2527688	
(C) Others (including rollovers).....	2a(1)(C)	712389	
(2) Noncash contributions.....	2a(2)		3981991
(3) Total contributions. Add lines 2a(1)(A) , (B), (C), and line 2a(2)	2a(3)		
b Earnings on investments:			
(1) Interest:			
(A) Interest-bearing cash (including money market accounts and certificates of deposit).....	2b(1)(A)	10	
(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)	1740	
(F) Other	2b(1)(F)	169861	
(G) Total interest. Add lines 2b(1)(A) through (F).....	2b(1)(G)		171611
(2) Dividends: (A) Preferred stock.....	2b(2)(A)		398652
(B) Common stock	2b(2)(B)		
(C) Registered investment company shares (e.g. mutual funds).....	2b(2)(C)	398652	
(D) Total dividends. Add lines 2b(2)(A) , (B), and (C)	2b(2)(D)		398652
(3) Rents	2b(3)		
(4) Net gain (loss) on sale of assets: (A) Aggregate proceeds	2b(4)(A)		0
(B) Aggregate carrying amount (see instructions).....	2b(4)(B)		
(C) Subtract line 2b(4)(B) from line 2b(4)(A) and enter result	2b(4)(C)		
(5) Unrealized appreciation (depreciation) of assets: (A) Real estate	2b(5)(A)		0
(B) Other	2b(5)(B)		
(C) Total unrealized appreciation of assets. Add lines 2b(5)(A) and (B)	2b(5)(C)		

		(a) Amount	(b) Total
(6) Net investment gain (loss) from common/collective trusts.....	2b(6)		
(7) Net investment gain (loss) from pooled separate accounts.....	2b(7)		120667
(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)		5328396
c Other income.....	2c		76610
d Total income. Add all income amounts in column (b) and enter total.....	2d		10077927
Expenses			
e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers.....	2e(1)	8739922	
(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)		8739922
f Corrective distributions (see instructions).....	2f		
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)	135350	
(5) Total administrative expenses. Add lines 2i(1) through (4).....	2i(5)		135350
j Total expenses. Add all expense amounts in column (b) and enter total.....	2j		8875272
Net Income and Reconciliation			
k Net income (loss). Subtract line 2j from line 2d.....	2k		1202655
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: **HARDING, SHYMANSKI & CO. PSC**

(2) EIN: **35-1346211**

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		206892

	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		1000000
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?		X	
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?		X	
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.)		X	
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?		X	
4k		X	
l Has the plan failed to provide any benefit when due under the plan?		X	
4l		X	
m If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.)		X	
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.
---	--	---

For calendar plan year 2021 or fiscal plan year beginning 01/01/2021 and ending 12/31/2021

A Name of plan FLANDERS ELECTRIC MOTOR SERVICE, LLC 401(K) PROFIT SHARING PLAN	B Three-digit plan number (PN) ► 001
C Plan sponsor's name as shown on line 2a of Form 5500 FLANDERS ELECTRIC MOTOR SERVICE, LLC	D Employer Identification Number (EIN) 35-1072135

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

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

1 Total value of distributions paid in property other than in cash or the forms of property specified in the instructions.....	1	0
2 Enter the EIN(s) of payor(s) who paid benefits on behalf of the plan to participants or beneficiaries during the year (if more than two, enter EINs of the two payors who paid the greatest dollar amounts of benefits): EIN(s): 22-1211670		
Profit-sharing plans, ESOPs, and stock bonus plans, skip line 3.		
3 Number of participants (living or deceased) whose benefits were distributed in a single sum, during the plan year	3	

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

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

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

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

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

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

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

Schedule R (Form 5500) 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 _____

***FLANDERS ELECTRIC MOTOR SERVICE, LLC 401(k)
PROFIT SHARING PLAN***

Financial Report

December 31, 2021

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INDEPENDENT AUDITOR'S REPORT



**HARDING, SHYMANSKI
& COMPANY, P.S.C.**

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and Consultants

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An Independently
Owned Member,
RSM US Alliance

Board of Directors, Plan Administrator, and Participants
Flanders Electric Motor Service, LLC 401(k) Profit Sharing Plan

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

We have performed an audit of the financial statements of the Flanders Electric Motor Service, LLC 401(k) Profit Sharing Plan (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). The financial statements comprise the statement of net assets available for benefits as of December 31, 2021, the related statement of changes in net assets available for benefits for the year then ended, and the related notes to the financial statements (2021 financial statements).

Management, having determined it is permissible in the circumstances, has elected to have the audit of the Plan's 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 (U.S. GAAP).

INDEPENDENT AUDITOR'S REPORT (CONTINUED)



Opinion on the 2021 Financial Statements (Continued)

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

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

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.

INDEPENDENT AUDITOR'S REPORT (CONTINUED)



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 U.S. GAAP.

INDEPENDENT AUDITOR'S REPORT (CONTINUED)



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

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

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

Other Matters

2021 Supplemental Schedules Required by ERISA

The supplemental schedules of assets (held at end of year) and delinquent participant contributions as of December 31, 2021 are presented for purposes of additional analysis and are not a required part of the financial statements but are 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 schedules, 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 schedules 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 schedules, we evaluated whether the supplemental schedules, other than the information agreed to or derived from the certified investment information, including their form and content, are 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 schedules, other than the information in the supplemental schedules 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.

INDEPENDENT AUDITOR'S REPORT (CONTINUED)



Other Matters (Continued)

2021 Supplemental Schedules Required by ERISA (Continued)

- The information in the supplemental schedules 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 October 14, 2021, we indicated that (a) because of the significance of the information that we did not audit, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion and accordingly, we did not express an opinion on the 2020 financial statements, and (b) the form and content of the information included in the 2020 financial statements other than that derived from the certified information were presented in compliance with the DOL's Rules and Regulations for Reporting and Disclosure under ERISA.

Wardig, Szymanski & Company, P. S. C.

Evansville, Indiana
October 4, 2022

FLANDERS ELECTRIC MOTOR SERVICE, LLC 401(k) PROFIT SHARING PLAN

STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS

December 31, 2021 and 2020

	2021	2020
ASSETS		
Investments at fair value	\$ 40,145,205	\$ 39,092,296
Investments at contract value	<u>8,104,388</u>	<u>8,096,127</u>
Total investments	<u>48,249,593</u>	<u>47,188,423</u>
Receivables:		
Employer contributions	0	850
Notes receivable from participants	<u>176,823</u>	<u>35,338</u>
Total receivables	<u>176,823</u>	<u>36,188</u>
Net assets available for benefits	<u><u>\$ 48,426,416</u></u>	<u><u>\$ 47,224,611</u></u>

See accompanying notes to financial statements.

FLANDERS ELECTRIC MOTOR SERVICE, LLC 401(k) PROFIT SHARING 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	\$ 5,524,823
Interest and dividends	<u>570,263</u>

6,095,086

Contributions:

Employer	741,914
Participants	2,527,688
Rollovers	<u>712,389</u>

3,981,991

Total additions **10,077,077**

Deductions

Benefits paid to participants	8,739,922
Administrative expenses	<u>135,350</u>

8,875,272

Total deductions

Net increase **1,201,805**

Net assets available for benefits:

Beginning of year **47,224,611**

End of year **\$ 48,426,416**

See accompanying notes to financial statements.

FLANDERS ELECTRIC MOTOR SERVICE, LLC 401(k) PROFIT SHARING PLAN

NOTES TO FINANCIAL STATEMENTS

December 31, 2021 and 2020

Note 1 - Plan Description

The following description of the Flanders Electric Motor Service, LLC (Company) 401(k) Profit Sharing Plan (Plan) provides only general information. Participants should refer to the Plan agreement for a more complete description of the Plan's provisions.

General

The Plan is a defined contribution plan covering all full-time employees of Flanders Electric Motor Service, Inc., Flanders Holdings, Inc., and Flanders Electric Motor Service of Illinois, Inc. (collectively referred to as Company) who have completed 30 days of service and are age 18 or older. The Plan is subject to the provisions of ERISA. The Investment Committee is responsible for oversight of the Plan. The Investment Committee determines the appropriateness of the Plan's investment offerings, monitors investment performance, and reports to the Plan's Board of Directors. Effective April 1, 2021, Flanders Electric Motor Service, Inc. 401(k) Profit Sharing Plan, changed its name to Flanders Electric Motor Service, LLC 401(k) Profit Sharing Plan. Effective March 1, 2021, Flanders Electric Motor Service, Inc. changed its name to Flanders Electric Motor Service, LLC (Plan Sponsor), as well as Flanders Holdings, Inc. changed its name to Flanders Holdings I, LLC and Flanders Motor Service of Illinois, Inc. changed to Flanders Motor Service of Illinois, LLC.

