

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>CLEARFIELD, INC. 401(K) PLAN & TRUST</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>04/01/1989</u></td> </tr> </table>	1b Three-digit plan number (PN) ▶	<u>001</u>	1c Effective date of plan <u>04/01/1989</u>	
1b Three-digit plan number (PN) ▶	<u>001</u>				
1c Effective date of plan <u>04/01/1989</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>CLEARFIELD, INC.</u> <u>7050 WINNETKA AVE N</u> <u>MINNEAPOLIS, MN 55428</u>	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td>2b Employer Identification Number (EIN) <u>41-1347235</u></td> </tr> <tr> <td>2c Plan Sponsor's telephone number <u>763-476-6866</u></td> </tr> <tr> <td>2d Business code (see instructions) <u>333310</u></td> </tr> </table>	2b Employer Identification Number (EIN) <u>41-1347235</u>	2c Plan Sponsor's telephone number <u>763-476-6866</u>	2d Business code (see instructions) <u>333310</u>	
2b Employer Identification Number (EIN) <u>41-1347235</u>					
2c Plan Sponsor's telephone number <u>763-476-6866</u>					
2d Business code (see instructions) <u>333310</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.	10/11/2022	DANIEL HERZOG
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE	Filed with authorized/valid electronic signature.	10/11/2022	DANIEL HERZOG
	Signature of employer/plan sponsor	Date	Enter name of individual signing as employer or plan sponsor
SIGN HERE			
	Signature of DFE	Date	Enter name of individual signing as DFE

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

Form 5500 (2021)
v. 210624

3a Plan administrator's name and address ☒ Same as Plan Sponsor		3b Administrator's EIN	
		3c Administrator's telephone number	
4 If the name and/or EIN of the plan sponsor or the plan name has changed since the last return/report filed for this plan, enter the plan sponsor's name, EIN, the plan name and the plan number from the last return/report: a Sponsor's name c Plan Name		4b EIN 4d PN	
5 Total number of participants at the beginning of the plan year		5	287
6 Number of participants as of the end of the plan year unless otherwise stated (welfare plans complete only lines 6a(1) , 6a(2) , 6b , 6c , and 6d).			
a(1) Total number of active participants at the beginning of the plan year.....		6a(1)	230
a(2) Total number of active participants at the end of the plan year		6a(2)	235
b Retired or separated participants receiving benefits.....		6b	0
c Other retired or separated participants entitled to future benefits		6c	52
d Subtotal. Add lines 6a(2) , 6b , and 6c		6d	287
e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits.		6e	0
f Total. Add lines 6d and 6e		6f	287
g Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item)		6g	258
h Number of participants who terminated employment during the plan year with accrued benefits that were less than 100% vested		6h	0
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			
b If the plan provides welfare benefits, enter the applicable welfare feature codes from the List of Plan Characteristics Codes in the instructions:			
9a Plan funding arrangement (check all that apply) (1) ☒ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☒ Trust (4) ☐ General assets of the sponsor		9b Plan benefit arrangement (check all that apply) (1) ☒ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☒ Trust (4) ☐ General assets of the sponsor	
10 Check all applicable boxes in 10a and 10b to indicate which schedules are attached, and, where indicated, enter the number attached. (See instructions)			
a Pension Schedules (1) ☒ R (Retirement Plan Information) (2) ☐ MB (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary (3) ☐ SB (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary		b General Schedules (1) ☒ H (Financial Information) (2) ☐ I (Financial Information – Small Plan) (3) ☒ <u>1</u> A (Insurance Information) (4) ☒ C (Service Provider Information) (5) ☒ D (DFE/Participating Plan Information) (6) ☐ G (Financial Transaction Schedules)	

Part III Form M-1 Compliance Information (to be completed by welfare benefit plans)

11a If the plan provides welfare benefits, was the plan subject to the Form M-1 filing requirements during the plan year? (See instructions and 29 CFR 2520.101-2.) ☐ Yes ☐ No

If "Yes" is checked, complete lines 11b and 11c.

11b Is the plan currently in compliance with the Form M-1 filing requirements? (See instructions and 29 CFR 2520.101-2.) ☐ Yes ☐ No

11c Enter the Receipt Confirmation Code for the 2021 Form M-1 annual report. If the plan was not required to file the 2021 Form M-1 annual report, enter the Receipt Confirmation Code for the most recent Form M-1 that was required to be filed under the Form M-1 filing requirements. (Failure to enter a valid Receipt Confirmation Code will subject the Form 5500 filing to rejection as incomplete.)

Receipt Confirmation Code _____

SCHEDULE A (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Insurance Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA). ► File as an attachment to Form 5500. ► Insurance companies are required to provide the information pursuant to ERISA section 103(a)(2).	OMB No. 1210-0110 2021 This Form is Open to Public Inspection
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For calendar plan year 2021 or fiscal plan year beginning 01/01/2021 and ending 12/31/2021	
A Name of plan CLEARFIELD, INC. 401(K) PLAN & TRUST	B Three-digit plan number (PN) ► 001
C Plan sponsor's name as shown on line 2a of Form 5500 CLEARFIELD, INC.	D Employer Identification Number (EIN) 41-1347235

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	040272	287	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
0	855

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
WELLS FARGO WEALTH BROKGE INS AGCY 401 SOUTH TRYON ST
11TH FLOOR
CHARLOTTE, NC 28288-0260

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	
	837	SERVICES TO INSURER OR PLAN	4

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid
WELLS FARGO CLEARING SERVICES, LLC ONE NORTH JEFFERSON AVENUE
ST. LOUIS, MO 63103-0000

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	
	18	SERVICES TO INSURER OR PLAN	4

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

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

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

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

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

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

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

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

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

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

Part II Investment and Annuity Contract Information

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

4	Current value of plan's interest under this contract in the general account at year end	4	8559122
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 ▶ **GUARANTEED GENERAL ACCOUNT CONTRACT**

b	Balance at the end of the previous year	7b	7344898
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c	Additions: (1) Contributions deposited during the year	7c(1)	763065	
	(2) Dividends and credits.....	7c(2)		
	(3) Interest credited during the year.....	7c(3)	134731	
	(4) Transferred from separate account.....	7c(4)		
	(5) Other (specify below)	7c(5)	2184929	

▶ **LOAN REPAYMENTS MISCELLANEOUS IN TRANSFERS IN**

(6) Total additions	7c(6)	3082725
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d	Total of balance and additions (add lines 7b and 7c(6))	7d	10427623
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e Deductions:

	(1) Disbursed from fund to pay benefits or purchase annuities during year	7e(1)	480105	
	(2) Administration charge made by carrier.....	7e(2)	1014	
	(3) Transferred to separate account.....	7e(3)		
	(4) Other (specify below)	7e(4)	1387382	

▶ **LOAN INITIATIONS MISCELLANEOUS OUT TRANSFERS OUT**

(5) Total deductions	7e(5)	1868501
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f	Balance at the end of the current year (subtract line 7e(5) from line 7d)	7f	8559122
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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 CLEARFIELD, INC. 401(K) PLAN & TRUST	B Three-digit plan number (PN) ▶	001
C Plan sponsor's name as shown on line 2a of Form 5500 CLEARFIELD, INC.	D Employer Identification Number (EIN) 41-1347235	

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

1 Information on Persons Receiving Only Eligible Indirect Compensation

a Check "Yes" or "No" to indicate whether you are excluding a person from the remainder of this Part because they received only eligible indirect compensation for which the plan received the required disclosures (see instructions for definitions and conditions)..... ☒ Yes ☐ No

b If you answered line 1a "Yes," enter the name and EIN or address of each person providing the required disclosures for the service providers who received only eligible indirect compensation. Complete as many entries as needed (see instructions).

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

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

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

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

PRUDENTIAL RETIREMENT INSURANCE AND

06-1050034

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
13 15 37 50 64	NONE	64197	Yes ☒ No ☐	Yes ☒ No ☐	0	Yes ☒ No ☐

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

GLOBAL RETIREMENT PARTNERS LLC

47-1411118

(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	38107	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
PRUDENTIAL INSURANCE COMPANY OF AME	15 60 64	0
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	
PRUDENTIAL INVESTMENTS, LLC 22-3468527	22.000 BPS AND \$0.00 PER PARTICIPANT INVESTED IN THE FUND FROM 1/1/2021 TO 12/31/2021 PGIM GLOBAL REAL ESTATE Z	
(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	
(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	

Part II Service Providers Who Fail or Refuse to Provide Information

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

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

Part III Termination Information on Accountants and Enrolled Actuaries (see instructions)

(complete as many entries as needed)

a Name:	PETERSON WHITAKER & BJORK, LLC	b EIN:	46-1138140
c Position:	AUDITOR		
d Address:	3140 HARBOR LANE N SUITE 100 PLYMOUTH, MN 55447	e Telephone:	763-550-1100

Explanation: RESIGNED DUTIES

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

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

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

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

SCHEDULE H (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Financial Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA), and section 6058(a) of the Internal Revenue Code (the Code). ► File as an attachment to Form 5500.	OMB No. 1210-0110 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 CLEARFIELD, INC. 401(K) PLAN & TRUST	B Three-digit plan number (PN) ►	001
C Plan sponsor's name as shown on line 2a of Form 5500 CLEARFIELD, INC.	D Employer Identification Number (EIN) 41-1347235	

