

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 TRANSOURCE, INC. 401(K) INVESTMENT PLAN	1b Three-digit plan number (PN) ▶ 001
	1c Effective date of plan 01/01/1984
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) TRANSOURCE, INC. 8700 TRIAD DRIVE COLFAX, NC 27235	2b Employer Identification Number (EIN) 56-1325586 2c Plan Sponsor's telephone number 336-996-6060 2d Business code (see instructions) 441300

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.	10/12/2023	RICK HUDSON
	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

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

Form 5500 (2022)
v. 220413

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		5 284
6 Number of participants as of the end of the plan year unless otherwise stated (welfare plans complete only lines 6a(1) , 6a(2) , 6b , 6c , and 6d). a(1) Total number of active participants at the beginning of the plan year a(2) Total number of active participants at the end of the plan year b Retired or separated participants receiving benefits c Other retired or separated participants entitled to future benefits..... d Subtotal. Add lines 6a(2) , 6b , and 6c e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits. f Total. Add lines 6d and 6e g Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item)..... h Number of participants who terminated employment during the plan year with accrued benefits that were less than 100% vested.....		6a(1) 255 6a(2) 295 6b 0 6c 26 6d 321 6e 0 6f 321 6g 142 6h 2
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: 3H 3D 2F 2G 2J 2K 2T 2E 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 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
		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 TRANSOURCE, INC. 401(K) INVESTMENT PLAN	B Three-digit plan number (PN) ▶ 001
C Plan sponsor's name as shown on line 2a of Form 5500 TRANSOURCE, INC.	D Employer Identification Number (EIN) 56-1325586

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
FIDELITY INVESTMENTS INSTITUTIONAL
04-2647786

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

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

FIDELITY INVESTMENTS INSTITUTIONAL

04-2647786

(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?
60 64 65	RECORDKEEPER	50	Yes ☒ No ☐	Yes ☒ No ☐	0	Yes ☒ No ☐

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

WELLS FARGO CLEARING SERVICES LLC

23-2384840

(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?
55	ADVISOR	0	Yes ☒ No ☐	Yes ☐ No ☒	23115	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
FIDELITY INVESTMENTS INSTITUTIONAL	60	0
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	
INVS DIVRS DIVIDND A - INVESCO INV 11 GREENWAY PLAZA, SUITE 100 HOUSTON, TX 77046	0.35%	
(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
FIDELITY INVESTMENTS INSTITUTIONAL	60	0
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	
J H BALANCED S - JANUS HENDERSON S 151 DETROIT STREET, DENVER, CO 80206	0.25%	
(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
FIDELITY INVESTMENTS INSTITUTIONAL	60	0
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	
J H ENTERPRISE S - JANUS HENDERSON 151 DETROIT STREET, DENVER, CO 80206	0.25%	

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
FIDELITY INVESTMENTS INSTITUTIONAL	60	0
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	
JPM EQUITY IDX A - DST ASSET MANAG 430 W 7TH STREET STE 219432 KANSAS CITY, MO 64105	0.05%	
(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
FIDELITY INVESTMENTS INSTITUTIONAL	60	0
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	
JPM GRTH ADVANTAGE A - DST ASSET M 430 W 7TH STREET STE 219432 KANSAS CITY, MO 64105	0.25%	
(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
FIDELITY INVESTMENTS INSTITUTIONAL	60	0
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	
JPM SMALL CAP EQ A - DST ASSET MAN 430 W 7TH STREET STE 219432 KANSAS CITY, MO 64105	0.25%	

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
FIDELITY INVESTMENTS INSTITUTIONAL	60	0
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	
LD ABT VALUE OPPTS R4 - DST SYSTEMS 43-1581814	0.25%	
(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
FIDELITY INVESTMENTS INSTITUTIONAL	60	0
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	
LZRD INTL STRAT EQ O - DST ASSET M 430 W 7TH STREET STE 219432 KANSAS CITY, MO 64105	0.20%	
(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
FIDELITY INVESTMENTS INSTITUTIONAL	60	0
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	
NUVEEN REAL ESTATE A - DST ASSET M 430 W 7TH STREET STE 219432 KANSAS CITY, MO 64105	0.35%	

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
FIDELITY INVESTMENTS INSTITUTIONAL	60	0
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	
PGIM TOTAL RTN BD A - PRUDENTIAL M 22-3703799	0.25%	
(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
FIDELITY INVESTMENTS INSTITUTIONAL	60	0
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	
PIM TOTAL RETURN A - DST ASSET MAN 430 W 7TH STREET STE 219432 KANSAS CITY, MO 64105	0.20%	
(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
FIDELITY INVESTMENTS INSTITUTIONAL	60	0
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	
TRP RETIRE 2005 R - T. ROWE PRICE 52-2269240	0.40%	

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
FIDELITY INVESTMENTS INSTITUTIONAL	60	0
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	
TRP RETIRE 2010 R - T. ROWE PRICE 52-2269240	0.40%	
(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
FIDELITY INVESTMENTS INSTITUTIONAL	60	0
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	
TRP RETIRE 2015 R - T. ROWE PRICE 52-2269240	0.40%	
(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
FIDELITY INVESTMENTS INSTITUTIONAL	60	0
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	
TRP RETIRE 2020 R - T. ROWE PRICE 52-2269240	0.40%	

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
FIDELITY INVESTMENTS INSTITUTIONAL	60	0
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	
TRP RETIRE 2025 R - T. ROWE PRICE 52-2269240	0.40%	
(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
FIDELITY INVESTMENTS INSTITUTIONAL	60	0
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	
TRP RETIRE 2030 R - T. ROWE PRICE 52-2269240	0.40%	
(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
FIDELITY INVESTMENTS INSTITUTIONAL	60	0
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	
TRP RETIRE 2035 R - T. ROWE PRICE 52-2269240	0.40%	

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
FIDELITY INVESTMENTS INSTITUTIONAL	60	0
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	
TRP RETIRE 2040 R - T. ROWE PRICE 52-2269240	0.40%	
(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
FIDELITY INVESTMENTS INSTITUTIONAL	60	0
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	
TRP RETIRE 2045 R - T. ROWE PRICE 52-2269240	0.40%	
(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
FIDELITY INVESTMENTS INSTITUTIONAL	60	0
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	
TRP RETIRE 2050 R - T. ROWE PRICE 52-2269240	0.40%	

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
FIDELITY INVESTMENTS INSTITUTIONAL	60	0
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	
TRP RETIRE 2055 R - T. ROWE PRICE 52-2269240	0.40%	
(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
FIDELITY INVESTMENTS INSTITUTIONAL	60	0
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	
TRP RETIRE 2060 R - T. ROWE PRICE 52-2269240	0.40%	
(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
FIDELITY INVESTMENTS INSTITUTIONAL	60	0
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	
VICTORY S ESTB VAL A - FIS INVESTO FAITH INVESTOR SERVICES, LLC 14785 PRESTON ROAD, SUITE 1000 DALLAS, TX 75254	0.25%	

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
WELLS FARGO CLEARING SERVICES LLC	55	23115
(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.	
NATIONAL FINANCIAL SERVICES LLC 870 E HIGGINS RD SCHAUMBURG, IL 60173		
(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	
(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	

Part II Service Providers Who Fail or Refuse to Provide Information

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

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

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

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

Explanation:

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

Explanation:

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

Explanation:

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

Explanation:

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

Explanation:

SCHEDULE D (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration	DFE/Participating Plan Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA). ► File as an attachment to Form 5500.	OMB No. 1210-0110 2022 This Form is Open to Public Inspection.
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For calendar plan year 2022 or fiscal plan year beginning 01/01/2022 and ending 12/31/2022		
A Name of plan TRANSOURCE, INC. 401(K) INVESTMENT PLAN	B Three-digit plan number (PN) ►	001
C Plan or DFE sponsor's name as shown on line 2a of Form 5500 TRANSOURCE, INC.	D Employer Identification Number (EIN) 56-1325586	

Part I	Information on interests in MTIAs, CCTs, PSAs, and 103-12 IEs (to be completed by plans and DFEs) (Complete as many entries as needed to report all interests in DFEs)
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a Name of MTIA, CCT, PSA, or 103-12 IE: FA STABLE VALUE II		
b Name of sponsor of entity listed in (a): FIDELITY MANAGEMENT TRUST COMPANY		
c EIN-PN 04-3022712-026	d Entity code C	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 14615
a Name of MTIA, CCT, PSA, or 103-12 IE:		
b Name of sponsor of entity listed in (a):		
c EIN-PN	d Entity code	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)
a Name of MTIA, CCT, PSA, or 103-12 IE:		
b Name of sponsor of entity listed in (a):		
c EIN-PN	d Entity code	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)
a Name of MTIA, CCT, PSA, or 103-12 IE:		
b Name of sponsor of entity listed in (a):		
c EIN-PN	d Entity code	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)
a Name of MTIA, CCT, PSA, or 103-12 IE:		
b Name of sponsor of entity listed in (a):		
c EIN-PN	d Entity code	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)
a Name of MTIA, CCT, PSA, or 103-12 IE:		
b Name of sponsor of entity listed in (a):		
c EIN-PN	d Entity code	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)
a Name of MTIA, CCT, PSA, or 103-12 IE:		
b Name of sponsor of entity listed in (a):		
c EIN-PN	d Entity code	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)
a Name of MTIA, CCT, PSA, or 103-12 IE:		
b Name of sponsor of entity listed in (a):		
c EIN-PN	d Entity code	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