Contributions

Each year, participants may contribute up to 50 percent of eligible compensation, as defined in the Plan. Participants who have attained age 50 before the end of the Plan year are eligible to make catch-up contributions. Participants may also contribute amounts representing distributions from other qualified defined benefit or defined contribution plans (rollover). Participants direct the investments of their contributions into various investment options offered by the Plan. The Plan includes an auto-enrollment provision whereby all newly eligible employees are automatically enrolled in the Plan unless they affirmatively elect not to participate in the Plan. Automatically enrolled participants have their deferral rate set at three percent of eligible compensation and increased one percent on the last day of the Plan year up to a maximum of ten percent. Their contributions are invested in moderate GoalMaker, which is an asset-allocation portfolio based on a participant's age, risk tolerance, and years to retirement. This can be changed at any time by the participant. The Company contributes a matching amount equal to 50 percent of the participant's voluntary contribution not to exceed six percent. Effective March 20, 2020, the Company suspended matching contributions and reinstated the match beginning January 22, 2021. Additional profit sharing amounts may be contributed at the option of the Company's Board of Directors. There were no profit sharing contributions to the Plan for the year ended December 31, 2021. Contributions are subject to certain Internal Revenue Service (IRS) limitations.

Participant Accounts

Each participant's account is credited with the participant's contributions and Company's matching contributions, as well as allocations of the Company's profit sharing contributions, if any, and Plan earnings. Allocations are based on participant earnings, account balances, or specific participant transactions, as defined. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account.

FLANDERS ELECTRIC MOTOR SERVICE, LLC 401(k) PROFIT SHARING PLAN

NOTES TO FINANCIAL STATEMENTS

December 31, 2021 and 2020

Note 1 - Plan Description (Continued)

Vesting

Participants are vested immediately in their contributions plus actual earnings thereon. Vesting in the Company's contribution portion of their accounts is based on years of continuous service. A participant is 100 percent vested after five years of credited service.

Payment of Benefits

On termination of service due to death, disability, retirement, or other reasons, a participant may elect to receive a lump-sum amount equal to the value of the participant's vested interest in his or her account, or in installments or annuities as defined by the Plan agreement. Participants may request a hardship withdrawal of a portion of their account balance attributable to participant deferrals. Any hardship withdrawal is limited to the amount needed to meet the financial need.

The Coronavirus Aid, Relief, and Economic Security (CARES) Act, enacted on March 27, 2020, provided for a participant impacted by COVID-19 to withdraw up to \$100,000 as a Coronavirus-related distribution. In addition, the CARES Act allowed for the temporary suspension of required minimum distributions for the year ended December 31, 2020, unless otherwise elected by the participant. These provisions of the CARES Act were implemented by the Plan during the year ended December 31, 2020.

COVID-19 Pandemic

On January 30, 2020, the World Health Organization declared the coronavirus outbreak a "Public Health Emergency of International Concern" and on March 11, 2020, declared it to be a pandemic. The pandemic in the United States and throughout the world has resulted in substantial volatility in financial markets in which the Company operates. As a result, the Plan's investments have incurred and may continue to incur significant changes in fair value. While it is unknown how long these conditions will last and what the complete financial effect will be to the Plan, the Plan Sponsor cannot estimate, with any degree of certainty, the full impact of COVID-19 on future Plan performance.

FLANDERS ELECTRIC MOTOR SERVICE, LLC 401(k) PROFIT SHARING PLAN

NOTES TO FINANCIAL STATEMENTS

December 31, 2021 and 2020

Note 1 - Plan Description (Continued)

Note Receivable from Participants

Participants may borrow from their fund accounts a minimum of \$1,000 up to a maximum equal to the lesser of \$50,000 or 50 percent of their vested account balance. The loans are secured by the balance in the participant's account. The loan interest rate, determined quarterly, is set at one percent above the prime rate, as defined. Principal and interest are paid ratably through monthly payroll deductions.

The CARES Act, enacted on March 27, 2020, provided for a participant impacted by COVID-19 to borrow up to \$100,000 from qualified plans between March 27, 2020 and September 22, 2020. In addition, the CARES act allows for the suspension of loan payments due between March 27, 2020 through December 31, 2020 for up to one year. These provisions of the CARES Act were implemented by the Plan during the year ended December 31, 2020.

Forfeited Accounts

There were no forfeited nonvested accounts at December 31, 2021 and 2020. In 2021, employer contributions were reduced by \$103,491 from forfeited nonvested accounts.

Note 2 - Significant Accounting Policies

Basis of Accounting

The financial statements of the Plan are prepared under the accrual basis of accounting.

Investments held by a defined contribution plan are required to be reported at fair value, except for fully benefit-responsive investment contracts. Contract value is the relevant measure for the portion of the net assets available for benefits of a defined contribution plan attributable to fully benefit-responsive investment contracts because contract value is the amount participants normally would receive if they were to initiate permitted transactions under the terms of the Plan.

Use of Estimates

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

FLANDERS ELECTRIC MOTOR SERVICE, LLC 401(k) PROFIT SHARING PLAN

NOTES TO FINANCIAL STATEMENTS

December 31, 2021 and 2020

Note 2 - Significant Accounting Policies (Continued)

Investment Valuation and Income Recognition

Investments are reported at fair value (except for fully benefit-responsive investment contracts, which are reported at contract value). Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Plan's Investment Committee determines the Plan's valuation policies utilizing information provided by the investment advisor and Trustee. See Note 4 for discussion of fair value measurements.

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

Payment of Benefits

Benefits are recorded when paid.

Expenses

Certain expenses of maintaining the Plan are paid by the Plan, unless otherwise paid by the Company. Expenses that are paid by the Company are excluded from these financial statements. Investment related expenses are included in net appreciation of fair value of investments.

Notes Receivable from Participants

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

FLANDERS ELECTRIC MOTOR SERVICE, LLC 401(k) PROFIT SHARING PLAN

NOTES TO FINANCIAL STATEMENTS

December 31, 2021 and 2020

Note 3 - Summary of Financial Data Certified by the Trustee

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

<u>Net Assets Available for Benefits Held by Trustee</u>	<u>2021</u>	<u>2020</u>
Investments at fair value	\$ 40,145,205	\$ 39,092,296
Investments at contract value	8,104,388	8,096,127
Notes receivable from participants	<u>176,823</u>	<u>35,338</u>
	<u>\$ 48,426,416</u>	<u>\$ 47,223,761</u>

Statement of Changes in Net Assets Available for Benefits

Investment income	
Net appreciation in fair value of investments	\$ 5,524,823
Interest and dividends	<u>570,263</u>
	<u>\$ 6,095,086</u>

Note 4 - Fair Value Measurements

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

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

FLANDERS ELECTRIC MOTOR SERVICE, LLC 401(k) PROFIT SHARING PLAN

NOTES TO FINANCIAL STATEMENTS

December 31, 2021 and 2020

Note 4 - Fair Value Measurements (Continued)

Level 2 Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specific (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

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

The asset's 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 maximize the use of relevant observable inputs and minimize the use of unobservable inputs.

Following are descriptions of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at December 31, 2021 and 2020.

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

Interest-bearing cash Accounts primarily consist of money market accounts that are valued on the basis of readily determinable market prices.

Pooled separate accounts Primarily valued at NAV per share based on quoted market prices of underlying investments. The NAV is used as a practical expedient to estimate fair value.

FLANDERS ELECTRIC MOTOR SERVICE, LLC 401(k) PROFIT SHARING PLAN

NOTES TO FINANCIAL STATEMENTS

December 31, 2021 and 2020

Note 4 - Fair Value Measurements (Continued)

The following table sets forth by level, within the fair value hierarchy, the Plan's assets at fair value as of December 31, 2021 and 2020:

	Assets at Fair Value as of December 31, 2021			
	Level 1	Level 2	Level 3	Total
Mutual funds	\$ 34,563,846	\$ 0	\$ 0	\$ 34,563,846
Investments measured at NAV ^(a)				5,581,359
Investments at fair value				\$ 40,145,205

	Assets at Fair Value as of December 31, 2020			
	Level 1	Level 2	Level 3	Total
Mutual funds	\$ 34,070,059	\$ 0	\$ 0	\$ 34,070,059
Interest-bearing cash	364,286	0	0	364,286
Total assets in fair value hierarchy	\$ 34,434,345	\$ 0	\$ 0	34,434,345
Investments measured at NAV ^(a)				4,657,951
Investments at fair value				\$ 39,092,296

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

Investments Measured Using the NAV per Share Practical Expedient

The following table summarizes investments for which fair value is measured using the NAV per share practical expedient as of December 31, 2021 and 2020:

Investment	2021 Fair Value	2021 Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Pooled separate accounts	\$ 5,581,359	\$ 0	Daily	None

FLANDERS ELECTRIC MOTOR SERVICE, LLC 401(k) PROFIT SHARING PLAN

NOTES TO FINANCIAL STATEMENTS

December 31, 2021 and 2020

Note 4 - Fair Value Measurements (Continued)

Investments Measured Using the NAV per Share Practical Expedient (Continued)

<u>Investment</u>	<u>2020 Fair Value</u>	<u>2020 Unfunded Commitments</u>	<u>Redemption Frequency</u>	<u>Redemption Notice Period</u>
Pooled separate accounts	<u>\$ 4,657,951</u>	<u>\$ 0</u>	Daily	None

Note 5 - Fully Benefit-Responsive Investment Contract

In 2019, the Plan entered into a traditional fully benefit-responsive guaranteed investment contract with Prudential Insurance Company of America. Prudential Insurance Company of America maintains the contributions in a general account. The account is credited with earnings on the underlying investments and charged for participant withdrawals and administrative expenses. The crediting rate is based on a formula established by the contract issuer but may not be less than three percent. The crediting rate is reviewed on a quarterly basis for resetting. The contract cannot be terminated before the scheduled maturity date.