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)		
(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)	535043	469517
(9) Value of interest in common/collective trusts.....	1c(9)	0	1103765
(10) Value of interest in pooled separate accounts	1c(10)		
(11) Value of interest in master trust investment accounts.....	1c(11)		
(12) Value of interest in 103-12 investment entities	1c(12)		
(13) Value of interest in registered investment companies (e.g., mutual funds)	1c(13)	23506836	26819270
(14) Value of funds held in insurance company general account (unallocated contracts).....	1c(14)	7344898	8559122
(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	31386777 36951674
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	31386777 36951674

Part II Income and Expense Statement

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

		(a) Amount	(b) Total
Income			
a	Contributions:		
(1)	Received or receivable in cash from: (A) Employers	2a(1)(A)	1000288
	(B) Participants	2a(1)(B)	2057619
	(C) Others (including rollovers).....	2a(1)(C)	256787
(2)	Noncash contributions.....	2a(2)	
(3)	Total contributions. Add lines 2a(1)(A) , (B) , (C) , and line 2a(2)	2a(3)	3314694
b	Earnings on investments:		
(1)	Interest:		
	(A) Interest-bearing cash (including money market accounts and certificates of deposit).....	2b(1)(A)	
	(B) U.S. Government securities	2b(1)(B)	
	(C) Corporate debt instruments	2b(1)(C)	
	(D) Loans (other than to participants)	2b(1)(D)	
	(E) Participant loans.....	2b(1)(E)	27665
	(F) Other	2b(1)(F)	134731
	(G) Total interest. Add lines 2b(1)(A) through (F)	2b(1)(G)	162396
(2)	Dividends: (A) Preferred stock.....	2b(2)(A)	
	(B) Common stock	2b(2)(B)	
	(C) Registered investment company shares (e.g. mutual funds).....	2b(2)(C)	278649
	(D) Total dividends. Add lines 2b(2)(A) , (B) , and (C)	2b(2)(D)	278649
(3)	Rents	2b(3)	
(4)	Net gain (loss) on sale of assets: (A) Aggregate proceeds	2b(4)(A)	
	(B) Aggregate carrying amount (see instructions).....	2b(4)(B)	
	(C) Subtract line 2b(4)(B) from line 2b(4)(A) and enter result	2b(4)(C)	0
(5)	Unrealized appreciation (depreciation) of assets: (A) Real estate	2b(5)(A)	
	(B) Other	2b(5)(B)	
	(C) Total unrealized appreciation of assets. Add lines 2b(5)(A) and (B)	2b(5)(C)	0

		(a) Amount	(b) Total
(6) Net investment gain (loss) from common/collective trusts.....	2b(6)		9281
(7) Net investment gain (loss) from pooled separate accounts.....	2b(7)		
(8) Net investment gain (loss) from master trust investment accounts.....	2b(8)		
(9) Net investment gain (loss) from 103-12 investment entities.....	2b(9)		
(10) Net investment gain (loss) from registered investment companies (e.g., mutual funds).....	2b(10)		3588902
c Other income.....	2c		38152
d Total income. Add all income amounts in column (b) and enter total.....	2d		7392074
Expenses			
e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers.....	2e(1)	1705743	
(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)		1705743
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)	121434	
(5) Total administrative expenses. Add lines 2i(1) through (4).....	2i(5)		121434
j Total expenses. Add all expense amounts in column (b) and enter total.....	2j		1827177
Net Income and Reconciliation			
k Net income (loss). Subtract line 2j from line 2d.....	2k		5564897
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: EIDE BAILLY, LLP

(2) EIN: 45-0250958

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

(1) ☐ This form is filed for a CCT, PSA, or MTIA. (2) ☐ It will be attached to the next Form 5500 pursuant to 29 CFR 2520.104-50.

Part IV Compliance Questions

4 CCTs and PSAs do not complete Part IV. MTIAs, 103-12 IEs, and GIAs do not complete lines 4a, 4e, 4f, 4g, 4h, 4k, 4m, 4n, or 5. 103-12 IEs also do not complete lines 4j and 4l. MTIAs also do not complete line 4l.

During the plan year:

a Was there a failure to transmit to the plan any participant contributions within the time period described in 29 CFR 2510.3-102? Continue to answer "Yes" for any prior year failures until fully corrected. (See instructions and DOL's Voluntary Fiduciary Correction Program.).....

	Yes	No	Amount
4a		X	

	Yes	No	Amount
b Were any loans by the plan or fixed income obligations due the plan in default as of the close of the plan year or classified during the year as uncollectible? Disregard participant loans secured by participant's account balance. (Attach Schedule G (Form 5500) Part I if "Yes" is checked.)			
4b		X	
c Were any leases to which the plan was a party in default or classified during the year as uncollectible? (Attach Schedule G (Form 5500) Part II if "Yes" is checked.)			
4c		X	
d Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 4a. Attach Schedule G (Form 5500) Part III if "Yes" is checked.)			
4d		X	
e Was this plan covered by a fidelity bond?	X		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?			
4g		X	
h Did the plan receive any noncash contributions whose value was neither readily determinable on an established market nor set by an independent third party appraiser?			
4h		X	
i Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.)	X		
4i	X		
j Were any plan transactions or series of transactions in excess of 5% of the current value of plan assets? (Attach schedule of transactions if "Yes" is checked and see instructions for format requirements.)			
4j		X	
k Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?			
4k		X	
l Has the plan failed to provide any benefit when due under the plan?			
4l		X	
m If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.)			
4m		X	
n If 4m was answered "Yes," check the "Yes" box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3.			
4n			

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

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

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

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

SCHEDULE R (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Retirement Plan Information This schedule is required to be filed under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6058(a) of the Internal Revenue Code (the Code). ▶ File as an attachment to Form 5500.	OMB No. 1210-0110 2021 This Form is Open to Public Inspection.
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For calendar plan year 2021 or fiscal plan year beginning 01/01/2021 and ending 12/31/2021

A Name of plan CLEARFIELD, INC. 401(K) PLAN & TRUST	B Three-digit plan number (PN) ▶ 001
C Plan sponsor's name as shown on line 2a of Form 5500 CLEARFIELD, INC.	D Employer Identification Number (EIN) 41-1347235

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 _____



Financial Statements

December 31, 2021 and 2020

Clearfield, Inc. 401(k) Plan & Trust

Clearfield, Inc. 401(k) Plan & Trust

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December 31, 2021 and 2020

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Independent Auditor's Report

Plan Management and Plan Administrator
Clearfield, Inc. 401(k) Plan & Trust
Brooklyn Park, Minnesota

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

We have performed an audit of the financial statements of Clearfield, Inc. 401(k) Plan & Trust (the Plan), an employee benefit plan subject to the Employee Retirement Income Security Act of 1974 (ERISA), as permitted by ERISA Section 103(a)(3)(C) (ERISA Section 103(a)(3)(C) audit). The financial statements comprise the statement of net assets available for benefits as of December 31, 2021, and the related statement of changes in net assets available for benefits for the year then ended, and the related notes to the financial statements (2021 Financial Statements).

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

Management has obtained a certification from a qualified institution as of and for the year ended December 31, 2021, stating that the certified investment information, as described in Note 6 to the financial statements, is complete and accurate.

Opinion on the 2021 Financial Statements

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

- The amounts and disclosures in the accompanying 2021 financial statements, other than those agreed to or derived from the certified investment information, are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America.
- The information in the accompanying 2021 financial statements related to assets held by and certified to by a qualified institution agrees to, or is derived from, in all material respects, the information prepared and certified by an institution that management determined meets the requirements of ERISA Section 103(a)(3)(C).

Basis for Opinion on the 2021 Financial Statements

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

Responsibilities of Management for the 2021 Financial Statements

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

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

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

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

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

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Plan's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Plan's ability to continue as a going concern for a reasonable period of time.

Our audit did not extend to the certified investment information, except for obtaining and reading the certification, comparing the certified investment information with the related information presented and disclosed in the 2021 financial statements, and reading the disclosures relating to the certified investment information to assess whether they are in accordance with the presentation and disclosure requirements of accounting principles generally accepted in the United States of America.

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

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

Other Matters

2021 Supplemental Schedule Required by ERISA

The supplemental schedule H, line 4 – schedule of assets held at end of year as of December 31, 2021, is presented for purposes of additional analysis and is not a required part of the financial statements but is supplementary information required by the DOL's Rules and Regulations for Reporting and Disclosure under ERISA. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information included in the supplemental schedule, other than that agreed to or derived from the certified investment information, has been subjected to auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with GAAS. For information included in the supplemental schedule that agreed to or is derived from the certified investment information, we compared such information to the related certified investment information.

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

In our opinion:

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

Auditor's Report on the 2020 Financial Statements

The 2020 financial statements of the Plan were audited Peterson Whitaker & Bjork, LLC, who joined Eide Bailly LLP on December 6, 2021. 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 predecessor auditor not to perform, and they did not perform, any auditing procedures with respect to the information certified by a qualified institution. Their report dated July 27, 2021, indicated that (a) because of the significance of the information that they did not audit, they were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion and accordingly, they did not express an opinion on the financial statements and supplemental schedule, and (b) the form and content of the information included in the financial statements and supplemental schedule 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.

The image shows a handwritten signature in cursive script that reads "Eide Bailly LLP".