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

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

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

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

SCHEDULE H (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Financial Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA), and section 6058(a) of the Internal Revenue Code (the Code). ► File as an attachment to Form 5500.	OMB No. 1210-0110 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>TRANSOURCE, INC. 401(K) INVESTMENT PLAN</u>		B Three-digit plan number (PN) ► <u>001</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>TRANSOURCE, INC.</u>		D Employer Identification Number (EIN) <u>56-1325586</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	0	0
b Receivables (less allowance for doubtful accounts):			
(1) Employer contributions.....	1b(1)	0	0
(2) Participant contributions.....	1b(2)	0	0
(3) Other.....	1b(3)	0	0
c General investments:			
(1) Interest-bearing cash (include money market accounts & certificates of deposit).....	1c(1)	674409	712703
(2) U.S. Government securities	1c(2)	0	0
(3) Corporate debt instruments (other than employer securities):			
(A) Preferred	1c(3)(A)	0	0
(B) All other	1c(3)(B)	0	0
(4) Corporate stocks (other than employer securities):			
(A) Preferred	1c(4)(A)	0	0
(B) Common.....	1c(4)(B)	0	0
(5) Partnership/joint venture interests	1c(5)	0	0
(6) Real estate (other than employer real property)	1c(6)	0	0
(7) Loans (other than to participants).....	1c(7)	0	0
(8) Participant loans.....	1c(8)	0	0
(9) Value of interest in common/collective trusts.....	1c(9)	79411	14615
(10) Value of interest in pooled separate accounts	1c(10)	0	0
(11) Value of interest in master trust investment accounts.....	1c(11)	0	0
(12) Value of interest in 103-12 investment entities	1c(12)	0	0
(13) Value of interest in registered investment companies (e.g., mutual funds).....	1c(13)	10214444	8635182
(14) Value of funds held in insurance company general account (unallocated contracts).....	1c(14)	0	0
(15) Other	1c(15)	0	0

1d Employer-related investments:		(a) Beginning of Year	(b) End of Year
(1) Employer securities	1d(1)	0	0
(2) Employer real property	1d(2)	0	0
e Buildings and other property used in plan operation	1e	0	0
f Total assets (add all amounts in lines 1a through 1e)	1f	10968264	9362500

Liabilities

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

Net Assets

l Net assets (subtract line 1k from line 1f)	1l	10968264	9362500
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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)	179823	
(B) Participants	2a(1)(B)	678472	
(C) Others (including rollovers)	2a(1)(C)	110846	
(2) Noncash contributions	2a(2)	0	
(3) Total contributions. Add lines 2a(1)(A) , (B) , (C) , and line 2a(2)	2a(3)		969141
b Earnings on investments:			
(1) Interest:			
(A) Interest-bearing cash (including money market accounts and certificates of deposit)	2b(1)(A)	8262	
(B) U.S. Government securities	2b(1)(B)	0	
(C) Corporate debt instruments	2b(1)(C)	0	
(D) Loans (other than to participants)	2b(1)(D)	0	
(E) Participant loans	2b(1)(E)	0	
(F) Other	2b(1)(F)	0	
(G) Total interest. Add lines 2b(1)(A) through (F)	2b(1)(G)		8262
(2) Dividends: (A) Preferred stock	2b(2)(A)	0	
(B) Common stock	2b(2)(B)	0	
(C) Registered investment company shares (e.g. mutual funds)	2b(2)(C)	559779	
(D) Total dividends. Add lines 2b(2)(A) , (B) , and (C)	2b(2)(D)		559779
(3) Rents	2b(3)		0
(4) Net gain (loss) on sale of assets: (A) Aggregate proceeds	2b(4)(A)	0	
(B) Aggregate carrying amount (see instructions)	2b(4)(B)	0	
(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)	0	
(B) Other	2b(5)(B)	0	
(C) Total unrealized appreciation of assets. Add lines 2b(5)(A) and (B)	2b(5)(C)		0

		(a) Amount	(b) Total
(6) Net investment gain (loss) from common/collective trusts	2b(6)		-1493
(7) Net investment gain (loss) from pooled separate accounts	2b(7)		0
(8) Net investment gain (loss) from master trust investment accounts	2b(8)		0
(9) Net investment gain (loss) from 103-12 investment entities.....	2b(9)		0
(10) Net investment gain (loss) from registered investment companies (e.g., mutual funds)	2b(10)		-2826305
c Other income	2c		0
d Total income. Add all income amounts in column (b) and enter total	2d		-1290616
Expenses			
e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	287628	
(2) To insurance carriers for the provision of benefits	2e(2)	0	
(3) Other	2e(3)	0	
(4) Total benefit payments. Add lines 2e(1) through (3)	2e(4)		287628
f Corrective distributions (see instructions)	2f		27470
g Certain deemed distributions of participant loans (see instructions)	2g		0
h Interest expense	2h		0
i Administrative expenses: (1) Professional fees	2i(1)	0	
(2) Contract administrator fees	2i(2)	0	
(3) Investment advisory and management fees	2i(3)	0	
(4) Other	2i(4)	50	
(5) Total administrative expenses. Add lines 2i(1) through (4)	2i(5)		50
j Total expenses. Add all expense amounts in column (b) and enter total	2j		315148
Net Income and Reconciliation			
k Net income (loss). Subtract line 2j from line 2d	2k		-1605764
l Transfers of assets:			
(1) To this plan	2l(1)		0
(2) From this plan	2l(2)		0

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: **DMJPS, PLLC**

(2) EIN: **56-0570567**

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	☒	☐	2938

	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?		X	
4g		X	
h Did the plan receive any noncash contributions whose value was neither readily determinable on an established market nor set by an independent third party appraiser?		X	
4h		X	
i Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.)	X		
4i	X		
j Were any plan transactions or series of transactions in excess of 5% of the current value of plan assets? (Attach schedule of transactions if "Yes" is checked and see instructions for format requirements.)		X	
4j		X	
k Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?		X	
4k		X	
l Has the plan failed to provide any benefit when due under the plan?		X	
4l		X	
m If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.)		X	
4m		X	
n If 4m was answered "Yes," check the "Yes" box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3.		X	
4n		X	

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

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

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

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

SCHEDULE R (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Retirement Plan Information This schedule is required to be filed under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6058(a) of the Internal Revenue Code (the Code). ► File as an attachment to Form 5500.	OMB No. 1210-0110 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 TRANSOURCE, INC. 401(K) INVESTMENT PLAN		B Three-digit plan number (PN) ► 001
C Plan sponsor's name as shown on line 2a of Form 5500 TRANSOURCE, INC.		D Employer Identification Number (EIN) 56-1325586
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
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): 04-6568107		
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

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 _____



**TRANSOURCE, INC. 401(K)
INVESTMENT PLAN**

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**

December 31, 2022 and 2021

TRANSOURCE, INC. 401(K) INVESTMENT PLAN

December 31, 2022 and 2021

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INDEPENDENT AUDITOR'S REPORT

To the Plan Administrator
Transource, Inc. 401(k) Investment Plan
Greensboro, North Carolina

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

We have performed an audit of the financial statements of Transource, Inc. 401(k) Investment 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). The financial statements comprise the statement of net assets available for benefits, as of December 31, 2022 and 2021, and the related statement of changes in net assets available for benefits for the year ended December 31, 2022, and the related notes to the financial statements.

Management, having determined it is permissible in the circumstances, has elected to have the audit of the Plan’s 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, 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, 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.

Management has obtained a certification from Fidelity Management Trust Company (“the Trustee”), as of December 31, 2022 and 2021, and for the year ended December 31, 2022, stating that the certified investment information, as described in Note C to the financial statements, is complete and accurate.

Opinion

In our opinion, based on our audit and on the procedures performed as described in the ***Auditor’s Responsibilities for the Audit of Financial Statements*** section –

- the amounts and disclosures in the 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 (“GAAP”).
- the information in the financial statements related to assets held and certified by a qualified institution, agrees to, or is derived from, in all material respects, the information prepared and certified by an institution that management determined meets the requirements of ERISA Section 103(a)(3)(C).

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements, in accordance with 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, which raise substantial doubt about the Plan's ability to continue as a going concern for one year after the date the financial statements are available to be issued.

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

Auditor's Responsibilities for the Audit Financial Statements

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

In performing an audit in accordance with GAAS, we –

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

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

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 GAAP.

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

Other Matters

Supplemental Schedules Required by ERISA

The supplemental Schedule of Assets Held at Year Ended December 31, 2022 and Schedule of Delinquent Participant Contributions are 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 schedules, other than that agreed to, or derived from, the certified investment information, has been subjected to auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements, or to the financial statements themselves, and other additional procedures in accordance with GAAS. For information included in the supplemental schedules that agreed to or is derived from the certified investment information, we compared such information to the related certified investment information.

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

In our opinion –

- the form and content of the supplemental schedules, other than the information in the supplemental schedules that agreed to or is derived from the certified investment information, is presented, in all material respects, in conformity with the DOL's Rules and Regulations for Reporting and Disclosure under ERISA.
- the information in the supplemental schedule related to assets held and certified 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).

