

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 2022 This Form is Open to Public Inspection
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Part I	Annual Report Identification Information
For calendar plan year 2022 or fiscal plan year beginning 01/01/2022 and ending 12/31/2022	
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 PRODUCERS SERVICE EMPLOYEE STOCK OWNERSHIP PLAN AND TRUST	1b	Three-digit plan number (PN) ▶ 001
		1c	Effective date of plan 09/01/1994
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) PSC HOLDINGS, INC. P.O. BOX 2277 ZANESVILLE, OH 43702-2277	2b	Employer Identification Number (EIN) 26-4059391
		2c	Plan Sponsor's telephone number 740-454-6253
		2d	Business code (see instructions) 213110

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

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

SIGN HERE	Filed with authorized/valid electronic signature.	10/02/2023	TOM PARKS
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE			
	Signature of employer/plan sponsor	Date	Enter name of individual signing as employer or plan sponsor
SIGN HERE			
	Signature of DFE	Date	Enter name of individual signing as DFE

3a Plan administrator's name and address ☒ Same as Plan Sponsor		3b Administrator's EIN	
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		3c Administrator's telephone number 4b EIN 4d PN	
5 Total number of participants at the beginning of the plan year		5	208
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)	74
a(2) Total number of active participants at the end of the plan year		6a(2)	79
b Retired or separated participants receiving benefits		6b	1
c Other retired or separated participants entitled to future benefits.....		6c	142
d Subtotal. Add lines 6a(2) , 6b , and 6c		6d	222
e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits.		6e	0
f Total. Add lines 6d and 6e		6f	222
g Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item).....		6g	219
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: 2P 2I 2J 2K 2E 2Q 2H 3H			
b If the plan provides welfare benefits, enter the applicable welfare feature codes from the List of Plan Characteristics Codes in the instructions:			
9a Plan funding arrangement (check all that apply) (1) ☐ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☒ Trust (4) ☐ General assets of the sponsor		9b Plan benefit arrangement (check all that apply) (1) ☐ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☒ Trust (4) ☐ General assets of the sponsor	
10 Check all applicable boxes in 10a and 10b to indicate which schedules are attached, and, where indicated, enter the number attached. (See instructions)			
a Pension Schedules (1) ☒ R (Retirement Plan Information) (2) ☐ MB (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary (3) ☐ SB (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary		b General Schedules (1) ☒ H (Financial Information) (2) ☐ I (Financial Information – Small Plan) (3) ☐ 0 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 2022 Form M-1 annual report. If the plan was not required to file the 2022 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 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 2022 This Form is Open to Public Inspection
For calendar plan year 2022 or fiscal plan year beginning <u>01/01/2022</u> and ending <u>12/31/2022</u>		
A Name of plan <u>PRODUCERS SERVICE EMPLOYEE STOCK OWNERSHIP PLAN AND TRUST</u>	B Three-digit plan number (PN) ►	<u>001</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>PSC HOLDINGS, INC.</u>	D Employer Identification Number (EIN) <u>26-4059391</u>	

Part I	Asset and Liability Statement		
1 Current value of plan assets and liabilities at the beginning and end of the plan year. Combine the value of plan assets held in more than one trust. Report the value of the plan's interest in a commingled fund containing the assets of more than one plan on a line-by-line basis unless the value is reportable on lines 1c(9) through 1c(14). Do not enter the value of that portion of an insurance contract which guarantees, during this plan year, to pay a specific dollar benefit at a future date. Round off amounts to the nearest dollar. MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 1b(1), 1b(2), 1c(8), 1g, 1h, and 1i. CCTs, PSAs, and 103-12 IEs also do not complete lines 1d and 1e. See instructions.			
Assets		(a) Beginning of Year	(b) End of Year
a Total noninterest-bearing cash.....		1a	
b Receivables (less allowance for doubtful accounts):			
(1) Employer contributions.....		1b(1)	2146019113
(2) Participant contributions.....		1b(2)	36956238
(3) Other.....		1b(3)	
c General investments:			
(1) Interest-bearing cash (include money market accounts & certificates of deposit).....		1c(1)	2402424249
(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)	43886673570973
(14) Value of funds held in insurance company general account (unallocated contracts).....		1c(14)	
(15) Other		1c(15)	

1d Employer-related investments:		(a) Beginning of Year	(b) End of Year
(1) Employer securities	1d(1)	10899118	20099835
(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	15336964	23720408

Liabilities

g Benefit claims payable	1g		
h Operating payables	1h		
i Acquisition indebtedness	1i	15345477	0
j Other liabilities	1j		
k Total liabilities (add all amounts in lines 1g through 1j)	1k	15345477	0

Net Assets

l Net assets (subtract line 1k from line 1f)	1l	-8513	23720408
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Part II Income and Expense Statement

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

Income

		(a) Amount	(b) Total
a Contributions:			
(1) Received or receivable in cash from: (A) Employers	2a(1)(A)	1384095	
(B) Participants	2a(1)(B)	247053	
(C) Others (including rollovers)	2a(1)(C)		
(2) Noncash contributions	2a(2)		
(3) Total contributions. Add lines 2a(1)(A) , (B) , (C) , and line 2a(2)	2a(3)		1631148
b Earnings on investments:			
(1) Interest:			
(A) Interest-bearing cash (including money market accounts and certificates of deposit)	2b(1)(A)	275	
(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)		275
(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)	64867	
(D) Total dividends. Add lines 2b(2)(A) , (B) , and (C)	2b(2)(D)		64867
(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)	9200715	
(C) Total unrealized appreciation of assets. Add lines 2b(5)(A) and (B)	2b(5)(C)		9200715

