

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 <u>01/01/2022</u> and ending <u>12/31/2022</u>	
A This return/report is for:	☐ a multiemployer plan ☐ a multiple-employer plan (Filers checking this box must attach a list of participating employer information in accordance with the form instructions.) ☒ a single-employer plan ☐ a DFE (specify) ____
B This return/report is:	☐ the first return/report ☐ the final return/report ☐ an amended return/report ☐ a short plan year return/report (less than 12 months)
C If the plan is a collectively-bargained plan, check here.	☐
D Check box if filing under:	☒ Form 5558 ☐ automatic extension ☐ the DFVC program ☐ special extension (enter description)
E If this is a retroactively adopted plan permitted by SECURE Act section 201, check here.	☐

Part II	Basic Plan Information —enter all requested information		
1a Name of plan	<u>PENNCO INSTITUTES, INC. 401(K) PROFIT SHARING PLAN</u>	1b Three-digit plan number (PN) ▶	<u>001</u>
		1c Effective date of plan	<u>10/01/2021</u>
2a Plan sponsor's name (employer, if for a single-employer plan) Mailing address (include room, apt., suite no. and street, or P.O. Box) City or town, state or province, and ZIP or foreign postal code (if foreign, see instructions)		2b Employer Identification Number (EIN)	<u>23-1891908</u>
<u>PENNCO INSTITUTES, INC.</u>		2c Plan Sponsor's telephone number	<u>215-785-0111</u>
<u>3815 OTTER STREET</u> <u>BRISTOL, PA 19007</u>		2d Business code (see instructions)	<u>611000</u>

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

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

SIGN HERE	Filed with authorized/valid electronic signature.	10/13/2023	TERESA GALLAGHER
	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	
4 If the name and/or EIN of the plan sponsor or the plan name has changed since the last return/report filed for this plan, enter the plan sponsor's name, EIN, the plan name and the plan number from the last return/report: a Sponsor's name c Plan Name		3c Administrator's telephone number 4b EIN 4d PN	
5 Total number of participants at the beginning of the plan year		5	169
6 Number of participants as of the end of the plan year unless otherwise stated (welfare plans complete only lines 6a(1) , 6a(2) , 6b , 6c , and 6d).			
a(1) Total number of active participants at the beginning of the plan year		6a(1)	165
a(2) Total number of active participants at the end of the plan year		6a(2)	153
b Retired or separated participants receiving benefits		6b	0
c Other retired or separated participants entitled to future benefits.....		6c	21
d Subtotal. Add lines 6a(2) , 6b , and 6c		6d	174
e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits.		6e	0
f Total. Add lines 6d and 6e		6f	174
g Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item).....		6g	87
h Number of participants who terminated employment during the plan year with accrued benefits that were less than 100% vested.....		6h	0
7 Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item)		7	
8a If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristics Codes in the instructions: 2G 2F 3D 2J 2E 2S 2T			
b If the plan provides welfare benefits, enter the applicable welfare feature codes from the List of Plan Characteristics Codes in the instructions:			
9a Plan funding arrangement (check all that apply) (1) ☐ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☒ Trust (4) ☐ General assets of the sponsor		9b Plan benefit arrangement (check all that apply) (1) ☐ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☒ Trust (4) ☐ General assets of the sponsor	
10 Check all applicable boxes in 10a and 10b to indicate which schedules are attached, and, where indicated, enter the number attached. (See instructions)			
a Pension Schedules (1) ☒ R (Retirement Plan Information) (2) ☐ MB (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary (3) ☐ SB (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary		b General Schedules (1) ☒ H (Financial Information) (2) ☐ I (Financial Information – Small Plan) (3) ☐ 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 PENNCO INSTITUTES, INC. 401(K) PROFIT SHARING PLAN	B Three-digit plan number (PN) ▶	001
C Plan sponsor's name as shown on line 2a of Form 5500 PENNCO INSTITUTES, INC.	D Employer Identification Number (EIN) 23-1891908	

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	
CALVERT RESEARCH AND MANAGEMENT	1825 CONNECTICUT AVENUE NW SUITE 400 WASHINGTON, DC 20009

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation	
DODGE AND COX	555 CALIFORNIA STREET 40TH FLOOR SAN FRANCISCO, CA 94104

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation	
MUTUAL OF AMERICA	320 PARK AVE NEW YORK, NY 10022

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation	
T. ROWE PRICE	100 EAST PRATT STREET BALTIMORE, MD 21202

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

BLACKROCK ADVISORS

100 BELLEVUE PARKWAY
WILMINGTON, DE 19809

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

MFS

111 HUNTINGTON AVENUE
BOSTON, MA 02199

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

DELAWARE FUNDS BY MACQUARIE

PO BOX 9876
PROVIDENCE, RI 02940

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

VICTORY CAPITAL MANAGEMENT INC.

15935 LA CANTERA PARKWAY
BUILDING TWO
SAN ANTONIO, TX 78256

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

PIMCO

840 NEWPORT CENTER DRIVE
SUITE 100
NEWPORT BEACH, CA 92660

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

VANGUARD

100 VANGUARD BOULEVARD
MALVERN, PA 19355

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

INVESCO

11 GREENWAY PLAZA
STE. 2500
HOUSTON, TX 77046

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

AMERICAN FUNDS

333 SOUTH HOPE STREET
LOS ANGELES, CA 90071-1406

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

MID ATLANTIC TRUST COMPANY

1251 WATERFRONT PLACE STE 525
PITTSBURGH, PA 15222

(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)

MUTUAL OF AMERICA SEC. CORP LLC

320 PARK AVENUE
NEW YORK, NY 10022

(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?
15 37 49 57	RECORDKEEPER	1433	Yes ☒ No ☐	Yes ☒ No ☐	0	Yes ☒ No ☐

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

WILSHIRE ASSOCIATES INC.