DMQPS PLLC

Certified Public Accountants
Greensboro, North Carolina

October 9, 2023

**TRANSOURCE, INC. 401(K)
INVESTMENT PLAN**

FINANCIAL STATEMENTS

December 31, 2022 and 2021

**TRANSOURCE, INC.
401(K) INVESTMENT PLAN**

STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS

December 31, 2022 and 2021

	<u>2022</u>	<u>2021</u>
Assets		
Investments at Fair Value		
Mutual funds	\$ 8,635,182	\$ 10,214,444
Money market funds	712,703	674,409
Stable value fund – fully benefit responsive investment contract	<u>14,615</u>	<u>79,411</u>
 Total Investments at Fair Value	<u>9,362,500</u>	<u>10,968,264</u>
Contribution Receivables		
Employer	<u>200,926</u>	<u>179,823</u>
 Total Contribution Receivables	<u>200,926</u>	<u>179,823</u>
Liabilities		
Excess contributions payable	<u>(59,902)</u>	<u>(27,470)</u>
 Total Liabilities	<u>(59,902)</u>	<u>(27,470)</u>
Net Assets Available For Benefits at Fair Value	<u><u>\$ 9,503,524</u></u>	<u><u>\$ 11,120,617</u></u>

See auditor's report and notes to financial statements.

TRANSOURCE, INC.
401(K) INVESTMENT PLAN

STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS

Year Ended December 31, 2022

Changes in Net Assets Attributed to:

Investment income (loss):	
Net depreciation in fair value of investments	<u>\$ (2,828,174)</u>
Interest and dividends	<u>568,418</u>
Total investment income (loss)	<u>(2,259,756)</u>
Contributions:	
Participants	678,472
Employer	200,925
Rollover	<u>110,846</u>
Total contributions	<u>990,243</u>
Deductions:	
Benefits paid to participants or beneficiaries	(347,531)
Administrative expenses	<u>(49)</u>
Total deductions	<u>(347,580)</u>
Decrease in Net Assets Available for Benefits	(1,617,093)
Net Assets Available for Benefits, beginning	<u>11,120,617</u>
Net Assets Available for Benefits, ending	<u><u>\$ 9,503,524</u></u>

See auditor's report and notes to financial statements.

TRANSOURCE, INC. 401(K) INVESTMENT PLAN

NOTES TO FINANCIAL STATEMENTS

December 31, 2022 and 2021

A. DESCRIPTION OF PLAN

The following description of Transource, Inc. (“the Company”) 401(k) Investment Plan (“the Plan”) provides only general information. Participants should refer to the Plan agreement for a more complete description of the Plan’s provisions.

1. **General.** The Plan is a defined contribution plan covering all employees at least eighteen (18) years of age and have completed three (3) month of service. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (“ERISA”).
2. **Contributions.** Participant elective deferral contributions are permitted by the Plan. Participants are limited to contribute up to \$20,500 of annual compensation in 2022, which is defined by the Internal Revenue Service (“IRS”). At age fifty (50), special Section 401(k) catchup contributions are allowed under the Plan. Further, rollover contributions are allowed under the Plan. The Company is not obligated to match participants’ contributions; however, the Company may make a discretionary matching contribution equal to a uniform percentage or dollar amount of the participants’ elective deferrals. Each year the Company will determine the formula for the discretionary matching contribution. For Plan year 2022, the Company elected to match 50% of participants’ contributions up to 6%. Participants must be at the age of eighteen (18) years old or older, have worked three (3) months, and must be employed as of December 31, 2022, in order to be eligible for profit-sharing.
3. **Participants’ Accounts.** Participants may direct Fidelity Management Trust Company (“the Trustee”) as to the investment of their accounts among several investment options, reflecting varying degrees of risk. The participants’ accounts are credited with their salary deferrals, any employer contributions, and earnings of the underlying investments. Allocations are based on participants’ earnings or account balances, as defined. Participants are entitled to the benefit that can be provided from the participants’ accounts. Participants may make rollover contributions to the Plan.
4. **Vesting.** Participants are always 100% vested in rollover contributions, matching contributions, qualified nonelective contributions, deferral contributions, and any earnings thereon. Participants are vested in the Plan’s nonelective contributions and earnings in accordance with the following schedule:

<u>Years of Service</u>	<u>Percentage</u>
Less than 2	0%
2 but less than 3	20%
3 but less than 4	40%
4 but less than 5	60%
5 but less than 6	80%
6 or more	100%

5. **Payment of Benefits.** Participants will receive benefits as they elect following normal retirement age. Distribution of the accumulation amounts will not exceed the life of participants and/or designated beneficiaries. Upon termination of service, participants are eligible to receive their vested balance as soon as administratively feasible after the end of the Plan year. Benefits may be paid as a lump sum, or in various forms of installments.

TRANSOURCE, INC. 401(K) INVESTMENT PLAN

NOTES TO FINANCIAL STATEMENTS

December 31, 2022 and 2021

A. DESCRIPTION OF PLAN *[cont'd]*

6. **Investment Options.** Upon enrollment in the Plan, participants may direct employee and employer contributions in a variety of mutual funds or money market funds offered by the Trustee who invests in common stocks of publicly traded companies.
7. **Rollovers.** Participants may roll over all or a portion of funds into another Section 401(k) retirement plan or into an Individual Retirement Account.
8. **Loans to Participants.** The Plan provisions do not allow for participant loans.

B. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The financial statements of the Plan are prepared under the accrual method of accounting, in accordance with GAAP.

Investment Valuation and Income Recognition

As described in the Financial Accounting Standards Board ("FASB") Codification, investment contracts held by a defined contribution plan are required to be reported at fair value. However, contract value is the relevant measurement attribute for that portion of the net assets available for benefits of a defined contribution plan attributable to fully benefit responsive investment contracts because contract value is the amount participants would receive if they were to initiate permitted transactions under the terms of the Plan. The Plan invests in investment contracts through a stable value fund. Contract value for this stable value fund is based on the net asset value of the fund as reported by the investment advisor.

The Plan's investments are stated at fair value as determined by quoted market prices.

Payment of Benefits

Benefits are recorded when paid.

Estimates

The preparation of financial statements, in conformity with generally accepted accounting principles, requires the use of management's estimates and assumptions that could affect assets and liabilities. Actual results could differ from those estimates.

TRANSOURCE, INC. 401(K) INVESTMENT PLAN

NOTES TO FINANCIAL STATEMENTS

December 31, 2022 and 2021

C. CERTIFIED INVESTMENTS

The following is a summary of the investment information regarding the Plan, as of December 31, 2022 and 2021, and for the year ended December 31, 2022, included in the Plan's financial statements and supplementary schedules. The investment information was derived from information prepared by the Trustee and furnished to the Plan Administrator. The Plan Administrator has obtained certification from the Trustee that such information is complete and accurate.

	2022	2021
Investments in Net Assets of the Plan:		
Mutual funds	\$ 8,635,182	\$ 10,214,444
Money market funds	712,703	674,409
Stable value fund – fully benefit responsive investment contract	14,615	79,411
	<u>\$ 9,362,500</u>	<u>\$ 10,968,264</u>
Investment Income:		
Net depreciation in fair value of investments	\$ (2,828,174)	
Interest and dividends	568,418	
	<u>\$ (2,259,756)</u>	

Investment securities, in general, are exposed to various risks, such as interest rate, credit, and overall market volatility risks. Furthermore, due to the level of risk associated with certain investment securities, it is reasonably possible that changes in the value of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the accompanying statements of net assets available for benefits.

D. FAIR VALUE MEASUREMENTS

FASB Codification establishes a framework for measuring fair value that 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 (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three (3) levels of the fair value hierarchy under FASB Codification are described below:

- Level 1 Inputs to the valuation methodology are unadjusted quoted prices for identical assets in active markets that the Plan has the ability to access.
- Level 2 Inputs to the valuation methodology include:
- Quoted prices for similar assets in active markets;
 - Quoted prices for identical or similar assets in inactive markets;
 - Inputs other than quoted prices that are observable for the assets;
 - Inputs that are derived principally from, or corroborated by, observable market data by correlation or other means.

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

TRANSOURCE, INC. 401(K) INVESTMENT PLAN

NOTES TO FINANCIAL STATEMENTS

December 31, 2022 and 2021

D. FAIR VALUE MEASUREMENTS [cont'd]

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 assets measured at fair value:

Mutual/Money market funds: Valued at the daily closing price as reported by the fund. Mutual funds held by the Plan are open-ended mutual funds. These funds are required to publish their daily net asset value ("NAV") to transact at that price. The mutual funds held by the Plan are deemed to be actively traded.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value, or reflective of future fair values. Furthermore, while 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:

	Level 1	Level 2	Level 3	Total
Mutual funds	\$ 8,635,182	\$ ---	\$ ---	\$ 8,635,182
Money market funds	712,703	---	---	712,703
Total assets at fair value	<u>\$ 9,347,885</u>	<u>\$ ---</u>	<u>\$ ---</u>	<u>\$ 9,347,885</u>

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

	Level 1	Level 2	Level 3	Total
Mutual funds	\$ 10,214,444	\$ ---	\$ ---	\$ 10,214,444
Money market funds	674,409	---	---	674,409
Total assets at fair value	<u>\$ 10,888,853</u>	<u>\$ ---</u>	<u>\$ ---</u>	<u>\$ 10,888,853</u>

E. FULLY BENEFIT RESPONSIVE INVESTMENT CONTRACTS

The Plan holds a stable value fund in the amount of \$14,615 for 2022 and \$79,411 for 2021. The accounts are credited with earnings on the underlying investments and charged for participant withdrawals and administrative expenses. The investment contracts are contractually obligated to repay the principal and a specified interest rate that is guaranteed to the Plan. There is potential for additional interest if declared. The crediting rate is based on a formula established by the contract issuer. The crediting rate is reviewed on a quarterly basis for resetting. The contract does not permit the insurance company to terminate the agreement prior to the scheduled maturity date.

