

Form 5500 Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Annual Return/Report of Employee Benefit Plan This form is required to be filed for employee benefit plans under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and sections 6057(b) and 6058(a) of the Internal Revenue Code (the Code). ▶ Complete all entries in accordance with the instructions to the Form 5500.	OMB Nos. 1210-0110 1210-0089 2021 This Form is Open to Public Inspection
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Part I	Annual Report Identification Information
For calendar plan year 2021 or fiscal plan year beginning 10/01/2021 and ending 09/30/2022	
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 HEADCO INDUSTRIES, INC. PENSION PLAN
1b	Three-digit plan number (PN) ▶ 002
1c	Effective date of plan 10/01/1981
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) HEADCO INDUSTRIES, INC. 2601 PARKES DRIVE BROADVIEW, IL 60155
2b	Employer Identification Number (EIN) 36-1687851
2c	Plan Sponsor's telephone number 708-681-4400
2d	Business code (see instructions) 423800

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.	07/17/2023	PAUL CVIKOTA
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE	Filed with authorized/valid electronic signature.	07/17/2023	PAUL CVIKOTA
	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	207
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)	36
a(2) Total number of active participants at the end of the plan year		6a(2)	0
b Retired or separated participants receiving benefits.....		6b	0
c Other retired or separated participants entitled to future benefits		6c	0
d Subtotal. Add lines 6a(2) , 6b , and 6c		6d	0
e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits.		6e	0
f Total. Add lines 6d and 6e		6f	0
g Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item)		6g	
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: 1A 1H 1I			
b If the plan provides welfare benefits, enter the applicable welfare feature codes from the List of Plan Characteristics Codes in the instructions:			
9a Plan funding arrangement (check all that apply) (1) ☐ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☒ Trust (4) ☐ General assets of the sponsor		9b Plan benefit arrangement (check all that apply) (1) ☐ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☒ Trust (4) ☐ General assets of the sponsor	
10 Check all applicable boxes in 10a and 10b to indicate which schedules are attached, and, where indicated, enter the number attached. (See instructions)			
a Pension Schedules (1) ☒ R (Retirement Plan Information) (2) ☐ MB (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary (3) ☒ SB (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary		b General Schedules (1) ☒ H (Financial Information) (2) ☐ I (Financial Information – Small Plan) (3) ☐ <u>0</u> A (Insurance Information) (4) ☒ C (Service Provider Information) (5) ☐ D (DFE/Participating Plan Information) (6) ☐ G (Financial Transaction Schedules)	

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

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

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

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

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

Receipt Confirmation Code _____

SCHEDULE SB (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Single-Employer Defined Benefit Plan Actuarial Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6059 of the Internal Revenue Code (the Code). ▶ File as an attachment to Form 5500 or 5500-SF.	OMB No. 1210-0110 2021 This Form is Open to Public Inspection
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For calendar plan year 2021 or fiscal plan year beginning 10/01/2021 and ending 09/30/2022

▶ **Round off amounts to nearest dollar.**

▶ **Caution:** A penalty of \$1,000 will be assessed for late filing of this report unless reasonable cause is established.

A Name of plan <u>HEADCO INDUSTRIES, INC. PENSION PLAN</u>	B Three-digit plan number (PN) ▶ <u>002</u>
C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF <u>HEADCO INDUSTRIES, INC.</u>	D Employer Identification Number (EIN) <u>36-1687851</u>
E Type of plan: ☒ Single ☐ Multiple-A ☐ Multiple-B	F Prior year plan size: ☐ 100 or fewer ☒ 101-500 ☐ More than 500

Part I	Basic Information
1 Enter the valuation date: Month <u>10</u> Day <u>01</u> Year <u>2021</u>	
2 Assets:	
a Market value	2a <u>9221692</u>
b Actuarial value	2b <u>9221692</u>
3 Funding target/participant count breakdown	
a For retired participants and beneficiaries receiving payment.....	(1) Number of participants <u>125</u> (2) Vested Funding Target <u>5506767</u> (3) Total Funding Target <u>5506767</u>
b For terminated vested participants.....	<u>46</u> <u>517012</u> <u>517012</u>
c For active participants	<u>36</u> <u>1307841</u> <u>1307841</u>
d Total.....	<u>207</u> <u>7331620</u> <u>7331620</u>
4 If the plan is in at-risk status, check the box and complete lines (a) and (b)..... ☐	
a Funding target disregarding prescribed at-risk assumptions	4a
b Funding target reflecting at-risk assumptions, but disregarding transition rule for plans that have been in at-risk status for fewer than five consecutive years and disregarding loading factor.....	4b
5 Effective interest rate	5 <u>4.71</u> %
6 Target normal cost.....	
a Present value of current plan year accruals.....	6a <u>0</u>
b Expected plan-related expenses	6b <u>161000</u>
c Total (line 6a + line 6b)	6c <u>161000</u>

Statement by Enrolled Actuary

To the best of my knowledge, the information supplied in this schedule and accompanying schedules, statements and attachments, if any, is complete and accurate. Each prescribed assumption was applied in accordance with applicable law and regulations. In my opinion, each other assumption is reasonable (taking into account the experience of the plan and reasonable expectations) and such other assumptions, in combination, offer my best estimate of anticipated experience under the plan.

SIGN HERE		<u>07/13/2023</u> Date
<u>ROBERT PONSONBY</u> Signature of actuary		<u>23-04083</u> Most recent enrollment number
<u>ACCURATE BENEFITS INC.</u> Type or print name of actuary		<u>866-479-3893</u> Telephone number (including area code)
<u>507 BROAD ST., PMB 146</u> <u>LAKE GENEVA, WI 53147</u> Firm name		
<u>Address of the firm</u>		

If the actuary has not fully reflected any regulation or ruling promulgated under the statute in completing this schedule, check the box and see instructions ☐

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

Schedule SB (Form 5500) 2021
v. 201209

Part II Beginning of Year Carryover and Prefunding Balances

	(a) Carryover balance	(b) Prefunding balance
7 Balance at beginning of prior year after applicable adjustments (line 13 from prior year)	0	0
8 Portion elected for use to offset prior year's funding requirement (line 35 from prior year)		
9 Amount remaining (line 7 minus line 8)	0	0
10 Interest on line 9 using prior year's actual return of <u>19.00</u> %	0	0
11 Prior year's excess contributions to be added to prefunding balance:		
a Present value of excess contributions (line 38a from prior year)		878606
b(1) Interest on the excess, if any, of line 38a over line 38b from prior year Schedule SB, using prior year's effective interest rate of <u>5.11</u> %		44897
b(2) Interest on line 38b from prior year Schedule SB, using prior year's actual return		0
c Total available at beginning of current plan year to add to prefunding balance		923503
d Portion of (c) to be added to prefunding balance		
12 Other reductions in balances due to elections or deemed elections	0	0
13 Balance at beginning of current year (line 9 + line 10 + line 11d – line 12)	0	0

Part III Funding Percentages

14 Funding target attainment percentage	14	125.77 %
15 Adjusted funding target attainment percentage	15	125.77 %
16 Prior year's funding percentage for purposes of determining whether carryover/prefunding balances may be used to reduce current year's funding requirement	16	97.22 %
17 If the current value of the assets of the plan is less than 70 percent of the funding target, enter such percentage	17	%

Part IV Contributions and Liquidity Shortfalls**18** Contributions made to the plan for the plan year by employer(s) and employees:

(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees	(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees
08/23/2022	20000	0			
Totals ▶			18(b)	20000	18(c) 0

19 Discounted employer contributions – see instructions for small plan with a valuation date after the beginning of the year:

a Contributions allocated toward unpaid minimum required contributions from prior years	19a	0
b Contributions made to avoid restrictions adjusted to valuation date	19b	0
c Contributions allocated toward minimum required contribution for current year adjusted to valuation date	19c	19195

20 Quarterly contributions and liquidity shortfalls:

- a** Did the plan have a "funding shortfall" for the prior year? ☐ Yes ☒ No
- b** If line 20a is "Yes," were required quarterly installments for the current year made in a timely manner? ☐ Yes ☐ No
- c** If line 20a is "Yes," see instructions and complete the following table as applicable:

Liquidity shortfall as of end of quarter of this plan year			
(1) 1st	(2) 2nd	(3) 3rd	(4) 4th

Part V Assumptions Used to Determine Funding Target and Target Normal Cost**21** Discount rate:**a** Segment rates:1st segment:
3.32 %2nd segment:
4.79 %3rd segment:
5.47 %☐ N/A, full yield curve used**b** Applicable month (enter code)**21b**

0

22 Weighted average retirement age**22**

65

23 Mortality table(s) (see instructions) ☒ Prescribed - combined☐ Prescribed - separate☐ Substitute**Part VI Miscellaneous Items****24** Has a change been made in the non-prescribed actuarial assumptions for the current plan year? If "Yes," see instructions regarding required attachment. ☐ Yes ☒ No**25** Has a method change been made for the current plan year? If "Yes," see instructions regarding required attachment. ☐ Yes ☒ No**26** Is the plan required to provide a Schedule of Active Participants? If "Yes," see instructions regarding required attachment. ☒ Yes ☐ No**27** If the plan is subject to alternative funding rules, enter applicable code and see instructions regarding attachment. **27****Part VII Reconciliation of Unpaid Minimum Required Contributions For Prior Years****28** Unpaid minimum required contributions for all prior years **28** 0**29** Discounted employer contributions allocated toward unpaid minimum required contributions from prior years (line 19a) **29** 0**30** Remaining amount of unpaid minimum required contributions (line 28 minus line 29) **30** 0**Part VIII Minimum Required Contribution For Current Year****31** Target normal cost and excess assets (see instructions):**a** Target normal cost (line 6c) **31a** 161000**b** Excess assets, if applicable, but not greater than line 31a **31b** 161000**32** Amortization installments:**a** Net shortfall amortization installment Outstanding Balance 0 Installment 0**b** Waiver amortization installment 0 0**33** If a waiver has been approved for this plan year, enter the date of the ruling letter granting the approval (Month _____ Day _____ Year _____) and the waived amount **33****34** Total funding requirement before reflecting carryover/prefunding balances (lines 31a - 31b + 32a + 32b - 33) **34** 0**35** Balances elected for use to offset funding requirement Carryover balance 0 Prefunding balance 0 Total balance 0**36** Additional cash requirement (line 34 minus line 35) **36** 0**37** Contributions allocated toward minimum required contribution for current year adjusted to valuation date (line 19c) **37** 19195**38** Present value of excess contributions for current year (see instructions)**a** Total (excess, if any, of line 37 over line 36) **38a** 19195**b** Portion included in line 38a attributable to use of prefunding and funding standard carryover balances **38b** 0**39** Unpaid minimum required contribution for current year (excess, if any, of line 36 over line 37) **39** 0**40** Unpaid minimum required contributions for all years **40** 0**Part IX Pension Funding Relief Under Pension Relief Act of 2010 (See Instructions)****41** If an election was made to use PRA 2010 funding relief for this plan:**a** Schedule elected ☐ 2 plus 7 years ☐ 15 years**b** Eligible plan year(s) for which the election in line 41a was made ☐ 2008 ☐ 2009 ☐ 2010 ☐ 2011

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 HEADCO INDUSTRIES, INC. PENSION PLAN	B Three-digit plan number (PN) ▶	002
C Plan sponsor's name as shown on line 2a of Form 5500 HEADCO INDUSTRIES, INC.	D Employer Identification Number (EIN) 36-1687851	

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

1 Information on Persons Receiving Only Eligible Indirect Compensation

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

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

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

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

ACCURATE BENEFITS, INC.