1299 OCEAN AVENUE
SUITE 700
SANTA MONICA, CA 90401

(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?
31	FIDUCIARY ADVISOR	52	Yes ☒ No ☐	Yes ☒ No ☐	0	Yes ☒ No ☐

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

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

Part I Service Provider Information (continued)

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

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

Part II Service Providers Who Fail or Refuse to Provide Information

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

(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(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 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>PENNCO INSTITUTES, INC. 401(K) PROFIT SHARING 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>PENNCO INSTITUTES, INC.</u>		D Employer Identification Number (EIN) <u>23-1891908</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	131
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)		
c General investments:			
(1) Interest-bearing cash (include money market accounts & certificates of deposit).....	1c(1)	0	0
(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)	0	0
(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)	35439	166673
(14) Value of funds held in insurance company general account (unallocated contracts).....	1c(14)	0	0
(15) Other	1c(15)		

1d Employer-related investments:		(a) Beginning of Year	(b) End of Year
(1) Employer securities	1d(1)		
(2) Employer real property	1d(2)		
e Buildings and other property used in plan operation	1e		
f Total assets (add all amounts in lines 1a through 1e)	1f	35439	166804

Liabilities

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

Net Assets

l Net assets (subtract line 1k from line 1f)	1l	35439	166804
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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)	0	
(B) Participants	2a(1)(B)	143589	
(C) Others (including rollovers)	2a(1)(C)	3488	
(2) Noncash contributions	2a(2)	0	
(3) Total contributions. Add lines 2a(1)(A) , (B) , (C) , and line 2a(2)	2a(3)		147077
b Earnings on investments:			
(1) Interest:			
(A) Interest-bearing cash (including money market accounts and certificates of deposit)	2b(1)(A)	0	
(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)		0
(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)	2089	
(D) Total dividends. Add lines 2b(2)(A) , (B) , and (C)	2b(2)(D)		2089
(3) Rents	2b(3)		
(4) Net gain (loss) on sale of assets: (A) Aggregate proceeds	2b(4)(A)	151615	
(B) Aggregate carrying amount (see instructions)	2b(4)(B)	142009	
(C) Subtract line 2b(4)(B) from line 2b(4)(A) and enter result	2b(4)(C)		9606
(5) Unrealized appreciation (depreciation) of assets: (A) Real estate	2b(5)(A)		
(B) Other	2b(5)(B)	-22461	
(C) Total unrealized appreciation of assets. Add lines 2b(5)(A) and (B)	2b(5)(C)		-22461

		(a) Amount	(b) Total
(6) Net investment gain (loss) from common/collective trusts	2b(6)		0
(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)		0
c Other income	2c		0
d Total income. Add all income amounts in column (b) and enter total	2d		136311
Expenses			
e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	1931	
(2) To insurance carriers for the provision of benefits	2e(2)	0	
(3) Other	2e(3)	41	
(4) Total benefit payments. Add lines 2e(1) through (3)	2e(4)		1972
f Corrective distributions (see instructions)	2f		0
g Certain deemed distributions of participant loans (see instructions)	2g		0
h Interest expense	2h		
i Administrative expenses: (1) Professional fees	2i(1)		
(2) Contract administrator fees	2i(2)		
(3) Investment advisory and management fees	2i(3)		
(4) Other	2i(4)	2974	
(5) Total administrative expenses. Add lines 2i(1) through (4)	2i(5)		2974
j Total expenses. Add all expense amounts in column (b) and enter total	2j		4946
Net Income and Reconciliation			
k Net income (loss). Subtract line 2j from line 2d	2k		131365
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: ROSALINE MENDOZA CPA PA

(2) EIN: 27-1323021

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

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

Part IV Compliance Questions

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

During the plan year:

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

	Yes	No	Amount
4a		X	

	Yes	No	Amount
b Were any loans by the plan or fixed income obligations due the plan in default as of the close of the plan year or classified during the year as uncollectible? Disregard participant loans secured by participant's account balance. (Attach Schedule G (Form 5500) Part I if "Yes" is checked.)			
4b		X	
c Were any leases to which the plan was a party in default or classified during the year as uncollectible? (Attach Schedule G (Form 5500) Part II if "Yes" is checked.)			
4c		X	
d Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 4a. Attach Schedule G (Form 5500) Part III if "Yes" is checked.)			
4d		X	
e Was this plan covered by a fidelity bond?	X		18000
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.			
4n			

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

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

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

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

SCHEDULE R (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Retirement Plan Information This schedule is required to be filed under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6058(a) of the Internal Revenue Code (the Code). ► File as an attachment to Form 5500.	OMB No. 1210-0110 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 PENNCO INSTITUTES, INC. 401(K) PROFIT SHARING PLAN		B Three-digit plan number (PN) ► 001
C Plan sponsor's name as shown on line 2a of Form 5500 PENNCO INSTITUTES, INC.		D Employer Identification Number (EIN) 23-1891908
Part I Distributions		
All references to distributions relate only to payments of benefits during the plan year.		
1 Total value of distributions paid in property other than in cash or the forms of property specified in the instructions.....		1 0
2 Enter the EIN(s) of payor(s) who paid benefits on behalf of the plan to participants or beneficiaries during the year (if more than two, enter EINs of the two payors who paid the greatest dollar amounts of benefits): EIN(s): 27-3169253		
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 _____

Pennco Institutes, Inc. 401(k)
Profit Sharing Plan

Financial Statements and
Supplemental Schedule
December 31, 2022

Pennco Institutes, Inc. 401(k) Profit Sharing Plan
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December 31, 2022

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*Other schedules required by Section 2520.103-10 of the Department of Labor Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 have been omitted because they are not applicable.