TRANSOURCE, INC. 401(K) INVESTMENT PLAN**NOTES TO FINANCIAL STATEMENTS****December 31, 2022 and 2021****E. FULLY BENEFIT RESPONSIVE INVESTMENT CONTRACTS***[cont'd]*

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

The Plan's ability to receive amounts due is dependent on the issuer's ability to meet its financial obligations. The issuer's ability to meet its contractual obligations may be affected by future economic and regulatory developments.

Certain events might limit the ability of the Plan to transact at contract value with the issuer. Such events include (1) amendments to the Plan documents (including complete or partial Plan termination or merger with another plan), (2) changes to the Plan's prohibition on competing investment options or deletion of equity wash provisions, (3) bankruptcy of the Plan sponsor or other Plan sponsor events (for example, divestitures or spinoffs of a subsidiary) that causes a significant withdrawal from the Plan, or (4) the failure of the Trust to qualify for exemption from federal income taxes or any required prohibited transactions exemption under ERISA (5) premature termination of the contract. No events are probable of occurring that might limit the ability of the Plan to transact at contract value with contract issuers and that also would limit the ability of the plan to transact at contract value with the participants.

In addition, certain events allow the issuer to terminate the contract with the Plan and settle at an amount different from contract value. Such events include (1) an uncured violation of the Plan's investment guidelines, (2) a breach of material obligation under the contract, (3) a material misrepresentation, (4) a material amendment to the agreement without the consent of the issuer.

F. RELATED PARTY TRANSACTIONS

The Plan invests in a money market and mutual fund managed by the Trustee; therefore, these transactions qualify as party-in-interest transactions. Fees incurred by the Plan for investment management and administrative services paid to the third-party administrator of the Plan and the Trustee of the Plan also qualify as party-in-interest transactions. Because the Company is a Plan fiduciary, as well as the sponsoring employer, it qualifies as a party-in-interest.

G. TAX STATUS

The Plan obtained its latest determination letter on April 20, 2020, 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. However, the Company believes that the Plan is being operated in compliance with the applicable requirements of the IRC and, therefore, they believe that the Plan was qualified, and the related trust was tax-exempt as of the financial statement date.

TRANSOURCE, INC. 401(K) INVESTMENT PLAN

NOTES TO FINANCIAL STATEMENTS

December 31, 2022 and 2021

G. TAX STATUS^[cont'd]

As of December 31, 2022, management believes there are no uncertain tax positions.

As of December 31, 2022 and including the previous three (3) years considering extensions, the Plan's Form 5500 is open and subject to examination by tax authorities with relevant jurisdiction. Should such an examination take place, management does not anticipate any significant issues related to the open years.

H. PLAN TERMINATION

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

I. ADMINISTRATIVE EXPENSES

The Plan sponsor has elected to pay certain administrative expenses of the Plan.

J. RECONCILIATION OF FINANCIAL STATEMENTS TO FORM 5500

The following is a reconciliation of net assets available for benefits, per the financial statements to Form 5500:

	2022	2021
Net assets available for benefits, per the financial statements	\$ 9,503,524	\$ 11,120,617
Contributions receivable, not reported on Form 5500	(200,926)	(179,823)
Excess contribution payable, end of year	59,902	27,470
Adjustment from fair value to contract value for fully benefit responsive investment contracts	---	---
Net assets available for benefits, per Form 5500	<u>\$ 9,362,500</u>	<u>\$ 10,968,264</u>

The following is a reconciliation of changes in net assets available for benefits, per the financial statements to Form 5500:

	2022
Net decrease in assets available for benefits, per the financial statements	\$ (1,617,093)
Net change in contributions receivable	(21,103)
Net change in excess contribution refundable	32,432
Net decrease in assets available for benefits, per Form 5500	<u>\$ (1,605,764)</u>

K. SUBSEQUENT EVENTS

The Plan evaluated events occurring subsequent to the statements of net assets available for benefits date through October 9, 2023, the date the financial statements were available to be issued.

SUPPLEMENTARY INFORMATION

TRANSOURCE, INC.
401(K) INVESTMENT PLAN

EIN: 56-1325586

Plan Number: 001

SCHEDULE H, LINE 4i – SCHEDULE OF ASSETS HELD AT END OF YEAR

December 31, 2022

(a) Party- in- Interest	(b) Identity of Issuer, Borrower, Lessor, or Similar Party	(c) Description of Investment, Including Maturity Date, Rate of Interest, Collateral, Par, or Maturity Value	(e) Current Value
*	FIDELITY	DIVERSIFIED INTERNATIONAL FUND	\$ 1,194
*	FIDELITY	FOCUS EMERGING MARKETS FUND	38,444
*	FIDELITY	HIGH INCOME ADVANTAGE FUND	22,224
*	FIDELITY	INTERNATIONAL CAPITAL APPRECIATION FUND	4,188
*	FIDELITY	INTERNATIONAL DISCOVERY FUND	61,139
*	FIDELITY	MID CAP II FUND	374,868
*	FIDELITY	NEW INSIGHTS FUND	1,390,736
*	FIDELITY	NEW MARKETS INCOME FUND	19,491
*	FIDELITY	SMALL CAP FUND	345,934
*	FIDELITY	STABLE VALUE II FUND	14,615
*	FIDELITY	STRATEGIC INCOME FUND	76,404
*	FIDELITY	TREASURY MONEY MARKET FUND	712,703
	FIRST EAGLE	GLOBAL FUND	198,218
	INVESCO	DIVERSIFIED DIVIDEND FUND	289,230
	JOHN HANCOCK	BALANCE FUND	305,297
	JOHN HANCOCK	ENTERPRISE FUND	161,185
	JP MORGAN	GROWTH ADVANTAGE FUND	1,810,286
	JP MORGAN	EQUITY INDEX FUND	417,248
	JP MORGAN	SMALL CAP EQUITY FUND	166,817
	LAZARD	INTERNATIONAL STRATEGIC EQUITY FUND	95,292
	LORD ABBETT	VALUE OPPORTUNITIES FUND	214,586
	NUVEEN	REAL ESTATE SECURITIES FUND	126,642
	PIMCO	TOTAL RETURN FUND	415,123
	PGIM	TOTAL RETURN BOND FUND	9,315
	T. ROWE PRICE	RETIREMENT 2005 FUND	63,871
	T. ROWE PRICE	RETIREMENT 2010 FUND	11,031
	T. ROWE PRICE	RETIREMENT 2015 FUND	173
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	T. ROWE PRICE	RETIREMENT 2030 FUND	407,458
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	T. ROWE PRICE	RETIREMENT 2040 FUND	470,983
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	T. ROWE PRICE	RETIREMENT 2050 FUND	149,899
	T. ROWE PRICE	RETIREMENT 2055 FUND	78,336
	T. ROWE PRICE	RETIREMENT 2060 FUND	37,124
	VICTORY SYCAMORE	ESTABLISHED VALUE FUND	169,263
Total funds			<u>\$ 9,362,500</u>

* Indicates a party-in-interest.

Column (d) cost information has been omitted as this information is not applicable since the Plan's investments are completely participant-directed.

TRANSOURCE, INC.
401(K) INVESTMENT PLAN

EIN: 56-1325586

Plan Number: 001

SCHEDULE H, LINE 4A - SCHEDULE OF DELINQUENT PARTICIPANT CONTRIBUTIONS

December 31, 2022

Participant Contributions Transferred Late To The Plan Check Here if Participant Loan Repayments Are Included	Total that Constitutes Nonexempt Prohibited Transactions				Total Fully Corrected Under VFCP and PTE 2002-51
	Contributions Not Corrected	Contributions Corrected Outside of VFCP	Contributions Pending Correction in VFCP		
☐					
\$ 2,875 63	\$ - -	\$ 2,857 63	\$ - -	\$ - -	



**TRANSOURCE, INC. 401(K)
INVESTMENT PLAN**

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**

December 31, 2022 and 2021

TRANSOURCE, INC. 401(K) INVESTMENT PLAN

December 31, 2022 and 2021

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Schedule of Delinquent Participant Contributions	Schedule 2



INDEPENDENT AUDITOR'S REPORT

To the Plan Administrator
Transource, Inc. 401(k) Investment Plan
Greensboro, North Carolina

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

We have performed an audit of the financial statements of Transource, Inc. 401(k) Investment 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). The financial statements comprise the statement of net assets available for benefits, as of December 31, 2022 and 2021, and the related statement of changes in net assets available for benefits for the year ended December 31, 2022, and the related notes to the financial statements.

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

Management has obtained a certification from Fidelity Management Trust Company ("the Trustee"), as of December 31, 2022 and 2021, and for the year ended December 31, 2022, stating that the certified investment information, as described in Note C to the financial statements, is complete and accurate.

Opinion

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

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

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements, in accordance with 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, which raise substantial doubt about the Plan's ability to continue as a going concern for one year after the date the financial statements are available to be issued.

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

Auditor's Responsibilities for the Audit Financial Statements

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

In performing an audit in accordance with GAAS, we –

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

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

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 GAAP.

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

Other Matters

Supplemental Schedules Required by ERISA

The supplemental Schedule of Assets Held at Year Ended December 31, 2022 and Schedule of Delinquent Participant Contributions are 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 schedules, other than that agreed to, or derived from, the certified investment information, has been subjected to auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements, or to the financial statements themselves, and other additional procedures in accordance with GAAS. For information included in the supplemental schedules that agreed to or is derived from the certified investment information, we compared such information to the related certified investment information.