This contract meets the fully benefit-responsive investment contract criteria and; therefore, is reported at contract value. Contract value is the relevant measure for fully benefit-responsive investment contracts because this is the amount received by participants if they were to initiate permitted transactions under the terms of the Plan. Contract value, as reported to the Plan by Trustee, represents contributions made under the contract, plus earnings, less participant withdrawals, and administrative expenses. Participants may ordinarily direct the withdrawals or transfer of all or a portion of their investment at contract value.

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

Certain events might limit the ability of the Plan to transact at contract value with the contract issuer. Examples of such events include the following:

1. The failure of the trust to qualify for exemption from federal income taxes or any required prohibited transaction exemption under ERISA;
2. Premature termination of the contracts;
3. Amendments to the Plan Documents (including complete or partial Plan termination or merger with another Plan);
4. Changes to the Plan's prohibition on competing investment options or deletion of equity wash provisions;
5. 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.

FLANDERS ELECTRIC MOTOR SERVICE, LLC 401(k) PROFIT SHARING PLAN

NOTES TO FINANCIAL STATEMENTS

December 31, 2021 and 2020

Note 5 - Fully Benefit-Responsive Investment Contract (Continued)

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

In addition, certain events allow the issuer to terminate the contracts with the Plan and settle at an amount different from contract value. Examples of such events include the following:

1. An uncured violation of the Plan's investment guidelines;
2. A breach of material obligation under the contract;
3. A material misrepresentation;
4. A material amendment to the agreements without the consent of the issuer.

Note 6 - Related Party Transactions and Party-in-Interest Transactions

Certain Plan investments are mutual funds, pooled separate accounts, and a guaranteed investment contract managed by Prudential Insurance Company of America, which is related to Prudential Trust Company. Prudential Trust Company (Prudential) is the Trustee for the Plan and; therefore, these transactions qualify as party-in-interest transactions. Fees incurred by the Plan for the investment management services are included in net appreciation in fair value of the investment, as they are paid through revenue sharing, rather than a direct payment. As described in Note 2, the Plan made a direct payment to Prudential and other service providers of \$135,350 for the year ended December 31, 2021, which was not covered by revenue sharing. The Company pays directly any other fees related to the Plan's operations.

Note 7 - Plan Termination

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

Note 8 - Tax Status

Effective April 1, 2021, the Plan adopted a nonstandardized form of a prototype plan sponsored by Prudential Insurance Company of America. The prototype plan has received an opinion letter from the IRS as to the prototype plan's qualified status. The Plan Sponsor can rely on the qualified status to the extent the Plan Document does not deviate from the IRS pre-approved provisions. The Plan administrator believes the Plan is designed and is being operated in compliance with the applicable provisions of the Internal Revenue Code and; therefore, believes that the Plan is qualified and the related trust is tax-exempt.

FLANDERS ELECTRIC MOTOR SERVICE, LLC 401(k) PROFIT SHARING PLAN

NOTES TO FINANCIAL STATEMENTS

December 31, 2021 and 2020

Note 8 - Tax Status (Continued)

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

Note 9 - Risks and Uncertainties

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

Note 10 - Reconciliation of Financial Statements to Form 5500

The following is a reconciliation of net assets available for benefits per the financial statements at December 31, 2021 and 2020 to Form 5500:

	<u>2021</u>	<u>2020</u>
Net assets available for benefits per the financial statements	\$ 48,426,416	\$ 47,224,611
Differences in:		
Contribution receivables	<u>0</u>	<u>(850)</u>
Net assets available for benefits per Form 5500	<u>\$ 48,426,416</u>	<u>\$ 47,223,761</u>

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

Net increase in net assets available for benefits per the financial statements	\$ 1,201,805
Differences in:	
Employer contributions	<u>850</u>
Net increase in net assets available for benefits per Form 5500	<u>\$ 1,202,655</u>

FLANDERS ELECTRIC MOTOR SERVICE, LLC 401(k) PROFIT SHARING PLAN

NOTES TO FINANCIAL STATEMENTS

December 31, 2021 and 2020

Note 11 - Nonexempt Transactions

In 2021, the Plan Sponsor inadvertently failed to deposit approximately \$206,892 of participant contributions within the required timeframe as stated by the United States DOL regulations. During 2021, the Plan Sponsor deposited lost earnings to correct this failure. The Plan Sponsor also plans to file Form 5330 and pay applicable excise taxes to the IRS. The correction and excise taxes will be paid from the Plan Sponsor's assets and not from assets of the Plan.

Note 12 - Subsequent Events

The Plan has evaluated subsequent events through October 4, 2022, the date the financial statements were available to be issued.

Effective January 1, 2022, the Plan was amended and restated to allow elective deferral contributions to be made as Roth contributions.

Effective for the 2022 Plan year, Prudential Trust Company was sold to Great-West Life & Annuity Insurance Company and its affiliates operating under the brand name "Empower Retirement."

--- SUPPLEMENTAL SCHEDULES ---

FLANDERS ELECTRIC MOTOR SERVICE, LLC 401(k) PROFIT SHARING PLAN

PLAN SPONSOR: FLANDERS ELECTRIC MOTOR SERVICE, LLC

PLAN SPONSOR EIN: 35-1072135

PLAN NUMBER: 001

ATTACHMENT TO SCHEDULE H, PART IV, LINE 4i

SCHEDULE OF ASSETS (HELD AT END OF YEAR)

December 31, 2021

(a)	(b)	(c)	(d)	(e)
	Identity of issuer, borrower, lessor, or similar party	Description of investment including maturity date, rate of interest, collateral, par, or maturity value	Cost	Current value
	Investments at Fair Value			
	Am Fnd Europacific Grth R6	Mutual Fund		\$ 8,733,746
	American Fd Amer Mut R6	Mutual Fund		7,039,800
	Blckcrk Mid- Cap Gro Eq K	Mutual Fund		142,381
	Franklin Sm Cap R6	Mutual Fund		1,651,680
	The Income Fund Of America	Mutual Fund		833,301
	Jan Hen Gbl Real Estate I	Mutual Fund		4,080
	Mfs Growth Fund Class R6	Mutual Fund		8,052,266
*	Pimco Inc Fund Inst	Mutual Fund		114
	Vanguard 500 Idx Admiral	Mutual Fund		2,179,141
	Vanguard Ext Mark Idx Adm	Mutual Fund		10,887
	Vanguard Tot Stk Admiral	Mutual Fund		29,138
	Vanguard Total Bond Index	Mutual Fund		22,838
	Victory Syca Estb Val R6	Mutual Fund		2,657,109
	Virtus Kar Sc Gro R6	Mutual Fund		3,207,365
				34,563,846
	Plan Assets at Estimated Fair Value			
*	Notes receivable from participants	Notes receivable Interest rate - 4.25% through January 2027		176,823
	Investments at Fair Value as Quoted by the Trust			
*	Prudential Day One Infx Target Bal Fund	Pooled Separate Account		1,502,604
*	Prudential Total Return Bonds A	Pooled Separate Account		4,078,755
				5,581,359
	Investments at Contract Value			
*	Guaranteed Income Fund	Guaranteed Investment Contract		8,104,388
	Total			\$ 48,426,416
*	Party-in-interest			

Cost information (Column (d)) not required due to the Plan being participant-directed.

See independent auditor's report.

FLANDERS ELECTRIC MOTOR SERVICE, LLC 401(k) PROFIT SHARING PLAN

PLAN SPONSOR: FLANDERS ELECTRIC MOTOR SERVICE, LLC

PLAN SPONSOR EIN: 35-1072135

PLAN NUMBER: 001

ATTACHMENT TO SCHEDULE H, PART IV, LINE 4a

SCHEDULE OF DELINQUENT PARTICIPANT CONTRIBUTIONS

December 31, 2021

Total That Constitutes Nonexempt Prohibited Transactions						
Participant Contributions Transferred Late to Plan	Contributions Not Corrected	Contributions Corrected Outside Voluntary Fiduciary Correction Program (VFCP)	Corrections Pending Correction in VFCP	Total Fully Corrected Under VFCP and PTE 2002-51		
\$ 206,892	\$ 0	\$ 0	\$ 0	\$ 206,892		

See independent auditor's report.

***FLANDERS ELECTRIC MOTOR SERVICE, LLC 401(k)
PROFIT SHARING PLAN***

Financial Report

December 31, 2021

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INDEPENDENT AUDITOR'S REPORT



**HARDING, SHYMANSKI
& COMPANY, P.S.C.**

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Owned Member,
RSM US Alliance

Board of Directors, Plan Administrator, and Participants
Flanders Electric Motor Service, LLC 401(k) Profit Sharing Plan

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

We have performed an audit of the financial statements of the Flanders Electric Motor Service, LLC 401(k) Profit Sharing Plan (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). The financial statements comprise the statement of net assets available for benefits as of December 31, 2021, the related statement of changes in net assets available for benefits for the year then ended, and the related notes to the financial statements (2021 financial statements).

