

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
---	--	--

Part I	Annual Report Identification Information
For calendar plan year 2021 or fiscal plan year beginning <u>10/01/2021</u> and ending <u>09/30/2022</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>PRIMITIVES BY KATHY PROFIT SHARING 401(K) PLAN</u>	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 80%;">1b Three-digit plan number (PN) ▶</td> <td style="width: 20%; text-align: center;"><u>001</u></td> </tr> <tr> <td colspan="2">1c Effective date of plan <u>01/01/1998</u></td> </tr> </table>	1b Three-digit plan number (PN) ▶	<u>001</u>	1c Effective date of plan <u>01/01/1998</u>	
1b Three-digit plan number (PN) ▶	<u>001</u>				
1c Effective date of plan <u>01/01/1998</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>PRIMITIVES BY KATHY, INC.</u> <u>1817 WILLIAM PENN WAY</u> <u>LANCASTER, PA 17601-5830</u>	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td>2b Employer Identification Number (EIN) <u>23-3000388</u></td> </tr> <tr> <td>2c Plan Sponsor's telephone number <u>717-394-4220</u></td> </tr> <tr> <td>2d Business code (see instructions) <u>453220</u></td> </tr> </table>	2b Employer Identification Number (EIN) <u>23-3000388</u>	2c Plan Sponsor's telephone number <u>717-394-4220</u>	2d Business code (see instructions) <u>453220</u>	
2b Employer Identification Number (EIN) <u>23-3000388</u>					
2c Plan Sponsor's telephone number <u>717-394-4220</u>					
2d Business code (see instructions) <u>453220</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.	03/31/2023	ANGELA HANNA
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE	Filed with authorized/valid electronic signature.	03/31/2023	ANGELA HANNA
	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	151
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)	110
a(2) Total number of active participants at the end of the plan year		6a(2)	127
b Retired or separated participants receiving benefits.....		6b	0
c Other retired or separated participants entitled to future benefits		6c	22
d Subtotal. Add lines 6a(2) , 6b , and 6c		6d	149
e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits.		6e	0
f Total. Add lines 6d and 6e		6f	149
g Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item)		6g	136
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 2S 2T 3D			
b If the plan provides welfare benefits, enter the applicable welfare feature codes from the List of Plan Characteristics Codes in the instructions:			
9a Plan funding arrangement (check all that apply) (1) ☒ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☒ Trust (4) ☐ General assets of the sponsor		9b Plan benefit arrangement (check all that apply) (1) ☒ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☒ Trust (4) ☐ General assets of the sponsor	
10 Check all applicable boxes in 10a and 10b to indicate which schedules are attached, and, where indicated, enter the number attached. (See instructions)			
a Pension Schedules (1) ☒ R (Retirement Plan Information) (2) ☐ MB (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary (3) ☐ SB (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary		b General Schedules (1) ☒ H (Financial Information) (2) ☐ I (Financial Information – Small Plan) (3) ☒ <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
---	--	--

For calendar plan year 2021 or fiscal plan year beginning 10/01/2021 and ending 09/30/2022	
A Name of plan PRIMITIVES BY KATHY PROFIT SHARING 401(K) PLAN	B Three-digit plan number (PN) ▶ 001
C Plan sponsor's name as shown on line 2a of Form 5500 PRIMITIVES BY KATHY, INC.	D Employer Identification Number (EIN) 23-3000388

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.
--------	---	--

1 Coverage Information:

(a) Name of insurance carrier
PRINCIPAL LIFE INSURANCE 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
42-0127290	61271	614700	149	10/01/2021	09/30/2022

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 3273	(b) Total amount of fees paid 0
--	------------------------------------

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

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid
STIFEL NICOLAUS INS AGENCY INC
CONSULTING SERVICES BILLING
501 N BROADWAY FL 7
SAINT LOUIS, MO 63102-2123

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	
3273	0		3

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

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

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

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

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

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

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

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

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

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

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

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

Part II Investment and Annuity Contract Information

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

4	Current value of plan's interest under this contract in the general account at year end	4	0
5	Current value of plan's interest under this contract in separate accounts at year end.....	5	1228364

6 Contracts With Allocated Funds:**a** State the basis of premium rates ▶**b** Premiums paid to carrier**6b****c** Premiums due but unpaid at the end of the year**6c****d** If the carrier, service, or other organization incurred any specific costs in connection with the acquisition or retention of the contract or policy, enter amount.**6d**

Specify nature of costs ▶

e Type of contract: (1) ☐ individual policies (2) ☐ group deferred annuity(3) ☐ other (specify) ▶**f** If contract purchased, in whole or in part, to distribute benefits from a terminating plan, check here ☐**7 Contracts With Unallocated Funds (Do not include portions of these contracts maintained in separate accounts)****a** Type of contract: (1) ☐ deposit administration (2) ☐ immediate participation guarantee(3) ☐ guaranteed investment (4) ☐ other ▶**b** Balance at the end of the previous year**7b****c** Additions: (1) Contributions deposited during the year**7c(1)**

(2) Dividends and credits.....

7c(2)

(3) Interest credited during the year.....

7c(3)

(4) Transferred from separate account.....

7c(4)

(5) Other (specify below)

7c(5)

▶

(6) Total additions

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

(1) Disbursed from fund to pay benefits or purchase annuities during year

7e(1)

(2) Administration charge made by carrier.....

7e(2)

(3) Transferred to separate account.....