36-4036349

(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?
11	NONE	73600	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

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

CAPITAL STRATEGIES INVESTMENT GROUP

26-4789150

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
27	NONE	21875	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

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

MILLER, COOPER & CO., LTD

36-2897372

(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?
10	NONE	18500	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

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

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

PRINCIPAL TRUST COMPANY

51-0099493

(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?
21	NONE	12680	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

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

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

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

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

Part I Service Provider Information (continued)

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

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

Part II Service Providers Who Fail or Refuse to Provide Information

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

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

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

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

Explanation:

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

Explanation:

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

Explanation:

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

Explanation:

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

Explanation:

SCHEDULE H (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Financial Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA), and section 6058(a) of the Internal Revenue Code (the Code). ► File as an attachment to Form 5500.	OMB No. 1210-0110 2021 This Form is Open to Public Inspection
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For calendar plan year 2021 or fiscal plan year beginning 10/01/2021 and ending 09/30/2022		
A Name of plan HEADCO INDUSTRIES, INC. PENSION PLAN	B Three-digit plan number (PN)	002
C Plan sponsor's name as shown on line 2a of Form 5500 HEADCO INDUSTRIES, INC.	D Employer Identification Number (EIN) 36-1687851	

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

Assets		(a) Beginning of Year	(b) End of Year
a Total noninterest-bearing cash.....	1a	62330	0
b Receivables (less allowance for doubtful accounts):			
(1) Employer contributions	1b(1)	0	0
(2) Participant contributions.....	1b(2)		
(3) Other	1b(3)		
c General investments:			
(1) Interest-bearing cash (include money market accounts & certificates of deposit)	1c(1)		
(2) U.S. Government securities	1c(2)		
(3) Corporate debt instruments (other than employer securities):			
(A) Preferred	1c(3)(A)		
(B) All other	1c(3)(B)		
(4) Corporate stocks (other than employer securities):			
(A) Preferred	1c(4)(A)		
(B) Common	1c(4)(B)		
(5) Partnership/joint venture interests	1c(5)		
(6) Real estate (other than employer real property)	1c(6)		
(7) Loans (other than to participants)	1c(7)		
(8) Participant loans	1c(8)		
(9) Value of interest in common/collective trusts	1c(9)		
(10) Value of interest in pooled separate accounts	1c(10)		
(11) Value of interest in master trust investment accounts	1c(11)		
(12) Value of interest in 103-12 investment entities	1c(12)		
(13) Value of interest in registered investment companies (e.g., mutual funds)	1c(13)	9159362	0
(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	9221692	0

Liabilities

g Benefit claims payable	1g		
h Operating payables	1h		
i Acquisition indebtedness.....	1i		
j Other liabilities.....	1j	20210	0
k Total liabilities (add all amounts in lines 1g through 1j)	1k	20210	0

Net Assets

l Net assets (subtract line 1k from line 1f)	1l	9201482	0
---	-----------	---------	---

Part II Income and Expense Statement

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

Income

		(a) Amount	(b) Total
a Contributions:			
(1) Received or receivable in cash from: (A) Employers	2a(1)(A)	20000	
(B) Participants	2a(1)(B)	0	
(C) Others (including rollovers).....	2a(1)(C)	0	
(2) Noncash contributions.....	2a(2)	0	
(3) Total contributions. Add lines 2a(1)(A) , (B), (C), and line 2a(2)	2a(3)		20000
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)		
(F) Other	2b(1)(F)		
(G) Total interest. Add lines 2b(1)(A) through (F).....	2b(1)(G)		0
(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)	207201	
(D) Total dividends. Add lines 2b(2)(A) , (B), and (C)	2b(2)(D)		207201
(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)	-763097	
(C) Total unrealized appreciation of assets. Add lines 2b(5)(A) and (B)	2b(5)(C)		-763097

		(a) Amount	(b) Total
(6) Net investment gain (loss) from common/collective trusts.....	2b(6)		
(7) Net investment gain (loss) from pooled separate accounts.....	2b(7)		
(8) Net investment gain (loss) from master trust investment accounts.....	2b(8)		
(9) Net investment gain (loss) from 103-12 investment entities.....	2b(9)		
(10) Net investment gain (loss) from registered investment companies (e.g., mutual funds).....	2b(10)		
c Other income.....	2c		
d Total income. Add all income amounts in column (b) and enter total.....	2d		-535896
Expenses			
e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers.....	2e(1)	6471132	
(2) To insurance carriers for the provision of benefits.....	2e(2)		
(3) Other.....	2e(3)	2059000	
(4) Total benefit payments. Add lines 2e(1) through (3).....	2e(4)		8530132
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)	114307	
(2) Contract administrator fees.....	2i(2)		
(3) Investment advisory and management fees.....	2i(3)		
(4) Other.....	2i(4)	21147	
(5) Total administrative expenses. Add lines 2i(1) through (4).....	2i(5)		135454
j Total expenses. Add all expense amounts in column (b) and enter total.....	2j		8665586
Net Income and Reconciliation			
k Net income (loss). Subtract line 2j from line 2d.....	2k		-9201482
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: MILLER COOPER & CO. LTD

(2) EIN: 36-2897372

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		500000
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.)			
4i		X	
j Were any plan transactions or series of transactions in excess of 5% of the current value of plan assets? (Attach schedule of transactions if "Yes" is checked and see instructions for format requirements.)	X		
4j	X		
k Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?	X		
4k	X		
l Has the plan failed to provide any benefit when due under the plan?		X	
4l		X	
m If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.)			
4m			
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 0.			
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 461778.			

SCHEDULE R (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Retirement Plan Information This schedule is required to be filed under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6058(a) of the Internal Revenue Code (the Code). ► File as an attachment to Form 5500.	OMB No. 1210-0110 2021 This Form is Open to Public Inspection.
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For calendar plan year 2021 or fiscal plan year beginning 10/01/2021 and ending 09/30/2022

A Name of plan HEADCO INDUSTRIES, INC. PENSION PLAN	B Three-digit plan number (PN) ► 002
C Plan sponsor's name as shown on line 2a of Form 5500 HEADCO INDUSTRIES, INC.	D Employer Identification Number (EIN) 36-1687851

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

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

1 Total value of distributions paid in property other than in cash or the forms of property specified in the instructions.....	1	0
2 Enter the EIN(s) of payor(s) who paid benefits on behalf of the plan to participants or beneficiaries during the year (if more than two, enter EINs of the two payors who paid the greatest dollar amounts of benefits): EIN(s): _____ 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	162

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

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

**Headco Industries, Inc.
Pension Plan**

**Financial Statements and
Independent Auditors' Report**

September 23, 2022 and September 30, 2021

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MILLER COOPER & Co., Ltd

ACCOUNTANTS AND CONSULTANTS

INDEPENDENT AUDITORS' REPORT

Trustees and Benefits Committee
Headco Industries, Inc. Pension Plan
Broadview, Illinois

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

We have performed an audit of the financial statements of Headco Industries, Inc. Pension Plan (the Plan), an employee benefit plan subject to the Employee Retirement Income Security Act of 1974 (ERISA), as permitted by ERISA Section 103(a)(3)(C) (ERISA Section 103(a)(3)(C) audit). The financial statements comprise the statements of net assets available for benefits in liquidation as of September 23, 2022, the related statement of changes in net assets available for benefits in liquidation for the period October 1, 2021 through September 23, 2022, 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 (DOL) Rules and Regulations for Reporting and Disclosure under ERISA. As permitted by ERISA Section 103(a)(3)(C), our audit need not extend to any statements or information related to assets held for investment of the Plan (investment information) by a bank or similar institution or insurance carrier that is regulated, supervised, and subject to periodic examination by a state or federal agency, provided that the statements or information regarding assets so held are prepared and certified to by the bank or similar institution or insurance carrier in accordance with 29 CFR 2520.103-5 of the DOL's Rules and Regulations for Reporting and Disclosure under ERISA (qualified institution).

Management has obtained a certification from a qualified institution as of and for the period from October 1, 2021 through September 23, 2022, stating that the certified investment information, as described in Note E 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 Auditor's 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 (U.S. GAAP).
- The information in the accompanying 2022 financial statements related to assets held by and certified to by a qualified institution agrees to, or is derived from, in all material respects, the information prepared and certified by an institution that management determined meets the requirements of ERISA Section 103(a)(3)(C).

(Continued)



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 Auditor's Responsibilities for the Audit of the 2022 Financial Statements section of our report. We are required to be independent of the Plan and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our ERISA Section 103(a)(3)(C) audit opinion.

Emphasis of Matter- Plan Termination and Liquidation Basis

As described in Note G to the financial statements, the Trustees and Benefits Committee of Headco Industries, Inc., the Plan's Sponsor, voted on November 29, 2021 to terminate the Plan and management determined liquidation is imminent. As a result, the Plan has changed its basis of accounting from the going concern basis of accounting used in presenting the 2021 financial statements to the liquidation basis of accounting used in presenting 2022 financial statements. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the 2022 Financial Statements

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

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

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

(Continued)

Auditor's 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 the Plan's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Plan's ability to continue as a going concern for a reasonable period of time.

Our audit did not extend to the certified investment information, except for obtaining and reading the certification, comparing the certified investment information with the related information presented and disclosed in the 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 U.S. GAAP.

Auditor's Responsibilities for the Audit of the 2022 Financial Statements (Continued)

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

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

Other Matter - 2022 Supplemental Schedule Required by ERISA

The supplemental schedule, as listed in the table of contents, as of September 23, 2022, is presented for purposes of additional analysis and is not a required part of the financial statements but is supplementary information required by the DOL's Rules and Regulations for Reporting and Disclosure under ERISA. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information included in the supplemental schedule, other than that agreed to or derived from the certified investment information, has been subjected to auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with GAAS. For information included in the supplemental schedule that agreed to or is derived from the certified investment information, we compared such information to the related certified investment information.