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

In our opinion –

- the form and content of the supplemental schedules, other than the information in the supplemental schedules that agreed to or is derived from the certified investment information, is presented, in all material respects, in conformity with the DOL's Rules and Regulations for Reporting and Disclosure under ERISA.
- the information in the supplemental schedule related to assets held and certified 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).

DMQPS PLLC

Certified Public Accountants
Greensboro, North Carolina

October 9, 2023

**TRANSOURCE, INC. 401(K)
INVESTMENT PLAN**

FINANCIAL STATEMENTS

December 31, 2022 and 2021

TRANSOURCE, INC.
401(K) INVESTMENT PLAN

STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS

December 31, 2022 and 2021

	<u>2022</u>	<u>2021</u>
Assets		
Investments at Fair Value		
Mutual funds	\$ 8,635,182	\$ 10,214,444
Money market funds	712,703	674,409
Stable value fund – fully benefit responsive investment contract	<u>14,615</u>	<u>79,411</u>
Total Investments at Fair Value	<u>9,362,500</u>	<u>10,968,264</u>
Contribution Receivables		
Employer	<u>200,926</u>	<u>179,823</u>
Total Contribution Receivables	<u>200,926</u>	<u>179,823</u>
Liabilities		
Excess contributions payable	<u>(59,902)</u>	<u>(27,470)</u>
Total Liabilities	<u>(59,902)</u>	<u>(27,470)</u>
Net Assets Available For Benefits at Fair Value	<u><u>\$ 9,503,524</u></u>	<u><u>\$ 11,120,617</u></u>

See auditor's report and notes to financial statements.

TRANSOURCE, INC.
401(K) INVESTMENT PLAN

STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS

Year Ended December 31, 2022

Changes in Net Assets Attributed to:

Investment income (loss):	
Net depreciation in fair value of investments	<u>\$ (2,828,174)</u>
Interest and dividends	<u>568,418</u>
Total investment income (loss)	<u>(2,259,756)</u>
Contributions:	
Participants	678,472
Employer	200,925
Rollover	<u>110,846</u>
Total contributions	<u>990,243</u>
Deductions:	
Benefits paid to participants or beneficiaries	(347,531)
Administrative expenses	<u>(49)</u>
Total deductions	<u>(347,580)</u>
Decrease in Net Assets Available for Benefits	(1,617,093)
Net Assets Available for Benefits, beginning	<u>11,120,617</u>
Net Assets Available for Benefits, ending	<u><u>\$ 9,503,524</u></u>

See auditor's report and notes to financial statements.

TRANSOURCE, INC. 401(K) INVESTMENT PLAN

NOTES TO FINANCIAL STATEMENTS

December 31, 2022 and 2021

A. DESCRIPTION OF PLAN

The following description of Transource, Inc. (“the Company”) 401(k) Investment Plan (“the Plan”) provides only general information. Participants should refer to the Plan agreement for a more complete description of the Plan’s provisions.

1. **General.** The Plan is a defined contribution plan covering all employees at least eighteen (18) years of age and have completed three (3) month of service. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (“ERISA”).
2. **Contributions.** Participant elective deferral contributions are permitted by the Plan. Participants are limited to contribute up to \$20,500 of annual compensation in 2022, which is defined by the Internal Revenue Service (“IRS”). At age fifty (50), special Section 401(k) catchup contributions are allowed under the Plan. Further, rollover contributions are allowed under the Plan. The Company is not obligated to match participants’ contributions; however, the Company may make a discretionary matching contribution equal to a uniform percentage or dollar amount of the participants’ elective deferrals. Each year the Company will determine the formula for the discretionary matching contribution. For Plan year 2022, the Company elected to match 50% of participants’ contributions up to 6%. Participants must be at the age of eighteen (18) years old or older, have worked three (3) months, and must be employed as of December 31, 2022, in order to be eligible for profit-sharing.
3. **Participants’ Accounts.** Participants may direct Fidelity Management Trust Company (“the Trustee”) as to the investment of their accounts among several investment options, reflecting varying degrees of risk. The participants’ accounts are credited with their salary deferrals, any employer contributions, and earnings of the underlying investments. Allocations are based on participants’ earnings or account balances, as defined. Participants are entitled to the benefit that can be provided from the participants’ accounts. Participants may make rollover contributions to the Plan.
4. **Vesting.** Participants are always 100% vested in rollover contributions, matching contributions, qualified nonelective contributions, deferral contributions, and any earnings thereon. Participants are vested in the Plan’s nonelective contributions and earnings in accordance with the following schedule:

<u>Years of Service</u>	<u>Percentage</u>
Less than 2	0%
2 but less than 3	20%
3 but less than 4	40%
4 but less than 5	60%
5 but less than 6	80%
6 or more	100%

5. **Payment of Benefits.** Participants will receive benefits as they elect following normal retirement age. Distribution of the accumulation amounts will not exceed the life of participants and/or designated beneficiaries. Upon termination of service, participants are eligible to receive their vested balance as soon as administratively feasible after the end of the Plan year. Benefits may be paid as a lump sum, or in various forms of installments.

TRANSOURCE, INC. 401(K) INVESTMENT PLAN

NOTES TO FINANCIAL STATEMENTS

December 31, 2022 and 2021

A. DESCRIPTION OF PLAN *[cont'd]*

- 6. Investment Options.** Upon enrollment in the Plan, participants may direct employee and employer contributions in a variety of mutual funds or money market funds offered by the Trustee who invests in common stocks of publicly traded companies.
- 7. Rollovers.** Participants may roll over all or a portion of funds into another Section 401(k) retirement plan or into an Individual Retirement Account.
- 8. Loans to Participants.** The Plan provisions do not allow for participant loans.

B. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**Basis of Accounting**

The financial statements of the Plan are prepared under the accrual method of accounting, in accordance with GAAP.

Investment Valuation and Income Recognition

As described in the Financial Accounting Standards Board ("FASB") Codification, investment contracts held by a defined contribution plan are required to be reported at fair value. However, contract value is the relevant measurement attribute for that portion of the net assets available for benefits of a defined contribution plan attributable to fully benefit responsive investment contracts because contract value is the amount participants would receive if they were to initiate permitted transactions under the terms of the Plan. The Plan invests in investment contracts through a stable value fund. Contract value for this stable value fund is based on the net asset value of the fund as reported by the investment advisor.

The Plan's investments are stated at fair value as determined by quoted market prices.

Payment of Benefits

Benefits are recorded when paid.

Estimates

The preparation of financial statements, in conformity with generally accepted accounting principles, requires the use of management's estimates and assumptions that could affect assets and liabilities. Actual results could differ from those estimates.

TRANSOURCE, INC. 401(K) INVESTMENT PLAN

NOTES TO FINANCIAL STATEMENTS

December 31, 2022 and 2021

C. CERTIFIED INVESTMENTS

The following is a summary of the investment information regarding the Plan, as of December 31, 2022 and 2021, and for the year ended December 31, 2022, included in the Plan's financial statements and supplementary schedules. The investment information was derived from information prepared by the Trustee and furnished to the Plan Administrator. The Plan Administrator has obtained certification from the Trustee that such information is complete and accurate.

	2022	2021
Investments in Net Assets of the Plan:		
Mutual funds	\$ 8,635,182	\$ 10,214,444
Money market funds	712,703	674,409
Stable value fund – fully benefit responsive investment contract	14,615	79,411
	<u>\$ 9,362,500</u>	<u>\$ 10,968,264</u>
Investment Income:		
Net depreciation in fair value of investments	\$ (2,828,174)	
Interest and dividends	568,418	
	<u>\$ (2,259,756)</u>	

Investment securities, in general, are exposed to various risks, such as interest rate, credit, and overall market volatility risks. Furthermore, due to the level of risk associated with certain investment securities, it is reasonably possible that changes in the value of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the accompanying statements of net assets available for benefits.

D. FAIR VALUE MEASUREMENTS

FASB Codification establishes a framework for measuring fair value that 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 (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three (3) levels of the fair value hierarchy under FASB Codification are described below:

- Level 1 Inputs to the valuation methodology are unadjusted quoted prices for identical assets in active markets that the Plan has the ability to access.
- Level 2 Inputs to the valuation methodology include:
- Quoted prices for similar assets in active markets;
 - Quoted prices for identical or similar assets in inactive markets;
 - Inputs other than quoted prices that are observable for the assets;
 - Inputs that are derived principally from, or corroborated by, observable market data by correlation or other means.