Independent Auditor's Report

To the Participants and Administrator of
Pennco Institutes, Inc. 401(k) Profit Sharing Plan

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

We have performed audits of the accompanying financial statements of Pennco Institutes, Inc. 401(k) Profit Sharing Plan (the "Plan"), an employee benefit plan subject to the Employee Retirement Income Security Act of 1974 (ERISA), as permitted by ERISA Section 103(a)(3)(C) [ERISA Section 103(a)(3)(C) audit]. The financial statements comprise the statements of net assets available for benefits 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 audits 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 Rules and Regulations for Reporting and Disclosure under ERISA. As permitted by ERISA Section 103(a)(3)(C), our audits need not extend to any statements or information related to assets held for investment of the plan (investment information) by a bank or similar institution or insurance carrier that is regulated, supervised, and subject to periodic examination by a state or federal agency, provided that the statements or information regarding assets so held are prepared and certified to by the bank or similar institution or insurance carrier in accordance with 29 CFR 2520.103-5 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA (qualified institution).

Management has obtained certifications from a qualified institution 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 3 to the financial statements, is complete and accurate.

Opinion

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

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

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. 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 audits.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our ERISA Section 103(a)(3)(C) audit opinion.

Responsibilities of Management for the Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the 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 generally accepted auditing standards 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 aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, 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 audits 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 accounting principles generally accepted in the United States of America.

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

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

Supplemental Schedule Required by ERISA

The supplemental schedule of Schedule H, Line 4i – Schedule of Assets (Held at End of Year) is presented for purposes of additional analysis and is not a required part of the financial statements but is supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information included in the supplemental schedule, other than that agreed to or derived from the certified investment information, has been subjected to auditing procedures applied in the audits 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 generally accepted auditing standards. For information included in the supplemental schedule that agreed to or is derived from the certified investment information, we compared such information to the related certified investment information.

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

In our opinion—

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



Rosaline Mendoza, CPA, PA
Doral, Florida
October 12, 2023

Pennco Institutes, Inc. 401(k) Profit Sharing Plan
Statements of Net Assets Available for Benefits
December 31, 2022 and 2021

	2022	2021
Assets		
Non-interest bearing cash	\$ 131	\$ -
Investments:		
Investments, at fair value	<u>166,673</u>	<u>35,440</u>
Total Assets	<u>166,804</u>	<u>35,440</u>
Net assets available for benefits	<u>\$ 166,804</u>	<u>\$ 35,440</u>

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

Pennco Institutes, Inc. 401(k) Profit Sharing Plan
Statement of Changes in Net Assets Available for Benefits
For the Year Ended December 31, 2022

Additions to net assets available for benefits attributed to:

Investment income:

Net depreciation in fair value of investments	\$ (12,855)
Interest and dividend income	<u>2,088</u>
Total investment income (loss)	<u>(10,767)</u>

Contributions:

Participants	143,589
Rollovers	<u>3,488</u>
Total contributions	<u>147,077</u>
Net additions	<u>136,310</u>

Deductions from net assets available for benefits attributed to:

Benefits paid to participants	1,972
Administrative expenses	<u>2,974</u>
Total deductions	<u>4,946</u>
Net increase	131,364

Net assets available for benefits, beginning of year	<u>35,440</u>
Net assets available for benefits, end of year	<u>\$ 166,804</u>

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

Pennco Institutes, Inc. 401(k) Profit Sharing Plan

Notes to Financial Statements

December 31, 2022

1. Description of the Plan

The following description of Pennco Institutes, Inc. 401(k) Profit Sharing Plan (the “Plan”) provides only general information. Participants should refer to the Plan document for a more complete description of the Plan’s provisions.

General

The Plan is a defined contribution retirement plan covering all eligible employees of Pennco Institutes, Inc. (the “Company”) who have completed at least three months of service. Employees enter the Plan on the first day of the quarter of the plan year coinciding with or the next month following the date on which they meet the eligibility requirements. The Plan is subject to certain provisions of the Employee Retirement Income Security Act of 1974 (“ERISA”).

Plan Administration

The Plan is administered by a third-party administrator (TPA) who serves at the discretion of the Company. The TPA is responsible for all matters, including, but not limited to, determining eligibility, rights to benefits, interpreting Plan documents, directing Plan’s trustee, and maintaining participant accounts. The Plan’s trustee and custodian is Mid Atlantic Trust Company.

Elective Deferrals and Company Contributions

Each year, participants may elect to defer a percentage of their base compensation or a specific dollar amount and have that amount contributed to the Plan on a pre-tax basis salary deferral (“elective deferrals”). The Plan also allows for after-tax contributions (“Roth”) which are maintained in a separate account from the pre-tax deferrals. For any calendar year, a participant’s elective deferrals may not exceed a certain dollar amount as determined by the Internal Revenue Service (“IRS”). Participants 50 years of age or older can make an additional “catch-up” deferral of up to an additional \$6,500. Participants may also contribute amounts representing distributions from other qualified defined benefit or contribution plans (“rollover”).