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

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

(Continued)

Other Matter - Auditor's Report on the 2021 Financial Statements

We were engaged to audit the 2021 financial statements (the Plan year ended September 30, 2021) of the Plan. As permitted by 29 CFR 2520.103-8 of the DOL's Rules and Regulations for Reporting and Disclosure under ERISA, the plan administrator instructed us not to perform and we did not perform any auditing procedures with respect to the information certified by a qualified institution. In our report dated July 15, 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 DOL's Rules and Regulations for Reporting and Disclosure under ERISA.

MILLER, COOPER & CO., LTD.



Certified Public Accountants

Deerfield, Illinois
July 17, 2023

FINANCIAL STATEMENTS

Headco Industries, Inc.
Pension Plan

STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS IN LIQUIDATION
September 23, 2022 and September 30, 2021

	September 23, 2022 (Liquidation)	September 30, 2021 (Ongoing)
<u>ASSETS</u>		
Cash	\$ -	\$ 62,330
Investments, at fair value	<u>-</u>	<u>9,159,362</u>
Total assets	-	9,221,692
<u>LIABILITIES</u>		
Administrative expenses payable	<u>-</u>	<u>20,210</u>
NET ASSETS AVAILABLE FOR BENEFITS IN LIQUIDATION	\$ <u>-</u>	\$ <u>9,201,482</u>

The accompanying notes are an integral part of these statements.

Headco Industries, Inc.
Pension Plan

STATEMENTS OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS IN LIQUIDATION
For the period from October 1, 2021 through September 23, 2022 and year ended September 30, 2021

	2022 (Liquidation)	2021 (Ongoing)
Additions:		
Investment Income		
Net appreciation in fair value of investments	\$ -	\$ 1,052,834
Interest and dividends	<u>207,201</u>	<u>267,026</u>
	207,201	1,319,860
Employer contributions	<u>20,000</u>	<u>1,195,000</u>
Total additions	<u>227,201</u>	<u>2,514,860</u>
Deductions:		
Net depreciation in fair value of investments	763,097	-
Benefits paid to participants	6,471,132	872,593
Benefits paid to insurance carrier for provision of benefits (Note H)	2,059,000	-
Administrative expenses	<u>135,454</u>	<u>176,005</u>
Total deductions	<u>9,428,683</u>	<u>1,048,598</u>
NET (DECREASE) INCREASE	(9,201,482)	1,466,262
Net assets available for benefits in liquidation, beginning of period	<u>9,201,482</u>	<u>7,735,220</u>
Net assets available for benefits in liquidation, end of period	<u><u>\$ -</u></u>	<u><u>\$ 9,201,482</u></u>

The accompanying notes are an integral part of these statements.

Headco Industries, Inc.
Pension Plan
NOTES TO FINANCIAL STATEMENTS
September 23, 2022 and September 30, 2021

NOTE A - DESCRIPTION OF PLAN

The following description of the Headco Industries, Inc. Pension Plan (the Plan) provides only general information. Interested parties should refer to the plan document for a more complete description of the Plan's provisions.

Effective November 29, 2021, the Plan was terminated, as discussed in Note G, and all assets of the Plan were distributed out during 2022.

1. General

The Plan was a defined benefit plan, established on October 1, 1981, covering substantially all employees of Headco Industries, Inc. (the Company or Employer) who had completed one year (at least 1,000 hours) of service and had attained the age of 21 prior to the Plan being frozen, as discussed below. The Plan provided retirement, death, and disability benefits. The Plan was subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA).

As of December 22, 1994, future benefit accruals under the Plan were frozen for substantially all participants. As of December 31, 1996, all remaining future benefit accruals under the Plan were frozen for all remaining participants for whom benefits had not been frozen as of December 22, 1994. As a result of these amendments, all participants were fully vested in all accumulated benefits.

2. Pension Benefits

The amount of benefit a participant received depended on the participant's earnings and service at retirement or disability. The amount of benefit received also depended upon whether payments were made for the participant's lifetime only or were to continue to be paid to a designated beneficiary upon the participant's death (survivor benefits).

Except for certain warehouse workers (as described in the following sentence), participants' pension benefits were frozen as of December 22, 1994, and had not increased since that date. Pension benefits for warehouse workers for whom benefits were subject to collective bargaining with the Chicago Truck Drivers, Helpers and Warehouse Workers Union (Independent) were frozen as of December 31, 1996, and had not increased since that date.

Headco Industries, Inc.
Pension Plan
NOTES TO FINANCIAL STATEMENTS
September 23, 2022 and September 30, 2021

NOTE A - DESCRIPTION OF PLAN (Continued)

2. Pension Benefits (Continued)

Participants retiring on their normal retirement date would receive a pension benefit amount each year equal to the sum of their past benefit and their future service benefit. The yearly amount of a participant's past service benefit equaled the greater of (a) multiplied by (b) below, except for certain participants who formerly participated in the Headco Industries, Inc. Employee Stock Ownership Plan ("ESOP") that terminated in 1981, who had elected to roll over their account balances into the Plan, and may have been subject to a different formula.

- (a) 1.00% of annual compensation up to \$29,700 and 2.25% of annual compensation over \$29,700.
- (b) The number of years of service with Headco Industries, Inc. as of the date the Plan was frozen.

The total amount of a participant's future service benefit would be the sum of the retired benefit amounts that were earned during the following:

- (a) For a period of service after October 1, 1981, but prior to October 1, 1989, the amount of retirement benefit earned each year was 1.00% of yearly earnings subject to social security tax for such year plus 2.25% of yearly earnings in excess of the amount subject to social security tax.
- (b) For a period of service after October 1, 1989, but prior to October 1, 1991, the amount of retirement benefit earned each year was 1.80% of yearly earnings.
- (c) For a period of service after October 1, 1991, the amount of retirement benefit earned each year was 1.15% of yearly earnings.
- (d) For a short plan year (October 1, 1994 to December 22, 1994), if the participant was not a warehouse worker for whom benefits are subject to collective bargaining with the Chicago Truck Drivers, Helpers and Warehouse Workers Union (Independent), the participant's future service benefit will equal 1.15% of yearly earnings multiplied by 0.25.

If a participant had begun receiving benefit distributions because he/she had reached age 70½, and had not retired, the benefit would be adjusted at the end of each year that he/she remained employed. This adjustment would reflect additional benefits earned while being employed.

Headco Industries, Inc.
Pension Plan
NOTES TO FINANCIAL STATEMENTS
September 23, 2022 and September 30, 2021

NOTE A - DESCRIPTION OF PLAN (Continued)

2. Pension Benefits (Continued)

Disability Benefit

Participants would be eligible to receive disability payments if:

- (a) They were active participants under the Plan on the date they became disabled;
- (b) They were permanently and totally disabled, as determined by the Plan Administrator, and they were eligible for disability benefits under the Social Security Act;
- (c) They had reached age 45, but not normal retirement age; and
- (d) They had completed 10 years of service.

If eligible to receive disability benefit payments, a participant's monthly amount would be equal to one-twelfth of his or her annual pension benefit that had accrued as of the disability date.

Once normal retirement age was attained, this disability benefit would be considered a pension benefit. If the participant died after disability, but prior to normal retirement age, a benefit would be payable to the spouse provided that the participant and spouse were married for one year or longer on the date of death. This benefit, which was equal to the spouse's benefit, would begin on the date that was ten years prior to the participant's normal retirement date or the date of death, whichever occurred later.

Death Benefit

A benefit may be payable to a spouse if the participant died prior to or after his/her retirement date, provided that the participant did not submit a written waiver of the spouse's option to the Plan Administrator. This waiver must be accompanied by a notarized consent form signed by the spouse.

Unless eligible for a spouse's benefit, there were no death benefits under the Plan if a participant died before retirement, except the amount of the final balance in the participant's ESOP account, if any.

Headco Industries, Inc.
Pension Plan
NOTES TO FINANCIAL STATEMENTS
September 23, 2022 and September 30, 2021

NOTE A - DESCRIPTION OF PLAN (Continued)

2. Pension Benefits (Continued)

Death Benefit (Continued)

If a participant died prior to his or her retirement date after becoming vested in his or her accrued benefit, his or her spouse would be eligible to receive a death benefit. The yearly amount of benefit that the spouse would receive for life would be equal to one half (50%) of the reduced pension benefit that the participant would have received if he or she had retired on the date before his or her death.

If a participant maintained an ESOP account at retirement, and if neither the spouse's option nor any other optional form of benefit was in effect with respect to the participant upon his or her retirement date, then, in the event of death, monthly payments would be made to the designated beneficiary until the total of all payments made to the participant and his or her beneficiary equal the value of the ESOP account as of the retirement date. If the monthly payments received before death equaled, in the aggregate, the value of the ESOP account, no death benefit was payable under this provision.

No other postretirement death benefits were payable under this Plan, unless an optional form of pension that provided for such a benefit was in effect for the participant at his/her retirement date.

3. Administrative Expenses

Administrative expenses of the Plan were paid by the Company and the Plan, as provided in the plan document. Investment-related expenses were included in net appreciation (depreciation) in fair value of investments. For the period October 1, 2021 through September 23, 2022 and year ended September 30, 2021, all administrative expenses were paid or accrued by the Plan.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1. Basis of Accounting

Due to the decision to terminate the Plan during 2022, management determined that the liquidation of the Plan was imminent and accordingly the 2022 financial statements have been prepared using the liquidation basis of accounting. The 2021 financial statements were prepared as a going concern (ongoing) on the accrual basis of accounting.

Headco Industries, Inc.
Pension Plan
NOTES TO FINANCIAL STATEMENTS
September 23, 2022 and September 30, 2021

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2. Fair Value Measurements

Current accounting standards establish a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives 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 are described below:

Level 1 Inputs to the valuation methodology are unadjusted quoted market 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 the following:

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

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

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

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

The following is a description of the valuation methodologies used for the Plan's investments (2021 only) measured at fair value.

Headco Industries, Inc.
Pension Plan
NOTES TO FINANCIAL STATEMENTS
September 23, 2022 and September 30, 2021

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2. Fair Value Measurements (Continued)

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

The Plan held no investments as of September 23, 2022. The following table sets forth by level, within the fair value hierarchy, the Plan's investments at fair value as of September 30, 2021.

	Plan Investments at Fair Value as of September 30, 2021			
	Level 1	Level 2	Level 3	Total
Mutual funds	\$ 9,159,362	\$ -	\$ -	\$ 9,159,362
Investments, at fair value	<u>\$ 9,159,362</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,159,362</u>

3. Investment Valuation and Income Recognition

Investments held at September 30, 2021 have been reported at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Plan's Benefits Committee determined the Plan's valuation policies utilizing information provided by the trustee. See Note B-2 for discussion of fair value measurements.

The Plan held no investments at September 23, 2022.