Plymouth, Minnesota
August 19, 2022

Clearfield, Inc. 401(k) Plan & Trust
Statements of Net Assets Available for Benefits
December 31, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Assets		
Investments, at fair value	\$ 27,923,035	\$ 23,506,836
Investments, at contract value	8,559,122	7,344,898
Notes receivable from participants	<u>469,517</u>	<u>535,043</u>
Net Assets Available for Benefits	<u><u>\$ 36,951,674</u></u>	<u><u>\$ 31,386,777</u></u>

Clearfield, Inc. 401(k) Plan & Trust
Statements of Changes in Net Assets Available for Benefits
Years Ended December 31, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Additions		
Investment income		
Net appreciation in fair value of investments	\$ 3,598,183	\$ 3,245,116
Dividend income	278,649	162,173
Interest income on guaranteed interest contract	134,731	117,097
Net investment income	<u>4,011,563</u>	<u>3,524,386</u>
Interest income on notes receivable from participants	<u>27,665</u>	<u>33,251</u>
Other income	<u>38,152</u>	<u>31,373</u>
Contributions		
Participants	2,057,619	1,789,028
Employer	1,000,288	866,765
Rollovers	256,787	369,382
Total contributions	<u>3,314,694</u>	<u>3,025,175</u>
Total additions	<u>7,392,074</u>	<u>6,614,185</u>
Deductions		
Benefits paid to participants	1,705,743	1,102,299
Investment and administrative expenses	121,434	101,733
Total deductions	<u>1,827,177</u>	<u>1,204,032</u>
Net Increase	5,564,897	5,410,153
Net Assets Available for Benefits		
Beginning of year	<u>31,386,777</u>	<u>25,976,624</u>
End of year	<u>\$ 36,951,674</u>	<u>\$ 31,386,777</u>

Note 1 - Description of Plan

Clearfield, Inc. 401(k) Plan & Trust (the Plan) is a defined contribution plan established by Clearfield, Inc. (the Company) to provide retirement benefits to substantially all employees of the Company who meet certain participation requirements. The following description of the Plan provides only general information. Participants should refer to the Plan document and summary plan description for a more complete description of the Plan's provisions.

General

The Plan, established April 1, 1989, and restated January 1, 2018, is a defined contribution plan and is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA), as amended.

The Company has appointed Prudential Bank & Trust, F.S.B. Company as asset trustee. The asset trustee is responsible for holding the investment assets of the Plan and making distributions according to the Plan's provisions. Certain employees of the Company are the administrators of the Plan.

The Plan is administered by a benefits committee (the Investment Committee). The Investment Committee has the power to carry out provisions of the Plan, including the administration of Plan, and to determine the appropriateness of the Plan's investment offerings, and monitoring performance.

Eligibility

All employees of the Company (excluding collective bargaining (union) employees, non-resident aliens, Puerto Rican employees and seasonal employees whose regular scheduled services is less than 1,000 hours) who have reached age 19 are eligible to participate in the Plan upon completion of 60 days of eligible service.

Entry Date

Eligible employees can enter the Plan on the first day of each quarter of the Plan year after the eligibility requirements are met.

Contributions

Contributions made pursuant to participant elective deferral contributions are permitted from 1% to 50% of the participant's eligible compensation, as defined in the Plan, subject to limits established by law. Participants over the age of 50 are permitted to make catch-up contributions. Participants may also make rollover contributions to the Plan. In addition, participants are able to make after tax Roth contributions to the Plan.

For the years ended December 31, 2021 and 2020, the Company matched 100% of the first 3% and 50% of the next 3% of the participant's eligible compensation that was contributed by the participant. The Company may also make discretionary contributions. No discretionary contributions were made for the years ended December 31, 2021 and 2020.

Participant Accounts

Participant's accounts are credited with the participant's contributions (elective deferral, catch-up, and rollover), safe-harbor matching contributions, employer discretionary matching contributions, an allocation of employee discretionary profit-sharing contributions and an allocation of plan earnings or losses. Allocations are based on participant's compensation or account balances as provided in the Plan. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account balance. Participants may direct the investment of their account balances into various investment options offered by the Plan.

Vesting

Participants are vested immediately in their contributions and the Company's safe-harbor match contributions, plus actual earnings thereon. Vesting in the Company's discretionary contributions is based on years of continuous service and begin vesting after two years of service (as defined in the Plan) and continued to vest on a graded scale to 100% after six years of service, with a provision for full vesting at the normal retirement date, at an early retirement date if due to a total and permanent disability or upon death of the participant. For purposes of determining the extent to which a participant is vested, a year of service is a plan year in which the participant is credited with at least 1,000 hours of service.

Forfeited Accounts

Forfeitures of terminated participant's non-vested amounts are used to reduce employer matching contributions or plan expenses. There were \$0 and \$37 of unallocated forfeitures as of December 31, 2021 and 2020, respectively. During the year ended December 31, 2021, Plan expenses were reduced by \$45 from forfeited non-vested accounts.

Payment of Benefits

In-service distributions are allowed by the Plan upon the participant turning 59½ years old or for hardship as defined by the Plan. The minimum amount allowed for in-service distribution is \$1,000 and no more than four in-service distributions are allowed per year. Upon termination of employment, participants may elect to receive a lump sum payment of their entire vested balance, a single sum distribution of a portion of their vested balance, an installment payment, or to rollover their balance into a qualified retirement plan, if their balance exceeds \$1,000. If the participant's balance is less than \$1,000, a lump sum distribution will be made.

Investment Options

All assets of the Plan are participant directed and are held in various accounts and funds, as defined in the Plan summary. The Plan allows participants to direct their investments and to make transfers between these accounts and funds daily, except for the participant loan fund. Participant loan transactions are treated as transfers between the investment funds and the participant loan fund.

Administrative Expenses

The Company pays all audit fees and some charges for administration. The Plan pays certain trustee and investment expenses.

Notes Receivable from Participants

Participants may borrow from their vested fund accounts a minimum of \$1,000 up to a maximum equal to the lesser of \$50,000 or 50% of their vested account balance. Loan terms range from one to five years, unless used for the purchase of a primary residence, and are secured by the participant's account balance. Such loans bear interest at the "bank prime rate" plus 1% and is determined quarterly. Interest rates on outstanding loans ranged from 4.25% to 6.50% at December 31, 2021 and 2020. Principal and interest are paid ratably through payroll deductions for active participants. Upon termination of the Plan, outstanding loans are treated as distributions. A participant may have no more than one outstanding note at any one time.

Plan Termination

Although it has not expressed any intent to do so, the Company has the right under the Plan to discontinue its contributions at any time and to terminate the Plan subject to the provisions of ERISA. In the event of Plan termination, participants will become 100% vested in their employer contributions. Any unallocated assets of the Plan shall be allocated to participant accounts and distributed in such a manner as the Company may determine.

Federal Income Tax Status

The Plan adopted the Prudential Insurance Company of America Prototype Plan (proto-type plan). The proto-type plan obtained its latest opinion letter on April 29, 2014, in which the Internal Revenue Service (IRS) stated that the underlying proto-type plan document was designed in accordance with applicable sections of the Internal Revenue Code.

Generally accepted accounting principles in the United States of America (GAAP) requires 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 Administrator has analyzed the tax positions taken by the Plan and has concluded that as of December 31, 2021 and 2020, there are no uncertain positions taken or expected to be taken that would require recognition of a liability or disclosure in the financial statements. The Plan is subject to audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress.

Note 2 - Summary of Significant Accounting Policies

Basis of Presentation

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with GAAP.

Use of Estimates

The preparation of financial statements in conformity with GAAP 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.

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 reasonably possible that changes in the values of investment securities will occur in the near term, and that such changes could materially affect participant's account balances, and the amounts reported in the statements of net assets available for benefits.

On March 11, 2020, the World Health Organization declared COVID-19 a global pandemic. COVID-19 has negatively affected, and may continue to impact, the macro-economic conditions and global economy. During 2020, the Plan's assets, valued at fair value, fluctuated significantly, and may continue to be impacted due to the uncertainty surrounding the length of the pandemic and its economic impact. The Company does not believe there is substantial doubt about the Plan's ability to continue as a going concern and expects the Plan Administrator will continue to be able to carry on all administrative functions for the Plan.

On March 27, 2020, the Coronavirus Aid Relief and Economic Security Act (CARES Act) was signed by the President of the United States. The CARES Act included temporary relief provisions specific to 401(k) plans along with providing economic stimulus. The Plan adopted certain provisions under the CARES act concerning COVID-19 related distributions, participant loan dollar limits, repayment of participant loans, and deferral of required minimum distributions. The Company has until December 31, 2022, to amend the Plan document to include these provisions.

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. 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. The Plan's Investment Committee determines the Plan's valuation policies utilizing information provided by the investment advisor, trustee, and insurance company. See Notes 3 and 4 for discussion of fair value measurements.

Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on an accrual basis. Dividends are recorded on the ex-dividend date.

Net Appreciation (Depreciation) in Fair Value of Investments

Net appreciation in fair value of investments represents the net realized gains (losses) and the net unrealized appreciation (depreciation) of investments. Realized gains or losses are the differences between the proceeds and either the cost of investments sold, determined on a first-in, first-out basis, or the fair value at the end of the previous year, whichever is applicable. Unrealized appreciation (depreciation) is the change in the difference between fair value and either the cost of the investments or fair value at the end of the preceding year, whichever is applicable.

The classification of investment earnings reported in the statement of changes in net assets available for benefits may differ from the classification of earnings on Form 5500 due to different reporting requirements on Form 5500.