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

TRANSOURCE, INC. 401(K) INVESTMENT PLAN

NOTES TO FINANCIAL STATEMENTS

December 31, 2022 and 2021

D. FAIR VALUE MEASUREMENTS [cont'd]

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 assets measured at fair value:

Mutual/Money market funds: Valued at the daily closing price as reported by the fund. Mutual funds held by the Plan are open-ended mutual funds. These funds are required to publish their daily net asset value ("NAV") to transact at that price. The mutual funds held by the Plan are deemed to be actively traded.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value, or reflective of future fair values. Furthermore, while 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:

	Level 1	Level 2	Level 3	Total
Mutual funds	\$ 8,635,182	\$ ---	\$ ---	\$ 8,635,182
Money market funds	712,703	---	---	712,703
Total assets at fair value	<u>\$ 9,347,885</u>	<u>\$ ---</u>	<u>\$ ---</u>	<u>\$ 9,347,885</u>

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

	Level 1	Level 2	Level 3	Total
Mutual funds	\$ 10,214,444	\$ ---	\$ ---	\$ 10,214,444
Money market funds	674,409	---	---	674,409
Total assets at fair value	<u>\$ 10,888,853</u>	<u>\$ ---</u>	<u>\$ ---</u>	<u>\$ 10,888,853</u>

E. FULLY BENEFIT RESPONSIVE INVESTMENT CONTRACTS

The Plan holds a stable value fund in the amount of \$14,615 for 2022 and \$79,411 for 2021. The accounts are credited with earnings on the underlying investments and charged for participant withdrawals and administrative expenses. The investment contracts are contractually obligated to repay the principal and a specified interest rate that is guaranteed to the Plan. There is potential for additional interest if declared. The crediting rate is based on a formula established by the contract issuer. The crediting rate is reviewed on a quarterly basis for resetting. The contract does not permit the insurance company to terminate the agreement prior to the scheduled maturity date.

TRANSOURCE, INC. 401(K) INVESTMENT PLAN

NOTES TO FINANCIAL STATEMENTS

December 31, 2022 and 2021

E. FULLY BENEFIT RESPONSIVE INVESTMENT CONTRACTS*[cont'd]*

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

The Plan's ability to receive amounts due is dependent on the issuer's ability to meet its financial obligations. The issuer's ability to meet its contractual obligations may be affected by future economic and regulatory developments.

Certain events might limit the ability of the Plan to transact at contract value with the issuer. Such events include (1) amendments to the Plan documents (including complete or partial Plan termination or merger with another plan), (2) changes to the Plan's prohibition on competing investment options or deletion of equity wash provisions, (3) bankruptcy of the Plan sponsor or other Plan sponsor events (for example, divestitures or spinoffs of a subsidiary) that causes a significant withdrawal from the Plan, or (4) the failure of the Trust to qualify for exemption from federal income taxes or any required prohibited transactions exemption under ERISA (5) premature termination of the contract. No events are probable of occurring that might limit the ability of the Plan to transact at contract value with contract issuers and that also would limit the ability of the plan to transact at contract value with the participants.

In addition, certain events allow the issuer to terminate the contract with the Plan and settle at an amount different from contract value. Such events include (1) an uncured violation of the Plan's investment guidelines, (2) a breach of material obligation under the contract, (3) a material misrepresentation, (4) a material amendment to the agreement without the consent of the issuer.

F. RELATED PARTY TRANSACTIONS

The Plan invests in a money market and mutual fund managed by the Trustee; therefore, these transactions qualify as party-in-interest transactions. Fees incurred by the Plan for investment management and administrative services paid to the third-party administrator of the Plan and the Trustee of the Plan also qualify as party-in-interest transactions. Because the Company is a Plan fiduciary, as well as the sponsoring employer, it qualifies as a party-in-interest.

G. TAX STATUS

The Plan obtained its latest determination letter on April 20, 2020, 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. However, the Company believes that the Plan is being operated in compliance with the applicable requirements of the IRC and, therefore, they believe that the Plan was qualified, and the related trust was tax-exempt as of the financial statement date.

TRANSOURCE, INC. 401(K) INVESTMENT PLAN

NOTES TO FINANCIAL STATEMENTS

December 31, 2022 and 2021

G. TAX STATUS^[cont'd]

As of December 31, 2022, management believes there are no uncertain tax positions.

As of December 31, 2022 and including the previous three (3) years considering extensions, the Plan's Form 5500 is open and subject to examination by tax authorities with relevant jurisdiction. Should such an examination take place, management does not anticipate any significant issues related to the open years.

H. PLAN TERMINATION

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

I. ADMINISTRATIVE EXPENSES

The Plan sponsor has elected to pay certain administrative expenses of the Plan.

J. RECONCILIATION OF FINANCIAL STATEMENTS TO FORM 5500

The following is a reconciliation of net assets available for benefits, per the financial statements to Form 5500:

	2022	2021
Net assets available for benefits, per the financial statements	\$ 9,503,524	\$ 11,120,617
Contributions receivable, not reported on Form 5500	(200,926)	(179,823)
Excess contribution payable, end of year	59,902	27,470
Adjustment from fair value to contract value for fully benefit responsive investment contracts	---	---
Net assets available for benefits, per Form 5500	<u>\$ 9,362,500</u>	<u>\$ 10,968,264</u>

The following is a reconciliation of changes in net assets available for benefits, per the financial statements to Form 5500:

	2022
Net decrease in assets available for benefits, per the financial statements	\$ (1,617,093)
Net change in contributions receivable	(21,103)
Net change in excess contribution refundable	32,432
Net decrease in assets available for benefits, per Form 5500	<u>\$ (1,605,764)</u>

K. SUBSEQUENT EVENTS

The Plan evaluated events occurring subsequent to the statements of net assets available for benefits date through October 9, 2023, the date the financial statements were available to be issued.

SUPPLEMENTARY INFORMATION

TRANSOURCE, INC.
401(K) INVESTMENT PLAN

EIN: 56-1325586

Plan Number: 001

SCHEDULE H, LINE 4i – SCHEDULE OF ASSETS HELD AT END OF YEAR

December 31, 2022

(a) Party- in- Interest	(b) Identity of Issuer, Borrower, Lessor, or Similar Party	(c) Description of Investment, Including Maturity Date, Rate of Interest, Collateral, Par, or Maturity Value	(e) Current Value
*	FIDELITY	DIVERSIFIED INTERNATIONAL FUND	\$ 1,194
*	FIDELITY	FOCUS EMERGING MARKETS FUND	38,444
*	FIDELITY	HIGH INCOME ADVANTAGE FUND	22,224
*	FIDELITY	INTERNATIONAL CAPITAL APPRECIATION FUND	4,188
*	FIDELITY	INTERNATIONAL DISCOVERY FUND	61,139
*	FIDELITY	MID CAP II FUND	374,868
*	FIDELITY	NEW INSIGHTS FUND	1,390,736
*	FIDELITY	NEW MARKETS INCOME FUND	19,491
*	FIDELITY	SMALL CAP FUND	345,934
*	FIDELITY	STABLE VALUE II FUND	14,615
*	FIDELITY	STRATEGIC INCOME FUND	76,404
*	FIDELITY	TREASURY MONEY MARKET FUND	712,703
	FIRST EAGLE	GLOBAL FUND	198,218
	INVESCO	DIVERSIFIED DIVIDEND FUND	289,230
	JOHN HANCOCK	BALANCE FUND	305,297
	JOHN HANCOCK	ENTERPRISE FUND	161,185
	JP MORGAN	GROWTH ADVANTAGE FUND	1,810,286
	JP MORGAN	EQUITY INDEX FUND	417,248
	JP MORGAN	SMALL CAP EQUITY FUND	166,817
	LAZARD	INTERNATIONAL STRATEGIC EQUITY FUND	95,292
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Total funds			<u>\$ 9,362,500</u>

* Indicates a party-in-interest.

Column (d) cost information has been omitted as this information is not applicable since the Plan's investments are completely participant-directed.

TRANSOURCE, INC.
401(K) INVESTMENT PLAN

EIN: 56-1325586

Plan Number: 001

SCHEDULE H, LINE 4A - SCHEDULE OF DELINQUENT PARTICIPANT CONTRIBUTIONS

December 31, 2022

Participant Contributions Transferred Late To The Plan Check Here if Participant Loan Repayments Are Included	<u>Total that Constitutes Nonexempt Prohibited Transactions</u>				Total Fully Corrected Under VFCP and PTE 2002-51
	Contributions Not Corrected	Contributions Corrected Outside of VFCP	Contributions Pending Correction in VFCP		
☐					
\$ 2,875 63	\$ - -	\$ 2,857 63	\$ - -	\$ - -	



**TRANSOURCE, INC. 401(K)
INVESTMENT PLAN**

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**

December 31, 2022 and 2021

TRANSOURCE, INC. 401(K) INVESTMENT PLAN

December 31, 2022 and 2021

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INDEPENDENT AUDITOR'S REPORT

To the Plan Administrator
Transource, Inc. 401(k) Investment Plan
Greensboro, North Carolina

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

We have performed an audit of the financial statements of Transource, Inc. 401(k) Investment 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). The financial statements comprise the statement of net assets available for benefits, as of December 31, 2022 and 2021, and the related statement of changes in net assets available for benefits for the year ended December 31, 2022, and the related notes to the financial statements.

Management, having determined it is permissible in the circumstances, has elected to have the audit of the Plan’s 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, 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, 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.

Management has obtained a certification from Fidelity Management Trust Company (“the Trustee”), as of December 31, 2022 and 2021, and for the year ended December 31, 2022, stating that the certified investment information, as described in Note C to the financial statements, is complete and accurate.

Opinion

In our opinion, based on our audit and on the procedures performed as described in the ***Auditor’s Responsibilities for the Audit of Financial Statements*** section –

- the amounts and disclosures in the 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 (“GAAP”).
- the information in the financial statements related to assets held and certified by a qualified institution, agrees to, or is derived from, in all material respects, the information prepared and certified by an institution that management determined meets the requirements of ERISA Section 103(a)(3)(C).

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements, in accordance with 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, which raise substantial doubt about the Plan's ability to continue as a going concern for one year after the date the financial statements are available to be issued.