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

Headco Industries, Inc.
Pension Plan
NOTES TO FINANCIAL STATEMENTS
September 23, 2022 and September 30, 2021

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

4. Use of Estimates

In preparing the Plan's financial statements, management is required to make estimates and assumptions that affect the reported amounts of net assets, the disclosure of contingent assets and liabilities at the date of the financial statements, the reported amounts of changes in net assets during the reporting period, and the actuarial present value of accumulated plan benefits as of the date of the financial statements. Actual results could differ from those estimates. The Plan uses an independent actuary to determine the actuarial present value of accumulated plan benefits. A change in the actuarial assumptions used could significantly change the amount of the actuarial present value of accumulated plan benefits reported in the accompanying financial statements.

5. Payment of Benefits

Benefits were recorded when paid.

NOTE C - FUNDING POLICY AND MINIMUM FUNDING CONTRIBUTION

Contributions to provide benefits under the Plan were made solely by the Company. The Company's funding policy was to make cash contributions to the Plan in amounts determined by the Plan's independent actuary. The Company did not meet the minimum funding requirements as of October 1, 2019. As a result, a funding target shortfall was to be amortized over the next seven years in the annual amount of \$174,508. The Company provided contributions of \$1,195,000 related to plan year ended September 30, 2021, which included amounts necessary to fully fund the prior shortfall in the 2021 plan year. Accordingly, the minimum funding requirement shortfall as of October 1, 2019 had been fully funded at September 30, 2021. The Company provided contributions of \$20,000 for the plan period October 1, 2021 through September 23, 2022.

Headco Industries, Inc.
Pension Plan

NOTES TO FINANCIAL STATEMENTS
September 23, 2022 and September 30, 2021

NOTE D - ACCUMULATED PLAN BENEFITS

Accumulated plan benefits are those future periodic payments, including lump-sum distributions, that are attributable under the Plan's provisions to service rendered by employees as of the valuation date. Accumulated plan benefits include benefits expected to be paid to (1) retired or terminated employees or their beneficiaries and (2) present employees or their beneficiaries. The actuarial present value of accumulated plan benefits was determined by the Plan's most recent independent actuarial valuation (October 1, 2021) and is that amount that results from applying actuarial assumptions to adjust the accumulated plan benefits to reflect the time value of money (through discounts for interest) and the probability of payment (by means of decrements such as for death, disability, withdrawal, or retirement) between the valuation date and the expected date of payment.

The actuarial present value of accumulated plan benefits as of October 1, 2021 is as follows:

Vested benefits	
Participants and/or beneficiaries currently receiving benefits	\$ 6,299,493
Terminated with deferred benefits	747,132
Other participants	<u>1,630,703</u>
Total actuarial present value of accumulated plan benefits	<u>\$ 8,677,328</u>

Given the Plan's termination and full payment to participants, there is no actuarial value of accumulated plan benefits as of September 23, 2022.

The changes in the actuarial present value of the Plan's accumulated plan benefits for the period October 1, 2020 through September 23, 2022 was as follows:

Actuarial present value of accumulated plan benefits at October 1, 2020 (going concern basis)	\$ 7,158,511
Increase (decrease) during the year attributable to:	
Interest	470,516
Benefits paid	(873,698)
Changes in actuarial assumptions *	2,374,716
Actuarial gain	<u>(452,717)</u>
Actuarial present value of accumulated plan benefits at September 30, 2021 (liquidation basis)	<u>\$ 8,677,328</u>

* Primarily due to the change from going concern (ongoing) basis to liquidation basis

Headco Industries, Inc.
Pension Plan
NOTES TO FINANCIAL STATEMENTS
September 23, 2022 and September 30, 2021

NOTE D - ACCUMULATED PLAN BENEFITS (Continued)

Actuarial present value of accumulated plan benefits at October 1, 2021 (liquidation basis)	\$ 8,677,328
Increase (decrease) during the year attributable to:	
Plan termination benefits purchase of annuities	(2,059,000)
Actuarial gain	(147,196)
Benefits paid	<u>(6,471,132)</u>
Actuarial present value of accumulated plan benefits at September 23, 2022	\$ <u><u>-</u></u>

The significant actuarial assumptions used in the October 1, 2021 and 2020 valuations were:

- (a) 2021 IRS Applicable Mortality for 2021.
RP 2014 Annuitant Male and Female Mortality Tables with MP 2019 projections for 2020.
- (b) Retirement Age: Normal retirement age of 65 or age at valuation date, if greater.
- (c) Assumed 3-segment interest rates of 0.63% / 2.51% / 3.10% for Active and Terminated Vested Participants for 2021.
Assumed 1.68% interest rate for Retirees for 2021.
Assumed discount rate of 7% for 2020.

The foregoing October 1, 2021 actuarial assumptions were based on the presumption that the Plan was in liquidation during 2022. The October 1, 2020 actuarial assumptions utilized in 2021 were based on the presumption that the Plan would continue on an ongoing basis.

NOTE E - INFORMATION CERTIFIED BY PRINCIPAL TRUST COMPANY

Certain information disclosed in the accompanying financial statements and ERISA-required supplemental schedule, including investments and cash held at September 23, 2022 and September 30, 2021, net appreciation (depreciation) in fair value of investments, and interest and dividends for the period October 1, 2021 through September 23, 2022 and for the year ended September 30, 2021, was obtained by management and agreed to or derived from information certified as complete and accurate by Delaware Charter Guarantee & Trust Company (d/b/a Principal Trust Company); (the corporate trustee of the Plan).

Headco Industries, Inc.
Pension Plan
NOTES TO FINANCIAL STATEMENTS
September 23, 2022 and September 30, 2021

NOTE F - TAX STATUS

The Plan obtained its latest determination letter on September 16, 1994, in which the Internal Revenue Service stated that the Plan, as then designed, was in compliance with the applicable requirements of the Internal Revenue Code. The Plan has been amended (including the plan termination) since receiving the determination letter. However, the Plan Administrator believes that the Plan was designed and operated in compliance with the applicable provisions of the Internal Revenue Code.

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

NOTE G - PLAN TERMINATION

Effective November 29, 2021 the Board of Directors of Headco Industries, Inc., the Plan Sponsor, consented and resolved to terminate the plan in 2022. In December 2021, a Notice of Interested Parties advising that an application was to be filed was distributed to Plan participants and subsequently, the application for approval of the Plan's termination was filed with the IRS. In addition, in February 2022, a Notice of Plan Benefits was distributed to Plan participants and subsequently a Standard Termination Notice was filed with the Pension Benefit Guaranty Corporation (PBGC). The Notice of Plan Benefits is a statement of a participant's accrued benefit under the Plan, including an estimate of the amount of a single cash payment to which the participant would be entitled following the receipt of Plan termination approval, which occurred in May 2022. As a result of these actions, Plan management determined that liquidation was imminent. The net assets of the Plan were allocated, as prescribed by ERISA and its related regulations.

As a result of the resolution to terminate the Plan, each employee with an accrued benefit under the Plan had the option to have the present value of their accrued benefit: (a) used to purchase an annuity contract with an insurance company (Note H), or (b) distributed in a single cash payment either (i) directly to the participant or (ii) as a direct rollover by the Plan's trustee into either another eligible retirement plan sponsored by the Plan Sponsor, or the participant's rollover Individual Retirement Account.

Distributions of the participant's accrued benefits approximating \$6,471,000 commenced in May of 2022 and concluded September 23, 2022.

Headco Industries, Inc.
Pension Plan

NOTES TO FINANCIAL STATEMENTS
September 23, 2022 and September 30, 2021

NOTE G - PLAN TERMINATION (Continued)

Certain benefits under the Plan were insured by the PBGC prior to Plan termination. Generally, the PBGC guarantees most vested normal age retirement benefits, early retirement benefits, and certain disability and survivor's pensions. However, the PBGC does not guarantee all types of benefits under the Plan, and the amount of benefit protection is subject to certain limitations. Vested benefits under the Plan were guaranteed at the level in effect on the date of the Plan's termination, subject to a statutory ceiling on the amount of an individual's monthly benefit.

NOTE H - INSURANCE CONTRACT

In connection with the termination of the Plan, in June 2022, a single premium paid-up group annuity contract (Contract) was purchased from United of Omaha Life Insurance Company for \$2,243,877, of which \$2,059,000 was paid with Plan assets and approximately \$185,000 was paid by the Plan Sponsor. Any further obligations associated with the Plan will also be paid by the Plan Sponsor.

As a result, retirees and beneficiaries that did not elect lump sum payment when the Contract was purchased will receive future pension benefits from United of Omaha Life Insurance Company under the terms of the Contract. Benefit payments by United of Omaha Life Insurance Company began as of August 1, 2022. The Contract provides that United of Omaha Life Insurance Company has the obligation to pay all future benefits in accordance with the elections that were made at the time benefit payments began.

NOTE I - RISKS AND UNCERTAINTIES

The Plan invested in various investment securities. Investment securities are exposed to various risks, such as interest rate, market, and credit risks. As the Plan liquidated all investments during 2022, these risks no longer impacted the Plan.

NOTE J - RELATED PARTY AND PARTY-IN-INTEREST TRANSACTIONS

Plan investments were managed by Principal Trust Company. Principal Trust Company was the corporate trustee, as defined by the Plan; therefore, these transactions qualified as party in interest transactions. Fees paid by the Plan for investment management services were included as a reduction of the return earned on each investment.

Headco Industries, Inc.
Pension Plan
NOTES TO FINANCIAL STATEMENTS
September 23, 2022 and September 30, 2021

NOTE K - PLAN AMENDMENTS AND RESTATEMENTS

Effective October 1, 2019 and November 29, 2021, the Plan was amended and restated. Significant provisions of the amended and restated plan documents are consistent with those of the prior plan document. Interested parties should refer to the plan document for a more complete description of the Plan's provisions.

NOTE L - SUBSEQUENT EVENTS

Plan management has evaluated subsequent events through July 17, 2023, the date that these financial statements were available to be issued. Plan management has determined that no events or transactions have occurred subsequent to the statement of net assets available for benefits in liquidation date that require disclosure in the financial statements.