Contributions

Participant and employer contributions are recorded in the period during which the Company makes payroll reductions from the participant's compensation.

Notes Receivable from Participants

Notes receivables from participants are measured at their unpaid 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. Delinquent notes receivable are recorded as distributions based upon the terms of the Plan document. No allowance for credit losses has been recorded as of December 31, 2021 and 2020.

Administrative Expenses

Certain expenses of maintaining the Plan are paid directly by the Company and are excluded from these financial statements. Fees related to the administration of benefit payments and notes receivable from participants are charged directly to the participant's account and are included in administrative expenses. In addition, the Plan pays certain investment advisor fees through a revenue sharing agreement with the trustee.

Benefits Paid to Participants

Benefits paid to participants are recorded by the Plan when paid. At December 31, 2021 and 2020, there were no participants who had elected to withdraw from the Plan, but had not yet been paid.

Note 3 - Guaranteed Investment Contract

The Plan invests in a guaranteed interest contract with Prudential. This contract meets the Financial Accounting Standards Board's 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 represents contributions made under each contract, plus earnings, less participant withdrawals, and administrative expenses.

Under the investment contract the Plan does not own any specific investments and there are no specific securities in Prudential's general account that back the liabilities of the contract. Prudential is contractually obligated to repay the principal and interest at a specified interest rate that is guaranteed to the Plan. The crediting rate is based on a formula established by Prudential and may not be less than 1.50%. The crediting interest rate is reviewed on a semi-annual basis for resetting.

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.

Only an event causing liquidity constraints at Prudential could limit the ability of the Plan to transact at contract value paid within 90 days. In addition, there are no events that allow Prudential to terminate the contract and which require the Plan to settle at an amount different than contract value. The occurrence of an event that would limit the Plan's ability to transact at contract value with the participants in the Plan is not probable.

Note 4 - Fair Value Measurements

Fair value is the price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of inputs that may be used to measure fair value are as follows:

Level 1 — Quoted prices in active markets for identical assets and liabilities.

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; and
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

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

Level 3 — Unobservable inputs in which there is little or no market data available, which require the reporting entity to develop its own assumptions.

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

Following is a description of the valuation methodology used for assets measured at fair value. There have been no changes in the methodology used at December 31, 2021 and 2020.

Mutual funds: Mutual funds held by the Plan are open-end mutual funds that are registered with the U.S. 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.

Common collective fund – Valued at fair value based on the NAV of units held of the collective fund. The NAV is based on the observable market prices of the underlying investments within the fund less liabilities. The NAV for the underlying assets of the fund is a readily determinable measure of their fair value and is the basis used by the fund for current transactions.

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

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

	December 31, 2021			
	Level 1	Level 2	Level 3	Total
Mutual funds	\$ 26,819,270	\$ -	\$ -	\$ 26,819,270
Common collective trust fund	-	1,103,765	-	1,103,765
Investments at fair value	<u>\$ 26,819,270</u>	<u>\$ 1,103,765</u>	<u>\$ -</u>	<u>\$ 27,923,035</u>
	December 31, 2020			
	Level 1	Level 2	Level 3	Total
Mutual funds	<u>\$ 23,506,836</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 23,506,836</u>
Investments at fair value				<u>\$ 23,506,836</u>

Note 5 - Related Party and Party-in-Interest Transactions

The Company has been designated as the Plan Administrator and Plan Sponsor. These services are provided at no expense to the Plan.

The guaranteed interest contract investment and certain mutual funds are managed by Prudential Retirement Insurance and Annuity Company, the trustee of a portion of the Plan's assets as of December 31, 2021 and 2020. Therefore, these transactions qualify as party-in-interest transactions. However, such transactions are exempt under Section 408(b)(8) and are not prohibited by ERISA.

Note 6 - Information Certified by the Plan's Trustee

The Plan Administrator has elected the method of annual reporting compliance permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA. Accordingly, Prudential Retirement Insurance and Annuity Company and Prudential Bank and Trust, F.S.B. Company, trustees of the Plan, have certified that the following data included in the accompanying financial statements and supplemental schedule is complete and accurate:

- Investments and notes receivable from participants, as shown in the statements of net assets available for benefits as of December 31, 2021 and 2020.
- Net investment income and interest income on notes receivable from participants, as shown in the statements of changes in net assets available for benefits for the years ended December 31, 2021 and 2020.
- Schedule H, Part IV, Line 4i – schedule of assets (held at end of year) as of December 31, 2021.

Note 7 - Subsequent Events

Effective January 1, 2022, the Plan was amended and restated to include all required provisions to comply with the Internal Revenue Services' Cycle 3 restatement requirements of the 2017 Cumulative List (Notice 2017-37).

Effective April 4, 2022, Empower Retirement, LLC acquired Prudential's full-service retirement business.

The Plan has evaluated subsequent events through August 19, 2022, which is the date the financial statements were available to be issued, for potential recognition or disclosure in the financial statements.



Supplementary Information
December 31, 2021

Clearfield, Inc. 401(k) Plan & Trust

Clearfield, Inc. 401(k) Plan & Trust
Schedule H, Line 4i – Schedule of Assets Held at End of Year
December 31, 2021
Plan: 001

EIN: 41-1347235

(a)	(b)	(c)	(d)	(e)
*	Identity of Issue, Borrower, Lessor, or Similar Party	Description of Investment, Including Maturity Date, Rate of Interest, Collateral, Par, or Maturity Value	Cost	Current Value
*	Prudential	Guaranteed income fund	N/A	\$ 8,559,122
	American Funds EuroPacific Growth Fund	Mutual fund	N/A	5,681,168
	Alger Capital Appreciation Institutional Fund	Mutual fund	N/A	4,490,380
	Jp Morgan Equity Inc	Mutual fund	N/A	3,224,569
	Victory Sycamore Fund	Mutual fund	N/A	3,010,073
	Eaton Vance Capital SMID-Cap Fund	Mutual fund	N/A	2,695,725
	MFS Massachusetts Investors Growth Fund	Mutual fund	N/A	1,820,722
	Vanguard 500 Index Admiral Fund	Mutual fund	N/A	1,746,361
	JP Morgan Emerging Markets Equity Fund	Mutual fund	N/A	785,900
	Hartford Balanced Income Fund	Mutual fund	N/A	750,470
	AB Small Cap Growth Fund	Mutual fund	N/A	722,660
	Clearbridge International Growth Fund	Mutual fund	N/A	389,144
*	PGIM Total Return Bond Fund	Mutual fund	N/A	338,889
*	PGIM Global Real Estate Fund	Mutual fund	N/A	315,525
	Colombia Small Cap Fund	Mutual fund	N/A	269,698
	American Funds American Balanced Fund	Mutual fund	N/A	268,893
	Vanguard Mid-Cap Index Fund	Mutual fund	N/A	186,788
	Vanguard Small-Cap Index Fund	Mutual fund	N/A	122,305
	FRS Putnam Large Cap Fund	Common collective fund	N/A	1,103,765
*	Participant loans	Interest rates of 4.25% - 6.50%, maturing at various dates through April 2026.	\$ -	469,517
		Total assets		<u>\$ 36,951,674</u>

* Party-in-interest as defined by ERISA.
N/A - Not applicable for participant-directed plan.



Financial Statements

December 31, 2021 and 2020

Clearfield, Inc. 401(k) Plan & Trust

Clearfield, Inc. 401(k) Plan & Trust

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December 31, 2021 and 2020

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Independent Auditor's Report

Plan Management and Plan Administrator
Clearfield, Inc. 401(k) Plan & Trust
Brooklyn Park, Minnesota

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

We have performed an audit of the financial statements of Clearfield, Inc. 401(k) Plan & Trust (the Plan), an employee benefit plan subject to the Employee Retirement Income Security Act of 1974 (ERISA), as permitted by ERISA Section 103(a)(3)(C) (ERISA Section 103(a)(3)(C) audit). The financial statements comprise the statement of net assets available for benefits as of December 31, 2021, and the related statement of changes in net assets available for benefits for the year then ended, and the related notes to the financial statements (2021 Financial Statements).

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

Management has obtained a certification from a qualified institution as of and for the year ended December 31, 2021, stating that the certified investment information, as described in Note 6 to the financial statements, is complete and accurate.

Opinion on the 2021 Financial Statements

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

- The amounts and disclosures in the accompanying 2021 financial statements, other than those agreed to or derived from the certified investment information, are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America.
- The information in the accompanying 2021 financial statements related to assets held by and certified to by a qualified institution agrees to, or is derived from, in all material respects, the information prepared and certified by an institution that management determined meets the requirements of ERISA Section 103(a)(3)(C).

Basis for Opinion on the 2021 Financial Statements

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

Responsibilities of Management for the 2021 Financial Statements

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

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

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

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

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

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Plan's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Plan's ability to continue as a going concern for a reasonable period of time.

Our audit did not extend to the certified investment information, except for obtaining and reading the certification, comparing the certified investment information with the related information presented and disclosed in the 2021 financial statements, and reading the disclosures relating to the certified investment information to assess whether they are in accordance with the presentation and disclosure requirements of accounting principles generally accepted in the United States of America.

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

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

Other Matters

2021 Supplemental Schedule Required by ERISA

The supplemental schedule H, line 4 – schedule of assets held at end of year as of December 31, 2021, is presented for purposes of additional analysis and is not a required part of the financial statements but is supplementary information required by the DOL's Rules and Regulations for Reporting and Disclosure under ERISA. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information included in the supplemental schedule, other than that agreed to or derived from the certified investment information, has been subjected to auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with GAAS. For information included in the supplemental schedule that agreed to or is derived from the certified investment information, we compared such information to the related certified investment information.