		(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)		-731267
c Other income	2c		14600232
d Total income. Add all income amounts in column (b) and enter total	2d		24765970
Expenses			
e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	561337	
(2) To insurance carriers for the provision of benefits	2e(2)		
(3) Other	2e(3)		
(4) Total benefit payments. Add lines 2e(1) through (3)	2e(4)		561337
f Corrective distributions (see instructions)	2f		
g Certain deemed distributions of participant loans (see instructions)	2g		
h Interest expense	2h		475712
i Administrative expenses: (1) Professional fees	2i(1)		
(2) Contract administrator fees	2i(2)		
(3) Investment advisory and management fees	2i(3)		
(4) Other	2i(4)		
(5) Total administrative expenses. Add lines 2i(1) through (4)	2i(5)		0
j Total expenses. Add all expense amounts in column (b) and enter total	2j		1037049
Net Income and Reconciliation			
k Net income (loss). Subtract line 2j from line 2d	2k		23728921
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: REA & ASSOCIATES

(2) EIN: 34-1310124

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

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

Part IV Compliance Questions

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

During the plan year:

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

	Yes	No	Amount
4a		X	

	Yes	No	Amount
b Were any loans by the plan or fixed income obligations due the plan in default as of the close of the plan year or classified during the year as uncollectible? Disregard participant loans secured by participant's account balance. (Attach Schedule G (Form 5500) Part I if "Yes" is checked.)			
4b		X	
c Were any leases to which the plan was a party in default or classified during the year as uncollectible? (Attach Schedule G (Form 5500) Part II if "Yes" is checked.)			
4c		X	
d Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 4a. Attach Schedule G (Form 5500) Part III if "Yes" is checked.)			
4d		X	
e Was this plan covered by a fidelity bond?	X		1000000
f Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?		X	
4f		X	
g Did the plan hold any assets whose current value was neither readily determinable on an established market nor set by an independent third party appraiser?			
4g		X	
h Did the plan receive any noncash contributions whose value was neither readily determinable on an established market nor set by an independent third party appraiser?			
4h		X	
i Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.)	X		
4i	X		
j Were any plan transactions or series of transactions in excess of 5% of the current value of plan assets? (Attach schedule of transactions if "Yes" is checked and see instructions for format requirements.)			
4j		X	
k Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?			
4k		X	
l Has the plan failed to provide any benefit when due under the plan?			
4l		X	
m If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.)			
4m		X	
n If 4m was answered "Yes," check the "Yes" box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3.			
4n			

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

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 2022 This Form is Open to Public Inspection.
For calendar plan year 2022 or fiscal plan year beginning 01/01/2022 and ending 12/31/2022		
A Name of plan PRODUCERS SERVICE EMPLOYEE STOCK OWNERSHIP PLAN AND TRUST		B Three-digit plan number (PN) 001
C Plan sponsor's name as shown on line 2a of Form 5500 PSC HOLDINGS, INC.		D Employer Identification Number (EIN) 26-4059391
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): 47-4169196		
Profit-sharing plans, ESOPs, and stock bonus plans, skip line 3.		
3 Number of participants (living or deceased) whose benefits were distributed in a single sum, during the plan year.....		3
Part II Funding Information (If the plan is not subject to the minimum funding requirements of section 412 of the Internal Revenue Code or ERISA section 302, skip this Part.)		
4 Is the plan administrator making an election under Code section 412(d)(2) or ERISA section 302(d)(2)? ☐ Yes ☐ No ☐ N/A If the plan is a defined benefit plan, go to line 8.		
5 If a waiver of the minimum funding standard for a prior year is being amortized in this plan year, see instructions and enter the date of the ruling letter granting the waiver. Date: Month _____ Day _____ Year _____ If you completed line 5, complete lines 3, 9, and 10 of Schedule MB and do not complete the remainder of this schedule.		
6 a Enter the minimum required contribution for this plan year (include any prior year accumulated funding deficiency not waived).....		6a
b Enter the amount contributed by the employer to the plan for this plan year.....		6b
c Subtract the amount in line 6b from the amount in line 6a. Enter the result (enter a minus sign to the left of a negative amount).....		6c
If you completed line 6c, skip lines 8 and 9.		
7 Will the minimum funding amount reported on line 6c be met by the funding deadline? ☐ Yes ☐ No ☐ N/A		
8 If a change in actuarial cost method was made for this plan year pursuant to a revenue procedure or other authority providing automatic approval for the change or a class ruling letter, does the plan sponsor or plan administrator agree with the change? ☐ Yes ☐ No ☐ N/A		
Part III Amendments		
9 If this is a defined benefit pension plan, were any amendments adopted during this plan year that increased or decreased the value of benefits? If yes, check the appropriate box. If no, check the "No" box..... ☐ Increase ☐ Decrease ☐ Both ☐ No		
Part IV ESOPs (see instructions). If this is not a plan described under section 409(a) or 4975(e)(7) of the Internal Revenue Code, skip this Part.		
10 Were unallocated employer securities or proceeds from the sale of unallocated securities used to repay any exempt loan?.....		☐ Yes ☒ No
11 a Does the ESOP hold any preferred stock?.....		☐ Yes ☒ No
b If the ESOP has an outstanding exempt loan with the employer as lender, is such loan part of a "back-to-back" loan? (See instructions for definition of "back-to-back" loan.).....		☐ Yes ☒ No
12 Does the ESOP hold any stock that is not readily tradable on an established securities market?.....		☒ Yes ☐ No
For Paperwork Reduction Act Notice, see the Instructions for Form 5500.		
Schedule R (Form 5500) 2022 v. 220413		