Each year, the Company may make a discretionary qualified non-elective profit-sharing contribution to eligible participant’s account. The contribution is allocated based on a uniform percentage of each eligible individual’s compensation, subject to limits and in accordance with the contribution defined for each group of employees. All participants are eligible to share in the allocation of the employer’s contribution regardless of service completed in the year or employment status on the last day of the year. The Company elected not to contribute to the Plan for 2022 and 2021.

Participants’ Accounts

Each participant’s account is credited with the participant’s elective contributions and allocations of (a) the Company’s qualified non-elective profit-sharing discretionary contributions, and (b) investment earnings or losses, and (c) charged with an allocation of administrative expenses if the expenses are not paid by the Company. Allocations are based on participant earnings, account balances, or specific participant transactions, as defined by the Plan. The benefit to which a participant is entitled is the benefit that can be provided from the participant’s vested account. Participants direct the investment of their contributions and Company contributions into various investment options offered by the Plan. Participants may change their investment allocation at any time.

Vesting and Forfeitures

Participants are immediately vested in their contributions, amounts rolled over into the Plan, plus actual investment earnings thereon. Vesting in the Company’s non-elective discretionary profit-sharing portion of their account is based on years of continuous service. A participant is fully vested after five years of credited service. A participant becomes 100 percent vested upon death, disability, or retirement.

Pennco Institutes, Inc. 401(k) Profit Sharing Plan

Notes to Financial Statements

December 31, 2022

Non-vested portions of Company contributions are forfeited as of a participant's termination date. Forfeitures are available to be used to reduce future Company contributions and may be used to offset administrative expenses. As of December 31, 2022 and 2021, there were no forfeited non-vested accounts. Also, in 2022, the Company did not utilize forfeitures to offset administrative expenses.

In-service and Hardship Withdrawals

While a participant is employed with the Company, an in-service distribution is not permitted. Participants may request a hardship distribution from the Plan prior to the participant's termination of employment in any one Plan year up to the lesser of 100% of the participant's elective salary deferrals, Roth contributions and the participant's transfer/rollover account value as of the last valuation date or the amount necessary to satisfy the immediate and heavy financial need of the participant. In order to request a hardship distribution, the participant must meet one of six conditions related to a financial hardship as defined by the Internal Revenue Code.

Payment of Benefits

On termination of service due to death, disability, or retirement, a participant may elect to receive either a single lump-sum amount equal to the value of the participant's vested interest in their account, or installments that are distributed in accordance with the Plan. A participant with less than \$5,000 in vested benefits may only be distributed a single lump sum. For termination of service for other reasons, a participant may receive the value of the vested interest in their account as a lump-sum distribution or if the Plan offers an investment option contract that provides a life income feature, then distributions from this investment may be in any form permitted by the contract. If the vested balances are less than \$1,000 and no choice is made, the Plan will automatically pay out their vested balance in a lump-sum distribution.

2. Significant Accounting Policies

Basis of Accounting

The financial statements of the Plan are prepared on the accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America ("GAAP").

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and changes therein, and disclosure of contingent assets and liabilities. Actual results could differ from those estimates.

Investment Valuation and Income Recognition

Investments are reported at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Plan's Management determines the Plan's valuation policies utilizing information provided by the investment advisers and trustee. See Note 8 for additional information on fair value measurements.

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

Administrative Expenses

Certain expenses of maintaining the Plan are paid by the Plan, unless otherwise paid by the Company. Expenses paid by the Company are excluded from these financial statements. Fees related to distributions are charged directly to the participant's account and are included in administrative expenses. Investment related expenses are included in the net appreciation or depreciation in fair value of investments.

Pennco Institutes, Inc. 401(k) Profit Sharing Plan

Notes to Financial Statements

December 31, 2022

Benefit Payments

Benefits are recorded when paid.

Date of Management's Review

The Plan has evaluated subsequent events through October 12, 2023, the date the financial statements were available to be issued.

3. Information Prepared and Certified by the Trustee

The plan administrator has elected the method of compliance permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA. Accordingly, Mid Atlantic Trust Company, the trustee of the Plan, has certified certain information included in the accompanying financial statements and supplementary schedule as complete and accurate with respect to non-interest bearing cash and investments as shown on the statement of net assets available for benefits as of December 31, 2022 and 2021, and net investment activity as shown in the statement of changes in net assets available for benefits for the year ended December 31, 2022.

4. Related Party Transactions and Party in Interest Transactions

Certain Plan investments are managed by the trustee. These transactions qualify as party in interest transactions.

5. Plan Termination

Although it has not expressed any intention 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 set forth in ERISA. In the event of any termination of the Plan, or upon complete or partial discontinuance of contributions, participants would become 100% vested in their accounts, including all employer discretionary profit-sharing contributions and actual earnings thereon.

6. Risks and Uncertainties

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

The Coronavirus ("COVID-19") pandemic has impacted financial markets. The long-term impact of the effects of the COVID-19 pandemic to the Plan or Company are currently not known.

7. Tax Status

The Plan has adopted a non-standardized pre-approved profit-sharing plan sponsored by Mutual of America Life Insurance Company, the Plan's third-party administrator. The Internal Revenue Service ("IRS") has determined and informed the Mutual of America Life Insurance Company by letter dated November 30, 2020, that the Plan and related trust are designed in accordance with applicable sections of the Internal Revenue Code ("IRC"). Although the Plan has been amended since receiving the determination letter, the Plan administrator believes that the Plan is designed, and is currently being operated, in compliance with

Pennco Institutes, Inc. 401(k) Profit Sharing Plan

Notes to Financial Statements

December 31, 2022

applicable requirements of the IRC and, therefore, believes that the Plan is qualified, and the related trust is tax-exempt.