Management, having determined it is permissible in the circumstances, has elected to have the audit of the Plan's 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 (U.S. GAAP).

INDEPENDENT AUDITOR'S REPORT (CONTINUED)



Opinion on the 2021 Financial Statements (Continued)

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

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

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.

INDEPENDENT AUDITOR'S REPORT (CONTINUED)



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 U.S. GAAP.

INDEPENDENT AUDITOR'S REPORT (CONTINUED)



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

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

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

Other Matters

2021 Supplemental Schedules Required by ERISA

The supplemental schedules of assets (held at end of year) and delinquent participant contributions as of December 31, 2021 are presented for purposes of additional analysis and are not a required part of the financial statements but are 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 schedules, 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 schedules 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 schedules, we evaluated whether the supplemental schedules, other than the information agreed to or derived from the certified investment information, including their form and content, are 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 schedules, other than the information in the supplemental schedules 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.

INDEPENDENT AUDITOR'S REPORT (CONTINUED)



Other Matters (Continued)

2021 Supplemental Schedules Required by ERISA (Continued)

- The information in the supplemental schedules 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 October 14, 2021, we indicated that (a) because of the significance of the information that we did not audit, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion and accordingly, we did not express an opinion on the 2020 financial statements, and (b) the form and content of the information included in the 2020 financial statements other than that derived from the certified information were presented in compliance with the DOL's Rules and Regulations for Reporting and Disclosure under ERISA.

Wardig, Szymanski & Company, P. S. C.

Evansville, Indiana
October 4, 2022

FLANDERS ELECTRIC MOTOR SERVICE, LLC 401(k) PROFIT SHARING PLAN

STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS

December 31, 2021 and 2020

	2021	2020
ASSETS		
Investments at fair value	\$ 40,145,205	\$ 39,092,296
Investments at contract value	<u>8,104,388</u>	<u>8,096,127</u>
Total investments	<u>48,249,593</u>	<u>47,188,423</u>
Receivables:		
Employer contributions	0	850
Notes receivable from participants	<u>176,823</u>	<u>35,338</u>
Total receivables	<u>176,823</u>	<u>36,188</u>
Net assets available for benefits	<u><u>\$ 48,426,416</u></u>	<u><u>\$ 47,224,611</u></u>

See accompanying notes to financial statements.

FLANDERS ELECTRIC MOTOR SERVICE, LLC 401(k) PROFIT SHARING 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	\$ 5,524,823
Interest and dividends	<u>570,263</u>

6,095,086

Contributions:

Employer	741,914
Participants	2,527,688
Rollovers	<u>712,389</u>

3,981,991

Total additions **10,077,077**

Deductions

Benefits paid to participants	8,739,922
Administrative expenses	<u>135,350</u>

8,875,272

Total deductions

Net increase **1,201,805**

Net assets available for benefits:

Beginning of year **47,224,611**

End of year **\$ 48,426,416**

See accompanying notes to financial statements.

FLANDERS ELECTRIC MOTOR SERVICE, LLC 401(k) PROFIT SHARING PLAN

NOTES TO FINANCIAL STATEMENTS

December 31, 2021 and 2020

Note 1 - Plan Description

The following description of the Flanders Electric Motor Service, LLC (Company) 401(k) Profit Sharing Plan (Plan) provides only general information. Participants should refer to the Plan agreement for a more complete description of the Plan's provisions.

General

The Plan is a defined contribution plan covering all full-time employees of Flanders Electric Motor Service, Inc., Flanders Holdings, Inc., and Flanders Electric Motor Service of Illinois, Inc. (collectively referred to as Company) who have completed 30 days of service and are age 18 or older. The Plan is subject to the provisions of ERISA. The Investment Committee is responsible for oversight of the Plan. The Investment Committee determines the appropriateness of the Plan's investment offerings, monitors investment performance, and reports to the Plan's Board of Directors. Effective April 1, 2021, Flanders Electric Motor Service, Inc. 401(k) Profit Sharing Plan, changed its name to Flanders Electric Motor Service, LLC 401(k) Profit Sharing Plan. Effective March 1, 2021, Flanders Electric Motor Service, Inc. changed its name to Flanders Electric Motor Service, LLC (Plan Sponsor), as well as Flanders Holdings, Inc. changed its name to Flanders Holdings I, LLC and Flanders Motor Service of Illinois, Inc. changed to Flanders Motor Service of Illinois, LLC.

Contributions

Each year, participants may contribute up to 50 percent of eligible compensation, as defined in the Plan. Participants who have attained age 50 before the end of the Plan year are eligible to make catch-up contributions. Participants may also contribute amounts representing distributions from other qualified defined benefit or defined contribution plans (rollover). Participants direct the investments of their contributions into various investment options offered by the Plan. The Plan includes an auto-enrollment provision whereby all newly eligible employees are automatically enrolled in the Plan unless they affirmatively elect not to participate in the Plan. Automatically enrolled participants have their deferral rate set at three percent of eligible compensation and increased one percent on the last day of the Plan year up to a maximum of ten percent. Their contributions are invested in moderate GoalMaker, which is an asset-allocation portfolio based on a participant's age, risk tolerance, and years to retirement. This can be changed at any time by the participant. The Company contributes a matching amount equal to 50 percent of the participant's voluntary contribution not to exceed six percent. Effective March 20, 2020, the Company suspended matching contributions and reinstated the match beginning January 22, 2021. Additional profit sharing amounts may be contributed at the option of the Company's Board of Directors. There were no profit sharing contributions to the Plan for the year ended December 31, 2021. Contributions are subject to certain Internal Revenue Service (IRS) limitations.

Participant Accounts

Each participant's account is credited with the participant's contributions and Company's matching contributions, as well as allocations of the Company's profit sharing contributions, if any, and Plan earnings. Allocations are based on participant earnings, account balances, or specific participant transactions, as defined. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account.

FLANDERS ELECTRIC MOTOR SERVICE, LLC 401(k) PROFIT SHARING PLAN

NOTES TO FINANCIAL STATEMENTS

December 31, 2021 and 2020

Note 1 - Plan Description (Continued)

Vesting

Participants are vested immediately in their contributions plus actual earnings thereon. Vesting in the Company's contribution portion of their accounts is based on years of continuous service. A participant is 100 percent vested after five years of credited service.

Payment of Benefits

On termination of service due to death, disability, retirement, or other reasons, a participant may elect to receive a lump-sum amount equal to the value of the participant's vested interest in his or her account, or in installments or annuities as defined by the Plan agreement. Participants may request a hardship withdrawal of a portion of their account balance attributable to participant deferrals. Any hardship withdrawal is limited to the amount needed to meet the financial need.

The Coronavirus Aid, Relief, and Economic Security (CARES) Act, enacted on March 27, 2020, provided for a participant impacted by COVID-19 to withdraw up to \$100,000 as a Coronavirus-related distribution. In addition, the CARES Act allowed for the temporary suspension of required minimum distributions for the year ended December 31, 2020, unless otherwise elected by the participant. These provisions of the CARES Act were implemented by the Plan during the year ended December 31, 2020.

COVID-19 Pandemic

On January 30, 2020, the World Health Organization declared the coronavirus outbreak a "Public Health Emergency of International Concern" and on March 11, 2020, declared it to be a pandemic. The pandemic in the United States and throughout the world has resulted in substantial volatility in financial markets in which the Company operates. As a result, the Plan's investments have incurred and may continue to incur significant changes in fair value. While it is unknown how long these conditions will last and what the complete financial effect will be to the Plan, the Plan Sponsor cannot estimate, with any degree of certainty, the full impact of COVID-19 on future Plan performance.

FLANDERS ELECTRIC MOTOR SERVICE, LLC 401(k) PROFIT SHARING PLAN

NOTES TO FINANCIAL STATEMENTS

December 31, 2021 and 2020

Note 1 - Plan Description (Continued)

Note Receivable from Participants

Participants may borrow from their fund accounts a minimum of \$1,000 up to a maximum equal to the lesser of \$50,000 or 50 percent of their vested account balance. The loans are secured by the balance in the participant's account. The loan interest rate, determined quarterly, is set at one percent above the prime rate, as defined. Principal and interest are paid ratably through monthly payroll deductions.

The CARES Act, enacted on March 27, 2020, provided for a participant impacted by COVID-19 to borrow up to \$100,000 from qualified plans between March 27, 2020 and September 22, 2020. In addition, the CARES act allows for the suspension of loan payments due between March 27, 2020 through December 31, 2020 for up to one year. These provisions of the CARES Act were implemented by the Plan during the year ended December 31, 2020.

Forfeited Accounts

There were no forfeited nonvested accounts at December 31, 2021 and 2020. In 2021, employer contributions were reduced by \$103,491 from forfeited nonvested accounts.

Note 2 - Significant Accounting Policies

Basis of Accounting

The financial statements of the Plan are prepared under the accrual basis of accounting.