SUPPLEMENTAL SCHEDULE

Headco Industries, Inc.
Pension Plan

SCHEDULE H, LINE 4j - SCHEDULE OF REPORTABLE TRANSACTIONS
For the period October 1, 2021 through September 23, 2022

FEIN: 36-1687851
Plan Number: 002

(a) Identity of party involved	(b) Description of asset	(c) Purchase price	(d) Selling price	(e) Lease rental	(f) Expense incurred with transaction	(g) Cost of asset	(h) Current value of asset on transaction date	(i) Net gain or (loss)
Series of transactions in excess of 5% of plan assets								
Principal Trust Company	Vanguard Total International Index Fund	\$ -	\$ 914,806	N/A	N/A	\$ 725,040	\$ 914,806	\$ 189,766
Principal Trust Company	Vanguard Intermediate-Term Investment Grade Fund	-	3,232,758	N/A	N/A	3,588,427	3,232,758	(355,669)
Principal Trust Company	Vanguard Total Stock Market Index Fund	-	1,857,570	N/A	N/A	1,104,913	1,857,570	752,657
Principal Trust Company	Vanguard Long-Term Investment Grade Fund	-	2,298,576	N/A	N/A	2,616,807	2,298,576	(318,231)
Single transactions in excess of 5% of plan assets								
Principal Trust Company	Vanguard Total International Index Fund	\$ -	\$ 854,306	N/A	N/A	\$ 677,672	\$ 854,306	\$ 176,634
Principal Trust Company	Vanguard Intermediate-Term Investment Grade Fund	-	1,486,163	N/A	N/A	1,737,693	1,486,163	(251,530)
Principal Trust Company	Vanguard Intermediate-Term Investment Grade Fund	-	1,557,595	N/A	N/A	1,656,548	1,557,595	(98,953)
Principal Trust Company	Vanguard Total Stock Market Index Fund	-	1,692,070	N/A	N/A	1,008,087	1,692,070	683,983
Principal Trust Company	Vanguard Long-Term Investment Grade Fund	-	1,682,772	N/A	N/A	1,857,367	1,682,772	(174,595)

Miller Cooper & Co., Ltd.

Schedule SB, line 26 - Schedule of Active Participant Data

YEARS OF CREDITED SERVICE

Attained Age	Under 1 Avg. No. Comp		1 To 4 Avg. No. Comp		5 To 9 Avg. No. Comp		10 To 14 Avg. No. Comp		15 To 19 Avg. No. Comp		20 To 24 Avg. No. Comp		25 To 29 Avg. No. Comp		30 To 34 Avg. No. Comp		35 To 39 Avg. No. Comp		40 & Up Avg. No. Comp	
Under 25	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
25 to 29	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
30 to 34	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
35 to 39	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
40 to 44	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
45 to 49	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
50 to 54	0	0	0	0	0	0	2	0	0	0	0	0	0	0	0	0	0	0	0	0
55 to 59	0	0	0	0	0	0	12	0	0	0	0	0	0	0	0	0	0	0	0	0
60 to 64	1	0	0	0	0	0	5	0	0	0	0	0	0	0	0	0	0	0	0	0
65 to 69	1	0	0	0	0	0	10	0	0	0	0	0	0	0	0	0	0	0	0	0
70 & Up	0	0	0	0	0	0	5	0	0	0	0	0	0	0	0	0	0	0	0	0

Name of plan: Headco Industries, Inc. Pension Plan
Plan sponsor's name: Headco Industties, Inc.

Plan number: 001
EIN: 36-1687851

Schedule B, line 6 - Statement of Actuarial Assumptions/Methods

Payout Method: Funding

Pre-retirement Assumptions:

RPA

Interest: 5.88%
Limited to: 90.00%

Funding:

Interest: 7.00%

Mortality

Male: 2022 Applicable
Female: 2022 Applicable

Setback

None
None

Salary Scale

Male: 0.00%
Female: 0.00%

Withdrawal

Male: T-5 Only
Female: T-5 Only

Withdrawal-Select

Male: N/A
Female: N/A

Early Retirement Rates

Male: N/A
Female: N/A

Subsidized Early Retirement Rates

Male: N/A
Female: N/A

Disability Rates

Male: N/A
Female: N/A

Mortality

Male: N/A
Female: N/A

Setback

None
None

Post-retirement Assumptions:

RPA

Interest: 5.88%
High Interest: 3.84%

Funding:

Interest: 7.00%

Mortality

Male: 2022 Applicable
Female: 2022 Applicable

Setback

None
None

Late Retirement Rates

Male: N/A
Female: N/A

Marriage Probability

Male: 0.00%
Female: 0.00%
Expense loading: 0.00%

Setback

0

Cost Methods

Actuarial Cost Method: Individual aggregate
Funding as level: Dollar
Normal cost expense load: 161,000
Funding ages defined as: Nearest
Entry age calculated as of: Apply eligibility provisions
Apply the 401(a)(17) when calculating present value of compensation: No
Adjust valuation assets by:
Accumulated Reconciliation Account: No

Basis for PVAB

Applicable interest: 2.06%
Applicable mortality: 2022 Applicable

Name of Plan: Headco Industries, Inc. Pension Plan
Plan Sponsor's EIN: 36-1687851
Plan Number: 001

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. 1510-0110 1510-0089 2021 This Form is Open to Public Inspection
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Part I	Annual Report Identification Information
For calendar plan year 2021 or fiscal plan year beginning <u>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
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1a Name of plan HEADCO INDUSTRIES, INC. PENSION PLAN	1b Three-digit plan number (PN) ▶ <u>002</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) HEADCO INDUSTRIES, INC. 2601 PARKES DRIVE BROADVIEW IL 60155	1c Effective date of plan <u>10/01/1981</u> 2b Employer Identification Number (EIN) <u>36-1687851</u> 2c Plan Sponsor's telephone number <u>708-681-4400</u> 2d Business code (see instructions) <u>423800</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		<u>7/17/2023</u> Date	PAUL CVIKOTA Enter name of individual signing as plan administrator
SIGN HERE		<u>7/17/2023</u> Date	PAUL CVIKOTA 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. 201201

**Headco Industries, Inc.
Pension Plan**

**Financial Statements and
Independent Auditors' Report**

September 23, 2022 and September 30, 2021

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MILLER COOPER & Co., Ltd

ACCOUNTANTS AND CONSULTANTS

INDEPENDENT AUDITORS' REPORT

Trustees and Benefits Committee
Headco Industries, Inc. Pension Plan
Broadview, Illinois

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

We have performed an audit of the financial statements of Headco Industries, Inc. Pension Plan (the Plan), an employee benefit plan subject to the Employee Retirement Income Security Act of 1974 (ERISA), as permitted by ERISA Section 103(a)(3)(C) (ERISA Section 103(a)(3)(C) audit). The financial statements comprise the statements of net assets available for benefits in liquidation as of September 23, 2022, the related statement of changes in net assets available for benefits in liquidation for the period October 1, 2021 through September 23, 2022, 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 (DOL) Rules and Regulations for Reporting and Disclosure under ERISA. As permitted by ERISA Section 103(a)(3)(C), our audit need not extend to any statements or information related to assets held for investment of the Plan (investment information) by a bank or similar institution or insurance carrier that is regulated, supervised, and subject to periodic examination by a state or federal agency, provided that the statements or information regarding assets so held are prepared and certified to by the bank or similar institution or insurance carrier in accordance with 29 CFR 2520.103-5 of the DOL's Rules and Regulations for Reporting and Disclosure under ERISA (qualified institution).

Management has obtained a certification from a qualified institution as of and for the period from October 1, 2021 through September 23, 2022, stating that the certified investment information, as described in Note E 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 Auditor's 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 (U.S. GAAP).
- The information in the accompanying 2022 financial statements related to assets held by and certified to by a qualified institution agrees to, or is derived from, in all material respects, the information prepared and certified by an institution that management determined meets the requirements of ERISA Section 103(a)(3)(C).

(Continued)



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 Auditor's Responsibilities for the Audit of the 2022 Financial Statements section of our report. We are required to be independent of the Plan and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our ERISA Section 103(a)(3)(C) audit opinion.

Emphasis of Matter- Plan Termination and Liquidation Basis

As described in Note G to the financial statements, the Trustees and Benefits Committee of Headco Industries, Inc., the Plan's Sponsor, voted on November 29, 2021 to terminate the Plan and management determined liquidation is imminent. As a result, the Plan has changed its basis of accounting from the going concern basis of accounting used in presenting the 2021 financial statements to the liquidation basis of accounting used in presenting 2022 financial statements. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the 2022 Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the 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 the Plan's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Plan's ability to continue as a going concern for a reasonable period of time.

Our audit did not extend to the certified investment information, except for obtaining and reading the certification, comparing the certified investment information with the related information presented and disclosed in the 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 U.S. GAAP.

Auditor's Responsibilities for the Audit of the 2022 Financial Statements (Continued)

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

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

Other Matter - 2022 Supplemental Schedule Required by ERISA

The supplemental schedule, as listed in the table of contents, as of September 23, 2022, is presented for purposes of additional analysis and is not a required part of the financial statements but is supplementary information required by the DOL's Rules and Regulations for Reporting and Disclosure under ERISA. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information included in the supplemental schedule, other than that agreed to or derived from the certified investment information, has been subjected to auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with GAAS. For information included in the supplemental schedule that agreed to or is derived from the certified investment information, we compared such information to the related certified investment information.

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

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

(Continued)

Other Matter - Auditor's Report on the 2021 Financial Statements

We were engaged to audit the 2021 financial statements (the Plan year ended September 30, 2021) of the Plan. As permitted by 29 CFR 2520.103-8 of the DOL's Rules and Regulations for Reporting and Disclosure under ERISA, the plan administrator instructed us not to perform and we did not perform any auditing procedures with respect to the information certified by a qualified institution. In our report dated July 15, 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 DOL's Rules and Regulations for Reporting and Disclosure under ERISA.

MILLER, COOPER & CO., LTD.



Certified Public Accountants

Deerfield, Illinois
July 17, 2023

FINANCIAL STATEMENTS

Headco Industries, Inc.
Pension Plan

STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS IN LIQUIDATION
September 23, 2022 and September 30, 2021

	September 23, 2022 (Liquidation)	September 30, 2021 (Ongoing)
<u>ASSETS</u>		
Cash	\$ -	\$ 62,330
Investments, at fair value	<u>-</u>	<u>9,159,362</u>
Total assets	-	9,221,692
<u>LIABILITIES</u>		
Administrative expenses payable	<u>-</u>	<u>20,210</u>
NET ASSETS AVAILABLE FOR BENEFITS IN LIQUIDATION	\$ <u>-</u>	\$ <u>9,201,482</u>

The accompanying notes are an integral part of these statements.

Headco Industries, Inc.
Pension Plan

STATEMENTS OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS IN LIQUIDATION
For the period from October 1, 2021 through September 23, 2022 and year ended September 30, 2021

	2022 (Liquidation)	2021 (Ongoing)
Additions:		
Investment Income		
Net appreciation in fair value of investments	\$ -	\$ 1,052,834
Interest and dividends	<u>207,201</u>	<u>267,026</u>
	207,201	1,319,860
Employer contributions	<u>20,000</u>	<u>1,195,000</u>
Total additions	<u>227,201</u>	<u>2,514,860</u>
Deductions:		
Net depreciation in fair value of investments	763,097	-
Benefits paid to participants	6,471,132	872,593
Benefits paid to insurance carrier for provision of benefits (Note H)	2,059,000	-
Administrative expenses	<u>135,454</u>	<u>176,005</u>
Total deductions	<u>9,428,683</u>	<u>1,048,598</u>
NET (DECREASE) INCREASE	(9,201,482)	1,466,262
Net assets available for benefits in liquidation, beginning of period	<u>9,201,482</u>	<u>7,735,220</u>
Net assets available for benefits in liquidation, end of period	<u><u>\$ -</u></u>	<u><u>\$ 9,201,482</u></u>

The accompanying notes are an integral part of these statements.