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

Auditor's Responsibilities for the Audit Financial Statements

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

In performing an audit in accordance with GAAS, we –

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

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

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 GAAP.

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

Other Matters

Supplemental Schedules Required by ERISA

The supplemental Schedule of Assets Held at Year Ended December 31, 2022 and Schedule of Delinquent Participant Contributions are 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 schedules, other than that agreed to, or derived from, the certified investment information, has been subjected to auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements, or to the financial statements themselves, and other additional procedures in accordance with GAAS. For information included in the supplemental schedules that agreed to or is derived from the certified investment information, we compared such information to the related certified investment information.

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

In our opinion –

- the form and content of the supplemental schedules, other than the information in the supplemental schedules that agreed to or is derived from the certified investment information, is presented, in all material respects, in conformity with the DOL's Rules and Regulations for Reporting and Disclosure under ERISA.
- the information in the supplemental schedule related to assets held and certified 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).

DMQPS PLLC

Certified Public Accountants
Greensboro, North Carolina

October 9, 2023

**TRANSOURCE, INC. 401(K)
INVESTMENT PLAN**

FINANCIAL STATEMENTS

December 31, 2022 and 2021

TRANSOURCE, INC.
401(K) INVESTMENT PLAN

STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS

December 31, 2022 and 2021

	<u>2022</u>	<u>2021</u>
Assets		
Investments at Fair Value		
Mutual funds	\$ 8,635,182	\$ 10,214,444
Money market funds	712,703	674,409
Stable value fund – fully benefit responsive investment contract	<u>14,615</u>	<u>79,411</u>
Total Investments at Fair Value	<u>9,362,500</u>	<u>10,968,264</u>
Contribution Receivables		
Employer	<u>200,926</u>	<u>179,823</u>
Total Contribution Receivables	<u>200,926</u>	<u>179,823</u>
Liabilities		
Excess contributions payable	<u>(59,902)</u>	<u>(27,470)</u>
Total Liabilities	<u>(59,902)</u>	<u>(27,470)</u>
Net Assets Available For Benefits at Fair Value	<u><u>\$ 9,503,524</u></u>	<u><u>\$ 11,120,617</u></u>

See auditor's report and notes to financial statements.

TRANSOURCE, INC.
401(K) INVESTMENT PLAN

STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS

Year Ended December 31, 2022

Changes in Net Assets Attributed to:

Investment income (loss):	
Net depreciation in fair value of investments	<u>\$ (2,828,174)</u>
Interest and dividends	<u>568,418</u>
Total investment income (loss)	<u>(2,259,756)</u>
Contributions:	
Participants	678,472
Employer	200,925
Rollover	<u>110,846</u>
Total contributions	<u>990,243</u>
Deductions:	
Benefits paid to participants or beneficiaries	(347,531)
Administrative expenses	<u>(49)</u>
Total deductions	<u>(347,580)</u>
Decrease in Net Assets Available for Benefits	(1,617,093)
Net Assets Available for Benefits, beginning	<u>11,120,617</u>
Net Assets Available for Benefits, ending	<u><u>\$ 9,503,524</u></u>

See auditor's report and notes to financial statements.

TRANSOURCE, INC. 401(K) INVESTMENT PLAN

NOTES TO FINANCIAL STATEMENTS

December 31, 2022 and 2021

A. DESCRIPTION OF PLAN

The following description of Transource, Inc. (“the Company”) 401(k) Investment Plan (“the Plan”) provides only general information. Participants should refer to the Plan agreement for a more complete description of the Plan’s provisions.

1. **General.** The Plan is a defined contribution plan covering all employees at least eighteen (18) years of age and have completed three (3) month of service. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (“ERISA”).
2. **Contributions.** Participant elective deferral contributions are permitted by the Plan. Participants are limited to contribute up to \$20,500 of annual compensation in 2022, which is defined by the Internal Revenue Service (“IRS”). At age fifty (50), special Section 401(k) catchup contributions are allowed under the Plan. Further, rollover contributions are allowed under the Plan. The Company is not obligated to match participants’ contributions; however, the Company may make a discretionary matching contribution equal to a uniform percentage or dollar amount of the participants’ elective deferrals. Each year the Company will determine the formula for the discretionary matching contribution. For Plan year 2022, the Company elected to match 50% of participants’ contributions up to 6%. Participants must be at the age of eighteen (18) years old or older, have worked three (3) months, and must be employed as of December 31, 2022, in order to be eligible for profit-sharing.
3. **Participants’ Accounts.** Participants may direct Fidelity Management Trust Company (“the Trustee”) as to the investment of their accounts among several investment options, reflecting varying degrees of risk. The participants’ accounts are credited with their salary deferrals, any employer contributions, and earnings of the underlying investments. Allocations are based on participants’ earnings or account balances, as defined. Participants are entitled to the benefit that can be provided from the participants’ accounts. Participants may make rollover contributions to the Plan.
4. **Vesting.** Participants are always 100% vested in rollover contributions, matching contributions, qualified nonelective contributions, deferral contributions, and any earnings thereon. Participants are vested in the Plan’s nonelective contributions and earnings in accordance with the following schedule:

<u>Years of Service</u>	<u>Percentage</u>
Less than 2	0%
2 but less than 3	20%
3 but less than 4	40%
4 but less than 5	60%
5 but less than 6	80%
6 or more	100%

5. **Payment of Benefits.** Participants will receive benefits as they elect following normal retirement age. Distribution of the accumulation amounts will not exceed the life of participants and/or designated beneficiaries. Upon termination of service, participants are eligible to receive their vested balance as soon as administratively feasible after the end of the Plan year. Benefits may be paid as a lump sum, or in various forms of installments.

TRANSOURCE, INC. 401(K) INVESTMENT PLAN

NOTES TO FINANCIAL STATEMENTS

December 31, 2022 and 2021

A. DESCRIPTION OF PLAN *[cont'd]*

- 6. Investment Options.** Upon enrollment in the Plan, participants may direct employee and employer contributions in a variety of mutual funds or money market funds offered by the Trustee who invests in common stocks of publicly traded companies.
- 7. Rollovers.** Participants may roll over all or a portion of funds into another Section 401(k) retirement plan or into an Individual Retirement Account.
- 8. Loans to Participants.** The Plan provisions do not allow for participant loans.

B. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**Basis of Accounting**

The financial statements of the Plan are prepared under the accrual method of accounting, in accordance with GAAP.

Investment Valuation and Income Recognition

As described in the Financial Accounting Standards Board ("FASB") Codification, investment contracts held by a defined contribution plan are required to be reported at fair value. However, contract value is the relevant measurement attribute for that portion of the net assets available for benefits of a defined contribution plan attributable to fully benefit responsive investment contracts because contract value is the amount participants would receive if they were to initiate permitted transactions under the terms of the Plan. The Plan invests in investment contracts through a stable value fund. Contract value for this stable value fund is based on the net asset value of the fund as reported by the investment advisor.

The Plan's investments are stated at fair value as determined by quoted market prices.

Payment of Benefits

Benefits are recorded when paid.

Estimates

The preparation of financial statements, in conformity with generally accepted accounting principles, requires the use of management's estimates and assumptions that could affect assets and liabilities. Actual results could differ from those estimates.

TRANSOURCE, INC. 401(K) INVESTMENT PLAN

NOTES TO FINANCIAL STATEMENTS

December 31, 2022 and 2021

C. CERTIFIED INVESTMENTS

The following is a summary of the investment information regarding the Plan, as of December 31, 2022 and 2021, and for the year ended December 31, 2022, included in the Plan's financial statements and supplementary schedules. The investment information was derived from information prepared by the Trustee and furnished to the Plan Administrator. The Plan Administrator has obtained certification from the Trustee that such information is complete and accurate.

	2022	2021
Investments in Net Assets of the Plan:		
Mutual funds	\$ 8,635,182	\$ 10,214,444
Money market funds	712,703	674,409
Stable value fund – fully benefit responsive investment contract	14,615	79,411
	<u>\$ 9,362,500</u>	<u>\$ 10,968,264</u>
Investment Income:		
Net depreciation in fair value of investments	\$ (2,828,174)	
Interest and dividends	568,418	
	<u>\$ (2,259,756)</u>	

Investment securities, in general, are exposed to various risks, such as interest rate, credit, and overall market volatility risks. Furthermore, due to the level of risk associated with certain investment securities, it is reasonably possible that changes in the value of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the accompanying statements of net assets available for benefits.

D. FAIR VALUE MEASUREMENTS

FASB Codification establishes a framework for measuring fair value that 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 (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three (3) levels of the fair value hierarchy under FASB Codification are described below:

- Level 1 Inputs to the valuation methodology are unadjusted quoted prices for identical assets in active markets that the Plan has the ability to access.
- Level 2 Inputs to the valuation methodology include:
- Quoted prices for similar assets in active markets;
 - Quoted prices for identical or similar assets in inactive markets;
 - Inputs other than quoted prices that are observable for the assets;
 - Inputs that are derived principally from, or corroborated by, observable market data by correlation or other means.