Investments held by a defined contribution plan are required to be reported at fair value, except for fully benefit-responsive investment contracts. Contract value is the relevant measure for the portion of the net assets available for benefits of a defined contribution plan attributable to fully benefit-responsive investment contracts because contract value is the amount participants normally would receive if they were to initiate permitted transactions under the terms of the Plan.

Use of Estimates

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

FLANDERS ELECTRIC MOTOR SERVICE, LLC 401(k) PROFIT SHARING PLAN

NOTES TO FINANCIAL STATEMENTS

December 31, 2021 and 2020

Note 2 - Significant Accounting Policies (Continued)

Investment Valuation and Income Recognition

Investments are reported at fair value (except for fully benefit-responsive investment contracts, which are reported at contract value). Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Plan's Investment Committee determines the Plan's valuation policies utilizing information provided by the investment advisor and Trustee. See Note 4 for discussion of fair value measurements.

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

Payment of Benefits

Benefits are recorded when paid.

Expenses

Certain expenses of maintaining the Plan are paid by the Plan, unless otherwise paid by the Company. Expenses that are paid by the Company are excluded from these financial statements. Investment related expenses are included in net appreciation of fair value of investments.

Notes Receivable from Participants

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

FLANDERS ELECTRIC MOTOR SERVICE, LLC 401(k) PROFIT SHARING PLAN

NOTES TO FINANCIAL STATEMENTS

December 31, 2021 and 2020

Note 3 - Summary of Financial Data Certified by the Trustee

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

<u>Net Assets Available for Benefits Held by Trustee</u>	<u>2021</u>	<u>2020</u>
Investments at fair value	\$ 40,145,205	\$ 39,092,296
Investments at contract value	8,104,388	8,096,127
Notes receivable from participants	<u>176,823</u>	<u>35,338</u>
	<u>\$ 48,426,416</u>	<u>\$ 47,223,761</u>

Statement of Changes in Net Assets Available for Benefits

Investment income	
Net appreciation in fair value of investments	\$ 5,524,823
Interest and dividends	<u>570,263</u>
	<u>\$ 6,095,086</u>

Note 4 - Fair Value Measurements

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

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

FLANDERS ELECTRIC MOTOR SERVICE, LLC 401(k) PROFIT SHARING PLAN

NOTES TO FINANCIAL STATEMENTS

December 31, 2021 and 2020

Note 4 - Fair Value Measurements (Continued)

Level 2 Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specific (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

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

The asset's 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 maximize the use of relevant observable inputs and minimize the use of unobservable inputs.

Following are descriptions of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at December 31, 2021 and 2020.

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

Interest-bearing cash Accounts primarily consist of money market accounts that are valued on the basis of readily determinable market prices.

Pooled separate accounts Primarily valued at NAV per share based on quoted market prices of underlying investments. The NAV is used as a practical expedient to estimate fair value.

FLANDERS ELECTRIC MOTOR SERVICE, LLC 401(k) PROFIT SHARING PLAN

NOTES TO FINANCIAL STATEMENTS

December 31, 2021 and 2020

Note 4 - Fair Value Measurements (Continued)

The following table sets forth by level, within the fair value hierarchy, the Plan's assets at fair value as of December 31, 2021 and 2020:

	Assets at Fair Value as of December 31, 2021			
	Level 1	Level 2	Level 3	Total
Mutual funds	\$ 34,563,846	\$ 0	\$ 0	\$ 34,563,846
Investments measured at NAV ^(a)				5,581,359
Investments at fair value				\$ 40,145,205

	Assets at Fair Value as of December 31, 2020			
	Level 1	Level 2	Level 3	Total
Mutual funds	\$ 34,070,059	\$ 0	\$ 0	\$ 34,070,059
Interest-bearing cash	364,286	0	0	364,286
Total assets in fair value hierarchy	\$ 34,434,345	\$ 0	\$ 0	34,434,345
Investments measured at NAV ^(a)				4,657,951
Investments at fair value				\$ 39,092,296

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

Investments Measured Using the NAV per Share Practical Expedient

The following table summarizes investments for which fair value is measured using the NAV per share practical expedient as of December 31, 2021 and 2020:

Investment	2021 Fair Value	2021 Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Pooled separate accounts	\$ 5,581,359	\$ 0	Daily	None

FLANDERS ELECTRIC MOTOR SERVICE, LLC 401(k) PROFIT SHARING PLAN

NOTES TO FINANCIAL STATEMENTS

December 31, 2021 and 2020

Note 4 - Fair Value Measurements (Continued)

Investments Measured Using the NAV per Share Practical Expedient (Continued)

Investment	2020 Fair Value	2020 Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Pooled separate accounts	<u>\$ 4,657,951</u>	<u>\$ 0</u>	Daily	None

Note 5 - Fully Benefit-Responsive Investment Contract

In 2019, the Plan entered into a traditional fully benefit-responsive guaranteed investment contract with Prudential Insurance Company of America. Prudential Insurance Company of America maintains the contributions in a general account. The account is credited with earnings on the underlying investments and charged for participant withdrawals and administrative expenses. The crediting rate is based on a formula established by the contract issuer but may not be less than three percent. The crediting rate is reviewed on a quarterly basis for resetting. The contract cannot be terminated before the scheduled maturity date.

This contract meets the fully benefit-responsive investment contract criteria and; therefore, is reported at contract value. Contract value is the relevant measure for fully benefit-responsive investment contracts because this is the amount received by participants if they were to initiate permitted transactions under the terms of the Plan. Contract value, as reported to the Plan by Trustee, represents contributions made under the contract, plus earnings, less participant withdrawals, and administrative expenses. Participants may ordinarily direct the withdrawals or transfer of all or a portion of their investment at contract value.

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

Certain events might limit the ability of the Plan to transact at contract value with the contract issuer. Examples of such events include the following:

1. The failure of the trust to qualify for exemption from federal income taxes or any required prohibited transaction exemption under ERISA;
2. Premature termination of the contracts;
3. Amendments to the Plan Documents (including complete or partial Plan termination or merger with another Plan);
4. Changes to the Plan's prohibition on competing investment options or deletion of equity wash provisions;
5. 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.

FLANDERS ELECTRIC MOTOR SERVICE, LLC 401(k) PROFIT SHARING PLAN

NOTES TO FINANCIAL STATEMENTS

December 31, 2021 and 2020

Note 5 - Fully Benefit-Responsive Investment Contract (Continued)

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

In addition, certain events allow the issuer to terminate the contracts with the Plan and settle at an amount different from contract value. Examples of such events include the following:

1. An uncured violation of the Plan's investment guidelines;
2. A breach of material obligation under the contract;
3. A material misrepresentation;
4. A material amendment to the agreements without the consent of the issuer.

Note 6 - Related Party Transactions and Party-in-Interest Transactions

Certain Plan investments are mutual funds, pooled separate accounts, and a guaranteed investment contract managed by Prudential Insurance Company of America, which is related to Prudential Trust Company. Prudential Trust Company (Prudential) is the Trustee for the Plan and; therefore, these transactions qualify as party-in-interest transactions. Fees incurred by the Plan for the investment management services are included in net appreciation in fair value of the investment, as they are paid through revenue sharing, rather than a direct payment. As described in Note 2, the Plan made a direct payment to Prudential and other service providers of \$135,350 for the year ended December 31, 2021, which was not covered by revenue sharing. The Company pays directly any other fees related to the Plan's operations.

Note 7 - Plan Termination

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

Note 8 - Tax Status

Effective April 1, 2021, the Plan adopted a nonstandardized form of a prototype plan sponsored by Prudential Insurance Company of America. The prototype plan has received an opinion letter from the IRS as to the prototype plan's qualified status. The Plan Sponsor can rely on the qualified status to the extent the Plan Document does not deviate from the IRS pre-approved provisions. The Plan administrator believes the Plan is designed and is being operated in compliance with the applicable provisions of the Internal Revenue Code and; therefore, believes that the Plan is qualified and the related trust is tax-exempt.

FLANDERS ELECTRIC MOTOR SERVICE, LLC 401(k) PROFIT SHARING PLAN

NOTES TO FINANCIAL STATEMENTS

December 31, 2021 and 2020

Note 8 - Tax Status (Continued)

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

Note 9 - Risks and Uncertainties

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

Note 10 - Reconciliation of Financial Statements to Form 5500

The following is a reconciliation of net assets available for benefits per the financial statements at December 31, 2021 and 2020 to Form 5500:

	<u>2021</u>	<u>2020</u>
Net assets available for benefits per the financial statements	\$ 48,426,416	\$ 47,224,611
Differences in:		
Contribution receivables	<u>0</u>	<u>(850)</u>
Net assets available for benefits per Form 5500	<u>\$ 48,426,416</u>	<u>\$ 47,223,761</u>

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

Net increase in net assets available for benefits per the financial statements	\$ 1,201,805
Differences in:	
Employer contributions	<u>850</u>
Net increase in net assets available for benefits per Form 5500	<u>\$ 1,202,655</u>

FLANDERS ELECTRIC MOTOR SERVICE, LLC 401(k) PROFIT SHARING PLAN

NOTES TO FINANCIAL STATEMENTS

December 31, 2021 and 2020

Note 11 - Nonexempt Transactions

In 2021, the Plan Sponsor inadvertently failed to deposit approximately \$206,892 of participant contributions within the required timeframe as stated by the United States DOL regulations. During 2021, the Plan Sponsor deposited lost earnings to correct this failure. The Plan Sponsor also plans to file Form 5330 and pay applicable excise taxes to the IRS. The correction and excise taxes will be paid from the Plan Sponsor's assets and not from assets of the Plan.