Part V Additional Information for Multiemployer Defined Benefit Pension Plans

13 Enter the following information for each employer that (1) contributed more than 5% of total contributions to the plan during the plan year or (2) was one of the top-ten highest contributors (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
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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 _____

Producers Service Employee Stock Ownership Plan and Trust

Financial Statements

December 31, 2022 and 2021



Rea & associates

www.reacpa.com

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INDEPENDENT AUDITOR'S REPORT

To the Plan Committee and Participants of
Producers Service Employee Stock Ownership Plan and Trust
Zanesville, Ohio

Opinion on the 2022 Financial Statements

We audited the financial statements of Producers Service Employee Stock Ownership Plan and Trust (the Plan), an employee benefit plan subject to the Employee Retirement Income Security Act of 1974 (ERISA), which comprise the statement of net assets available for benefits in liquidation as of December 31, 2022, and the related statement of changes in net assets (deficit) available for benefits in liquidation for the year ended December 31, 2022 and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the net assets (deficit) available for benefits in liquidation of the Plan as of December 31, 2022, and the changes in its net assets (deficit) available for benefits in liquidation for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

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 audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the 2022 financial statements.

Emphasis of Matter – Plan Termination and Liquidation Basis

As discussed in Note 1 to the financial statements, the Board of Directors of the Plan, voted to terminate the Plan effective December 31, 2022, 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 the 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 these financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Plan's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Plan's ability to continue as a going concern for a reasonable period of time.

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.

2022 Supplemental Schedule Required by ERISA

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The supplemental schedule as outlined on the Table of Contents is presented for purposes of additional analysis and is not a required part of the financial statements but is supplementary information required by the Department of Labor's (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 has been subjected to auditing procedures applied in the audit of the 2022 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.

In forming our opinion on the supplemental schedule, we evaluated whether the supplemental schedule, including its form and content, is presented in conformity with the DOL's Rules and Regulations for Reporting and Disclosure under ERISA.

In our opinion, the information in the accompanying supplemental schedule is fairly stated, in all material respects, in relation to the financial statements as a whole, and the form and content are presented in conformity with the DOL's Rules and Regulations for Reporting and Disclosure under ERISA.

Other Matter – Auditor’s Report on the 2021 Financial Statements

We performed an audit of the 2021 financial statements of Producers Service Employee Stock Ownership Plan and Trust. 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, our audit did not extend to any statements or information related to assets held for investment of the Plan that were certified by a qualified institution. In our report dated October 10, 2022, we indicated that in our opinion (a) the amounts and disclosures in the 2021 financial statements, other than those agreed to or derived from the certified investment information, were presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America, and (b) the information in the 2021 financial statements related to assets held 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).

Rea & Associates, Inc.

Dublin, Ohio
September 18, 2023

PRODUCERS SERVICE
EMPLOYEE STOCK OWNERSHIP PLAN AND TRUST

STATEMENT OF NET ASSETS AVAILABLE FOR BENEFITS IN LIQUIDATION
AS OF DECEMBER 31, 2022

	Non-ESOP	ESOP		Total	Plan Total
		Allocated	Unallocated		
ASSETS:					
INVESTMENTS, at fair value:					
PSC Holdings, Inc. common stock	\$ -	\$ 20,099,835	\$ -	\$ 20,099,835	\$ 20,099,835
Money market	-	24,249	-	24,249	24,249
Mutual funds	3,570,973	-	-	-	3,570,973
Total investments at fair value	<u>3,570,973</u>	<u>20,124,084</u>	<u>-</u>	<u>20,124,084</u>	<u>23,695,057</u>
RECEIVABLES:					
Employer contributions	19,113	-	-	-	19,113
Employee contributions	<u>6,238</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,238</u>
Total receivables	<u>25,351</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>25,351</u>
Total assets	<u>3,596,324</u>	<u>20,124,084</u>	<u>-</u>	<u>20,124,084</u>	<u>23,720,408</u>
LIABILITIES:					
Accrued depreciation in fair value of common stock expected to be incurred in liquidation	<u>-</u>	<u>4,392,656</u>	<u>-</u>	<u>4,392,656</u>	<u>4,392,656</u>
Total liabilities	<u>-</u>	<u>4,392,656</u>	<u>-</u>	<u>4,392,656</u>	<u>4,392,656</u>
NET ASSETS AVAILABLE FOR BENEFITS IN LIQUIDATION	<u>\$ 3,596,324</u>	<u>\$ 15,731,428</u>	<u>\$ -</u>	<u>\$ 15,731,428</u>	<u>\$ 19,327,752</u>

The accompanying notes are an integral part of these financial statements.