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

TRANSOURCE, INC. 401(K) INVESTMENT PLAN

NOTES TO FINANCIAL STATEMENTS

December 31, 2022 and 2021

D. FAIR VALUE MEASUREMENTS [cont'd]

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 assets measured at fair value:

Mutual/Money market funds: Valued at the daily closing price as reported by the fund. Mutual funds held by the Plan are open-ended mutual funds. These funds are required to publish their daily net asset value ("NAV") to transact at that price. The mutual funds held by the Plan are deemed to be actively traded.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value, or reflective of future fair values. Furthermore, while 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:

	Level 1	Level 2	Level 3	Total
Mutual funds	\$ 8,635,182	\$ ---	\$ ---	\$ 8,635,182
Money market funds	712,703	---	---	712,703
Total assets at fair value	<u>\$ 9,347,885</u>	<u>\$ ---</u>	<u>\$ ---</u>	<u>\$ 9,347,885</u>

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

	Level 1	Level 2	Level 3	Total
Mutual funds	\$ 10,214,444	\$ ---	\$ ---	\$ 10,214,444
Money market funds	674,409	---	---	674,409
Total assets at fair value	<u>\$ 10,888,853</u>	<u>\$ ---</u>	<u>\$ ---</u>	<u>\$ 10,888,853</u>

E. FULLY BENEFIT RESPONSIVE INVESTMENT CONTRACTS

The Plan holds a stable value fund in the amount of \$14,615 for 2022 and \$79,411 for 2021. The accounts are credited with earnings on the underlying investments and charged for participant withdrawals and administrative expenses. The investment contracts are contractually obligated to repay the principal and a specified interest rate that is guaranteed to the Plan. There is potential for additional interest if declared. The crediting rate is based on a formula established by the contract issuer. The crediting rate is reviewed on a quarterly basis for resetting. The contract does not permit the insurance company to terminate the agreement prior to the scheduled maturity date.

TRANSOURCE, INC. 401(K) INVESTMENT PLAN**NOTES TO FINANCIAL STATEMENTS****December 31, 2022 and 2021****E. FULLY BENEFIT RESPONSIVE INVESTMENT CONTRACTS***[cont'd]*

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

The Plan's ability to receive amounts due is dependent on the issuer's ability to meet its financial obligations. The issuer's ability to meet its contractual obligations may be affected by future economic and regulatory developments.

Certain events might limit the ability of the Plan to transact at contract value with the issuer. Such events include (1) amendments to the Plan documents (including complete or partial Plan termination or merger with another plan), (2) changes to the Plan's prohibition on competing investment options or deletion of equity wash provisions, (3) bankruptcy of the Plan sponsor or other Plan sponsor events (for example, divestitures or spinoffs of a subsidiary) that causes a significant withdrawal from the Plan, or (4) the failure of the Trust to qualify for exemption from federal income taxes or any required prohibited transactions exemption under ERISA (5) premature termination of the contract. No events are probable of occurring that might limit the ability of the Plan to transact at contract value with contract issuers and that also would limit the ability of the plan to transact at contract value with the participants.

In addition, certain events allow the issuer to terminate the contract with the Plan and settle at an amount different from contract value. Such events include (1) an uncured violation of the Plan's investment guidelines, (2) a breach of material obligation under the contract, (3) a material misrepresentation, (4) a material amendment to the agreement without the consent of the issuer.

F. RELATED PARTY TRANSACTIONS

The Plan invests in a money market and mutual fund managed by the Trustee; therefore, these transactions qualify as party-in-interest transactions. Fees incurred by the Plan for investment management and administrative services paid to the third-party administrator of the Plan and the Trustee of the Plan also qualify as party-in-interest transactions. Because the Company is a Plan fiduciary, as well as the sponsoring employer, it qualifies as a party-in-interest.

G. TAX STATUS

The Plan obtained its latest determination letter on April 20, 2020, 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. However, the Company believes that the Plan is being operated in compliance with the applicable requirements of the IRC and, therefore, they believe that the Plan was qualified, and the related trust was tax-exempt as of the financial statement date.

TRANSOURCE, INC. 401(K) INVESTMENT PLAN

NOTES TO FINANCIAL STATEMENTS

December 31, 2022 and 2021

G. TAX STATUS^[cont'd]

As of December 31, 2022, management believes there are no uncertain tax positions.

As of December 31, 2022 and including the previous three (3) years considering extensions, the Plan's Form 5500 is open and subject to examination by tax authorities with relevant jurisdiction. Should such an examination take place, management does not anticipate any significant issues related to the open years.

H. PLAN TERMINATION

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

I. ADMINISTRATIVE EXPENSES

The Plan sponsor has elected to pay certain administrative expenses of the Plan.

J. RECONCILIATION OF FINANCIAL STATEMENTS TO FORM 5500

The following is a reconciliation of net assets available for benefits, per the financial statements to Form 5500:

	2022	2021
Net assets available for benefits, per the financial statements	\$ 9,503,524	\$ 11,120,617
Contributions receivable, not reported on Form 5500	(200,926)	(179,823)
Excess contribution payable, end of year	59,902	27,470
Adjustment from fair value to contract value for fully benefit responsive investment contracts	---	---
Net assets available for benefits, per Form 5500	<u>\$ 9,362,500</u>	<u>\$ 10,968,264</u>

The following is a reconciliation of changes in net assets available for benefits, per the financial statements to Form 5500:

	2022
Net decrease in assets available for benefits, per the financial statements	\$ (1,617,093)
Net change in contributions receivable	(21,103)
Net change in excess contribution refundable	32,432
Net decrease in assets available for benefits, per Form 5500	<u>\$ (1,605,764)</u>

K. SUBSEQUENT EVENTS

The Plan evaluated events occurring subsequent to the statements of net assets available for benefits date through October 9, 2023, the date the financial statements were available to be issued.

SUPPLEMENTARY INFORMATION

TRANSOURCE, INC.
401(K) INVESTMENT PLAN

EIN: 56-1325586

Plan Number: 001

SCHEDULE H, LINE 4i – SCHEDULE OF ASSETS HELD AT END OF YEAR

December 31, 2022

(a) Party- in- Interest	(b) Identity of Issuer, Borrower, Lessor, or Similar Party	(c) Description of Investment, Including Maturity Date, Rate of Interest, Collateral, Par, or Maturity Value	(e) Current Value
*	FIDELITY	DIVERSIFIED INTERNATIONAL FUND	\$ 1,194
*	FIDELITY	FOCUS EMERGING MARKETS FUND	38,444
*	FIDELITY	HIGH INCOME ADVANTAGE FUND	22,224
*	FIDELITY	INTERNATIONAL CAPITAL APPRECIATION FUND	4,188
*	FIDELITY	INTERNATIONAL DISCOVERY FUND	61,139
*	FIDELITY	MID CAP II FUND	374,868
*	FIDELITY	NEW INSIGHTS FUND	1,390,736
*	FIDELITY	NEW MARKETS INCOME FUND	19,491
*	FIDELITY	SMALL CAP FUND	345,934
*	FIDELITY	STABLE VALUE II FUND	14,615
*	FIDELITY	STRATEGIC INCOME FUND	76,404
*	FIDELITY	TREASURY MONEY MARKET FUND	712,703
	FIRST EAGLE	GLOBAL FUND	198,218
	INVESCO	DIVERSIFIED DIVIDEND FUND	289,230
	JOHN HANCOCK	BALANCE FUND	305,297
	JOHN HANCOCK	ENTERPRISE FUND	161,185
	JP MORGAN	GROWTH ADVANTAGE FUND	1,810,286
	JP MORGAN	EQUITY INDEX FUND	417,248
	JP MORGAN	SMALL CAP EQUITY FUND	166,817
	LAZARD	INTERNATIONAL STRATEGIC EQUITY FUND	95,292
	LORD ABBETT	VALUE OPPORTUNITIES FUND	214,586
	NUVEEN	REAL ESTATE SECURITIES FUND	126,642
	PIMCO	TOTAL RETURN FUND	415,123
	PGIM	TOTAL RETURN BOND FUND	9,315
	T. ROWE PRICE	RETIREMENT 2005 FUND	63,871
	T. ROWE PRICE	RETIREMENT 2010 FUND	11,031
	T. ROWE PRICE	RETIREMENT 2015 FUND	173
	T. ROWE PRICE	RETIREMENT 2020 FUND	35,418
	T. ROWE PRICE	RETIREMENT 2025 FUND	104,065
	T. ROWE PRICE	RETIREMENT 2030 FUND	407,458
	T. ROWE PRICE	RETIREMENT 2035 FUND	420,002
	T. ROWE PRICE	RETIREMENT 2040 FUND	470,983
	T. ROWE PRICE	RETIREMENT 2045 FUND	143,698
	T. ROWE PRICE	RETIREMENT 2050 FUND	149,899
	T. ROWE PRICE	RETIREMENT 2055 FUND	78,336
	T. ROWE PRICE	RETIREMENT 2060 FUND	37,124
	VICTORY SYCAMORE	ESTABLISHED VALUE FUND	169,263
Total funds			<u>\$ 9,362,500</u>

* Indicates a party-in-interest.

Column (d) cost information has been omitted as this information is not applicable since the Plan's investments are completely participant-directed.

TRANSOURCE, INC.
401(K) INVESTMENT PLAN

EIN: 56-1325586

Plan Number: 001

SCHEDULE H, LINE 4A - SCHEDULE OF DELINQUENT PARTICIPANT CONTRIBUTIONS

December 31, 2022

Participant Contributions Transferred Late To The Plan Check Here if Participant Loan Repayments Are Included	Total that Constitutes Nonexempt Prohibited Transactions				Total Fully Corrected Under VFCP and PTE 2002-51
	Contributions Not Corrected	Contributions Corrected Outside of VFCP	Contributions Pending Correction in VFCP		
☐					
\$ 2,875 63	\$ - -	\$ 2,857 63	\$ - -	\$ - -	