Note 12 - Subsequent Events

The Plan has evaluated subsequent events through October 4, 2022, the date the financial statements were available to be issued.

Effective January 1, 2022, the Plan was amended and restated to allow elective deferral contributions to be made as Roth contributions.

Effective for the 2022 Plan year, Prudential Trust Company was sold to Great-West Life & Annuity Insurance Company and its affiliates operating under the brand name "Empower Retirement."

--- SUPPLEMENTAL SCHEDULES ---

FLANDERS ELECTRIC MOTOR SERVICE, LLC 401(k) PROFIT SHARING PLAN

PLAN SPONSOR: FLANDERS ELECTRIC MOTOR SERVICE, LLC

PLAN SPONSOR EIN: 35-1072135

PLAN NUMBER: 001

ATTACHMENT TO SCHEDULE H, PART IV, LINE 4i

SCHEDULE OF ASSETS (HELD AT END OF YEAR)

December 31, 2021

(a)	(b)	(c)	(d)	(e)
		Description of investment including maturity date, rate of interest, collateral, par, or maturity value	Cost	Current value
	Investments at Fair Value			
	Am Fnd Europacific Grth R6	Mutual Fund	\$	8,733,746
	American Fd Amer Mut R6	Mutual Fund		7,039,800
	Blackrock Mid- Cap Gro Eq K	Mutual Fund		142,381
	Franklin Sm Cap R6	Mutual Fund		1,651,680
	The Income Fund Of America	Mutual Fund		833,301
	Jan Hen Gbl Real Estate I	Mutual Fund		4,080
	Mfs Growth Fund Class R6	Mutual Fund		8,052,266
*	Pimco Inc Fund Inst	Mutual Fund		114
	Vanguard 500 Idx Admiral	Mutual Fund		2,179,141
	Vanguard Ext Mark Idx Adm	Mutual Fund		10,887
	Vanguard Tot Stk Admiral	Mutual Fund		29,138
	Vanguard Total Bond Index	Mutual Fund		22,838
	Victory Syca Estb Val R6	Mutual Fund		2,657,109
	Virtus Kar Sc Gro R6	Mutual Fund		3,207,365
				<u>34,563,846</u>
	Plan Assets at Estimated Fair Value			
*	Notes receivable from participants	Notes receivable Interest rate - 4.25% through January 2027		<u>176,823</u>
	Investments at Fair Value as Quoted by the Trust			
*	Prudential Day One Infx Target Bal Fund	Pooled Separate Account		1,502,604
*	Prudential Total Return Bonds A	Pooled Separate Account		<u>4,078,755</u>
				<u>5,581,359</u>
	Investments at Contract Value			
*	Guaranteed Income Fund	Guaranteed Investment Contract		<u>8,104,388</u>
	Total		\$	<u><u>48,426,416</u></u>
*	Party-in-interest			

Cost information (Column (d)) not required due to the Plan being participant-directed.

See independent auditor's report.

FLANDERS ELECTRIC MOTOR SERVICE, LLC 401(k) PROFIT SHARING PLAN

PLAN SPONSOR: FLANDERS ELECTRIC MOTOR SERVICE, LLC

PLAN SPONSOR EIN: 35-1072135

PLAN NUMBER: 001

ATTACHMENT TO SCHEDULE H, PART IV, LINE 4a

SCHEDULE OF DELINQUENT PARTICIPANT CONTRIBUTIONS

December 31, 2021

<u>Total That Constitutes Nonexempt Prohibited Transactions</u>				
<u>Participant Contributions Transferred Late to Plan</u>	<u>Contributions Not Corrected</u>	<u>Contributions Corrected Outside Voluntary Fiduciary Correction Program (VFCP)</u>	<u>Corrections Pending Correction in VFCP</u>	<u>Total Fully Corrected Under VFCP and PTE 2002-51</u>
\$ 206,892	\$ 0	\$ 0	\$ 0	\$ 206,892

See independent auditor's report.

***FLANDERS ELECTRIC MOTOR SERVICE, LLC 401(k)
PROFIT SHARING PLAN***

Financial Report

December 31, 2021

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INDEPENDENT AUDITOR'S REPORT



**HARDING, SHYMANSKI
& COMPANY, P.S.C.**

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Board of Directors, Plan Administrator, and Participants
Flanders Electric Motor Service, LLC 401(k) Profit Sharing Plan

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

We have performed an audit of the financial statements of the Flanders Electric Motor Service, LLC 401(k) Profit Sharing Plan (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). The financial statements comprise the statement of net assets available for benefits as of December 31, 2021, the related statement of changes in net assets available for benefits for the year then ended, and the related notes to the financial statements (2021 financial statements).

Management, having determined it is permissible in the circumstances, has elected to have the audit of the Plan's 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 (U.S. GAAP).

INDEPENDENT AUDITOR'S REPORT (CONTINUED)



Opinion on the 2021 Financial Statements (Continued)

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

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

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.

INDEPENDENT AUDITOR'S REPORT (CONTINUED)



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 U.S. GAAP.

INDEPENDENT AUDITOR'S REPORT (CONTINUED)



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

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

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

Other Matters

2021 Supplemental Schedules Required by ERISA

The supplemental schedules of assets (held at end of year) and delinquent participant contributions as of December 31, 2021 are presented for purposes of additional analysis and are not a required part of the financial statements but are 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 schedules, 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 schedules 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 schedules, we evaluated whether the supplemental schedules, other than the information agreed to or derived from the certified investment information, including their form and content, are 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 schedules, other than the information in the supplemental schedules 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.

INDEPENDENT AUDITOR'S REPORT (CONTINUED)



Other Matters (Continued)

2021 Supplemental Schedules Required by ERISA (Continued)

- The information in the supplemental schedules 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 October 14, 2021, we indicated that (a) because of the significance of the information that we did not audit, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion and accordingly, we did not express an opinion on the 2020 financial statements, and (b) the form and content of the information included in the 2020 financial statements other than that derived from the certified information were presented in compliance with the DOL's Rules and Regulations for Reporting and Disclosure under ERISA.

Wardig, Szymanski & Company, P. S. C.

Evansville, Indiana
October 4, 2022

FLANDERS ELECTRIC MOTOR SERVICE, LLC 401(k) PROFIT SHARING PLAN

STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS

December 31, 2021 and 2020

	2021	2020
ASSETS		
Investments at fair value	\$ 40,145,205	\$ 39,092,296
Investments at contract value	<u>8,104,388</u>	<u>8,096,127</u>
Total investments	<u>48,249,593</u>	<u>47,188,423</u>
Receivables:		
Employer contributions	0	850
Notes receivable from participants	<u>176,823</u>	<u>35,338</u>
Total receivables	<u>176,823</u>	<u>36,188</u>
Net assets available for benefits	<u><u>\$ 48,426,416</u></u>	<u><u>\$ 47,224,611</u></u>

See accompanying notes to financial statements.

FLANDERS ELECTRIC MOTOR SERVICE, LLC 401(k) PROFIT SHARING 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	\$ 5,524,823
Interest and dividends	<u>570,263</u>

6,095,086

Contributions:

Employer	741,914
Participants	2,527,688
Rollovers	<u>712,389</u>

3,981,991

Total additions **10,077,077**

Deductions

Benefits paid to participants	8,739,922
Administrative expenses	<u>135,350</u>

8,875,272

Total deductions

Net increase **1,201,805**

Net assets available for benefits:

Beginning of year **47,224,611**

End of year **\$ 48,426,416**

See accompanying notes to financial statements.

FLANDERS ELECTRIC MOTOR SERVICE, LLC 401(k) PROFIT SHARING PLAN

NOTES TO FINANCIAL STATEMENTS

December 31, 2021 and 2020

Note 1 - Plan Description

The following description of the Flanders Electric Motor Service, LLC (Company) 401(k) Profit Sharing Plan (Plan) provides only general information. Participants should refer to the Plan agreement for a more complete description of the Plan's provisions.

General

The Plan is a defined contribution plan covering all full-time employees of Flanders Electric Motor Service, Inc., Flanders Holdings, Inc., and Flanders Electric Motor Service of Illinois, Inc. (collectively referred to as Company) who have completed 30 days of service and are age 18 or older. The Plan is subject to the provisions of ERISA. The Investment Committee is responsible for oversight of the Plan. The Investment Committee determines the appropriateness of the Plan's investment offerings, monitors investment performance, and reports to the Plan's Board of Directors. Effective April 1, 2021, Flanders Electric Motor Service, Inc. 401(k) Profit Sharing Plan, changed its name to Flanders Electric Motor Service, LLC 401(k) Profit Sharing Plan. Effective March 1, 2021, Flanders Electric Motor Service, Inc. changed its name to Flanders Electric Motor Service, LLC (Plan Sponsor), as well as Flanders Holdings, Inc. changed its name to Flanders Holdings I, LLC and Flanders Motor Service of Illinois, Inc. changed to Flanders Motor Service of Illinois, LLC.