PRODUCERS SERVICE
EMPLOYEE STOCK OWNERSHIP PLAN AND TRUST

STATEMENT OF NET ASSETS (DEFICIT) AVAILABLE FOR BENEFITS ON THE ONGOING BASIS
AS OF DECEMBER 31, 2021

		ESOP			
	Non-ESOP	Allocated	Unallocated	Total	Plan Total
ASSETS:					
INVESTMENTS, at fair value:					
PSC Holdings, Inc. common stock	\$ -	\$ 8,022,028	\$ 2,877,090	\$ 10,899,118	\$10,899,118
Money market	-	24,024	-	24,024	24,024
Mutual funds	4,388,667	-	-	-	4,388,667
Total investments at fair value	4,388,667	8,046,052	2,877,090	10,923,142	15,311,809
RECEIVABLES:					
Employer contributions	21,460	-	-	-	21,460
Employee contributions	3,695	-	-	-	3,695
Total receivables	25,155	-	-	-	25,155
Total assets	4,413,822	8,046,052	2,877,090	10,923,142	15,336,964
LIABILITIES:					
Loans payable	-	-	15,345,477	15,345,477	15,345,477
Total liabilities	-	-	15,345,477	15,345,477	15,345,477
NET ASSETS (DEFICIT) AVAILABLE FOR BENEFITS	\$ 4,413,822	\$ 8,046,052	\$ (12,468,387)	\$ (4,422,335)	\$ (8,513)

The accompanying notes are an integral part of these financial statements.

PRODUCERS SERVICE
EMPLOYEE STOCK OWNERSHIP PLAN AND TRUST

STATEMENT OF CHANGES IN NET ASSETS (DEFICIT) AVAILABLE FOR BENEFITS IN LIQUIDATION
FOR THE YEAR ENDED DECEMBER 31, 2022

	Non-ESOP	ESOP		Total	Plan Total
		Allocated	Unallocated		
ADDITIONS TO NET ASSETS (DEFICIT) ATTRIBUTED TO:					
Investment income (loss):					
Net (depreciation) appreciation in fair value of investments	\$ (731,267)	\$ 9,200,715	\$ -	\$ 9,200,715	\$ 8,469,448
Interest and dividends	64,915	227	-	227	65,142
Total investment (loss) income	(666,352)	9,200,942	-	9,200,942	8,534,590
Contributions:					
Employer contributions	163,138	1,220,957	-	1,220,957	1,384,095
Employee contributions	247,053	-	-	-	247,053
Total contributions	410,191	1,220,957	-	1,220,957	1,631,148
Allocation of 108.920006 shares of common stock of PSC Holdings, Inc. - at fair value	-	177,322	-	177,322	177,322
TOTAL ADDITIONS	(256,161)	10,599,221	-	10,599,221	10,343,060
DEDUCTIONS FROM NET ASSETS (DEFICIT) ATTRIBUTED TO:					
Benefit payments to participants	561,337	-	-	-	561,337
Interest expense	-	-	475,712	475,712	475,712
Allocation of 108.920006 shares of common stock of PSC Holdings, Inc. - at fair value	-	-	177,322	177,322	177,322
TOTAL DEDUCTIONS	561,337	-	653,034	653,034	1,214,371
NET INCREASE (DECREASE) IN NET ASSETS (DEFICIT) AVAILABLE FOR BENEFITS	(817,498)	10,599,221	(653,034)	9,946,187	9,128,689
TRANSFER FOR DEBT SERVICE	-	1,478,811	(1,478,811)	-	-
LOAN FORGIVENESS (175.935560 SHARES)			14,600,232	14,600,232	14,600,232
ADJUSTMENT TO LIQUIDATION BASIS (SEE NOTE 2)	-	(4,392,656)	-	(4,392,656)	(4,392,656)
NET ASSETS (DEFICIT) AVAILABLE FOR BENEFITS ON THE ONGOING BASIS - Beginning of Year	4,413,822	8,046,052	(12,468,387)	(4,422,335)	(8,513)
NET ASSETS AVAILABLE FOR BENEFITS IN LIQUIDATION - End of Year	<u>\$ 3,596,324</u>	<u>\$ 15,731,428</u>	<u>\$ -</u>	<u>\$ 15,731,428</u>	<u>\$ 19,327,752</u>

The accompanying notes are an integral part of these financial statements.

PRODUCERS SERVICE
EMPLOYEE STOCK OWNERSHIP PLAN AND TRUST

STATEMENT OF CHANGES IN NET ASSETS (DEFICIT) AVAILABLE FOR BENEFITS ON THE ONGOING BASIS
FOR THE YEAR ENDED DECEMBER 31, 2021

	Non-ESOP	ESOP		Total	Plan Total
		Allocated	Unallocated		
ADDITIONS TO NET ASSETS ATTRIBUTED TO:					
Investment income (loss):					
Net appreciation (depreciation) in fair value of investments	\$ 526,995	\$ 118,265	\$ (189,660)	\$ (71,395)	\$ 455,600
Interest and dividends	171,764	-	-	-	171,764
Total investment income (loss)	698,759	118,265	(189,660)	(71,395)	627,364
Contributions:					
Employer contributions	181,364	1,051,346	-	1,051,346	1,232,710
Employee contributions	252,632	-	-	-	252,632
Total contributions	433,996	1,051,346	-	1,051,346	1,485,342
Allocation of 114.108118 shares of common stock of PSC Holdings, Inc. - at fair value	-	183,029	-	183,029	183,029
TOTAL ADDITIONS	1,132,755	1,352,640	(189,660)	1,162,980	2,295,735
DEDUCTIONS FROM NET ASSETS ATTRIBUTED TO:					
Benefit payments to participants	1,082,094	51,346	-	51,346	1,133,440
Interest expense	-	-	202,290	202,290	202,290
Allocation of 114.108118 shares of common stock of PSC Holdings, Inc. - at fair value	-	-	183,029	183,029	183,029
TOTAL DEDUCTIONS	1,082,094	51,346	385,319	436,665	1,518,759
NET (DECREASE) IN NET ASSETS (DEFICIT) AVAILABLE FOR BENEFITS	50,661	1,301,294	(574,979)	726,315	776,976
TRANSFER FOR DEBT SERVICE	-	(1,000,000)	1,000,000	-	-
LOAN DEFAULT (144.684438)			1,168,434	1,168,434	1,168,434
NET ASSETS (DEFICIT) AVAILABLE FOR BENEFITS - Beginning of Year	4,363,161	7,744,758	(14,061,842)	(6,317,084)	(1,953,923)
NET ASSETS (DEFICIT) AVAILABLE FOR BENEFITS - End of Year	<u>\$ 4,413,822</u>	<u>\$ 8,046,052</u>	<u>\$ (12,468,387)</u>	<u>\$ (4,422,335)</u>	<u>\$ (8,513)</u>

The accompanying notes are an integral part of these financial statements.