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

In our opinion:

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

Auditor's Report on the 2020 Financial Statements

The 2020 financial statements of the Plan were audited Peterson Whitaker & Bjork, LLC, who joined Eide Bailly LLP on December 6, 2021. 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 predecessor auditor not to perform, and they did not perform, any auditing procedures with respect to the information certified by a qualified institution. Their report dated July 27, 2021, indicated that (a) because of the significance of the information that they did not audit, they were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion and accordingly, they did not express an opinion on the financial statements and supplemental schedule, and (b) the form and content of the information included in the financial statements and supplemental schedule 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.

The image shows a handwritten signature in cursive script that reads "Eide Bailly LLP".

Plymouth, Minnesota
August 19, 2022

Clearfield, Inc. 401(k) Plan & Trust
Statements of Net Assets Available for Benefits
December 31, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Assets		
Investments, at fair value	\$ 27,923,035	\$ 23,506,836
Investments, at contract value	8,559,122	7,344,898
Notes receivable from participants	<u>469,517</u>	<u>535,043</u>
Net Assets Available for Benefits	<u><u>\$ 36,951,674</u></u>	<u><u>\$ 31,386,777</u></u>

Clearfield, Inc. 401(k) Plan & Trust
Statements of Changes in Net Assets Available for Benefits
Years Ended December 31, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Additions		
Investment income		
Net appreciation in fair value of investments	\$ 3,598,183	\$ 3,245,116
Dividend income	278,649	162,173
Interest income on guaranteed interest contract	134,731	117,097
Net investment income	<u>4,011,563</u>	<u>3,524,386</u>
Interest income on notes receivable from participants	<u>27,665</u>	<u>33,251</u>
Other income	<u>38,152</u>	<u>31,373</u>
Contributions		
Participants	2,057,619	1,789,028
Employer	1,000,288	866,765
Rollovers	256,787	369,382
Total contributions	<u>3,314,694</u>	<u>3,025,175</u>
Total additions	<u>7,392,074</u>	<u>6,614,185</u>
Deductions		
Benefits paid to participants	1,705,743	1,102,299
Investment and administrative expenses	121,434	101,733
Total deductions	<u>1,827,177</u>	<u>1,204,032</u>
Net Increase	5,564,897	5,410,153
Net Assets Available for Benefits		
Beginning of year	<u>31,386,777</u>	<u>25,976,624</u>
End of year	<u>\$ 36,951,674</u>	<u>\$ 31,386,777</u>

Note 1 - Description of Plan

Clearfield, Inc. 401(k) Plan & Trust (the Plan) is a defined contribution plan established by Clearfield, Inc. (the Company) to provide retirement benefits to substantially all employees of the Company who meet certain participation requirements. The following description of the Plan provides only general information. Participants should refer to the Plan document and summary plan description for a more complete description of the Plan's provisions.

General

The Plan, established April 1, 1989, and restated January 1, 2018, is a defined contribution plan and is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA), as amended.

The Company has appointed Prudential Bank & Trust, F.S.B. Company as asset trustee. The asset trustee is responsible for holding the investment assets of the Plan and making distributions according to the Plan's provisions. Certain employees of the Company are the administrators of the Plan.

The Plan is administered by a benefits committee (the Investment Committee). The Investment Committee has the power to carry out provisions of the Plan, including the administration of Plan, and to determine the appropriateness of the Plan's investment offerings, and monitoring performance.

Eligibility

All employees of the Company (excluding collective bargaining (union) employees, non-resident aliens, Puerto Rican employees and seasonal employees whose regular scheduled services is less than 1,000 hours) who have reached age 19 are eligible to participate in the Plan upon completion of 60 days of eligible service.

Entry Date

Eligible employees can enter the Plan on the first day of each quarter of the Plan year after the eligibility requirements are met.

Contributions

Contributions made pursuant to participant elective deferral contributions are permitted from 1% to 50% of the participant's eligible compensation, as defined in the Plan, subject to limits established by law. Participants over the age of 50 are permitted to make catch-up contributions. Participants may also make rollover contributions to the Plan. In addition, participants are able to make after tax Roth contributions to the Plan.

For the years ended December 31, 2021 and 2020, the Company matched 100% of the first 3% and 50% of the next 3% of the participant's eligible compensation that was contributed by the participant. The Company may also make discretionary contributions. No discretionary contributions were made for the years ended December 31, 2021 and 2020.

Participant Accounts

Participant's accounts are credited with the participant's contributions (elective deferral, catch-up, and rollover), safe-harbor matching contributions, employer discretionary matching contributions, an allocation of employee discretionary profit-sharing contributions and an allocation of plan earnings or losses. Allocations are based on participant's compensation or account balances as provided in the Plan. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account balance. Participants may direct the investment of their account balances into various investment options offered by the Plan.

Vesting

Participants are vested immediately in their contributions and the Company's safe-harbor match contributions, plus actual earnings thereon. Vesting in the Company's discretionary contributions is based on years of continuous service and begin vesting after two years of service (as defined in the Plan) and continued to vest on a graded scale to 100% after six years of service, with a provision for full vesting at the normal retirement date, at an early retirement date if due to a total and permanent disability or upon death of the participant. For purposes of determining the extent to which a participant is vested, a year of service is a plan year in which the participant is credited with at least 1,000 hours of service.

Forfeited Accounts

Forfeitures of terminated participant's non-vested amounts are used to reduce employer matching contributions or plan expenses. There were \$0 and \$37 of unallocated forfeitures as of December 31, 2021 and 2020, respectively. During the year ended December 31, 2021, Plan expenses were reduced by \$45 from forfeited non-vested accounts.

Payment of Benefits

In-service distributions are allowed by the Plan upon the participant turning 59½ years old or for hardship as defined by the Plan. The minimum amount allowed for in-service distribution is \$1,000 and no more than four in-service distributions are allowed per year. Upon termination of employment, participants may elect to receive a lump sum payment of their entire vested balance, a single sum distribution of a portion of their vested balance, an installment payment, or to rollover their balance into a qualified retirement plan, if their balance exceeds \$1,000. If the participant's balance is less than \$1,000, a lump sum distribution will be made.

Investment Options

All assets of the Plan are participant directed and are held in various accounts and funds, as defined in the Plan summary. The Plan allows participants to direct their investments and to make transfers between these accounts and funds daily, except for the participant loan fund. Participant loan transactions are treated as transfers between the investment funds and the participant loan fund.

Administrative Expenses

The Company pays all audit fees and some charges for administration. The Plan pays certain trustee and investment expenses.

Notes Receivable from Participants

Participants may borrow from their vested fund accounts a minimum of \$1,000 up to a maximum equal to the lesser of \$50,000 or 50% of their vested account balance. Loan terms range from one to five years, unless used for the purchase of a primary residence, and are secured by the participant's account balance. Such loans bear interest at the "bank prime rate" plus 1% and is determined quarterly. Interest rates on outstanding loans ranged from 4.25% to 6.50% at December 31, 2021 and 2020. Principal and interest are paid ratably through payroll deductions for active participants. Upon termination of the Plan, outstanding loans are treated as distributions. A participant may have no more than one outstanding note at any one time.

Plan Termination

Although it has not expressed any intent to do so, the Company has the right under the Plan to discontinue its contributions at any time and to terminate the Plan subject to the provisions of ERISA. In the event of Plan termination, participants will become 100% vested in their employer contributions. Any unallocated assets of the Plan shall be allocated to participant accounts and distributed in such a manner as the Company may determine.

Federal Income Tax Status

The Plan adopted the Prudential Insurance Company of America Prototype Plan (proto-type plan). The proto-type plan obtained its latest opinion letter on April 29, 2014, in which the Internal Revenue Service (IRS) stated that the underlying proto-type plan document was designed in accordance with applicable sections of the Internal Revenue Code.

Generally accepted accounting principles in the United States of America (GAAP) requires 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 Administrator has analyzed the tax positions taken by the Plan and has concluded that as of December 31, 2021 and 2020, there are no uncertain positions taken or expected to be taken that would require recognition of a liability or disclosure in the financial statements. The Plan is subject to audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress.

Note 2 - Summary of Significant Accounting Policies

Basis of Presentation

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with GAAP.

Use of Estimates

The preparation of financial statements in conformity with GAAP 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.

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 reasonably possible that changes in the values of investment securities will occur in the near term, and that such changes could materially affect participant's account balances, and the amounts reported in the statements of net assets available for benefits.

On March 11, 2020, the World Health Organization declared COVID-19 a global pandemic. COVID-19 has negatively affected, and may continue to impact, the macro-economic conditions and global economy. During 2020, the Plan's assets, valued at fair value, fluctuated significantly, and may continue to be impacted due to the uncertainty surrounding the length of the pandemic and its economic impact. The Company does not believe there is substantial doubt about the Plan's ability to continue as a going concern and expects the Plan Administrator will continue to be able to carry on all administrative functions for the Plan.

On March 27, 2020, the Coronavirus Aid Relief and Economic Security Act (CARES Act) was signed by the President of the United States. The CARES Act included temporary relief provisions specific to 401(k) plans along with providing economic stimulus. The Plan adopted certain provisions under the CARES act concerning COVID-19 related distributions, participant loan dollar limits, repayment of participant loans, and deferral of required minimum distributions. The Company has until December 31, 2022, to amend the Plan document to include these provisions.