Headco Industries, Inc.
Pension Plan
NOTES TO FINANCIAL STATEMENTS
September 23, 2022 and September 30, 2021

NOTE A - DESCRIPTION OF PLAN

The following description of the Headco Industries, Inc. Pension Plan (the Plan) provides only general information. Interested parties should refer to the plan document for a more complete description of the Plan's provisions.

Effective November 29, 2021, the Plan was terminated, as discussed in Note G, and all assets of the Plan were distributed out during 2022.

1. General

The Plan was a defined benefit plan, established on October 1, 1981, covering substantially all employees of Headco Industries, Inc. (the Company or Employer) who had completed one year (at least 1,000 hours) of service and had attained the age of 21 prior to the Plan being frozen, as discussed below. The Plan provided retirement, death, and disability benefits. The Plan was subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA).

As of December 22, 1994, future benefit accruals under the Plan were frozen for substantially all participants. As of December 31, 1996, all remaining future benefit accruals under the Plan were frozen for all remaining participants for whom benefits had not been frozen as of December 22, 1994. As a result of these amendments, all participants were fully vested in all accumulated benefits.

2. Pension Benefits

The amount of benefit a participant received depended on the participant's earnings and service at retirement or disability. The amount of benefit received also depended upon whether payments were made for the participant's lifetime only or were to continue to be paid to a designated beneficiary upon the participant's death (survivor benefits).

Except for certain warehouse workers (as described in the following sentence), participants' pension benefits were frozen as of December 22, 1994, and had not increased since that date. Pension benefits for warehouse workers for whom benefits were subject to collective bargaining with the Chicago Truck Drivers, Helpers and Warehouse Workers Union (Independent) were frozen as of December 31, 1996, and had not increased since that date.

Headco Industries, Inc.
Pension Plan
NOTES TO FINANCIAL STATEMENTS
September 23, 2022 and September 30, 2021

NOTE A - DESCRIPTION OF PLAN (Continued)

2. Pension Benefits (Continued)

Participants retiring on their normal retirement date would receive a pension benefit amount each year equal to the sum of their past benefit and their future service benefit. The yearly amount of a participant's past service benefit equaled the greater of (a) multiplied by (b) below, except for certain participants who formerly participated in the Headco Industries, Inc. Employee Stock Ownership Plan ("ESOP") that terminated in 1981, who had elected to roll over their account balances into the Plan, and may have been subject to a different formula.

- (a) 1.00% of annual compensation up to \$29,700 and 2.25% of annual compensation over \$29,700.
- (b) The number of years of service with Headco Industries, Inc. as of the date the Plan was frozen.

The total amount of a participant's future service benefit would be the sum of the retired benefit amounts that were earned during the following:

- (a) For a period of service after October 1, 1981, but prior to October 1, 1989, the amount of retirement benefit earned each year was 1.00% of yearly earnings subject to social security tax for such year plus 2.25% of yearly earnings in excess of the amount subject to social security tax.
- (b) For a period of service after October 1, 1989, but prior to October 1, 1991, the amount of retirement benefit earned each year was 1.80% of yearly earnings.
- (c) For a period of service after October 1, 1991, the amount of retirement benefit earned each year was 1.15% of yearly earnings.
- (d) For a short plan year (October 1, 1994 to December 22, 1994), if the participant was not a warehouse worker for whom benefits are subject to collective bargaining with the Chicago Truck Drivers, Helpers and Warehouse Workers Union (Independent), the participant's future service benefit will equal 1.15% of yearly earnings multiplied by 0.25.

If a participant had begun receiving benefit distributions because he/she had reached age 70½, and had not retired, the benefit would be adjusted at the end of each year that he/she remained employed. This adjustment would reflect additional benefits earned while being employed.

Headco Industries, Inc.
Pension Plan
NOTES TO FINANCIAL STATEMENTS
September 23, 2022 and September 30, 2021

NOTE A - DESCRIPTION OF PLAN (Continued)

2. Pension Benefits (Continued)

Disability Benefit

Participants would be eligible to receive disability payments if:

- (a) They were active participants under the Plan on the date they became disabled;
- (b) They were permanently and totally disabled, as determined by the Plan Administrator, and they were eligible for disability benefits under the Social Security Act;
- (c) They had reached age 45, but not normal retirement age; and
- (d) They had completed 10 years of service.

If eligible to receive disability benefit payments, a participant's monthly amount would be equal to one-twelfth of his or her annual pension benefit that had accrued as of the disability date.

Once normal retirement age was attained, this disability benefit would be considered a pension benefit. If the participant died after disability, but prior to normal retirement age, a benefit would be payable to the spouse provided that the participant and spouse were married for one year or longer on the date of death. This benefit, which was equal to the spouse's benefit, would begin on the date that was ten years prior to the participant's normal retirement date or the date of death, whichever occurred later.

Death Benefit

A benefit may be payable to a spouse if the participant died prior to or after his/her retirement date, provided that the participant did not submit a written waiver of the spouse's option to the Plan Administrator. This waiver must be accompanied by a notarized consent form signed by the spouse.

Unless eligible for a spouse's benefit, there were no death benefits under the Plan if a participant died before retirement, except the amount of the final balance in the participant's ESOP account, if any.

Headco Industries, Inc.
Pension Plan
NOTES TO FINANCIAL STATEMENTS
September 23, 2022 and September 30, 2021

NOTE A - DESCRIPTION OF PLAN (Continued)

2. Pension Benefits (Continued)

Death Benefit (Continued)

If a participant died prior to his or her retirement date after becoming vested in his or her accrued benefit, his or her spouse would be eligible to receive a death benefit. The yearly amount of benefit that the spouse would receive for life would be equal to one half (50%) of the reduced pension benefit that the participant would have received if he or she had retired on the date before his or her death.

If a participant maintained an ESOP account at retirement, and if neither the spouse's option nor any other optional form of benefit was in effect with respect to the participant upon his or her retirement date, then, in the event of death, monthly payments would be made to the designated beneficiary until the total of all payments made to the participant and his or her beneficiary equal the value of the ESOP account as of the retirement date. If the monthly payments received before death equaled, in the aggregate, the value of the ESOP account, no death benefit was payable under this provision.

No other postretirement death benefits were payable under this Plan, unless an optional form of pension that provided for such a benefit was in effect for the participant at his/her retirement date.

3. Administrative Expenses

Administrative expenses of the Plan were paid by the Company and the Plan, as provided in the plan document. Investment-related expenses were included in net appreciation (depreciation) in fair value of investments. For the period October 1, 2021 through September 23, 2022 and year ended September 30, 2021, all administrative expenses were paid or accrued by the Plan.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1. Basis of Accounting

Due to the decision to terminate the Plan during 2022, management determined that the liquidation of the Plan was imminent and accordingly the 2022 financial statements have been prepared using the liquidation basis of accounting. The 2021 financial statements were prepared as a going concern (ongoing) on the accrual basis of accounting.

Headco Industries, Inc.
Pension Plan
NOTES TO FINANCIAL STATEMENTS
September 23, 2022 and September 30, 2021

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2. Fair Value Measurements

Current accounting standards establish a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives 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 are described below:

Level 1 Inputs to the valuation methodology are unadjusted quoted market 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 the following:

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

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

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

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

The following is a description of the valuation methodologies used for the Plan's investments (2021 only) measured at fair value.

Headco Industries, Inc.
Pension Plan
NOTES TO FINANCIAL STATEMENTS
September 23, 2022 and September 30, 2021

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2. Fair Value Measurements (Continued)

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

The Plan held no investments as of September 23, 2022. The following table sets forth by level, within the fair value hierarchy, the Plan's investments at fair value as of September 30, 2021.

	Plan Investments at Fair Value as of September 30, 2021			
	Level 1	Level 2	Level 3	Total
Mutual funds	\$ 9,159,362	\$ -	\$ -	\$ 9,159,362
Investments, at fair value	<u>\$ 9,159,362</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,159,362</u>

3. Investment Valuation and Income Recognition

Investments held at September 30, 2021 have been reported at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Plan's Benefits Committee determined the Plan's valuation policies utilizing information provided by the trustee. See Note B-2 for discussion of fair value measurements.

The Plan held no investments at September 23, 2022.

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

Headco Industries, Inc.
Pension Plan
NOTES TO FINANCIAL STATEMENTS
September 23, 2022 and September 30, 2021

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

4. Use of Estimates

In preparing the Plan's financial statements, management is required to make estimates and assumptions that affect the reported amounts of net assets, the disclosure of contingent assets and liabilities at the date of the financial statements, the reported amounts of changes in net assets during the reporting period, and the actuarial present value of accumulated plan benefits as of the date of the financial statements. Actual results could differ from those estimates. The Plan uses an independent actuary to determine the actuarial present value of accumulated plan benefits. A change in the actuarial assumptions used could significantly change the amount of the actuarial present value of accumulated plan benefits reported in the accompanying financial statements.

5. Payment of Benefits

Benefits were recorded when paid.

NOTE C - FUNDING POLICY AND MINIMUM FUNDING CONTRIBUTION

Contributions to provide benefits under the Plan were made solely by the Company. The Company's funding policy was to make cash contributions to the Plan in amounts determined by the Plan's independent actuary. The Company did not meet the minimum funding requirements as of October 1, 2019. As a result, a funding target shortfall was to be amortized over the next seven years in the annual amount of \$174,508. The Company provided contributions of \$1,195,000 related to plan year ended September 30, 2021, which included amounts necessary to fully fund the prior shortfall in the 2021 plan year. Accordingly, the minimum funding requirement shortfall as of October 1, 2019 had been fully funded at September 30, 2021. The Company provided contributions of \$20,000 for the plan period October 1, 2021 through September 23, 2022.

Headco Industries, Inc.
Pension Plan
NOTES TO FINANCIAL STATEMENTS
September 23, 2022 and September 30, 2021

NOTE D - ACCUMULATED PLAN BENEFITS

Accumulated plan benefits are those future periodic payments, including lump-sum distributions, that are attributable under the Plan's provisions to service rendered by employees as of the valuation date. Accumulated plan benefits include benefits expected to be paid to (1) retired or terminated employees or their beneficiaries and (2) present employees or their beneficiaries. The actuarial present value of accumulated plan benefits was determined by the Plan's most recent independent actuarial valuation (October 1, 2021) and is that amount that results from applying actuarial assumptions to adjust the accumulated plan benefits to reflect the time value of money (through discounts for interest) and the probability of payment (by means of decrements such as for death, disability, withdrawal, or retirement) between the valuation date and the expected date of payment.