PRODUCERS SERVICE EMPLOYEE STOCK OWNERSHIP PLAN AND TRUST

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1: DESCRIPTION OF THE PLAN

The following description of the Producers Service Employee Stock Ownership Plan and Trust (the “Plan”) provides only general information. Participants should refer to the Plan document for a more complete description of the Plan’s provisions.

General

The Plan is a defined contribution plan covering eligible employees of PSC Holdings, Inc. and its subsidiaries (the “Company”). The Plan includes a tax-exempt employee stock ownership plan (ESOP component) and a tax exempt 401(k) plan (non-ESOP component) under the provisions of the Employee Retirement Income Security Act of 1974, as amended (ERISA) and sections 401(a) and 401(k) of the Internal Revenue Code of 1986, as amended (IRC).

The amount contributed to the ESOP component is determined by the Board of Directors and those contributions will be invested in Company stock.

Eligibility

The Plan is a defined contribution benefit plan covering all full-time employees of the Company who have one year of service (1,000 hours) and are age 18 or older.

ESOP Contributions

The Plan provides for contributions by the Company. The Company’s discretionary contributions are made to the trust fund annually to cover any stock obligations and any other liabilities of the Plan as due. At the discretion of the Company’s Board of Directors, additional annual contributions may be made in the form of cash or the Company’s common stock. The Company made cash contributions of \$1,220,957 and \$1,051,346 in 2022 and 2021, respectively.

Participant Deferrals

A participant may commence elective deferrals as of the entry date up to the maximum limit for any plan year. Participants will enter the Plan on the first day of the month coincident with or next following attainment of entry eligibility. Participants may also contribute amounts representing distributions from other qualified defined benefit or defined contribution plans (rollover contributions).

Participants are not permitted to make elective deferrals into the ESOP portion of the Plan. Annual catch up contributions are permitted for any Plan year up to the Internal Revenue Code (“IRC”) limitations. The IRC annual limitation applies to all of a participant’s salary reduction contributions and similar contributions under this and other plans.

Matching Contributions

The Company, at its sole discretion, may make matching contributions for a plan year as a match, in whole or in part, to the elective deferrals made by participants for such plan year. Matching contributions may be made by the Company, in its discretion, in cash or in Company stock, equal to a certain percentage (or a certain amount) of the participant’s elective deferral.

Safe Harbor Contributions

The Company may make a contribution for each participant in the Plan, who is not a highly compensated employee, equal to 100% of deferral up to four (4%) percent of the compensation of the participant. The Company made safe harbor contributions of \$163,138 and \$181,364 in 2022 and 2021, respectively.

PRODUCERS SERVICE EMPLOYEE STOCK OWNERSHIP PLAN AND TRUST

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1: DESCRIPTION OF THE PLAN (CONTINUED)

Participant Accounts

Each participant's 401(k) account is credited with: participant contributions, allocations of Company contributions, and the participant's share of Plan earnings (losses) and appreciation (depreciation) from investing contributions less administrative expenses. As of each valuation date, the ESOP portion of the Plan allocates earnings (losses) into the ESOP component of each participant's account so that the total of all participant account balances equals the fair market value of the ESOP trust fund as of each valuation date. The Company's contributions are allocated to eligible participants' accounts based on the ratio of each eligible participant's compensation for the year to the total compensation for all participants.

Shares allocated to participant accounts in the ESOP totaled approximately 6,695 and 4,928 as of December 31, 2022 and 2021, respectively. Allocated and unallocated shares totaled approximately 6,695 as of December 31, 2022 and 2021.

Dividends on the non-leveraged shares are allocated based on each participant's stock account balance to the total of all participant stock account balances. Dividends on the leveraged shares are used to service the Plan's debt. No dividends were received in 2022 or 2021.

Participant-Directed Investment Options

Upon enrollment in the Plan, a participant may direct the investment of their 401(k) account contributions into any of several investment options with varying degrees of risk and volatility, allowing participants to allocate their investments in accordance with their own risk tolerances and time horizons. Participants may change their investment options at any time.

Voting Rights

Each participant is entitled to exercise voting rights attributable to the shares allocated to his or her account and is notified by the Trustee prior to the time that such rights are to be exercised. The Trustee is not permitted to vote any allocated share for which instructions have not been given by a participant. Any allocated Company stock with respect to which voting instructions are not given shall be voted in the manner determined by the Plan Administrator. The Plan Administrator shall have the right to direct the Trustee as to the voting of any unallocated shares of stock held in the Plan.

Put Option

Under Federal income tax regulations, the Company stock that is held by the Plan and its participants is not readily tradable on an established market, or is subject to trading limitations, includes a put option. The put option is a right to demand that the Company buy any shares of its stock distributed to participants for which there is no market. The put price is the fair market value of the stock. The purpose of the put option is to ensure that the participant has the ability to ultimately obtain cash.