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. 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. The Plan's Investment Committee determines the Plan's valuation policies utilizing information provided by the investment advisor, trustee, and insurance company. See Notes 3 and 4 for discussion of fair value measurements.

Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on an accrual basis. Dividends are recorded on the ex-dividend date.

Net Appreciation (Depreciation) in Fair Value of Investments

Net appreciation in fair value of investments represents the net realized gains (losses) and the net unrealized appreciation (depreciation) of investments. Realized gains or losses are the differences between the proceeds and either the cost of investments sold, determined on a first-in, first-out basis, or the fair value at the end of the previous year, whichever is applicable. Unrealized appreciation (depreciation) is the change in the difference between fair value and either the cost of the investments or fair value at the end of the preceding year, whichever is applicable.

The classification of investment earnings reported in the statement of changes in net assets available for benefits may differ from the classification of earnings on Form 5500 due to different reporting requirements on Form 5500.

Contributions

Participant and employer contributions are recorded in the period during which the Company makes payroll reductions from the participant's compensation.

Notes Receivable from Participants

Notes receivables from participants are measured at their unpaid 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. Delinquent notes receivable are recorded as distributions based upon the terms of the Plan document. No allowance for credit losses has been recorded as of December 31, 2021 and 2020.

Administrative Expenses

Certain expenses of maintaining the Plan are paid directly by the Company and are excluded from these financial statements. Fees related to the administration of benefit payments and notes receivable from participants are charged directly to the participant's account and are included in administrative expenses. In addition, the Plan pays certain investment advisor fees through a revenue sharing agreement with the trustee.

Benefits Paid to Participants

Benefits paid to participants are recorded by the Plan when paid. At December 31, 2021 and 2020, there were no participants who had elected to withdraw from the Plan, but had not yet been paid.

Note 3 - Guaranteed Investment Contract

The Plan invests in a guaranteed interest contract with Prudential. This contract meets the Financial Accounting Standards Board's 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 represents contributions made under each contract, plus earnings, less participant withdrawals, and administrative expenses.

Under the investment contract the Plan does not own any specific investments and there are no specific securities in Prudential's general account that back the liabilities of the contract. Prudential is contractually obligated to repay the principal and interest at a specified interest rate that is guaranteed to the Plan. The crediting rate is based on a formula established by Prudential and may not be less than 1.50%. The crediting interest rate is reviewed on a semi-annual basis for resetting.

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.

Only an event causing liquidity constraints at Prudential could limit the ability of the Plan to transact at contract value paid within 90 days. In addition, there are no events that allow Prudential to terminate the contract and which require the Plan to settle at an amount different than contract value. The occurrence of an event that would limit the Plan's ability to transact at contract value with the participants in the Plan is not probable.

Note 4 - Fair Value Measurements

Fair value is the price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of inputs that may be used to measure fair value are as follows:

Level 1 — Quoted prices in active markets for identical assets and liabilities.

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; and
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

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

Level 3 — Unobservable inputs in which there is little or no market data available, which require the reporting entity to develop its own assumptions.

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

Following is a description of the valuation methodology used for assets measured at fair value. There have been no changes in the methodology used at December 31, 2021 and 2020.

Mutual funds: Mutual funds held by the Plan are open-end mutual funds that are registered with the U.S. 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.

Common collective fund – Valued at fair value based on the NAV of units held of the collective fund. The NAV is based on the observable market prices of the underlying investments within the fund less liabilities. The NAV for the underlying assets of the fund is a readily determinable measure of their fair value and is the basis used by the fund for current transactions.

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

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

December 31, 2021				
	Level 1	Level 2	Level 3	Total
Mutual funds	\$ 26,819,270	\$ -	\$ -	\$ 26,819,270
Common collective trust fund	-	1,103,765	-	1,103,765
Investments at fair value	<u>\$ 26,819,270</u>	<u>\$ 1,103,765</u>	<u>\$ -</u>	<u>\$ 27,923,035</u>
December 31, 2020				
	Level 1	Level 2	Level 3	Total
Mutual funds	<u>\$ 23,506,836</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 23,506,836</u>
Investments at fair value				<u>\$ 23,506,836</u>

Note 5 - Related Party and Party-in-Interest Transactions

The Company has been designated as the Plan Administrator and Plan Sponsor. These services are provided at no expense to the Plan.

The guaranteed interest contract investment and certain mutual funds are managed by Prudential Retirement Insurance and Annuity Company, the trustee of a portion of the Plan's assets as of December 31, 2021 and 2020. Therefore, these transactions qualify as party-in-interest transactions. However, such transactions are exempt under Section 408(b)(8) and are not prohibited by ERISA.

Note 6 - Information Certified by the Plan's Trustee

The Plan Administrator has elected the method of annual reporting compliance permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA. Accordingly, Prudential Retirement Insurance and Annuity Company and Prudential Bank and Trust, F.S.B. Company, trustees of the Plan, have certified that the following data included in the accompanying financial statements and supplemental schedule is complete and accurate:

- Investments and notes receivable from participants, as shown in the statements of net assets available for benefits as of December 31, 2021 and 2020.
- Net investment income and interest income on notes receivable from participants, as shown in the statements of changes in net assets available for benefits for the years ended December 31, 2021 and 2020.
- Schedule H, Part IV, Line 4i – schedule of assets (held at end of year) as of December 31, 2021.

Note 7 - Subsequent Events

Effective January 1, 2022, the Plan was amended and restated to include all required provisions to comply with the Internal Revenue Services' Cycle 3 restatement requirements of the 2017 Cumulative List (Notice 2017-37).

Effective April 4, 2022, Empower Retirement, LLC acquired Prudential's full-service retirement business.

The Plan has evaluated subsequent events through August 19, 2022, which is the date the financial statements were available to be issued, for potential recognition or disclosure in the financial statements.



Supplementary Information
December 31, 2021

Clearfield, Inc. 401(k) Plan & Trust

Clearfield, Inc. 401(k) Plan & Trust
Schedule H, Line 4i – Schedule of Assets Held at End of Year
December 31, 2021
Plan: 001

EIN: 41-1347235

(a)	(b)	(c)	(d)	(e)
*	Identity of Issue, Borrower, Lessor, or Similar Party	Description of Investment, Including Maturity Date, Rate of Interest, Collateral, Par, or Maturity Value	Cost	Current Value
*	Prudential	Guaranteed income fund	N/A	\$ 8,559,122
	American Funds EuroPacific Growth Fund	Mutual fund	N/A	5,681,168
	Alger Capital Appreciation Institutional Fund	Mutual fund	N/A	4,490,380
	Jp Morgan Equity Inc	Mutual fund	N/A	3,224,569
	Victory Sycamore Fund	Mutual fund	N/A	3,010,073
	Eaton Vance Capital SMID-Cap Fund	Mutual fund	N/A	2,695,725
	MFS Massachusetts Investors Growth Fund	Mutual fund	N/A	1,820,722
	Vanguard 500 Index Admiral Fund	Mutual fund	N/A	1,746,361
	JP Morgan Emerging Markets Equity Fund	Mutual fund	N/A	785,900
	Hartford Balanced Income Fund	Mutual fund	N/A	750,470
	AB Small Cap Growth Fund	Mutual fund	N/A	722,660
	Clearbridge International Growth Fund	Mutual fund	N/A	389,144
*	PGIM Total Return Bond Fund	Mutual fund	N/A	338,889
*	PGIM Global Real Estate Fund	Mutual fund	N/A	315,525
	Colombia Small Cap Fund	Mutual fund	N/A	269,698
	American Funds American Balanced Fund	Mutual fund	N/A	268,893
	Vanguard Mid-Cap Index Fund	Mutual fund	N/A	186,788
	Vanguard Small-Cap Index Fund	Mutual fund	N/A	122,305
	FRS Putnam Large Cap Fund	Common collective fund	N/A	1,103,765
*	Participant loans	Interest rates of 4.25% - 6.50%, maturing at various dates through April 2026.	\$ -	469,517
		Total assets		<u>\$ 36,951,674</u>

* Party-in-interest as defined by ERISA.
N/A - Not applicable for participant-directed plan.



Financial Statements

December 31, 2021 and 2020

Clearfield, Inc. 401(k) Plan & Trust

Clearfield, Inc. 401(k) Plan & Trust

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December 31, 2021 and 2020

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Independent Auditor's Report

Plan Management and Plan Administrator
Clearfield, Inc. 401(k) Plan & Trust
Brooklyn Park, Minnesota

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

We have performed an audit of the financial statements of Clearfield, Inc. 401(k) Plan & Trust (the Plan), an employee benefit plan subject to the Employee Retirement Income Security Act of 1974 (ERISA), as permitted by ERISA Section 103(a)(3)(C) (ERISA Section 103(a)(3)(C) audit). The financial statements comprise the statement of net assets available for benefits as of December 31, 2021, and the related statement of changes in net assets available for benefits for the year then ended, and the related notes to the financial statements (2021 Financial Statements).

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

Management has obtained a certification from a qualified institution as of and for the year ended December 31, 2021, stating that the certified investment information, as described in Note 6 to the financial statements, is complete and accurate.