The actuarial present value of accumulated plan benefits as of October 1, 2021 is as follows:

Vested benefits	
Participants and/or beneficiaries currently receiving benefits	\$ 6,299,493
Terminated with deferred benefits	747,132
Other participants	<u>1,630,703</u>
Total actuarial present value of accumulated plan benefits	<u>\$ 8,677,328</u>

Given the Plan's termination and full payment to participants, there is no actuarial value of accumulated plan benefits as of September 23, 2022.

The changes in the actuarial present value of the Plan's accumulated plan benefits for the period October 1, 2020 through September 23, 2022 was as follows:

Actuarial present value of accumulated plan benefits at October 1, 2020 (going concern basis)	\$ 7,158,511
Increase (decrease) during the year attributable to:	
Interest	470,516
Benefits paid	(873,698)
Changes in actuarial assumptions *	2,374,716
Actuarial gain	<u>(452,717)</u>
Actuarial present value of accumulated plan benefits at September 30, 2021 (liquidation basis)	<u>\$ 8,677,328</u>

* Primarily due to the change from going concern (ongoing) basis to liquidation basis

Headco Industries, Inc.
Pension Plan
NOTES TO FINANCIAL STATEMENTS
September 23, 2022 and September 30, 2021

NOTE D - ACCUMULATED PLAN BENEFITS (Continued)

Actuarial present value of accumulated plan benefits at October 1, 2021 (liquidation basis)	\$ 8,677,328
Increase (decrease) during the year attributable to:	
Plan termination benefits purchase of annuities	(2,059,000)
Actuarial gain	(147,196)
Benefits paid	<u>(6,471,132)</u>
Actuarial present value of accumulated plan benefits at September 23, 2022	\$ <u><u>-</u></u>

The significant actuarial assumptions used in the October 1, 2021 and 2020 valuations were:

- (a) 2021 IRS Applicable Mortality for 2021.
RP 2014 Annuitant Male and Female Mortality Tables with MP 2019 projections for 2020.
- (b) Retirement Age: Normal retirement age of 65 or age at valuation date, if greater.
- (c) Assumed 3-segment interest rates of 0.63% / 2.51% / 3.10% for Active and Terminated Vested Participants for 2021.
Assumed 1.68% interest rate for Retirees for 2021.
Assumed discount rate of 7% for 2020.

The foregoing October 1, 2021 actuarial assumptions were based on the presumption that the Plan was in liquidation during 2022. The October 1, 2020 actuarial assumptions utilized in 2021 were based on the presumption that the Plan would continue on an ongoing basis.

NOTE E - INFORMATION CERTIFIED BY PRINCIPAL TRUST COMPANY

Certain information disclosed in the accompanying financial statements and ERISA-required supplemental schedule, including investments and cash held at September 23, 2022 and September 30, 2021, net appreciation (depreciation) in fair value of investments, and interest and dividends for the period October 1, 2021 through September 23, 2022 and for the year ended September 30, 2021, was obtained by management and agreed to or derived from information certified as complete and accurate by Delaware Charter Guarantee & Trust Company (d/b/a Principal Trust Company); (the corporate trustee of the Plan).

Headco Industries, Inc.
Pension Plan
NOTES TO FINANCIAL STATEMENTS
September 23, 2022 and September 30, 2021

NOTE F - TAX STATUS

The Plan obtained its latest determination letter on September 16, 1994, in which the Internal Revenue Service stated that the Plan, as then designed, was in compliance with the applicable requirements of the Internal Revenue Code. The Plan has been amended (including the plan termination) since receiving the determination letter. However, the Plan Administrator believes that the Plan was designed and operated in compliance with the applicable provisions of the Internal Revenue Code.

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

NOTE G - PLAN TERMINATION

Effective November 29, 2021 the Board of Directors of Headco Industries, Inc., the Plan Sponsor, consented and resolved to terminate the plan in 2022. In December 2021, a Notice of Interested Parties advising that an application was to be filed was distributed to Plan participants and subsequently, the application for approval of the Plan's termination was filed with the IRS. In addition, in February 2022, a Notice of Plan Benefits was distributed to Plan participants and subsequently a Standard Termination Notice was filed with the Pension Benefit Guaranty Corporation (PBGC). The Notice of Plan Benefits is a statement of a participant's accrued benefit under the Plan, including an estimate of the amount of a single cash payment to which the participant would be entitled following the receipt of Plan termination approval, which occurred in May 2022. As a result of these actions, Plan management determined that liquidation was imminent. The net assets of the Plan were allocated, as prescribed by ERISA and its related regulations.

As a result of the resolution to terminate the Plan, each employee with an accrued benefit under the Plan had the option to have the present value of their accrued benefit: (a) used to purchase an annuity contract with an insurance company (Note H), or (b) distributed in a single cash payment either (i) directly to the participant or (ii) as a direct rollover by the Plan's trustee into either another eligible retirement plan sponsored by the Plan Sponsor, or the participant's rollover Individual Retirement Account.

Distributions of the participant's accrued benefits approximating \$6,471,000 commenced in May of 2022 and concluded September 23, 2022.

Headco Industries, Inc.
Pension Plan

NOTES TO FINANCIAL STATEMENTS
September 23, 2022 and September 30, 2021

NOTE G - PLAN TERMINATION (Continued)

Certain benefits under the Plan were insured by the PBGC prior to Plan termination. Generally, the PBGC guarantees most vested normal age retirement benefits, early retirement benefits, and certain disability and survivor's pensions. However, the PBGC does not guarantee all types of benefits under the Plan, and the amount of benefit protection is subject to certain limitations. Vested benefits under the Plan were guaranteed at the level in effect on the date of the Plan's termination, subject to a statutory ceiling on the amount of an individual's monthly benefit.

NOTE H - INSURANCE CONTRACT

In connection with the termination of the Plan, in June 2022, a single premium paid-up group annuity contract (Contract) was purchased from United of Omaha Life Insurance Company for \$2,243,877, of which \$2,059,000 was paid with Plan assets and approximately \$185,000 was paid by the Plan Sponsor. Any further obligations associated with the Plan will also be paid by the Plan Sponsor.

As a result, retirees and beneficiaries that did not elect lump sum payment when the Contract was purchased will receive future pension benefits from United of Omaha Life Insurance Company under the terms of the Contract. Benefit payments by United of Omaha Life Insurance Company began as of August 1, 2022. The Contract provides that United of Omaha Life Insurance Company has the obligation to pay all future benefits in accordance with the elections that were made at the time benefit payments began.

NOTE I - RISKS AND UNCERTAINTIES

The Plan invested in various investment securities. Investment securities are exposed to various risks, such as interest rate, market, and credit risks. As the Plan liquidated all investments during 2022, these risks no longer impacted the Plan.

NOTE J - RELATED PARTY AND PARTY-IN-INTEREST TRANSACTIONS

Plan investments were managed by Principal Trust Company. Principal Trust Company was the corporate trustee, as defined by the Plan; therefore, these transactions qualified as party in interest transactions. Fees paid by the Plan for investment management services were included as a reduction of the return earned on each investment.

Headco Industries, Inc.
Pension Plan
NOTES TO FINANCIAL STATEMENTS
September 23, 2022 and September 30, 2021

NOTE K - PLAN AMENDMENTS AND RESTATEMENTS

Effective October 1, 2019 and November 29, 2021, the Plan was amended and restated. Significant provisions of the amended and restated plan documents are consistent with those of the prior plan document. Interested parties should refer to the plan document for a more complete description of the Plan's provisions.

NOTE L - SUBSEQUENT EVENTS

Plan management has evaluated subsequent events through July 17, 2023, the date that these financial statements were available to be issued. Plan management has determined that no events or transactions have occurred subsequent to the statement of net assets available for benefits in liquidation date that require disclosure in the financial statements.

SUPPLEMENTAL SCHEDULE

Headco Industries, Inc.
Pension Plan

SCHEDULE H, LINE 4j - SCHEDULE OF REPORTABLE TRANSACTIONS
For the period October 1, 2021 through September 23, 2022

FEIN: 36-1687851
Plan Number: 002

(a) Identity of party involved	(b) Description of asset	(c) Purchase price	(d) Selling price	(e) Lease rental	(f) Expense incurred with transaction	(g) Cost of asset	(h) Current value of asset on transaction date	(i) Net gain or (loss)
Series of transactions in excess of 5% of plan assets								
Principal Trust Company	Vanguard Total International Index Fund	\$ -	\$ 914,806	N/A	N/A	\$ 725,040	\$ 914,806	\$ 189,766
Principal Trust Company	Vanguard Intermediate-Term Investment Grade Fund	-	3,232,758	N/A	N/A	3,588,427	3,232,758	(355,669)
Principal Trust Company	Vanguard Total Stock Market Index Fund	-	1,857,570	N/A	N/A	1,104,913	1,857,570	752,657
Principal Trust Company	Vanguard Long-Term Investment Grade Fund	-	2,298,576	N/A	N/A	2,616,807	2,298,576	(318,231)
Single transactions in excess of 5% of plan assets								
Principal Trust Company	Vanguard Total International Index Fund	\$ -	\$ 854,306	N/A	N/A	\$ 677,672	\$ 854,306	\$ 176,634
Principal Trust Company	Vanguard Intermediate-Term Investment Grade Fund	-	1,486,163	N/A	N/A	1,737,693	1,486,163	(251,530)
Principal Trust Company	Vanguard Intermediate-Term Investment Grade Fund	-	1,557,595	N/A	N/A	1,656,548	1,557,595	(98,953)
Principal Trust Company	Vanguard Total Stock Market Index Fund	-	1,692,070	N/A	N/A	1,008,087	1,692,070	683,983
Principal Trust Company	Vanguard Long-Term Investment Grade Fund	-	1,682,772	N/A	N/A	1,857,367	1,682,772	(174,595)

Miller Cooper & Co., Ltd.

**SCHEDULE SB
(Form 5500)**Department of the Treasury
Internal Revenue ServiceDepartment of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

**Single-Employer Defined Benefit Plan
Actuarial Information**

This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6059 of the Internal Revenue Code (the Code).

▶ **File as an attachment to Form 5500 or 5500-SF.**

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

▶ **Round off amounts to nearest dollar.**▶ **Caution:** A penalty of \$1,000 will be assessed for late filing of this report unless reasonable cause is established.