Contributions

Each year, participants may contribute up to 50 percent of eligible compensation, as defined in the Plan. Participants who have attained age 50 before the end of the Plan year are eligible to make catch-up contributions. Participants may also contribute amounts representing distributions from other qualified defined benefit or defined contribution plans (rollover). Participants direct the investments of their contributions into various investment options offered by the Plan. The Plan includes an auto-enrollment provision whereby all newly eligible employees are automatically enrolled in the Plan unless they affirmatively elect not to participate in the Plan. Automatically enrolled participants have their deferral rate set at three percent of eligible compensation and increased one percent on the last day of the Plan year up to a maximum of ten percent. Their contributions are invested in moderate GoalMaker, which is an asset-allocation portfolio based on a participant's age, risk tolerance, and years to retirement. This can be changed at any time by the participant. The Company contributes a matching amount equal to 50 percent of the participant's voluntary contribution not to exceed six percent. Effective March 20, 2020, the Company suspended matching contributions and reinstated the match beginning January 22, 2021. Additional profit sharing amounts may be contributed at the option of the Company's Board of Directors. There were no profit sharing contributions to the Plan for the year ended December 31, 2021. Contributions are subject to certain Internal Revenue Service (IRS) limitations.

Participant Accounts

Each participant's account is credited with the participant's contributions and Company's matching contributions, as well as allocations of the Company's profit sharing contributions, if any, and Plan earnings. Allocations are based on participant earnings, account balances, or specific participant transactions, as defined. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account.

FLANDERS ELECTRIC MOTOR SERVICE, LLC 401(k) PROFIT SHARING PLAN

NOTES TO FINANCIAL STATEMENTS

December 31, 2021 and 2020

Note 1 - Plan Description (Continued)

Vesting

Participants are vested immediately in their contributions plus actual earnings thereon. Vesting in the Company's contribution portion of their accounts is based on years of continuous service. A participant is 100 percent vested after five years of credited service.

Payment of Benefits

On termination of service due to death, disability, retirement, or other reasons, a participant may elect to receive a lump-sum amount equal to the value of the participant's vested interest in his or her account, or in installments or annuities as defined by the Plan agreement. Participants may request a hardship withdrawal of a portion of their account balance attributable to participant deferrals. Any hardship withdrawal is limited to the amount needed to meet the financial need.

The Coronavirus Aid, Relief, and Economic Security (CARES) Act, enacted on March 27, 2020, provided for a participant impacted by COVID-19 to withdraw up to \$100,000 as a Coronavirus-related distribution. In addition, the CARES Act allowed for the temporary suspension of required minimum distributions for the year ended December 31, 2020, unless otherwise elected by the participant. These provisions of the CARES Act were implemented by the Plan during the year ended December 31, 2020.

COVID-19 Pandemic

On January 30, 2020, the World Health Organization declared the coronavirus outbreak a "Public Health Emergency of International Concern" and on March 11, 2020, declared it to be a pandemic. The pandemic in the United States and throughout the world has resulted in substantial volatility in financial markets in which the Company operates. As a result, the Plan's investments have incurred and may continue to incur significant changes in fair value. While it is unknown how long these conditions will last and what the complete financial effect will be to the Plan, the Plan Sponsor cannot estimate, with any degree of certainty, the full impact of COVID-19 on future Plan performance.

FLANDERS ELECTRIC MOTOR SERVICE, LLC 401(k) PROFIT SHARING PLAN

NOTES TO FINANCIAL STATEMENTS

December 31, 2021 and 2020

Note 1 - Plan Description (Continued)

Note Receivable from Participants

Participants may borrow from their fund accounts a minimum of \$1,000 up to a maximum equal to the lesser of \$50,000 or 50 percent of their vested account balance. The loans are secured by the balance in the participant's account. The loan interest rate, determined quarterly, is set at one percent above the prime rate, as defined. Principal and interest are paid ratably through monthly payroll deductions.

The CARES Act, enacted on March 27, 2020, provided for a participant impacted by COVID-19 to borrow up to \$100,000 from qualified plans between March 27, 2020 and September 22, 2020. In addition, the CARES act allows for the suspension of loan payments due between March 27, 2020 through December 31, 2020 for up to one year. These provisions of the CARES Act were implemented by the Plan during the year ended December 31, 2020.

Forfeited Accounts

There were no forfeited nonvested accounts at December 31, 2021 and 2020. In 2021, employer contributions were reduced by \$103,491 from forfeited nonvested accounts.

Note 2 - Significant Accounting Policies

Basis of Accounting

The financial statements of the Plan are prepared under the accrual basis of accounting.

Investments held by a defined contribution plan are required to be reported at fair value, except for fully benefit-responsive investment contracts. Contract value is the relevant measure for the portion of the net assets available for benefits of a defined contribution plan attributable to fully benefit-responsive investment contracts because contract value is the amount participants normally would receive if they were to initiate permitted transactions under the terms of the Plan.

Use of Estimates

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

FLANDERS ELECTRIC MOTOR SERVICE, LLC 401(k) PROFIT SHARING PLAN

NOTES TO FINANCIAL STATEMENTS

December 31, 2021 and 2020

Note 2 - Significant Accounting Policies (Continued)

Investment Valuation and Income Recognition

Investments are reported at fair value (except for fully benefit-responsive investment contracts, which are reported at contract value). Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Plan's Investment Committee determines the Plan's valuation policies utilizing information provided by the investment advisor and Trustee. See Note 4 for discussion of fair value measurements.

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

Payment of Benefits

Benefits are recorded when paid.

Expenses

Certain expenses of maintaining the Plan are paid by the Plan, unless otherwise paid by the Company. Expenses that are paid by the Company are excluded from these financial statements. Investment related expenses are included in net appreciation of fair value of investments.

Notes Receivable from Participants

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

FLANDERS ELECTRIC MOTOR SERVICE, LLC 401(k) PROFIT SHARING PLAN

NOTES TO FINANCIAL STATEMENTS

December 31, 2021 and 2020

Note 3 - Summary of Financial Data Certified by the Trustee

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

<u>Net Assets Available for Benefits Held by Trustee</u>	<u>2021</u>	<u>2020</u>
Investments at fair value	\$ 40,145,205	\$ 39,092,296
Investments at contract value	8,104,388	8,096,127
Notes receivable from participants	<u>176,823</u>	<u>35,338</u>
	<u>\$ 48,426,416</u>	<u>\$ 47,223,761</u>

Statement of Changes in Net Assets Available for Benefits

Investment income	
Net appreciation in fair value of investments	\$ 5,524,823
Interest and dividends	<u>570,263</u>
	<u>\$ 6,095,086</u>

Note 4 - Fair Value Measurements

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

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

FLANDERS ELECTRIC MOTOR SERVICE, LLC 401(k) PROFIT SHARING PLAN

NOTES TO FINANCIAL STATEMENTS

December 31, 2021 and 2020

Note 4 - Fair Value Measurements (Continued)

Level 2 Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specific (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

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

The asset's 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 maximize the use of relevant observable inputs and minimize the use of unobservable inputs.

Following are descriptions of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at December 31, 2021 and 2020.

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

Interest-bearing cash Accounts primarily consist of money market accounts that are valued on the basis of readily determinable market prices.

Pooled separate accounts Primarily valued at NAV per share based on quoted market prices of underlying investments. The NAV is used as a practical expedient to estimate fair value.

FLANDERS ELECTRIC MOTOR SERVICE, LLC 401(k) PROFIT SHARING PLAN

NOTES TO FINANCIAL STATEMENTS

December 31, 2021 and 2020

Note 4 - Fair Value Measurements (Continued)

The following table sets forth by level, within the fair value hierarchy, the Plan's assets at fair value as of December 31, 2021 and 2020:

	Assets at Fair Value as of December 31, 2021			
	Level 1	Level 2	Level 3	Total
Mutual funds	\$ 34,563,846	\$ 0	\$ 0	\$ 34,563,846
Investments measured at NAV ^(a)				5,581,359
Investments at fair value				\$ 40,145,205

	Assets at Fair Value as of December 31, 2020			
	Level 1	Level 2	Level 3	Total
Mutual funds	\$ 34,070,059	\$ 0	\$ 0	\$ 34,070,059
Interest-bearing cash	364,286	0	0	364,286
Total assets in fair value hierarchy	\$ 34,434,345	\$ 0	\$ 0	34,434,345
Investments measured at NAV ^(a)				4,657,951
Investments at fair value				\$ 39,092,296

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

Investments Measured Using the NAV per Share Practical Expedient

The following table summarizes investments for which fair value is measured using the NAV per share practical expedient as of December 31, 2021 and 2020:

Investment	2021 Fair Value	2021 Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Pooled separate accounts	\$ 5,581,359	\$ 0	Daily	None

FLANDERS ELECTRIC MOTOR SERVICE, LLC 401(k) PROFIT SHARING PLAN

NOTES TO FINANCIAL STATEMENTS

December 31, 2021 and 2020

Note 4 - Fair Value Measurements (Continued)

Investments Measured Using the NAV per Share Practical Expedient (Continued)

Investment	2020 Fair Value	2020 Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Pooled separate accounts	<u>\$ 4,657,951</u>	<u>\$ 0</u>	Daily	None

Note 5 - Fully Benefit-Responsive Investment Contract

In 2019, the Plan entered into a traditional fully benefit-responsive guaranteed investment contract with Prudential Insurance Company of America. Prudential Insurance Company of America maintains the contributions in a general account. The account is credited with earnings on the underlying investments and charged for participant withdrawals and administrative expenses. The crediting rate is based on a formula established by the contract issuer but may not be less than three percent. The crediting rate is reviewed on a quarterly basis for resetting. The contract cannot be terminated before the scheduled maturity date.