7e(3)

(4) Other (specify below)

7e(4)

▶

(5) Total deductions

7e(5)**f** Balance at the end of the current year (subtract line **7e(5)** from line **7d**)**7f**

0

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 10/01/2021 and ending 09/30/2022		
A Name of plan PRIMITIVES BY KATHY PROFIT SHARING 401(K) PLAN	B Three-digit plan number (PN) ▶	001
C Plan sponsor's name as shown on line 2a of Form 5500 PRIMITIVES BY KATHY, INC.	D Employer Identification Number (EIN) 23-3000388	

Part I	Service Provider Information (see instructions)
---------------	--

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
PRINCIPAL LIFE INSURANCE COMPANY
42-0127290

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

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

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

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

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

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

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

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

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

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

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

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

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

PRINCIPAL LIFE INSURANCE COMPANY

42-0127290

(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 37 50 64	CONTRACT ADMINISTRATOR	2598	Yes ☒ No ☐	Yes ☒ No ☐	0	Yes ☐ No ☒

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

STIFEL NICOLAUS & COMPANY INC

43-0538770

(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?
49 99	OTHER SERVICES	0	Yes ☒ No ☐	Yes ☐ No ☒	7132	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
STIFEL NICOLAUS & COMPANY INC	49 99	7132
(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.	
PRINCIPAL LIFE INSURANCE COMPANY 42-0127290	REFERRAL/SERVICE FEE	
(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	
(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	

Part II Service Providers Who Fail or Refuse to Provide Information

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

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

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

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

Explanation:

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

Explanation:

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

Explanation:

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

Explanation:

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

Explanation:

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

For calendar plan year 2021 or fiscal plan year beginning 10/01/2021 and ending 09/30/2022

A Name of plan <u>PRIMITIVES BY KATHY PROFIT SHARING 401(K) PLAN</u>	B Three-digit plan number (PN) ▶ <u>001</u>	
C Plan or DFE sponsor's name as shown on line 2a of Form 5500 <u>PRIMITIVES BY KATHY, INC.</u>	D Employer Identification Number (EIN) <u>23-3000388</u>	

Part I	Information on interests in MTIAs, CCTs, PSAs, and 103-12 IEs (to be completed by plans and DFEs) (Complete as many entries as needed to report all interests in DFEs)
--------	--

a Name of MTIA, CCT, PSA, or 103-12 IE: <u>PRINCIPAL STABLE VALUE FUND</u>				
b Name of sponsor of entity listed in (a): <u>PRINCIPAL GLOBAL INVESTORS TRUST CO</u>				
c EIN-PN <u>93-6274328-001</u>	d Entity code <u>C</u>	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) <u>41558</u>		
a Name of MTIA, CCT, PSA, or 103-12 IE: <u>PRIN MIDCAP SEP ACCT-R4</u>				
b Name of sponsor of entity listed in (a): <u>PRINCIPAL LIFE INSURANCE COMPANY</u>				
c EIN-PN <u>42-0127290-020</u>	d Entity code <u>P</u>	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) <u>63914</u>		
a Name of MTIA, CCT, PSA, or 103-12 IE: <u>PRIN DIVERSIFIED INTL SA-R4</u>				
b Name of sponsor of entity listed in (a): <u>PRINCIPAL LIFE INSURANCE COMPANY</u>				
c EIN-PN <u>42-0127290-015</u>	d Entity code <u>P</u>	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) <u>2840</u>		
a Name of MTIA, CCT, PSA, or 103-12 IE: <u>PRIN LGCAP S&P 500 INDEX SA-R4</u>				
b Name of sponsor of entity listed in (a): <u>PRINCIPAL LIFE INSURANCE COMPANY</u>				
c EIN-PN <u>42-0127290-016</u>	d Entity code <u>P</u>	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) <u>74399</u>		
a Name of MTIA, CCT, PSA, or 103-12 IE: <u>PRIN SMCAP S&P 600 INDEX SA-R4</u>				
b Name of sponsor of entity listed in (a): <u>PRINCIPAL LIFE INSURANCE COMPANY</u>				
c EIN-PN <u>42-0127290-028</u>	d Entity code <u>P</u>	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) <u>98136</u>		
a Name of MTIA, CCT, PSA, or 103-12 IE: <u>PRIN LARGE CAP GROWTH I SA-R4</u>				
b Name of sponsor of entity listed in (a): <u>PRINCIPAL LIFE INSURANCE COMPANY</u>				
c EIN-PN <u>42-0127290-066</u>	d Entity code <u>P</u>	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) <u>211522</u>		
a Name of MTIA, CCT, PSA, or 103-12 IE: <u>PRIN SAM BALANCED SEP ACCT-R4</u>				
b Name of sponsor of entity listed in (a): <u>PRINCIPAL LIFE INSURANCE COMPANY</u>				
c EIN-PN <u>42-0127290-105</u>	d Entity code <u>P</u>	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) <u>12616</u>		

a Name of MTIA, CCT, PSA, or 103-12 IE: PRIN SAM CONS BALANCED SA-R4

b Name of sponsor of entity listed in (a): PRINCIPAL LIFE INSURANCE COMPANY

c EIN-PN 42-0127290-106	d Entity code P	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 19290
--------------------------------	------------------------	---

a Name of MTIA, CCT, PSA, or 103-12 IE: PRIN SAM CONS GROWTH SA-R4

b Name of sponsor of entity listed in (a): PRINCIPAL LIFE INSURANCE COMPANY

c EIN-PN 42-0127290-107	d Entity code P	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 624151
--------------------------------	------------------------	--

a Name of MTIA, CCT, PSA, or 103-12 IE: PRIN SAM FLEXIBLE INCOME SA-R4

b Name of sponsor of entity listed in (a): PRINCIPAL LIFE INSURANCE COMPANY

c EIN-PN 42-0127290-108	d Entity code P	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 297
--------------------------------	------------------------	---

a Name of MTIA, CCT, PSA, or 103-12 IE: PRIN SAM STRAT GROWTH SA-R4

b Name of sponsor of entity listed in (a): PRINCIPAL LIFE INSURANCE COMPANY

c EIN-PN 42-0127290-109	d Entity code P	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 61724
--------------------------------	------------------------	---

a Name of MTIA, CCT, PSA, or 103-12 IE: PRIN EQUITY INCOME SA-R4

b Name of sponsor of entity listed in (a): PRINCIPAL LIFE INSURANCE COMPANY

c EIN-PN 42-0127290-120	d Entity code P	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 28334
--------------------------------	------------------------	---

a Name of MTIA, CCT, PSA, or 103-12 IE: PRINCIPAL BOND MKT INDEX SA-R4

b Name of sponsor of entity listed in (a): PRINCIPAL LIFE INSURANCE COMPANY

c EIN-PN 42-0127290-122	d Entity code P	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 31140
--------------------------------	------------------------	---