Opinion on the 2021 Financial Statements

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

- The amounts and disclosures in the accompanying 2021 financial statements, other than those agreed to or derived from the certified investment information, are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America.
- The information in the accompanying 2021 financial statements related to assets held by and certified to by a qualified institution agrees to, or is derived from, in all material respects, the information prepared and certified by an institution that management determined meets the requirements of ERISA Section 103(a)(3)(C).

Basis for Opinion on the 2021 Financial Statements

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

Responsibilities of Management for the 2021 Financial Statements

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

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

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

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

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

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Plan's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Plan's ability to continue as a going concern for a reasonable period of time.

Our audit did not extend to the certified investment information, except for obtaining and reading the certification, comparing the certified investment information with the related information presented and disclosed in the 2021 financial statements, and reading the disclosures relating to the certified investment information to assess whether they are in accordance with the presentation and disclosure requirements of accounting principles generally accepted in the United States of America.

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

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

Other Matters

2021 Supplemental Schedule Required by ERISA

The supplemental schedule H, line 4 – schedule of assets held at end of year as of December 31, 2021, is presented for purposes of additional analysis and is not a required part of the financial statements but is supplementary information required by the DOL's Rules and Regulations for Reporting and Disclosure under ERISA. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information included in the supplemental schedule, other than that agreed to or derived from the certified investment information, has been subjected to auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with GAAS. For information included in the supplemental schedule that agreed to or is derived from the certified investment information, we compared such information to the related certified investment information.

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

In our opinion:

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

Auditor's Report on the 2020 Financial Statements

The 2020 financial statements of the Plan were audited Peterson Whitaker & Bjork, LLC, who joined Eide Bailly LLP on December 6, 2021. 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 predecessor auditor not to perform, and they did not perform, any auditing procedures with respect to the information certified by a qualified institution. Their report dated July 27, 2021, indicated that (a) because of the significance of the information that they did not audit, they were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion and accordingly, they did not express an opinion on the financial statements and supplemental schedule, and (b) the form and content of the information included in the financial statements and supplemental schedule 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.

The image shows a handwritten signature in cursive script that reads "Eide Bailly LLP".

Plymouth, Minnesota
August 19, 2022

Clearfield, Inc. 401(k) Plan & Trust
Statements of Net Assets Available for Benefits
December 31, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Assets		
Investments, at fair value	\$ 27,923,035	\$ 23,506,836
Investments, at contract value	8,559,122	7,344,898
Notes receivable from participants	<u>469,517</u>	<u>535,043</u>
Net Assets Available for Benefits	<u><u>\$ 36,951,674</u></u>	<u><u>\$ 31,386,777</u></u>

Clearfield, Inc. 401(k) Plan & Trust
Statements of Changes in Net Assets Available for Benefits
Years Ended December 31, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Additions		
Investment income		
Net appreciation in fair value of investments	\$ 3,598,183	\$ 3,245,116
Dividend income	278,649	162,173
Interest income on guaranteed interest contract	134,731	117,097
Net investment income	<u>4,011,563</u>	<u>3,524,386</u>
Interest income on notes receivable from participants	<u>27,665</u>	<u>33,251</u>
Other income	<u>38,152</u>	<u>31,373</u>
Contributions		
Participants	2,057,619	1,789,028
Employer	1,000,288	866,765
Rollovers	256,787	369,382
Total contributions	<u>3,314,694</u>	<u>3,025,175</u>
Total additions	<u>7,392,074</u>	<u>6,614,185</u>
Deductions		
Benefits paid to participants	1,705,743	1,102,299
Investment and administrative expenses	121,434	101,733
Total deductions	<u>1,827,177</u>	<u>1,204,032</u>
Net Increase	5,564,897	5,410,153
Net Assets Available for Benefits		
Beginning of year	<u>31,386,777</u>	<u>25,976,624</u>
End of year	<u>\$ 36,951,674</u>	<u>\$ 31,386,777</u>

Note 1 - Description of Plan

Clearfield, Inc. 401(k) Plan & Trust (the Plan) is a defined contribution plan established by Clearfield, Inc. (the Company) to provide retirement benefits to substantially all employees of the Company who meet certain participation requirements. The following description of the Plan provides only general information. Participants should refer to the Plan document and summary plan description for a more complete description of the Plan's provisions.

General

The Plan, established April 1, 1989, and restated January 1, 2018, is a defined contribution plan and is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA), as amended.

The Company has appointed Prudential Bank & Trust, F.S.B. Company as asset trustee. The asset trustee is responsible for holding the investment assets of the Plan and making distributions according to the Plan's provisions. Certain employees of the Company are the administrators of the Plan.

The Plan is administered by a benefits committee (the Investment Committee). The Investment Committee has the power to carry out provisions of the Plan, including the administration of Plan, and to determine the appropriateness of the Plan's investment offerings, and monitoring performance.

Eligibility

All employees of the Company (excluding collective bargaining (union) employees, non-resident aliens, Puerto Rican employees and seasonal employees whose regular scheduled services is less than 1,000 hours) who have reached age 19 are eligible to participate in the Plan upon completion of 60 days of eligible service.

Entry Date

Eligible employees can enter the Plan on the first day of each quarter of the Plan year after the eligibility requirements are met.

Contributions

Contributions made pursuant to participant elective deferral contributions are permitted from 1% to 50% of the participant's eligible compensation, as defined in the Plan, subject to limits established by law. Participants over the age of 50 are permitted to make catch-up contributions. Participants may also make rollover contributions to the Plan. In addition, participants are able to make after tax Roth contributions to the Plan.

For the years ended December 31, 2021 and 2020, the Company matched 100% of the first 3% and 50% of the next 3% of the participant's eligible compensation that was contributed by the participant. The Company may also make discretionary contributions. No discretionary contributions were made for the years ended December 31, 2021 and 2020.

Participant Accounts

Participant's accounts are credited with the participant's contributions (elective deferral, catch-up, and rollover), safe-harbor matching contributions, employer discretionary matching contributions, an allocation of employee discretionary profit-sharing contributions and an allocation of plan earnings or losses. Allocations are based on participant's compensation or account balances as provided in the Plan. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account balance. Participants may direct the investment of their account balances into various investment options offered by the Plan.

Vesting

Participants are vested immediately in their contributions and the Company's safe-harbor match contributions, plus actual earnings thereon. Vesting in the Company's discretionary contributions is based on years of continuous service and begin vesting after two years of service (as defined in the Plan) and continued to vest on a graded scale to 100% after six years of service, with a provision for full vesting at the normal retirement date, at an early retirement date if due to a total and permanent disability or upon death of the participant. For purposes of determining the extent to which a participant is vested, a year of service is a plan year in which the participant is credited with at least 1,000 hours of service.

Forfeited Accounts

Forfeitures of terminated participant's non-vested amounts are used to reduce employer matching contributions or plan expenses. There were \$0 and \$37 of unallocated forfeitures as of December 31, 2021 and 2020, respectively. During the year ended December 31, 2021, Plan expenses were reduced by \$45 from forfeited non-vested accounts.

Payment of Benefits

In-service distributions are allowed by the Plan upon the participant turning 59½ years old or for hardship as defined by the Plan. The minimum amount allowed for in-service distribution is \$1,000 and no more than four in-service distributions are allowed per year. Upon termination of employment, participants may elect to receive a lump sum payment of their entire vested balance, a single sum distribution of a portion of their vested balance, an installment payment, or to rollover their balance into a qualified retirement plan, if their balance exceeds \$1,000. If the participant's balance is less than \$1,000, a lump sum distribution will be made.

Investment Options

All assets of the Plan are participant directed and are held in various accounts and funds, as defined in the Plan summary. The Plan allows participants to direct their investments and to make transfers between these accounts and funds daily, except for the participant loan fund. Participant loan transactions are treated as transfers between the investment funds and the participant loan fund.

Administrative Expenses

The Company pays all audit fees and some charges for administration. The Plan pays certain trustee and investment expenses.

Notes Receivable from Participants

Participants may borrow from their vested fund accounts a minimum of \$1,000 up to a maximum equal to the lesser of \$50,000 or 50% of their vested account balance. Loan terms range from one to five years, unless used for the purchase of a primary residence, and are secured by the participant's account balance. Such loans bear interest at the "bank prime rate" plus 1% and is determined quarterly. Interest rates on outstanding loans ranged from 4.25% to 6.50% at December 31, 2021 and 2020. Principal and interest are paid ratably through payroll deductions for active participants. Upon termination of the Plan, outstanding loans are treated as distributions. A participant may have no more than one outstanding note at any one time.

Plan Termination

Although it has not expressed any intent to do so, the Company has the right under the Plan to discontinue its contributions at any time and to terminate the Plan subject to the provisions of ERISA. In the event of Plan termination, participants will become 100% vested in their employer contributions. Any unallocated assets of the Plan shall be allocated to participant accounts and distributed in such a manner as the Company may determine.

Federal Income Tax Status

The Plan adopted the Prudential Insurance Company of America Prototype Plan (proto-type plan). The proto-type plan obtained its latest opinion letter on April 29, 2014, in which the Internal Revenue Service (IRS) stated that the underlying proto-type plan document was designed in accordance with applicable sections of the Internal Revenue Code.

Generally accepted accounting principles in the United States of America (GAAP) requires 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 Administrator has analyzed the tax positions taken by the Plan and has concluded that as of December 31, 2021 and 2020, there are no uncertain positions taken or expected to be taken that would require recognition of a liability or disclosure in the financial statements. The Plan is subject to audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress.