Accounting principles generally accepted in the United States of America require Plan management to evaluate tax positions taken by the Plan and recognize a tax liability if the Plan has taken an uncertain position that more likely than not would not be sustained upon examination by the IRS. As of December 31, 2022 and 2021, the Plan has no liabilities for uncertain tax positions. The Plan is subject to routine audits by the taxing jurisdictions; however, there are currently no audits for any tax periods in progress.

8. Fair Value Measurements

The framework for measuring fair value provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1) and the lowest priority to unobservable inputs (level 3). The following three levels of fair value hierarchy under Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") 820 are as follows:

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

Level 2 – Inputs to the valuation methodology include: 1) quoted prices for similar assets or liabilities in active markets; 2) quoted prices for identical or similar assets or liabilities in inactive markets; 3) inputs other than quoted prices that are observable for the asset or liability; and 4) inputs that are derived principally from or corroborated by observable market data by correlation or other means. If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.

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

The asset 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 maximize the use of relevant 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 funds – Valued at the daily closing price as reported by the fund. Mutual funds held by the Plan are open-end mutual funds that are registered with the U.S. Securities and Exchange Commission ("SEC"). These funds held by the Plan are deemed to be actively traded with readily determinable fair values.

Pennco Institutes, Inc. 401(k) Profit Sharing Plan
Notes to Financial Statements
December 31, 2022

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

	Assets at Fair Value as of December 31, 2022			
	Level 1	Level 2	Level 3	Total
Mutual Funds	\$ 166,673	\$ -	\$ -	\$ 166,673
Investments at fair value	\$ 166,673	\$ -	\$ -	\$ 166,673

	Assets at Fair Value as of December 31, 2021			
	Level 1	Level 2	Level 3	Total
Mutual Funds	\$ 35,439	\$ -	\$ -	\$ 35,439
Investments at fair value	\$ 35,439	\$ -	\$ -	\$ 35,439

* * * * *

Pennco Institutes, Inc. 401(k)
Profit Sharing Plan

Financial Statements and
Supplemental Schedule
December 31, 2022

Pennco Institutes, Inc. 401(k) Profit Sharing Plan
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*Other schedules required by Section 2520.103-10 of the Department of Labor Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 have been omitted because they are not applicable.



Independent Auditor's Report

To the Participants and Administrator of
Pennco Institutes, Inc. 401(k) Profit Sharing Plan

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

We have performed audits of the accompanying financial statements of Pennco Institutes, Inc. 401(k) Profit Sharing Plan (the "Plan"), an employee benefit plan subject to the Employee Retirement Income Security Act of 1974 (ERISA), as permitted by ERISA Section 103(a)(3)(C) [ERISA Section 103(a)(3)(C) audit]. The financial statements comprise the statements of net assets available for benefits 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 audits 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 Rules and Regulations for Reporting and Disclosure under ERISA. As permitted by ERISA Section 103(a)(3)(C), our audits need not extend to any statements or information related to assets held for investment of the plan (investment information) by a bank or similar institution or insurance carrier that is regulated, supervised, and subject to periodic examination by a state or federal agency, provided that the statements or information regarding assets so held are prepared and certified to by the bank or similar institution or insurance carrier in accordance with 29 CFR 2520.103-5 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA (qualified institution).

Management has obtained certifications from a qualified institution 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 3 to the financial statements, is complete and accurate.

Opinion

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

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

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. 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 audits.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our ERISA Section 103(a)(3)(C) audit opinion.

Responsibilities of Management for the Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the 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 generally accepted auditing standards 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 aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, 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 audits 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 accounting principles generally accepted in the United States of America.

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

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

Supplemental Schedule Required by ERISA

The supplemental schedule of Schedule H, Line 4i – Schedule of Assets (Held at End of Year) is presented for purposes of additional analysis and is not a required part of the financial statements but is supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information included in the supplemental schedule, other than that agreed to or derived from the certified investment information, has been subjected to auditing procedures applied in the audits 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 generally accepted auditing standards. For information included in the supplemental schedule that agreed to or is derived from the certified investment information, we compared such information to the related certified investment information.

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

In our opinion—

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



Rosaline Mendoza, CPA, PA
Doral, Florida
October 12, 2023

Pennco Institutes, Inc. 401(k) Profit Sharing Plan
Statements of Net Assets Available for Benefits
December 31, 2022 and 2021

	2022	2021
Assets		
Non-interest bearing cash	\$ 131	\$ -
Investments:		
Investments, at fair value	<u>166,673</u>	<u>35,440</u>
Total Assets	<u>166,804</u>	<u>35,440</u>
Net assets available for benefits	<u>\$ 166,804</u>	<u>\$ 35,440</u>

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

Pennco Institutes, Inc. 401(k) Profit Sharing Plan
Statement of Changes in Net Assets Available for Benefits
For the Year Ended December 31, 2022

Additions to net assets available for benefits attributed to:

Investment income:	
Net depreciation in fair value of investments	\$ (12,855)
Interest and dividend income	<u>2,088</u>
Total investment income (loss)	<u>(10,767)</u>

Contributions:

Participants	143,589
Rollovers	<u>3,488</u>
Total contributions	<u>147,077</u>
Net additions	<u>136,310</u>

Deductions from net assets available for benefits attributed to:

Benefits paid to participants	1,972
Administrative expenses	<u>2,974</u>
Total deductions	<u>4,946</u>
Net increase	131,364

Net assets available for benefits, beginning of year	<u>35,440</u>
Net assets available for benefits, end of year	<u>\$ 166,804</u>

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

Pennco Institutes, Inc. 401(k) Profit Sharing Plan

Notes to Financial Statements

December 31, 2022

1. Description of the Plan

The following description of Pennco Institutes, Inc. 401(k) Profit Sharing Plan (the “Plan”) provides only general information. Participants should refer to the Plan document for a more complete description of the Plan’s provisions.