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
--	--	--

For calendar plan year 2021 or fiscal plan year beginning 10/01/2021 and ending 09/30/2022		
A Name of plan PRIMITIVES BY KATHY PROFIT SHARING 401(K) PLAN	B Three-digit plan number (PN) ►	001
C Plan sponsor's name as shown on line 2a of Form 5500 PRIMITIVES BY KATHY, INC.	D Employer Identification Number (EIN) 23-3000388	

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)	200387	8016
(2) Participant contributions.....	1b(2)		13197
(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)	22279	26594
(9) Value of interest in common/collective trusts	1c(9)	39733	41558
(10) Value of interest in pooled separate accounts	1c(10)	1494791	1228364
(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)	3044451	2895423
(14) Value of funds held in insurance company general account (unallocated contracts).....	1c(14)		
(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	4801641 4213152
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	4801641 4213152

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)	237873
	(B) Participants	2a(1)(B)	406226
	(C) Others (including rollovers).....	2a(1)(C)	84297
(2)	Noncash contributions.....	2a(2)	
(3)	Total contributions. Add lines 2a(1)(A) , (B) , (C) , and line 2a(2)	2a(3)	728396
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)	1548
	(F) Other	2b(1)(F)	
	(G) Total interest. Add lines 2b(1)(A) through (F)	2b(1)(G)	1548
(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)	18455
	(D) Total dividends. Add lines 2b(2)(A) , (B) , and (C)	2b(2)(D)	18455
(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)		480
(7) Net investment gain (loss) from pooled separate accounts.....	2b(7)		-335741
(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)		-698736
c Other income.....	2c		10
d Total income. Add all income amounts in column (b) and enter total.....	2d		-285588
Expenses			
e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers.....	2e(1)	300303	
(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)		300303
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)	2598	
(3) Investment advisory and management fees.....	2i(3)		
(4) Other.....	2i(4)		
(5) Total administrative expenses. Add lines 2i(1) through (4).....	2i(5)		2598
j Total expenses. Add all expense amounts in column (b) and enter total.....	2j		302901
Net Income and Reconciliation			
k Net income (loss). Subtract line 2j from line 2d.....	2k		-588489
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: **TROUT, CPA**

(2) EIN: **23-1551315**

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		480164
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.
---	--	---

For calendar plan year 2021 or fiscal plan year beginning 10/01/2021 and ending 09/30/2022

A Name of plan <u>PRIMITIVES BY KATHY PROFIT SHARING 401(K) PLAN</u>	B Three-digit plan number (PN) ▶ <u>001</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>PRIMITIVES BY KATHY, INC.</u>	D Employer Identification Number (EIN) <u>23-3000388</u>

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

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

1 Total value of distributions paid in property other than in cash or the forms of property specified in the instructions.....	1	<u>0</u>
2 Enter the EIN(s) of payor(s) who paid benefits on behalf of the plan to participants or beneficiaries during the year (if more than two, enter EINs of the two payors who paid the greatest dollar amounts of benefits): EIN(s): <u>42-0127290</u> Profit-sharing plans, ESOPs, and stock bonus plans, skip line 3.		
3 Number of participants (living or deceased) whose benefits were distributed in a single sum, during the plan year	3	

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

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

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

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

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

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

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

Schedule R (Form 5500) 2021
v. 201209

Part V Additional Information for Multiemployer Defined Benefit Pension Plans

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

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

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

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

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

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

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

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

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

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

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

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

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

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

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

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

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

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

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

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

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

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

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

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

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

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

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

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

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

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

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

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

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

14a

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

14b

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

14c

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

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

15a

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

15b

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

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

16a

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

16b

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

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

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

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

a Enter the percentage of plan assets held as:

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

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

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

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

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

- 20 PBGC missed contribution reporting requirements.** If this is a multiemployer plan or a single-employer plan that is not covered by PBGC, skip line 20.

a Is the amount of unpaid minimum required contributions for all years from Schedule SB (Form 5500) line 40 greater than zero? ☐ Yes ☐ No

b If line 20a is "Yes," has PBGC been notified as required by ERISA sections 4043(c)(5) and/or 303(k)(4)? Check the applicable box:

☐ Yes.

☐ No. Reporting was waived under 29 CFR 4043.25(c)(2) because contributions equal to or exceeding the unpaid minimum required contribution were made by the 30th day after the due date.

☐ No. The 30-day period referenced in 29 CFR 4043.25(c)(2) has not yet ended, and the sponsor intends to make a contribution equal to or exceeding the unpaid minimum required contribution by the 30th day after the due date.

☐ No. Other. Provide explanation _____

Primitives by Kathy Profit Sharing 401(k) Plan

Years Ended September 30, 2022 and 2021

Primitives by Kathy Profit Sharing 401(k) Plan

Financial Statements with Supplementary Information

Years Ended September 30, 2022 and 2021

TABLE of CONTENTS

	Page
Independent Auditors' Report	1 - 4
Financial Statements	
Statements of Net Assets Available for Benefits	5
Statements of Changes in Net Assets Available for Benefits	6
Notes to Financial Statements	7 - 14
Supplementary Information	
Schedule H - Line 4i - Schedule of Assets (Held at End of Year)	15
Schedule H - Line 4i - Schedule of Assets (Acquired and Disposed of Within Year)	16



INDEPENDENT AUDITORS' REPORT

To the Plan Administrator and Trustees
Primitives by Kathy Profit Sharing 401(k) Plan
Lancaster, Pennsylvania

Scope and Nature of the ERISA Section 103(a)(3)(C) Audit for the 2022 Financial Statements

We have performed an audit of the financial statements of **Primitives by Kathy Profit Sharing 401(k) Plan** (the Plan), an employee benefit plan subject to the Employee Retirement Income Security Act of 1974 (ERISA), as permitted by ERISA Section 103(a)(3)(C) [ERISA Section 103(a)(3)(C) audit]. The financial statements comprise the statement of net assets available for benefits as of September 30, 2022, 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 (2022 financial statements).