Payment of Benefits

Upon termination of service due to death, disability, attainment of age 59 ½, retirement, or mandatory distribution, a participant will receive either a lump-sum amount equal to the value of the participant's vested interest in his or her account, or annual installments over a future period.

PRODUCERS SERVICE EMPLOYEE STOCK OWNERSHIP PLAN AND TRUST

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1: DESCRIPTION OF THE PLAN (CONTINUED)

Vesting

Each eligible participant has immediate, fully vested rights in all employee contributions, rollover contributions, and Company safe harbor contributions.

Vesting of non-safe harbor employer contributions for any participant terminated for any cause other than death, disability or retirement generally occurs as follows:

<u>Year</u>	<u>Percent</u>
1	25%
2	50%
3	75%
4	100%

The years of vesting are calculated based on the number of hours of service. A minimum of 1,000 hours of services must be provided to complete a year of vesting service.

Forfeitures

Forfeitures resulting from the termination of participants who are less than fully vested are allocated to those participants who have completed 1,000 hours of service during the Plan year in which the forfeitures occurred in the same manner as the Company contributions are allocated. There were no unallocated forfeitures as of December 31, 2022 and 2021.

Diversification

Diversification is offered to participants close to retirement so that they may have the opportunity to move part of the value of their investment in Company stock into investments which are more diversified. Participants who are at least age 55 with at least 10 years of participation in the Plan may elect to diversify a portion of their account. Diversification is offered to each eligible participant over a six year period. In each of the first five years, a participant may diversify up to 25 percent of the number of shares allocated to his or her account, less any shares previously diversified. In the sixth year, the percentage changes to 50 percent. Participants who elect to diversify may direct the Plan Administrator to convert the stock into cash and elect a rollover distribution of such cash or elect a distribution of such cash. Due to the Plan termination no participants were eligible for diversification for the year ended December 31, 2022.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

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

Investment Valuation and Income Recognition

Investments are 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 investment in the common stock of the Company is recorded at its estimated fair value at year-end as determined by an annual independent appraisal as of the Company's year-end. See Note 5 for discussion of fair value measurements.

PRODUCERS SERVICE EMPLOYEE STOCK OWNERSHIP PLAN AND TRUST

NOTES TO THE FINANCIAL STATEMENTS

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Investment Valuation and Income Recognition (continued)

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

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires the Plan Administrator to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results may differ from those estimates. The Plan relies significantly on the use of estimates in determining the value of PSC Holdings, Inc. Common Stock, which is the primary investment.

Allocations

The financial statements of the Plan present separately the assets and liabilities and changes therein pertaining to (a) the accounts of employees with rights in allocated stock ("allocated") and (b) stock not yet allocated to employees ("unallocated"), including shares that are committed to be released. Shares release from collateral and become allocated generally in the period in which debt service is actually paid.

Payment of Benefits

Benefits are recorded when paid as set forth in the Plan document.

Adjustments to Liquidation Basis

The liquidation basis of accounting requires recognition of losses to be incurred through final liquidation (See Note 11). These are presented in the financial statements as of and for the year ended December 31, 2022.

Administrative Expenses

Trustee and administrative expenses are paid by the Plan Sponsor, which also provides other accounting and administrative support services to the Plan without compensation.

Subsequent Events

Subsequent events have been evaluated through September 18, 2023 which is the date the financial statements were available to be issued.

NOTE 3: INFORMATION PREPARED AND CERTIFIED BY CUSTODIAN

In accordance with 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA, the plan administrator has elected to restrict the scope of the auditor's examination with regard to statements or information prepared and certified by Peoples Bank, the custodian of the Plan. The following information included in the accompanying financial statements and supplemental schedule of assets held at end of year was obtained or derived from information supplied to the plan administrator and certified as complete and accurate by Peoples Bank as of and for the years ended December 31, 2022 and 2021:

	2022	2021
Mutual funds	\$ 3,570,973	\$ 4,388,667
Net (depreciations) appreciation in fair value of investments	(731,267)	526,995
Interest and dividends	64,915	171,764

PRODUCERS SERVICE EMPLOYEE STOCK OWNERSHIP PLAN AND TRUST

NOTES TO THE FINANCIAL STATEMENTS

NOTE 4: INVESTMENTS

	2022		2021	
	Allocated	Unallocated	Allocated	Unallocated
Producers Service common stock:				
Number of Shares	6,695	-	4,928	1,767
Cost	60,105,764	-	43,149,721	16,956,043
Estimated fair value	20,099,835	-	8,022,028	2,877,090

NOTE 5: FAIR VALUE MEASUREMENTS

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

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

Level 2 Inputs to the valuation methodology include:

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

If the asset or liability has a 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.

PRODUCERS SERVICE EMPLOYEE STOCK OWNERSHIP PLAN AND TRUST

NOTES TO THE FINANCIAL STATEMENTS

NOTE 5: FAIR VALUE MEASUREMENTS (CONTINUED)

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at December 31, 2022 and 2021.

Money market: Valued at fair value based on quoted market prices.

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.

Company stock: The fair value of Company common stock held by the Plan is valued at fair value based upon an independent appraisal. In 2021, this appraisal was based upon a combination of the market and income valuation techniques consistent with prior years. The appraiser took into account historical and projected cash flow and net income, return on assets, return on equity, market comparable, and fair value of Company assets and liabilities. Plan management has concluded that a market participant would also recognize a discount for lack of marketability.

In 2022, the appraiser considered the market and income valuation techniques, but due to the pending sale of the Company the appraiser based the value of the Company on the pending transaction method as it was deemed to be the best representative of the fair market value as of the valuation date.