General

The Plan is a defined contribution retirement plan covering all eligible employees of Pennco Institutes, Inc. (the “Company”) who have completed at least three months of service. Employees enter the Plan on the first day of the quarter of the plan year coinciding with or the next month following the date on which they meet the eligibility requirements. The Plan is subject to certain provisions of the Employee Retirement Income Security Act of 1974 (“ERISA”).

Plan Administration

The Plan is administered by a third-party administrator (TPA) who serves at the discretion of the Company. The TPA is responsible for all matters, including, but not limited to, determining eligibility, rights to benefits, interpreting Plan documents, directing Plan’s trustee, and maintaining participant accounts. The Plan’s trustee and custodian is Mid Atlantic Trust Company.

Elective Deferrals and Company Contributions

Each year, participants may elect to defer a percentage of their base compensation or a specific dollar amount and have that amount contributed to the Plan on a pre-tax basis salary deferral (“elective deferrals”). The Plan also allows for after-tax contributions (“Roth”) which are maintained in a separate account from the pre-tax deferrals. For any calendar year, a participant’s elective deferrals may not exceed a certain dollar amount as determined by the Internal Revenue Service (“IRS”). Participants 50 years of age or older can make an additional “catch-up” deferral of up to an additional \$6,500. Participants may also contribute amounts representing distributions from other qualified defined benefit or contribution plans (“rollover”).

Each year, the Company may make a discretionary qualified non-elective profit-sharing contribution to eligible participant’s account. The contribution is allocated based on a uniform percentage of each eligible individual’s compensation, subject to limits and in accordance with the contribution defined for each group of employees. All participants are eligible to share in the allocation of the employer’s contribution regardless of service completed in the year or employment status on the last day of the year. The Company elected not to contribute to the Plan for 2022 and 2021.

Participants’ Accounts

Each participant’s account is credited with the participant’s elective contributions and allocations of (a) the Company’s qualified non-elective profit-sharing discretionary contributions, and (b) investment earnings or losses, and (c) charged with an allocation of administrative expenses if the expenses are not paid by the Company. Allocations are based on participant earnings, account balances, or specific participant transactions, as defined by the Plan. The benefit to which a participant is entitled is the benefit that can be provided from the participant’s vested account. Participants direct the investment of their contributions and Company contributions into various investment options offered by the Plan. Participants may change their investment allocation at any time.

Vesting and Forfeitures

Participants are immediately vested in their contributions, amounts rolled over into the Plan, plus actual investment earnings thereon. Vesting in the Company’s non-elective discretionary profit-sharing portion of their account is based on years of continuous service. A participant is fully vested after five years of credited service. A participant becomes 100 percent vested upon death, disability, or retirement.

Pennco Institutes, Inc. 401(k) Profit Sharing Plan

Notes to Financial Statements

December 31, 2022

Non-vested portions of Company contributions are forfeited as of a participant's termination date. Forfeitures are available to be used to reduce future Company contributions and may be used to offset administrative expenses. As of December 31, 2022 and 2021, there were no forfeited non-vested accounts. Also, in 2022, the Company did not utilize forfeitures to offset administrative expenses.

In-service and Hardship Withdrawals

While a participant is employed with the Company, an in-service distribution is not permitted. Participants may request a hardship distribution from the Plan prior to the participant's termination of employment in any one Plan year up to the lesser of 100% of the participant's elective salary deferrals, Roth contributions and the participant's transfer/rollover account value as of the last valuation date or the amount necessary to satisfy the immediate and heavy financial need of the participant. In order to request a hardship distribution, the participant must meet one of six conditions related to a financial hardship as defined by the Internal Revenue Code.

Payment of Benefits

On termination of service due to death, disability, or retirement, a participant may elect to receive either a single lump-sum amount equal to the value of the participant's vested interest in their account, or installments that are distributed in accordance with the Plan. A participant with less than \$5,000 in vested benefits may only be distributed a single lump sum. For termination of service for other reasons, a participant may receive the value of the vested interest in their account as a lump-sum distribution or if the Plan offers an investment option contract that provides a life income feature, then distributions from this investment may be in any form permitted by the contract. If the vested balances are less than \$1,000 and no choice is made, the Plan will automatically pay out their vested balance in a lump-sum distribution.

2. Significant Accounting Policies

Basis of Accounting

The financial statements of the Plan are prepared on the accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America ("GAAP").

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and changes therein, and disclosure of contingent assets and liabilities. Actual results could differ from those estimates.

Investment Valuation and Income Recognition

Investments are reported at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Plan's Management determines the Plan's valuation policies utilizing information provided by the investment advisers and trustee. See Note 8 for additional information on fair value measurements.

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

Administrative Expenses

Certain expenses of maintaining the Plan are paid by the Plan, unless otherwise paid by the Company. Expenses paid by the Company are excluded from these financial statements. Fees related to distributions are charged directly to the participant's account and are included in administrative expenses. Investment related expenses are included in the net appreciation or depreciation in fair value of investments.