Management, having determined it is permissible in the circumstances, has elected to have the audit of the 2022 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 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 Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA (qualified institution).

Management has obtained certifications from qualified institutions as of and for the year ended September 30, 2022, stating that the certified investment information, as described in Note 3 to the financial statements, is complete and accurate.

Opinion on the 2022 Financial Statements

In our opinion, based on our audit and on the procedures performed as described in the Auditors' Responsibilities for the Audit of the 2022 Financial Statements section:

- The amounts and disclosures in the accompanying 2022 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 2022 financial statements related to assets held by and certified to by qualified institutions agrees to, or is derived from, in all material respects, the information prepared and certified by institutions that management determined meet the requirements of ERISA Section 103(a)(3)(C).

Basis for Opinion on the 2022 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 Auditors' Responsibilities for the Audit of the 2022 Financial Statements section of our report. We are required to be independent of **Primitives by Kathy Profit Sharing 401(k) Plan** and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our ERISA Section 103(a)(3)(C) audit opinion.

Responsibilities of Management for the 2022 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 **Primitives by Kathy Profit Sharing 401(k) Plan's** ability to continue as a going concern for one year after the date 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.

Auditors' Responsibilities for the Audit of the 2022 Financial Statements

Except as described in the Scope and Nature of the ERISA Section 103(a)(3)(C) Audit of the 2022 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 auditors' 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 **Primitives by Kathy Profit Sharing 401(k) 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 **Primitives by Kathy Profit Sharing 401(k) 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 certifications, comparing the certified investment information with the related information presented and disclosed in the 2022 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

2022 Supplemental Schedules Required by ERISA

The supplemental schedules of assets (held at end of year) and assets (acquired and disposed of within year), as of or for the year ended September 30, 2022 are presented for purposes of additional analysis and are not a required part of the financial statements but are supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information included in the supplemental schedules, other than that agreed to or derived from the certified investment information, has been subjected to auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with GAAS. For information included in the supplemental schedules that agreed to or is derived from the certified investment information, we compared such information to the related certified investment information.

In forming our opinion on the supplemental schedules, we evaluated whether the supplemental schedules, other than the information agreed to or derived from the certified investment information, including their form and content, are presented in conformity with the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA.

In our opinion:

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

Auditors' Report on the 2021 Financial Statements

We were engaged to audit the 2021 financial statements of **Primitives by Kathy Profit Sharing 401(k) Plan**. As permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA, the Plan Administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to information certified by qualified institutions. In our report dated February 28, 2022, we indicated that (a) because of the significance of the information that we did not audit, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion and accordingly, we did not express an opinion on the 2021 financial statements, and (b) the form and content of the information included in the 2021 financial statements other than that derived from the certified information were presented in compliance with the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA.

Thout CPA

March 24, 2023

Lancaster, Pennsylvania

Primitives by Kathy Profit Sharing 401(k) Plan

STATEMENTS of NET ASSETS AVAILABLE for BENEFITS

September 30, 2022 and 2021

	2022	2021
ASSETS		
Investments at Fair Value (Notes 3 and 4)	\$ 4,165,345	\$ 4,578,975
Receivables:		
Employer Contributions	8,016	200,387
Participant Contributions	13,197	-0-
Notes Receivable from Participants	<u>26,594</u>	<u>22,183</u>
Total Receivables	<u>47,807</u>	<u>222,570</u>
TOTAL ASSETS	4,213,152	4,801,545
LIABILITIES	<u>-0-</u>	<u>-0-</u>
NET ASSETS AVAILABLE for BENEFITS	<u><u>\$ 4,213,152</u></u>	<u><u>\$ 4,801,545</u></u>

See notes to financial statements.

Primitives by Kathy Profit Sharing 401(k) Plan
STATEMENTS of CHANGES in NET ASSETS AVAILABLE for BENEFITS
Years Ended September 30, 2022 and 2021

	2022	2021
ADDITIONS		
Investment Income (Note 3):		
Net Appreciation (Depreciation) in Fair Value of Investments	\$ (1,033,987)	\$ 764,281
Interest, Dividends, and Capital Gain Distributions	<u>18,455</u>	<u>19,465</u>
Total Investment Income (Loss)	(1,015,532)	783,746
Interest on Notes Receivable from Participants	1,644	1,061
Contributions:		
Employer	237,873	200,387
Participants	406,226	351,183
Rollovers	<u>84,297</u>	<u>255,272</u>
Total Contributions	<u>728,396</u>	<u>806,842</u>
Total Additions	(285,492)	1,591,649
DEDUCTIONS		
Benefits Paid	300,303	373,133
Administrative Expenses	<u>2,598</u>	<u>2,107</u>
Total Deductions	<u>302,901</u>	<u>375,240</u>
NET INCREASE (DECREASE)	(588,393)	1,216,409
NET ASSETS AVAILABLE for BENEFITS		
Beginning of Year	<u>4,801,545</u>	<u>3,585,136</u>
End of Year	<u>\$ 4,213,152</u>	<u>\$ 4,801,545</u>

See notes to financial statements.

Primitives by Kathy Profit Sharing 401(k) Plan

NOTES to FINANCIAL STATEMENTS

NOTE 1 - DESCRIPTION of PLAN

The following description of the **Primitives by Kathy Profit Sharing 401(k) Plan** (the Plan) provides only general information. Participants should refer to the Plan Agreement for a more complete description of the Plan's provisions.

General

The Plan is a defined contribution plan covering all full-time eligible employees of Primitives by Kathy (the Company). Employees are eligible to make elective deferrals and receive employer match and profit-sharing contributions after attaining age 18 and completing 6 months of service. Participants may enter the Plan on the first day of each quarter following the date on which the general eligibility requirements are satisfied. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA). In collaboration with investment advisors, the Plan Administrator is responsible for oversight of the Plan and determines the appropriateness of the Plan's investment offerings and monitors investment performance.