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

The following table sets forth by level, within the fair value hierarchy, the Plan's assets at fair value as of December 31, 2022 and 2021.

Assets at Fair Value as of December 31, 2022

	Level 1	Level 2	Level 3	Total
Company stock	\$ -	\$ -	\$ 20,099,835	\$20,099,835
Money market	24,249	-	-	24,249
Mutual funds	3,570,973	-	-	3,570,973
Total assets at fair value	<u>\$ 3,595,222</u>	<u>\$ -</u>	<u>\$ 20,099,835</u>	<u>\$23,695,057</u>

Assets at Fair Value as of December 31, 2021

	Level 1	Level 2	Level 3	Total
Company stock	\$ -	\$ -	\$ 10,899,118	\$10,899,118
Money market	24,024	-	-	24,024
Mutual funds	4,388,667	-	-	4,388,667
Total assets at fair value	<u>\$ 4,412,691</u>	<u>\$ -</u>	<u>\$ 10,899,118</u>	<u>\$15,311,809</u>

For the years ended December 31, 2022 and 2021, the Plan did not hold any level 2 investments.

PRODUCERS SERVICE EMPLOYEE STOCK OWNERSHIP PLAN AND TRUST

NOTES TO THE FINANCIAL STATEMENTS

NOTE 6: LOANS PAYABLE

On December 17, 2012, the trustee of the Plan entered into a promissory loan agreement with the Plan Sponsor totaling \$1,388,691. The proceeds of the loan were used to purchase common stock from the Company's shareholders. Unallocated shares are collateral for the loan. The agreement provides for the loan to be repaid over 10 years. The loan requires annual payments of \$166,978, with interest of 3.5% and was paid in full during 2022.

On December 20, 2013, the trustee of the Plan entered into a promissory loan agreement with the Plan Sponsor totaling \$9,262,727. The proceeds of the loan were used to purchase common stock from the Company's shareholders. Unallocated shares are collateral for the loan. The agreement provides for the loan to be repaid over 10 years. The loan requires annual payments of \$1,113,763, with interest of 3.5% included. During the year ended December 31, 2021 the Plan defaulted on the yearly installments required. During the year ended December 31, 2022 the outstanding balance of \$2,115,809 was forgiven in full.

On December 31, 2014, the trustee of the Plan entered into a promissory loan agreement with the Plan Sponsor totaling \$1,424,607. The proceeds of the loan were used to purchase common stock from the Company's shareholders. Unallocated shares are collateral for the loan. The agreement provides for the loan to be repaid over 10 years. The loan requires annual payments of \$171,297, with interest of 3.5% included. During the year ended December 31, 2022 the outstanding balance of \$299,733 was forgiven in full.

On October 31, 2016, the trustee of the Plan entered into a promissory loan agreement with the Plan Sponsor totaling \$2,057,810. The proceeds of the loan were used to purchase common stock from the Company's shareholders. Unallocated shares are collateral for the loan. The agreement provides for the loan to be repaid over 10 years. The loan requires annual payments of \$248,881, with interest of 3.5% included. During the year ended December 31, 2022 the outstanding balance of \$874,673 was forgiven in full.

On November 22, 2017, the trustee of the Plan entered into a promissory loan agreement with the Plan Sponsor totaling \$4,695,619. The proceeds of the loan were used to purchase common stock from the Company's shareholders. Unallocated shares are collateral for the loan. The agreement provides for the loan to be repaid over 30 years. The loan requires annual payments of \$254,787, with interest of 3.5% included. During the year ended December 31, 2022 the outstanding balance of \$4,166,508 was forgiven in full.

On November 30, 2018, the trustee of the Plan entered into a promissory loan agreement with the Plan Sponsor totaling \$7,266,194. The proceeds of the loan were used to purchase common stock from the Company's shareholders. Unallocated shares are collateral for the loan. The agreement provides for the loan to be repaid over 30 years. The loan requires annual payments of \$393,975, with interest of 3.5% included. During the year ended December 31, 2022 the outstanding balance of \$6,605,732 was forgiven in full.

On October 31, 2019, the trustee of the Plan entered into a promissory loan agreement with the Plan Sponsor totaling \$579,117. The proceeds of the loan were used to purchase common stock from the Company's shareholders. Unallocated shares are collateral for the loan. The agreement provides for the loan to be repaid over 30 years. The loan requires annual payments of \$29,546 with interest of 3% included. During the year ended December 31, 2022 the outstanding balance of \$537,777 was forgiven in full.

PRODUCERS SERVICE EMPLOYEE STOCK OWNERSHIP PLAN AND TRUST

NOTES TO THE FINANCIAL STATEMENTS

NOTE 7: RELATED PARTY OR PARTY IN INTEREST TRANSACTIONS

Certain Plan investments include shares of the Plan Sponsor. PSC Holdings, Inc. is the Plan Sponsor; therefore, these transactions qualify as party-in-interest transactions.

NOTE 8: PLAN TERMINATION

Effective December 31, 2022 the Plan adopted a resolution to terminate the Plan. The Plan has applied for a standard termination but had not yet received IRS approval for the plan termination. All affected participants became 100% vested in their account balance. The net assets of the trust will be distributed in a form of payment as determined by the Board of Directors.

NOTE 9: TAX STATUS

The Plan has obtained a determination letter dated March 16, 2018, in which the IRS stated that the Plan, as then designed, was in compliance with the applicable requirements of the Internal Revenue Code (IRC). The Plan has been amended since receiving the determination letter, the plan administrator believes that the Plan is currently designed and being operated in compliance with the applicable requirements of the IRC and, therefore, believes that the Plan is qualified and the related trust is tax exempt.