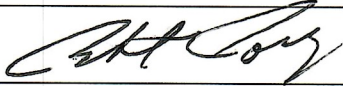
A Name of plan Headco Industries, Inc. Pension Plan		B Three-digit plan number (PN) ▶	002
C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF HEADCO INDUSTRIES, INC.		D Employer Identification Number (EIN) 36-1687851	
E Type of plan: ☒ Single ☐ Multiple-A ☐ Multiple-B		F Prior year plan size: ☐ 100 or fewer ☒ 101-500 ☐ More than 500	

Part I Basic Information

1 Enter the valuation date:	Month <u>10</u> Day <u>01</u> Year <u>2021</u>
2 Assets:	
a Market value	2a 9,221,692
b Actuarial value	2b 9,221,692
3 Funding target/participant count breakdown	
a For retired participants and beneficiaries receiving payment.....	(1) Number of participants 125 (2) Vested Funding Target 5,506,767 (3) Total Funding Target 5,506,767
b For terminated vested participants.....	46 517,012 517,012
c For active participants	36 1,307,841 1,307,841
d Total.....	207 7,331,620 7,331,620
4 If the plan is in at-risk status, check the box and complete lines (a) and (b)..... ☐	
a Funding target disregarding prescribed at-risk assumptions	4a
b Funding target reflecting at-risk assumptions, but disregarding transition rule for plans that have been in at-risk status for fewer than five consecutive years and disregarding loading factor.....	4b
5 Effective interest rate	5 5.11%
6 Target normal cost	
a Present value of current plan year accruals.....	6a 0
b Expected plan-related expenses	6b 161,000
c Total (line 6a + line 6b)	6c 161,000

Statement by Enrolled Actuary

To the best of my knowledge, the information supplied in this schedule and accompanying schedules, statements and attachments, if any, is complete and accurate. Each prescribed assumption was applied in accordance with applicable law and regulations. In my opinion, each other assumption is reasonable (taking into account the experience of the plan and reasonable expectations) and such other assumptions, in combination, offer my best estimate of anticipated experience under the plan.

SIGN HERE		<u>2/13/2023</u>
	Signature of actuary	Date
Robert Ponsonby	Type or print name of actuary	2304083
Accurate Benefits Inc.	Firm name	Most recent enrollment number
		866-479-3893
		Telephone number (including area code)
507 Broad St., PMB 146		
Lake Geneva WI 53147	Address of the firm	

If the actuary has not fully reflected any regulation or ruling promulgated under the statute in completing this schedule, check the box and see instructions ☐**For Paperwork Reduction Act Notice, see the Instructions for Form 5500 or 5500-SF.****Schedule SB (Form 5500) 2021
v. 201209**

Part II Beginning of Year Carryover and Prefunding Balances

	(a) Carryover balance	(b) Prefunding balance
7 Balance at beginning of prior year after applicable adjustments (line 13 from prior year)	0	0
8 Portion elected for use to offset prior year's funding requirement (line 35 from prior year)	0	0
9 Amount remaining (line 7 minus line 8)	0	0
10 Interest on line 9 using prior year's actual return of <u>19.00</u> %	0	0
11 Prior year's excess contributions to be added to prefunding balance:		
a Present value of excess contributions (line 38a from prior year)		878,606
b(1) Interest on the excess, if any, of line 38a over line 38b from prior year Schedule SB, using prior year's effective interest rate of <u>5.11</u> %		44,897
b(2) Interest on line 38b from prior year Schedule SB, using prior year's actual return		
c Total available at beginning of current plan year to add to prefunding balance		923,503
d Portion of (c) to be added to prefunding balance		0
12 Other reductions in balances due to elections or deemed elections	0	0
13 Balance at beginning of current year (line 9 + line 10 + line 11d – line 12)	0	0

Part III Funding Percentages

14 Funding target attainment percentage	14	125.77%
15 Adjusted funding target attainment percentage	15	125.77%
16 Prior year's funding percentage for purposes of determining whether carryover/prefunding balances may be used to reduce current year's funding requirement	16	97.22%
17 If the current value of the assets of the plan is less than 70 percent of the funding target, enter such percentage	17	%

Part IV Contributions and Liquidity Shortfalls

18 Contributions made to the plan for the plan year by employer(s) and employees:					
(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees	(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees
08/23/2022	20,000	0			
Totals ▶			18(b)	20,000	18(c)
					0

19 Discounted employer contributions – see instructions for small plan with a valuation date after the beginning of the year:

a Contributions allocated toward unpaid minimum required contributions from prior years	19a	0
b Contributions made to avoid restrictions adjusted to valuation date	19b	0
c Contributions allocated toward minimum required contribution for current year adjusted to valuation date	19c	19,195

20 Quarterly contributions and liquidity shortfalls:

a Did the plan have a "funding shortfall" for the prior year? ☒ Yes ☐ No

b If line 20a is "Yes," were required quarterly installments for the current year made in a timely manner? ☒ Yes ☐ No

c If line 20a is "Yes," see instructions and complete the following table as applicable:

Liquidity shortfall as of end of quarter of this plan year				
(1) 1st	(2) 2nd	(3) 3rd	(4) 4th	
0	0	0		0

Part V Assumptions Used to Determine Funding Target and Target Normal Cost

21 Discount rate:				
a Segment rates:	1st segment: 3.32 %	2nd segment: 4.79 %	3rd segment: 5.47 %	☐ N/A, full yield curve used
b Applicable month (enter code)				21b 0
22 Weighted average retirement age				22 65
23 Mortality table(s) (see instructions) ☒ Prescribed - combined ☐ Prescribed - separate ☐ Substitute				

Part VI Miscellaneous Items

24 Has a change been made in the non-prescribed actuarial assumptions for the current plan year? If "Yes," see instructions regarding required attachment.		☐ Yes ☒ No
25 Has a method change been made for the current plan year? If "Yes," see instructions regarding required attachment.		☐ Yes ☒ No
26 Is the plan required to provide a Schedule of Active Participants? If "Yes," see instructions regarding required attachment.		☒ Yes ☐ No
27 If the plan is subject to alternative funding rules, enter applicable code and see instructions regarding attachment.	27	

Part VII Reconciliation of Unpaid Minimum Required Contributions For Prior Years

28 Unpaid minimum required contributions for all prior years	28	0
29 Discounted employer contributions allocated toward unpaid minimum required contributions from prior years (line 19a)	29	0
30 Remaining amount of unpaid minimum required contributions (line 28 minus line 29)	30	0

Part VIII Minimum Required Contribution For Current Year

31 Target normal cost and excess assets (see instructions):			
a Target normal cost (line 6c)	31a	161,000	
b Excess assets, if applicable, but not greater than line 31a	31b	161,000	
32 Amortization installments:	Outstanding Balance	Installment	
a Net shortfall amortization installment	0	0	
b Waiver amortization installment	0	0	
33 If a waiver has been approved for this plan year, enter the date of the ruling letter granting the approval (Month _____ Day _____ Year _____) and the waived amount	33		
34 Total funding requirement before reflecting carryover/prefunding balances (lines 31a - 31b + 32a + 32b - 33)	34	0	
	Carryover balance	Prefunding balance	Total balance
35 Balances elected for use to offset funding requirement			0
36 Additional cash requirement (line 34 minus line 35)	36	0	
37 Contributions allocated toward minimum required contribution for current year adjusted to valuation date (line 19c)	37	19,195	
38 Present value of excess contributions for current year (see instructions)			
a Total (excess, if any, of line 37 over line 36)	38a	19,195	
b Portion included in line 38a attributable to use of prefunding and funding standard carryover balances	38b	0	
39 Unpaid minimum required contribution for current year (excess, if any, of line 36 over line 37)	39	0	
40 Unpaid minimum required contributions for all years	40	0	

Part IX Pension Funding Relief Under Pension Relief Act of 2010 (See Instructions)

41 If an election was made to use PRA 2010 funding relief for this plan:	
a Schedule elected	☐ 2 plus 7 years ☐ 15 years
b Eligible plan year(s) for which the election in line 41a was made	☐ 2008 ☐ 2009 ☐ 2010 ☐ 2011

Schedule SB, line 19 - Discounted Employer Contributions

Interest Rates for Contribution Year End Date: 09/30/2022

Effective: 4.71%

Late Quarterly: 9.71%

<u>Effective Date</u>	<u>Amount</u>	<u>Discounted</u>
08/23/2022	\$20,000	\$19,195
	\$20,000	\$19,195

Name of Plan: Headco Industries, Inc. Pension Pl
Plan Sponsor's EIN: 36-1687851
Plan Number: 001
Plan Sponsor's Name: Headco Industries, Inc.

Schedule SB, Part V - Summary of Plan Provisions

Eligibility Requirements

Age (yrs) : 21
 Age (months) : 0
 Wait (months) : 12
 Two year eligibility : No

Service/Participation Requirements

Definition of years: Hours worked
 Continuing hours: 0
 Excluded classes:

Earnings

Total compensation excluding :
 Bonus
 Commissions
 Commissions
 Overtime
 403(b)
 Cafeteria
 Other
 Prior to participation
 415 prior to participation

Retirement

Normal

Early

Subsidized Early

Disability

Death

Age:	65			45	55
Service:	5			10	5
Participation:	0			0	0
Defined:	Plan valuation date following			1st of month during	1st of month during

Benefit Reduction / Mortality table & setback

Male:	Actuarial Equivalence	Actuarial Equivalence	N/A	0
Female:	Actuarial Equivalence	Actuarial Equivalence	N/A	0

Rates - Male:	N/A	N/A	N/A
Rates - Female:	N/A	N/A	N/A

Use Social Security Retirement Age:	No	REACT Benefits Percentage:	50.00%
Vesting Schedule:	5 Year Cliff	Pre-retirement death benefit	
Vesting Definition:	Hours Worked	Percentage of accrued benefit:	40.00%
		Death Benefit Payment method:	PVAB

Name of Plan: Headco Industries, Inc. Pension Plan
Plan Sponsor's EIN: 36-1687851
Plan Number: 001

Schedule SB, Part V - Summary of Plan Provisions

	<u>Annuity</u>	<u>Percent</u>	<u>Years</u>
Normal:	Life only	0.00%	0
QJSA:	Joint and contingent	50.00%	0

Significant Changes in Plan Provisions Since Last Valuation

Benefits

Pension Formula: Benefit formula
Type of Formula: Flat benefit
Effective Date: 09/15/1965

Flat benefit non-integrated type: Percent
Total percent of salary: 0.00%
Dollar amount: None
Reduction based on: Accrual
Benefit reduction for years less than: 0

Averaging

Projection method:	Current Compensation	Apply exclusion to accrued benefit:	No
Based on:	Career Average	Annualize short compensation years:	No
Highest:	0	Annualize short plan years:	No
In the last:	0	Include compensations based	
Excluding:	0	on years of:	Accrual

Accrual

Frozen: Yes
Definition of years: Hours worked
Fractions based on: N/A

Accrual credit:	<u>Continuing</u>	<u>Died</u>	<u>Disabled</u>	<u>Retired</u>	<u>Terminated</u>	Precision:	N/A
	0	0	0	0	0	Limit current credit to:	N/A

Years based on:	Service	Cap/floor years:	0
Maximum past accrual years:	0.0000	Cap or floor:	Cap
Method:	Fractional	Accrual % per year:	0.00%
		Apply 415 before accrual:	No

Name of Plan: Headco Industries, Inc. Pension Plan
Plan Sponsor's EIN: 36-1687851
Plan Number: 001