The Plan was impacted by changes related to the Setting Every Community Up for Retirement Enhancement (SECURE) Act of 2019, which was passed into law December 19, 2019. Many of the provisions of the SECURE Act went into effect in 2020. Key provisions of the SECURE Act which impacted the Plan include the following:

- Required minimum distribution age raised from 70½ to 72.
- Increase in the automatic enrollment safe harbor cap from 10% to 15%.
- Changes requiring eligibility for long-term part-time employees to participate in 401(k) plans.

The Plan adopted provisions of the Coronavirus Aid, Relief, and Economic Security (CARES) Act during 2020. Provisions of the CARES Act adoption include the following:

- Qualified participants who have been impacted by the pandemic who requested and certified eligibility under the CARES Act prior to December 31, 2020, may request to have a distribution equal to the lesser of \$100,000 or their entire account balance. The 10% early withdrawal penalty is waived for participants under age 59½, and there is no limit to the number of withdrawals that each qualified participant can make. The qualified participant may also pay taxes due on the withdrawal over a 3-year period and can choose to repay the hardship back over a 3-year period.
- Required minimum distributions due for 2020 were waived.
- Required minimum distributions already paid in 2020 may be rolled over to an IRA or back into the retirement program to defer applicable income tax.
- Qualified participants who requested and certified eligibility under the CARES Act prior to 180 days subsequent to March 27, 2020, may request a loan not to exceed \$100,000. Loan payments due from March 27, 2020 through December 31, 2020, including those due following a severance from employment, may be delayed for one year.

Plan Amendment

Effective October 1, 2021, the plan was amended to allow for Roth conversions within the Plan and to add an automatic deferral increase feature (1% each year up to a maximum of 10%). Effective, February 18, 2022, the Non-Standardized Pre-Approved Plan Document was restated and adopted by the Plan. There were no significant changes to Plan provisions as part of this restatement.

Primitives by Kathy Profit Sharing 401(k) Plan

NOTES to FINANCIAL STATEMENTS

(Continued)

NOTE 1 - DESCRIPTION of PLAN (Continued)

Contributions

Each year, participants may contribute up to 100 percent of their annual compensation, as defined in the Plan Document. This contribution is in the form of pre-tax or Roth contribution (salary deferral). Participants who have attained age 50 by the end of the Plan year are eligible to make catch-up contributions. Participants may also contribute amounts representing distributions from qualified plans and Individual Retirement Accounts (IRAs) (rollovers). Participants direct the investment of their contributions into various investment options offered by the Plan. The Plan includes an auto-enrollment provision whereby all newly eligible employees are automatically enrolled in the Plan unless they affirmatively elect a different deferral rate. The deferral rate is set at 3% of eligible pre-tax compensation for automatically enrolled participants and automatically increases 1% on an annual basis April 1, until the participant reaches a 10% maximum.

The Company has elected to make a matching contribution to all qualifying participants in order to qualify as a safe harbor plan. The amount of match is equal to 100% of the first 3% of plan year compensation and 50% of the next 2% of plan year compensation deferred upon. The matching contribution is invested as directed by the participant. During the years ended September 30, 2022 and 2021, employer safe-harbor matching contributions were \$237,873 and \$200,387, respectively.

The Company may make a profit-sharing contribution that will be an amount allocated to qualifying participants eligible to share in this contribution. Discretionary contributions are allocated to eligible participants based on the integrated calculation which utilizes Plan eligible compensation. For the Plan years ended September 30, 2022 and 2021, the Company made no profit sharing contributions.

The Company may also make a qualified non-elective contribution that will be an amount allocated to all active non-highly compensated participants on the last day of the Plan year. Qualified non-elective contributions are allocated to eligible participants based on the percentage of the participants annual pay divided by the total annual pay of all participants eligible to receive the qualified non-elective contribution. For the Plan years ended September 30, 2022 and 2021, the Company made no qualified non-elective contributions.

Contributions are subject to certain Internal Revenue Service (IRS) limitations.

Participant Accounts

A record-keeping account is set up in each participant's name to show the value of his or her retirement benefit. Each participant's account is credited with the participant's contributions, the Company's matching contributions, discretionary profit-sharing contributions (if any), qualified non-elective contributions (if any) and Plan earnings. Participant accounts are charged with an allocation of administrative expenses that are paid by the Plan. Allocations are based on participant earnings, account balances, or specific participant transactions, as defined. The benefit to which a participant is entitled is the benefit that can be provided from the participants vested account.

Primitives by Kathy Profit Sharing 401(k) Plan

NOTES to FINANCIAL STATEMENTS

(Continued)

NOTE 1 - DESCRIPTION of PLAN (Continued)

Vesting

Participants are vested immediately in their contributions, the employer matching contribution, and the employer qualified non-elective contributions plus actual earnings thereon. Vesting in the Company's discretionary contribution portion of the account is based on the following table:

Years of Service	Vesting Percentage
Less than 2	0%
2	20%
3	40%
4	60%
5	80%
6	100%

A participant becomes fully vested regardless of the vesting schedule upon attainment of normal retirement age, upon disability, upon death, or upon termination of the Plan.

Notes Receivable from Participants

Participants may borrow from their fund accounts a minimum of \$1,000 up to a maximum equal to the lesser of \$50,000 or 50% of their vested account balance. Loan terms range from one to five years or up to thirty years for the purchase of a primary residence. The loans are secured by the vested balance in the participant's account and bear interest at a reasonable rate of return. Principal and interest is paid ratably through payroll deductions. Participants are limited to one outstanding note at a given time.

Payment of Benefits

Normal retirement date means the earliest first day of the month on or after the date the participant reaches age 65. A participant shall be entitled to receive the balance held in his or her account as a lump-sum upon termination of employment, death, disability, or attainment of normal retirement age. The lump-sum amount is equal to the value of the participant's vested interest in his or her account. The portion of the participant's account to which they are not vested is a forfeiture and allocated as a reduction of operational and administrative expenses or employer contributions. Upon retirement or termination, if the participant's account balance is \$5,000 or less, the balance will automatically be distributed in a single lump sum. If the participant's vested account balance is more than \$5,000, the participant may choose from the following forms of distributions: annuity options, single sum payments, periodic fixed payments, or specified annual dollar amounts.