Pennco Institutes, Inc. 401(k) Profit Sharing Plan

Notes to Financial Statements

December 31, 2022

Benefit Payments

Benefits are recorded when paid.

Date of Management's Review

The Plan has evaluated subsequent events through October 12, 2023, the date the financial statements were available to be issued.

3. Information Prepared and Certified by the Trustee

The plan administrator has elected the method of compliance permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA. Accordingly, Mid Atlantic Trust Company, the trustee of the Plan, has certified certain information included in the accompanying financial statements and supplementary schedule as complete and accurate with respect to non-interest bearing cash and investments as shown on the statement of net assets available for benefits as of December 31, 2022 and 2021, and net investment activity as shown in the statement of changes in net assets available for benefits for the year ended December 31, 2022.

4. Related Party Transactions and Party in Interest Transactions

Certain Plan investments are managed by the trustee. These transactions qualify as party in interest transactions.

5. Plan Termination

Although it has not expressed any intention 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 set forth in ERISA. In the event of any termination of the Plan, or upon complete or partial discontinuance of contributions, participants would become 100% vested in their accounts, including all employer discretionary profit-sharing contributions and actual earnings thereon.

6. Risks and Uncertainties

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

The Coronavirus ("COVID-19") pandemic has impacted financial markets. The long-term impact of the effects of the COVID-19 pandemic to the Plan or Company are currently not known.

7. Tax Status

The Plan has adopted a non-standardized pre-approved profit-sharing plan sponsored by Mutual of America Life Insurance Company, the Plan's third-party administrator. The Internal Revenue Service ("IRS") has determined and informed the Mutual of America Life Insurance Company by letter dated November 30, 2020, that the Plan and related trust are designed in accordance with applicable sections of the Internal Revenue Code ("IRC"). Although the Plan has been amended since receiving the determination letter, the Plan administrator believes that the Plan is designed, and is currently being operated, in compliance with

Pennco Institutes, Inc. 401(k) Profit Sharing Plan

Notes to Financial Statements

December 31, 2022

applicable requirements of the IRC and, therefore, believes that the Plan is qualified, and the related trust is tax-exempt.

Accounting principles generally accepted in the United States of America require Plan management to evaluate tax positions taken by the Plan and recognize a tax liability if the Plan has taken an uncertain position that more likely than not would not be sustained upon examination by the IRS. As of December 31, 2022 and 2021, the Plan has no liabilities for uncertain tax positions. The Plan is subject to routine audits by the taxing jurisdictions; however, there are currently no audits for any tax periods in progress.

8. Fair Value Measurements

The framework for measuring fair value provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1) and the lowest priority to unobservable inputs (level 3). The following three levels of fair value hierarchy under Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") 820 are as follows:

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

Level 2 – Inputs to the valuation methodology include: 1) quoted prices for similar assets or liabilities in active markets; 2) quoted prices for identical or similar assets or liabilities in inactive markets; 3) inputs other than quoted prices that are observable for the asset or liability; and 4) inputs that are derived principally from or corroborated by observable market data by correlation or other means. If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.

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

The asset 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 maximize the use of relevant 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 funds – Valued at the daily closing price as reported by the fund. Mutual funds held by the Plan are open-end mutual funds that are registered with the U.S. Securities and Exchange Commission ("SEC"). These funds held by the Plan are deemed to be actively traded with readily determinable fair values.

Pennco Institutes, Inc. 401(k) Profit Sharing Plan
Notes to Financial Statements
December 31, 2022

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

	Assets at Fair Value as of December 31, 2022			
	Level 1	Level 2	Level 3	Total
Mutual Funds	\$ 166,673	\$ -	\$ -	\$ 166,673
Investments at fair value	\$ 166,673	\$ -	\$ -	\$ 166,673

	Assets at Fair Value as of December 31, 2021			
	Level 1	Level 2	Level 3	Total
Mutual Funds	\$ 35,439	\$ -	\$ -	\$ 35,439
Investments at fair value	\$ 35,439	\$ -	\$ -	\$ 35,439

* * * * *

Pennco Institutes, Inc. 401(k) Profit Sharing Plan
Schedule H, line 4i – Schedule of Assets (Held at End of Year)
December 31, 2022

Plan Sponsor EIN: 23-1891908 Plan #001

(b) Identity of Issue, (a)* Borrowers, Lessor or Similar Party		(c) Description of Investment, Including Maturity Date, Rate of Interest, Collateral, Par, or Maturity Value	(d) Cost	(e) Current Value
	Vanguard Treasury Money Market Fund Investor Shares	Mutual Funds	**	\$ 871
	BlackRock Mid-Cap Growth EquityPortfolio Class K	Mutual Funds	**	8,163
	Calvert US Large Cap Core Response Index Fund Club R6	Mutual Funds	**	895
	Dodge & Cox Stock Fund Class I	Mutual Funds	**	25,050
*	Mutual of America Equity Index Fund	Mutual Funds	**	10,064
*	Mutual of America Small Cap Equity Index Fund	Mutual Funds	**	5,965
	T. Rowe Price Blue Chip Growth Fund I Class	Mutual Funds	**	299
*	Mutual of America 2065 Retirement Fund Class	Mutual Funds	**	8,923
*	Mutual of America 2060 Retirement Fund Class	Mutual Funds	**	6,349
*	Mutual of America 2055 Retirement Fund Class	Mutual Funds	**	3,527
*	Mutual of America 2050 Retirement Fund Class	Mutual Funds	**	8,358
*	Mutual of America 2045 Retirement Fund Class	Mutual Funds	**	14,083
*	Mutual of America 2040 Retirement Fund Class	Mutual Funds	**	5,312
*	Mutual of America 2035 Retirement Fund Class	Mutual Funds	**	36,415
*	Mutual of America 2030 Retirement Fund Class	Mutual Funds	**	14,700
*	Mutual of America 2025 Retirement Fund Class	Mutual Funds	**	16,239
*	Mutual of America Retirement Income Fund	Mutual Funds	**	1,460
				<u>\$ 166,673</u>
*	A party in interest as defined by ERISA.			
**	Cost omitted for participant directed investments.			