This contract meets the fully benefit-responsive investment contract criteria and; therefore, is reported at contract value. Contract value is the relevant measure for fully benefit-responsive investment contracts because this is the amount received by participants if they were to initiate permitted transactions under the terms of the Plan. Contract value, as reported to the Plan by Trustee, represents contributions made under the contract, plus earnings, less participant withdrawals, and administrative expenses. Participants may ordinarily direct the withdrawals or transfer of all or a portion of their investment at contract value.

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

Certain events might limit the ability of the Plan to transact at contract value with the contract issuer. Examples of such events include the following:

1. The failure of the trust to qualify for exemption from federal income taxes or any required prohibited transaction exemption under ERISA;
2. Premature termination of the contracts;
3. Amendments to the Plan Documents (including complete or partial Plan termination or merger with another Plan);
4. Changes to the Plan's prohibition on competing investment options or deletion of equity wash provisions;
5. 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.

FLANDERS ELECTRIC MOTOR SERVICE, LLC 401(k) PROFIT SHARING PLAN

NOTES TO FINANCIAL STATEMENTS

December 31, 2021 and 2020

Note 5 - Fully Benefit-Responsive Investment Contract (Continued)

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

In addition, certain events allow the issuer to terminate the contracts with the Plan and settle at an amount different from contract value. Examples of such events include the following:

1. An uncured violation of the Plan's investment guidelines;
2. A breach of material obligation under the contract;
3. A material misrepresentation;
4. A material amendment to the agreements without the consent of the issuer.

Note 6 - Related Party Transactions and Party-in-Interest Transactions

Certain Plan investments are mutual funds, pooled separate accounts, and a guaranteed investment contract managed by Prudential Insurance Company of America, which is related to Prudential Trust Company. Prudential Trust Company (Prudential) is the Trustee for the Plan and; therefore, these transactions qualify as party-in-interest transactions. Fees incurred by the Plan for the investment management services are included in net appreciation in fair value of the investment, as they are paid through revenue sharing, rather than a direct payment. As described in Note 2, the Plan made a direct payment to Prudential and other service providers of \$135,350 for the year ended December 31, 2021, which was not covered by revenue sharing. The Company pays directly any other fees related to the Plan's operations.

Note 7 - Plan Termination

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

Note 8 - Tax Status

Effective April 1, 2021, the Plan adopted a nonstandardized form of a prototype plan sponsored by Prudential Insurance Company of America. The prototype plan has received an opinion letter from the IRS as to the prototype plan's qualified status. The Plan Sponsor can rely on the qualified status to the extent the Plan Document does not deviate from the IRS pre-approved provisions. The Plan administrator believes the Plan is designed and is being operated in compliance with the applicable provisions of the Internal Revenue Code and; therefore, believes that the Plan is qualified and the related trust is tax-exempt.

FLANDERS ELECTRIC MOTOR SERVICE, LLC 401(k) PROFIT SHARING PLAN

NOTES TO FINANCIAL STATEMENTS

December 31, 2021 and 2020

Note 8 - Tax Status (Continued)

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

Note 9 - Risks and Uncertainties

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

Note 10 - Reconciliation of Financial Statements to Form 5500

The following is a reconciliation of net assets available for benefits per the financial statements at December 31, 2021 and 2020 to Form 5500:

	<u>2021</u>	<u>2020</u>
Net assets available for benefits per the financial statements	\$ 48,426,416	\$ 47,224,611
Differences in:		
Contribution receivables	<u>0</u>	<u>(850)</u>
Net assets available for benefits per Form 5500	<u>\$ 48,426,416</u>	<u>\$ 47,223,761</u>

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

Net increase in net assets available for benefits per the financial statements	\$ 1,201,805
Differences in:	
Employer contributions	<u>850</u>
Net increase in net assets available for benefits per Form 5500	<u>\$ 1,202,655</u>

FLANDERS ELECTRIC MOTOR SERVICE, LLC 401(k) PROFIT SHARING PLAN

NOTES TO FINANCIAL STATEMENTS

December 31, 2021 and 2020

Note 11 - Nonexempt Transactions

In 2021, the Plan Sponsor inadvertently failed to deposit approximately \$206,892 of participant contributions within the required timeframe as stated by the United States DOL regulations. During 2021, the Plan Sponsor deposited lost earnings to correct this failure. The Plan Sponsor also plans to file Form 5330 and pay applicable excise taxes to the IRS. The correction and excise taxes will be paid from the Plan Sponsor's assets and not from assets of the Plan.

Note 12 - Subsequent Events

The Plan has evaluated subsequent events through October 4, 2022, the date the financial statements were available to be issued.

Effective January 1, 2022, the Plan was amended and restated to allow elective deferral contributions to be made as Roth contributions.

Effective for the 2022 Plan year, Prudential Trust Company was sold to Great-West Life & Annuity Insurance Company and its affiliates operating under the brand name "Empower Retirement."

--- SUPPLEMENTAL SCHEDULES ---

FLANDERS ELECTRIC MOTOR SERVICE, LLC 401(k) PROFIT SHARING PLAN

PLAN SPONSOR: FLANDERS ELECTRIC MOTOR SERVICE, LLC

PLAN SPONSOR EIN: 35-1072135

PLAN NUMBER: 001

ATTACHMENT TO SCHEDULE H, PART IV, LINE 4i

SCHEDULE OF ASSETS (HELD AT END OF YEAR)

December 31, 2021

(a)	(b)	(c)	(d)	(e)
	Identity of issuer, borrower, lessor, or similar party	Description of investment including maturity date, rate of interest, collateral, par, or maturity value	Cost	Current value
	Investments at Fair Value			
	Am Fnd Europacific Grth R6	Mutual Fund		\$ 8,733,746
	American Fd Amer Mut R6	Mutual Fund		7,039,800
	Blckcrck Mid- Cap Gro Eq K	Mutual Fund		142,381
	Franklin Sm Cap R6	Mutual Fund		1,651,680
	The Income Fund Of America	Mutual Fund		833,301
	Jan Hen Gbl Real Estate I	Mutual Fund		4,080
	Mfs Growth Fund Class R6	Mutual Fund		8,052,266
*	Pimco Inc Fund Inst	Mutual Fund		114
	Vanguard 500 Idx Admiral	Mutual Fund		2,179,141
	Vanguard Ext Mark Idx Adm	Mutual Fund		10,887
	Vanguard Tot Stk Admiral	Mutual Fund		29,138
	Vanguard Total Bond Index	Mutual Fund		22,838
	Victory Syca Estb Val R6	Mutual Fund		2,657,109
	Virtus Kar Sc Gro R6	Mutual Fund		3,207,365
				34,563,846
	Plan Assets at Estimated Fair Value			
*	Notes receivable from participants	Notes receivable Interest rate - 4.25% through January 2027		176,823
	Investments at Fair Value as Quoted by the Trust			
*	Prudential Day One Infx Target Bal Fund	Pooled Separate Account		1,502,604
*	Prudential Total Return Bonds A	Pooled Separate Account		4,078,755
				5,581,359
	Investments at Contract Value			
*	Guaranteed Income Fund	Guaranteed Investment Contract		8,104,388
	Total			\$ 48,426,416
*	Party-in-interest			

Cost information (Column (d)) not required due to the Plan being participant-directed.

See independent auditor's report.

FLANDERS ELECTRIC MOTOR SERVICE, LLC 401(k) PROFIT SHARING PLAN

PLAN SPONSOR: FLANDERS ELECTRIC MOTOR SERVICE, LLC

PLAN SPONSOR EIN: 35-1072135

PLAN NUMBER: 001

ATTACHMENT TO SCHEDULE H, PART IV, LINE 4a

SCHEDULE OF DELINQUENT PARTICIPANT CONTRIBUTIONS

December 31, 2021

<u>Total That Constitutes Nonexempt Prohibited Transactions</u>				
<u>Participant Contributions Transferred Late to Plan</u>	<u>Contributions Not Corrected</u>	<u>Contributions Corrected Outside Voluntary Fiduciary Correction Program (VFCP)</u>	<u>Corrections Pending Correction in VFCP</u>	<u>Total Fully Corrected Under VFCP and PTE 2002-51</u>
\$ 206,892	\$ 0	\$ 0	\$ 0	\$ 206,892

See independent auditor's report.