Hardship withdrawals are allowed from employee elective deferrals, matching contributions, and vested discretionary contributions, plus earnings thereon in the event of financial hardship at the discretion of the Plan Administrator.

One in-service withdrawal during a twelve-month period is available on participant's elective deferrals and vested employer contributions after the participant has attained age 59½.

Primitives by Kathy Profit Sharing 401(k) Plan

NOTES to FINANCIAL STATEMENTS

(Continued)

NOTE 1 - DESCRIPTION of PLAN (Continued)

Forfeited Accounts

Forfeited non-vested accounts totaled \$-0- and \$63 at September 30, 2022 and 2021, respectively. These accounts are used to pay reasonable Plan expenses first, then used to reduce future employer matching or future profit-sharing contributions and any remaining forfeiture account balance can be allocated to participant accounts. There were forfeitures of \$130 and \$-0- used to reduce employer matching contributions or pay Plan expenses during the years ended September 30, 2022 and 2021.

NOTE 2 - SUMMARY of SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The financial statements of the Plan are prepared in accordance with accounting principles generally accepted in the United States of America (US GAAP). Current US GAAP standards are contained in the Accounting Standards Codification (ASC) as set forth by the Financial Accounting Standards Board (FASB).

Use of Estimates

The preparation of financial statements in conformity with US GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and changes therein, and disclosure of contingent assets and liabilities. Actual results may differ from estimated amounts. Significant estimates used in the preparation of these financial statements relate to the valuation of investments and changes therein.

Investment Valuation and Income Recognition

Investments are reported at fair value as determined and certified to by the Plan's custodians. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Plan Administrator, in collaboration with the Plan's investment advisor, determines the valuation policies utilizing information provided by the custodians and their related parties. See Note 4 for discussion of fair value measurements.

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

Notes Receivable from Participants

Notes receivable from participants are measured at their unpaid principal balance plus any accrued but unpaid interest. Interest income is recorded on the accrual basis. Related fees are recorded as administrative expenses and are expensed when they are incurred. No allowance for credit losses has been recorded as of September 30, 2022 or 2021. If a participant ceases to make loan repayments and the Plan Administrator deems the participant loan to be in default, the participant loan balance is reduced, and a benefit payment is recorded for purposes of Form 5500 reporting. However, for purposes of the financial statement, for active participants who have not incurred a distributable event (employment termination, death, or disability), but have delinquent loans, the participant loan remains outstanding until a distributable event occurs.

Payment of Benefits

Benefits are recorded when paid.

Primitives by Kathy Profit Sharing 401(k) Plan

NOTES to FINANCIAL STATEMENTS

(Continued)

NOTE 2 - SUMMARY of SIGNIFICANT ACCOUNTING POLICIES (Continued)

Expenses

Certain expenses of maintaining the Plan are paid directly by the Company and are excluded from these financial statements. The remaining administrative costs are allocated to Plan participants. In addition, fees related to the administration of notes receivable from participants are charged directly to the participant's account and are included in administrative expenses. Investment related expenses are included in net appreciation (depreciation) of fair value of investments.

NOTE 3 - INFORMATION CERTIFIED by the CUSTODIANS (UNAUDITED)

The following information included in the accompanying financial statements and supplemental schedules was obtained from data that has been prepared and certified to as complete and accurate by Principal Life Insurance Company, Principal Life Insurance Company on behalf of Principal Global Investors Trust Company, and Principal Trust Company, the custodians, as of and for the years ended September 30, 2022 and 2021:

	2022	2021
Investments:		
Registered Investment Companies	2,895,423	3,044,451
Common Collective Trust	41,558	39,733
Pooled Separate Accounts	<u>1,228,364</u>	<u>1,494,791</u>
	4,165,345	4,578,975

For the years ended September 30, 2022 and 2021, investment income (loss) totaled \$(1,015,532) and \$783,746, respectively.

NOTE 4 - FAIR VALUE MEASUREMENTS

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

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

Level 2 - Inputs to the valuation methodology include:

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

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

Primitives by Kathy Profit Sharing 401(k) Plan

NOTES to FINANCIAL STATEMENTS

(Continued)

NOTE 4 - FAIR VALUE MEASUREMENTS (Continued)

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

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. 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 methodologies used for assets measured at fair value. There have been no changes in the methodologies used at September 30, 2022 and 2021:

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

Pooled Separate Accounts: Unit value calculated based on the observable net asset value of the underlying investments. The portfolio features diversified investment offerings intended to balance investment risk with the need for investment growth to provide for participant retirement, death, and disability benefits. Investments are redeemable in accordance with application of participant directives and Plan benefit provisions.

Common Collective Stable Value Trust: Valued based on the current market value of the shares of the underlying investments held by the Plan at year end.

As a participant in the common collective stable value Trust, the Plan is subject to restrictions regarding transfer and withdrawal of assets including potential deferral of withdrawal requests by up to twelve months.

The preceding methods described 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 methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The following table sets forth by level, within the fair value hierarchy, the Plan's assets at fair value as of September 30, 2022:

	Level 1	Level 2	Level 3	Total
Registered Investment Companies	2,895,423	-0-	-0-	2,895,423
Common Collective Trust	-0-	41,558	-0-	41,558
Pooled Separate Accounts	<u>-0-</u>	<u>1,228,364</u>	<u>-0-</u>	<u>1,228,364</u>
	2,895,423	1,269,922	-0-	4,165,345

Primitives by Kathy Profit Sharing 401(k) Plan

NOTES to FINANCIAL STATEMENTS

(Continued)

NOTE 4 - FAIR VALUE MEASUREMENTS (Continued)

The following table sets forth by level, within the fair value hierarchy, the Plan's assets at fair value as of September 30, 2021:

	Level 1	Level 2	Level 3	Total
Registered Investment Companies	3,044,451	-0-	-0-	3,044,451
Common Collective Trust	-0-	39,733	-0-	39,733
Pooled Separate Accounts	<u>-0-</u>	<u>1,494,791</u>	<u>-0-</u>	<u>1,494,791</u>
	3,044,451	1,534,524	-0-	4,578,975

Level 3 Gains and Losses

There were no level 3 investments as of or during the Plan years ended September 30, 2022 and 2021.