Note 2 - Summary of Significant Accounting Policies

Basis of Presentation

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with GAAP.

Use of Estimates

The preparation of financial statements in conformity with GAAP 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.

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 reasonably possible that changes in the values of investment securities will occur in the near term, and that such changes could materially affect participant's account balances, and the amounts reported in the statements of net assets available for benefits.

On March 11, 2020, the World Health Organization declared COVID-19 a global pandemic. COVID-19 has negatively affected, and may continue to impact, the macro-economic conditions and global economy. During 2020, the Plan's assets, valued at fair value, fluctuated significantly, and may continue to be impacted due to the uncertainty surrounding the length of the pandemic and its economic impact. The Company does not believe there is substantial doubt about the Plan's ability to continue as a going concern and expects the Plan Administrator will continue to be able to carry on all administrative functions for the Plan.

On March 27, 2020, the Coronavirus Aid Relief and Economic Security Act (CARES Act) was signed by the President of the United States. The CARES Act included temporary relief provisions specific to 401(k) plans along with providing economic stimulus. The Plan adopted certain provisions under the CARES act concerning COVID-19 related distributions, participant loan dollar limits, repayment of participant loans, and deferral of required minimum distributions. The Company has until December 31, 2022, to amend the Plan document to include these provisions.

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. 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. The Plan's Investment Committee determines the Plan's valuation policies utilizing information provided by the investment advisor, trustee, and insurance company. See Notes 3 and 4 for discussion of fair value measurements.

Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on an accrual basis. Dividends are recorded on the ex-dividend date.

Net Appreciation (Depreciation) in Fair Value of Investments

Net appreciation in fair value of investments represents the net realized gains (losses) and the net unrealized appreciation (depreciation) of investments. Realized gains or losses are the differences between the proceeds and either the cost of investments sold, determined on a first-in, first-out basis, or the fair value at the end of the previous year, whichever is applicable. Unrealized appreciation (depreciation) is the change in the difference between fair value and either the cost of the investments or fair value at the end of the preceding year, whichever is applicable.

The classification of investment earnings reported in the statement of changes in net assets available for benefits may differ from the classification of earnings on Form 5500 due to different reporting requirements on Form 5500.

Contributions

Participant and employer contributions are recorded in the period during which the Company makes payroll reductions from the participant's compensation.

Notes Receivable from Participants

Notes receivables from participants are measured at their unpaid 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. Delinquent notes receivable are recorded as distributions based upon the terms of the Plan document. No allowance for credit losses has been recorded as of December 31, 2021 and 2020.

Administrative Expenses

Certain expenses of maintaining the Plan are paid directly by the Company and are excluded from these financial statements. Fees related to the administration of benefit payments and notes receivable from participants are charged directly to the participant's account and are included in administrative expenses. In addition, the Plan pays certain investment advisor fees through a revenue sharing agreement with the trustee.

Benefits Paid to Participants

Benefits paid to participants are recorded by the Plan when paid. At December 31, 2021 and 2020, there were no participants who had elected to withdraw from the Plan, but had not yet been paid.

Note 3 - Guaranteed Investment Contract

The Plan invests in a guaranteed interest contract with Prudential. This contract meets the Financial Accounting Standards Board's 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 represents contributions made under each contract, plus earnings, less participant withdrawals, and administrative expenses.

Under the investment contract the Plan does not own any specific investments and there are no specific securities in Prudential's general account that back the liabilities of the contract. Prudential is contractually obligated to repay the principal and interest at a specified interest rate that is guaranteed to the Plan. The crediting rate is based on a formula established by Prudential and may not be less than 1.50%. The crediting interest rate is reviewed on a semi-annual basis for resetting.

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.

Only an event causing liquidity constraints at Prudential could limit the ability of the Plan to transact at contract value paid within 90 days. In addition, there are no events that allow Prudential to terminate the contract and which require the Plan to settle at an amount different than contract value. The occurrence of an event that would limit the Plan's ability to transact at contract value with the participants in the Plan is not probable.

Note 4 - Fair Value Measurements

Fair value is the price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of inputs that may be used to measure fair value are as follows:

Level 1 — Quoted prices in active markets for identical assets and liabilities.

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; and
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

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

Level 3 — Unobservable inputs in which there is little or no market data available, which require the reporting entity to develop its own assumptions.

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

Following is a description of the valuation methodology used for assets measured at fair value. There have been no changes in the methodology used at December 31, 2021 and 2020.

Mutual funds: Mutual funds held by the Plan are open-end mutual funds that are registered with the U.S. 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.

Common collective fund – Valued at fair value based on the NAV of units held of the collective fund. The NAV is based on the observable market prices of the underlying investments within the fund less liabilities. The NAV for the underlying assets of the fund is a readily determinable measure of their fair value and is the basis used by the fund for current transactions.

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

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

	December 31, 2021			
	Level 1	Level 2	Level 3	Total
Mutual funds	\$ 26,819,270	\$ -	\$ -	\$ 26,819,270
Common collective trust fund	-	1,103,765	-	1,103,765
Investments at fair value	<u>\$ 26,819,270</u>	<u>\$ 1,103,765</u>	<u>\$ -</u>	<u>\$ 27,923,035</u>
	December 31, 2020			
	Level 1	Level 2	Level 3	Total
Mutual funds	<u>\$ 23,506,836</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 23,506,836</u>
Investments at fair value				<u>\$ 23,506,836</u>

Note 5 - Related Party and Party-in-Interest Transactions

The Company has been designated as the Plan Administrator and Plan Sponsor. These services are provided at no expense to the Plan.

The guaranteed interest contract investment and certain mutual funds are managed by Prudential Retirement Insurance and Annuity Company, the trustee of a portion of the Plan's assets as of December 31, 2021 and 2020. Therefore, these transactions qualify as party-in-interest transactions. However, such transactions are exempt under Section 408(b)(8) and are not prohibited by ERISA.

Note 6 - Information Certified by the Plan's Trustee

The Plan Administrator has elected the method of annual reporting compliance permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA. Accordingly, Prudential Retirement Insurance and Annuity Company and Prudential Bank and Trust, F.S.B. Company, trustees of the Plan, have certified that the following data included in the accompanying financial statements and supplemental schedule is complete and accurate:

- Investments and notes receivable from participants, as shown in the statements of net assets available for benefits as of December 31, 2021 and 2020.
- Net investment income and interest income on notes receivable from participants, as shown in the statements of changes in net assets available for benefits for the years ended December 31, 2021 and 2020.
- Schedule H, Part IV, Line 4i – schedule of assets (held at end of year) as of December 31, 2021.

Note 7 - Subsequent Events

Effective January 1, 2022, the Plan was amended and restated to include all required provisions to comply with the Internal Revenue Services' Cycle 3 restatement requirements of the 2017 Cumulative List (Notice 2017-37).

Effective April 4, 2022, Empower Retirement, LLC acquired Prudential's full-service retirement business.

The Plan has evaluated subsequent events through August 19, 2022, which is the date the financial statements were available to be issued, for potential recognition or disclosure in the financial statements.



Supplementary Information
December 31, 2021

Clearfield, Inc. 401(k) Plan & Trust

Clearfield, Inc. 401(k) Plan & Trust
Schedule H, Line 4i – Schedule of Assets Held at End of Year
December 31, 2021
Plan: 001

EIN: 41-1347235

(a)	(b)	(c)	(d)	(e)
*	Identity of Issue, Borrower, Lessor, or Similar Party	Description of Investment, Including Maturity Date, Rate of Interest, Collateral, Par, or Maturity Value	Cost	Current Value
*	Prudential	Guaranteed income fund	N/A	\$ 8,559,122
	American Funds EuroPacific Growth Fund	Mutual fund	N/A	5,681,168
	Alger Capital Appreciation Institutional Fund	Mutual fund	N/A	4,490,380
	Jp Morgan Equity Inc	Mutual fund	N/A	3,224,569
	Victory Sycamore Fund	Mutual fund	N/A	3,010,073
	Eaton Vance Capital SMID-Cap Fund	Mutual fund	N/A	2,695,725
	MFS Massachusetts Investors Growth Fund	Mutual fund	N/A	1,820,722
	Vanguard 500 Index Admiral Fund	Mutual fund	N/A	1,746,361
	JP Morgan Emerging Markets Equity Fund	Mutual fund	N/A	785,900
	Hartford Balanced Income Fund	Mutual fund	N/A	750,470
	AB Small Cap Growth Fund	Mutual fund	N/A	722,660
	Clearbridge International Growth Fund	Mutual fund	N/A	389,144
*	PGIM Total Return Bond Fund	Mutual fund	N/A	338,889
*	PGIM Global Real Estate Fund	Mutual fund	N/A	315,525
	Colombia Small Cap Fund	Mutual fund	N/A	269,698
	American Funds American Balanced Fund	Mutual fund	N/A	268,893
	Vanguard Mid-Cap Index Fund	Mutual fund	N/A	186,788
	Vanguard Small-Cap Index Fund	Mutual fund	N/A	122,305
	FRS Putnam Large Cap Fund	Common collective fund	N/A	1,103,765
*	Participant loans	Interest rates of 4.25% - 6.50%, maturing at various dates through April 2026.	\$ -	469,517
		Total assets		<u>\$ 36,951,674</u>

* Party-in-interest as defined by ERISA.
N/A - Not applicable for participant-directed plan.