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 tax position that more likely than not would not be sustained upon examination by the Internal Revenue Service. Plan management has analyzed the tax positions taken by the Plan and has concluded that as of December 31, 2022, there are no uncertain positions taken or expected to be taken that would require recognition of a liability or disclosure in the financial statements. The Plan is subject to routine audits by taxing jurisdictions, however, there are currently no audits for any tax periods in progress.

NOTE 10: RISKS AND UNCERTAINTIES

The Plan invests in various investment securities. Investment securities are exposed to various risks, such as interest rate, market, and credit risks. Market risks include global events which could impact the value of investment securities, such as a pandemic or international conflict. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities or Company stock will occur in the near term and that such changes could materially affect participants' account balances and the amounts reported in the 2022 statement of net assets available for benefits.

As of December 31, 2022, the Plan held \$20,099,835 in Company stock, which was 85% of total investments. Therefore, net assets available for benefits are particularly sensitive to changes related to these investments.

NOTE 11: SUBSEQUENT EVENTS

Subsequent to the year ended December 31, 2022. The Plan common stock was revalued as of March 31, 2023. The revalued per share price was \$2,346 resulting in a \$4,392,656 decrease in value from the original December 31, 2022 valuation. This amount was adjusted to decrease net assets available for benefit as of December 31, 2022 for liquidation basis presentation purposes .

PRODUCERS SERVICE EMPLOYEE STOCK OWNERSHIP PLAN AND TRUST

NOTES TO THE FINANCIAL STATEMENTS

NOTE 12: RECONCILIATION OF FINANCIAL STATEMENTS TO FORM 5500

The following is a reconciliation of the net assets available for benefits per the financial statements at December 31, 2022, to Form 5500.

Net assets available for plan benefits per the financial statements	\$ 19,327,752
Accrued depreciation in fair value of common stock expected to be incurred in liquidation	<u>4,392,656</u>
Net assets per Form 5500	\$ 23,720,408

PRODUCERS SERVICE
EMPLOYEE STOCK OWNERSHIP PLAN AND TRUST

FORM 5500, SCHEDULE H, PART IV, LINE 4(i) – SCHEDULE OF ASSETS (HELD AT END OF YEAR)
AS OF DECEMBER 31, 2022

EIN: 26-4059391
Plan Number: 001
Plan Sponsor: PSC Holdings, Inc,

(a)	(b)	(c)	(d)	(e)
Identity of issue, borrower, lessor, or similar party	Description of investment including maturity date, rate of interest, collateral, par, or maturity value	Cost	Current Value	
* PSC Holdings Inc.	Common stock, 6,695 shares	\$ 60,105,764	\$ 20,099,835	
Raymond James	Money Market	24,249	24,249	
Blackrock Systematic Multi-Strategy	Mutual Fund	**	29,270	
DoubleLine Low Duration Bond	Mutual Fund	**	90,277	
Federated Cap Pres	Mutual Fund	**	11,637	
Fidelity International Index Fund	Mutual Fund	**	95,465	
Fidelity Govt MMkt Premium	Mutual Fund	**	302,954	
JPMorgan Core Bond Fund Class R6	Mutual Fund	**	61,043	
JPMorgan Large Cap Growth Fund	Mutual Fund	**	84,583	
MFS Growth R6	Mutual Fund	**	108,569	
MFS International Growth R6	Mutual Fund	**	55,773	
MFS International	Mutual Fund	**	115,957	
Metropolitan West Total Return Bond I	Mutual Fund	**	61,973	
JPMorgan Equity Income fund Class R6	Mutual Fund	**	201,728	
Thrivent Small Cap Stock S	Mutual Fund	**	70,971	
Vanguard Equity Income-Adm	Mutual Fund	**	338,751	
Vanguard Target Retirement 2055	Mutual Fund	**	30,481	
Vanguard 500 Index Fund-Admiral	Mutual Fund	**	820,871	
Vanguard Target Retirement 2040	Mutual Fund	**	90,502	
Vanguard ST Investment Grade-Adm	Mutual Fund	**	68,739	
Vanguard Growth Index Admiral	Mutual Fund	**	178,576	
Vanguard Mid Cap Index-Admiral	Mutual Fund	**	138,711	
Vanguard Small-Cap Value Index Adm	Mutual Fund	**	53,675	
Vanguard InterTerm Treasury Index Fund	Mutual Fund	**	110,974	
Vanguard Small Cap Index Admiral	Mutual Fund	**	86,661	
Vanguard Target Retirement 2030	Mutual Fund	**	77,809	
Vanguard Target Retirement 2045	Mutual Fund	**	2,040	
Vanguard Developed Markets Index Adm	Mutual Fund	**	110,702	
Vanguard International Value Fund	Mutual Fund	**	74,897	
Vanguard Target Retirement 2035	Mutual Fund	**	74,986	
Vanguard Target Retirement 2060 Inv	Mutual Fund	**	22,298	
Vanguard Wellington-Admiral	Mutual Fund	**	100	
	Total	\$ 60,130,013	\$ 23,695,057	

* Party-in-interest as defined by ERISA

** Cost information has been excluded in accordance with Form 5500

Note: This schedule is based on information which has been certified as complete and accurate by
Peoples Bank, the custodian of the Plan, with the exception of Common stock and the Money Market fund.

See accompanying independent auditor's report.