NOTE 5 - RELATED PARTY TRANSACTIONS and PARTY-in-INTEREST TRANSACTIONS

Certain plan investments are in pooled separate accounts and common collective trust funds managed by Principal Life Insurance Company and Principal Life Insurance Company on behalf of Principal Global Investors Trust Company, the custodians for the Plan assets. These transactions are allowable party-in-interest transactions. At September 30, 2022 and 2021, the fair value of these investments managed by the custodians totaled \$1,269,922 and \$1,534,524, respectively. Administrative expenses paid to Principal Life Insurance Company for the years ended September 30, 2022 and 2021, totaled \$2,598 and \$2,107, respectively. In addition, the custodians received indirect compensation via revenue sharing from investments held by the Plan, which is included in net appreciation (depreciation) in fair value of investments on the statements of changes in net assets available for benefits.

As previously discussed, the Plan may issue notes receivable to participants that are secured by participant account balances. The value of the notes receivable outstanding were \$26,594 and \$22,183 as of September 30, 2022 and 2021, respectively. Interest income from participant loans was \$1,644 and \$1,061 for the years ended September 30, 2022 and 2021, respectively. All of these transactions qualify as party-in-interest transactions and are not prohibited transactions.

Certain administrative functions of the Plan are performed by officers or employees of the Company. No such officer or employee receives compensation from the Plan.

All of these party-in-interest transactions are exempt from the prohibited rules of ERISA.

NOTE 6 - 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 would become 100% vested in the Company's discretionary contributions and would receive a distribution equal to their account balance.

Primitives by Kathy Profit Sharing 401(k) Plan

NOTES to FINANCIAL STATEMENTS

(Continued)

NOTE 7 - TAX STATUS

The Plan adopted a Non-Standardized Pre-Approved Plan which received an opinion letter on June 30, 2020, in which the IRS stated that the Non-Standardized Pre-Approved Plan, as then designed was in compliance with the applicable requirements of the Internal Revenue Code (IRC). The Plan has been amended since receiving the opinion letter. However, the Plan Administrator believes that the Plan is currently designed and is being operated in compliance with the applicable requirements of the IRC and therefore believes that the Plan is qualified, and the related trust is tax-exempt.

US GAAP requires the Plan Administrator to evaluate tax positions taken by the Plan and recognize a tax liability (or asset) if the Plan has taken an uncertain tax position that more likely than not would not be sustained upon examination by the taxing authorities. The Plan Administrator has analyzed tax positions taken by the Plan and has concluded that as of September 30, 2022 and 2021, there were no uncertain tax positions requiring recognition or disclosure.

The Plan is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress.

NOTE 8 - RISKS and UNCERTAINTIES

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

NOTE 9 - RECONCILIATION of FINANCIAL STATEMENTS to FORM 5500

The following is a reconciliation of the net decrease per the financial statements at September 30, 2022, to Form 5500's net loss:

Net Decrease per the Financial Statements	(588,393)
Effect of 2021 Interest Accrual on Notes Receivable from Participants	
Recorded on Form 5500 but Not on the Financial Statements	<u>(96)</u>
Net Loss per the Form 5500	(588,489)

NOTE 10 - SUBSEQUENT EVENTS

Subsequent events have been evaluated through March 24, 2023, which represents the date the financial statements were available to be issued.

Primitives by Kathy Profit Sharing 401(k) Plan

EIN 23-3000388 Plan No. 001

Schedule H - Line 4i - SCHEDULE of ASSETS (HELD at END of YEAR)

September 30, 2022

Identity of Issue, Borrower, Lessor, or (a) (b) Similar Party		Description of Investment Including Maturity Date, Rate of Interest, (c) Collateral, Par or Maturity Value	(d) Cost	(e)	Current Value
Registered Investment Companies					
	American Funds	Am Fds EuroPacific Grth	**	\$	8,679
	American Funds	Am Fds Trgt Dte Rtm 2010	**		37,481
	American Funds	Am Fds Trgt Dte Rtm 2015	**		34,889
	American Funds	Am Fds Trgt Dte Rtm 2020	**		133,455
	American Funds	Am Fds Trgt Dte Rtm 2025	**		249,432
	American Funds	Am Fds Trgt Dte Rtm 2030	**		336,302
	American Funds	Am Fds Trgt Dte Rtm 2035	**		829,200
	American Funds	Am Fds Trgt Dte Rtm 2040	**		472,573
	American Funds	Am Fds Trgt Dte Rtm 2045	**		129,351
	American Funds	Am Fds Trgt Dte Rtm 2050	**		328,627
	American Funds	Am Fds Trgt Dte Rtm 2055	**		254,819
	American Funds	Am Fds Trgt Dte Rtm 2060	**		71,685
	American Funds	Am Fds Trgt Dte Rtm 2065	**		8,930
Total Registered Investment Companies					2,895,423
Common and Collective Trusts					
*	Principal Life	Prin Stable Value	**		41,558
Pooled Separate Accounts					
*	Principal Life	Prin Diversified Intl	**		2,840
*	Principal Life	Prin Equity Income	**		28,334
*	Principal Life	T Rowe LgCap Growth	**		211,522
*	Principal Life	Prin LgCap S&P 500 Index	**		74,399
*	Principal Life	Prin MidCap	**		63,914
*	Principal Life	Prin SmCap S&P 600 Index	**		98,136
*	Principal Life	Prin SAM Balanced	**		12,617
*	Principal Life	Prin SAM Cons Balanced	**		19,290
*	Principal Life	Prin SAM Cons Growth	**		624,151
*	Principal Life	Prin SAM Flexible Income	**		297
*	Principal Life	Prin SAM Strat Growth	**		61,724
*	Principal Life	Principal Bond Mkt Index	**		31,140
Total Pooled Separate Accounts					1,228,364
Notes Receivables from Participants					
*	Participant Loans	5.25% - 7.50%, Various Maturity Dates (February 2023 to October 2026), Collateral - Portion of Participants' Vested Account Balances			
				\$ -0-	26,594
				\$ -0-	\$ 4,191,939

*Indicates related party.

**Information not required.

See independent auditors' report.

Primitives by Kathy Profit Sharing 401(k) Plan

EIN 23-3000388 Plan No. 001

Schedule H - Line 4i - SCHEDULE of ASSETS (ACQUIRED and DISPOSED of WITHIN YEAR)

Year Ended September 30, 2022

Identity of Issue, Borrower, Lessor, (a) or Similar Party (b)		Description of Investment Including Maturity Date, Rate of Interest, Collateral, Par or Maturity Value (c)	Costs of Acquisitions (d)	Proceeds of Dispositions (e)
* Participant Loans		5.25% - 7.50%, Various Maturity Dates (February 2023 to October 2026), Collateral - Portion of Participants' Vested Account Balances	\$ -0-	\$ -0-

* Represents party-in-interest to the Plan.

See independent auditors' report.

SCHEDULE H, line 4i - SCHEDULE OF ASSETS (HELD AT END OF YEAR)

SCHEDULE H, line 4i - SCHEDULE OF ASSETS (HELD AT END OF YEAR)

P K P S 401() P

EIN 23 3000388
 PLAN NUMBER 001
 PLAN YEAR 10/01/2021 TO 09/30/2022

(A)	(B) Identity of issuer, borrower, lessor or similar party.	(C) Description of investment including maturity date, rate of interest, collateral, par or maturity value.	(D) Cost	(E) Current Value
	The American Funds	Registered Investment Company Am Fds EuroPacific Grth R3 Fd	\$ 0.00	\$ 8,678.63
	American Funds Service Company	Registered Investment Company Am Fds Trgt Dte Rtm 2010 R3 Fd	\$ 0.00	\$ 37,481.28
	American Funds Service Company	Registered Investment Company Am Fds Trgt Dte Rtm 2015 R3 Fd	\$ 0.00	\$ 34,889.38
	American Funds Service Company	Registered Investment Company Am Fds Trgt Dte Rtm 2020 R3 Fd	\$ 0.00	\$ 133,455.45
	American Funds Service Company	Registered Investment Company Am Fds Trgt Dte Rtm 2025 R3 Fd	\$ 0.00	\$ 249,431.74
	American Funds Service Company	Registered Investment Company Am Fds Trgt Dte Rtm 2030 R3 Fd	\$ 0.00	\$ 336,301.77
	American Funds Service Company	Registered Investment Company Am Fds Trgt Dte Rtm 2035 R3 Fd	\$ 0.00	\$ 829,199.86
	American Funds Service Company	Registered Investment Company Am Fds Trgt Dte Rtm 2040 R3 Fd	\$ 0.00	\$ 472,572.87
	American Funds Service Company	Registered Investment Company Am Fds Trgt Dte Rtm 2045 R3 Fd	\$ 0.00	\$ 129,351.18
	American Funds Service Company	Registered Investment Company Am Fds Trgt Dte Rtm 2050 R3 Fd	\$ 0.00	\$ 328,627.09
	The American Funds	Registered Investment Company Am Fds Trgt Dte Rtm 2055 R3 Fd	\$ 0.00	\$ 254,818.63
	American Funds Service Company	Registered Investment Company Am Fds Trgt Dte Rtm 2060 R3 Fd	\$ 0.00	\$ 71,685.50
	American Funds Service Company	Registered Investment Company Am Fds Trgt Dte Rtm 2065 R3 Fd	\$ 0.00	\$ 8,929.69
*	Principal Life Insurance Company	Pooled Separate Accounts Prin Diversified Intl SA-R4	\$ 0.00	\$ 2,839.94
*	Principal Life Insurance Company	Pooled Separate Accounts Prin Equity Income SA-R4	\$ 0.00	\$ 28,334.09

SCHEDULE H, line 4i - SCHEDULE OF ASSETS (HELD AT END OF YEAR)

P K P S 401() P

 EIN 23 3000388
 PLAN NUMBER 001
 PLAN YEAR 10/01/2021 TO 09/30/2022

(A)	(B) Identity of issuer, borrower, lessor or similar party.	(C) Description of investment including maturity date, rate of interest, collateral, par or maturity value.	(D) Cost	(E) Current Value
*	Principal Life Insurance Company	Pooled Separate Accounts Prin LargeCap Growth I SA-R4	\$ 0.00	\$ 211,522.04
*	Principal Life Insurance Company	Pooled Separate Accounts Prin LgCap S&P 500 Index SA-R4	\$ 0.00	\$ 74,398.87
*	Principal Life Insurance Company	Pooled Separate Accounts Prin MidCap Sep Acct-R4	\$ 0.00	\$ 63,914.38
*	Principal Life Insurance Company	Pooled Separate Accounts Prin SmCap S&P 600 Index SA-R4	\$ 0.00	\$ 98,136.14
*	Principal Life Insurance Company	Pooled Separate Accounts Prin SAM Balanced Sep Acct-R4	\$ 0.00	\$ 12,616.43
*	Principal Life Insurance Company	Pooled Separate Accounts Prin SAM Cons Balanced SA-R4	\$ 0.00	\$ 19,289.76
*	Principal Life Insurance Company	Pooled Separate Accounts Prin SAM Cons Growth SA-R4	\$ 0.00	\$ 624,150.51
*	Principal Life Insurance Company	Pooled Separate Accounts Prin SAM Flexible Income SA-R4	\$ 0.00	\$ 297.14
*	Principal Life Insurance Company	Pooled Separate Accounts Prin SAM Strat Growth SA-R4	\$ 0.00	\$ 61,723.88
*	Principal Life Insurance Company	Pooled Separate Accounts Principal Bond Mkt Index SA-R4	\$ 0.00	\$ 31,140.42
*	Principal Global Investors Trust Co	Common/Collective Trust Principal Stable Value Fund	\$ 0.00	\$ 41,558.00
*	Participant Loans	Range of Interest Rates Rates Range From 5.25% To 7.50%	\$ 0.00	\$ 26,594.00