See accompanying independent auditor's report

Pennco Institutes, Inc. 401(k)
Profit Sharing Plan

Financial Statements and
Supplemental Schedule
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*Other schedules required by Section 2520.103-10 of the Department of Labor Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 have been omitted because they are not applicable.



Independent Auditor's Report

To the Participants and Administrator of
Pennco Institutes, Inc. 401(k) Profit Sharing Plan

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

We have performed audits of the accompanying financial statements of Pennco Institutes, Inc. 401(k) Profit Sharing Plan (the "Plan"), an employee benefit plan subject to the Employee Retirement Income Security Act of 1974 (ERISA), as permitted by ERISA Section 103(a)(3)(C) [ERISA Section 103(a)(3)(C) audit]. The financial statements comprise the statements of net assets available for benefits 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 audits 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 Rules and Regulations for Reporting and Disclosure under ERISA. As permitted by ERISA Section 103(a)(3)(C), our audits need not extend to any statements or information related to assets held for investment of the plan (investment information) by a bank or similar institution or insurance carrier that is regulated, supervised, and subject to periodic examination by a state or federal agency, provided that the statements or information regarding assets so held are prepared and certified to by the bank or similar institution or insurance carrier in accordance with 29 CFR 2520.103-5 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA (qualified institution).

Management has obtained certifications from a qualified institution 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 3 to the financial statements, is complete and accurate.

Opinion

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

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

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. 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 audits.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our ERISA Section 103(a)(3)(C) audit opinion.

Responsibilities of Management for the Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the 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 generally accepted auditing standards 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 aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, 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 audits 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 accounting principles generally accepted in the United States of America.

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

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

Supplemental Schedule Required by ERISA

The supplemental schedule of Schedule H, Line 4i – Schedule of Assets (Held at End of Year) is presented for purposes of additional analysis and is not a required part of the financial statements but is supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information included in the supplemental schedule, other than that agreed to or derived from the certified investment information, has been subjected to auditing procedures applied in the audits 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 generally accepted auditing standards. For information included in the supplemental schedule that agreed to or is derived from the certified investment information, we compared such information to the related certified investment information.

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

In our opinion—

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



Rosaline Mendoza, CPA, PA
Doral, Florida
October 12, 2023

Pennco Institutes, Inc. 401(k) Profit Sharing Plan
Statements of Net Assets Available for Benefits
December 31, 2022 and 2021

	2022	2021
Assets		
Non-interest bearing cash	\$ 131	\$ -
Investments:		
Investments, at fair value	<u>166,673</u>	<u>35,440</u>
Total Assets	<u>166,804</u>	<u>35,440</u>
Net assets available for benefits	<u>\$ 166,804</u>	<u>\$ 35,440</u>

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

Pennco Institutes, Inc. 401(k) Profit Sharing Plan
Statement of Changes in Net Assets Available for Benefits
For the Year Ended December 31, 2022

Additions to net assets available for benefits attributed to:

Investment income:	
Net depreciation in fair value of investments	\$ (12,855)
Interest and dividend income	<u>2,088</u>
Total investment income (loss)	<u>(10,767)</u>
Contributions:	
Participants	143,589
Rollovers	<u>3,488</u>
Total contributions	<u>147,077</u>
Net additions	<u>136,310</u>

Deductions from net assets available for benefits attributed to:

Benefits paid to participants	1,972
Administrative expenses	<u>2,974</u>
Total deductions	<u>4,946</u>
Net increase	131,364
Net assets available for benefits, beginning of year	<u>35,440</u>
Net assets available for benefits, end of year	<u>\$ 166,804</u>

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

Pennco Institutes, Inc. 401(k) Profit Sharing Plan

Notes to Financial Statements

December 31, 2022

1. Description of the Plan

The following description of Pennco Institutes, Inc. 401(k) Profit Sharing Plan (the “Plan”) provides only general information. Participants should refer to the Plan document for a more complete description of the Plan’s provisions.

General

The Plan is a defined contribution retirement plan covering all eligible employees of Pennco Institutes, Inc. (the “Company”) who have completed at least three months of service. Employees enter the Plan on the first day of the quarter of the plan year coinciding with or the next month following the date on which they meet the eligibility requirements. The Plan is subject to certain provisions of the Employee Retirement Income Security Act of 1974 (“ERISA”).

Plan Administration

The Plan is administered by a third-party administrator (TPA) who serves at the discretion of the Company. The TPA is responsible for all matters, including, but not limited to, determining eligibility, rights to benefits, interpreting Plan documents, directing Plan’s trustee, and maintaining participant accounts. The Plan’s trustee and custodian is Mid Atlantic Trust Company.

Elective Deferrals and Company Contributions

Each year, participants may elect to defer a percentage of their base compensation or a specific dollar amount and have that amount contributed to the Plan on a pre-tax basis salary deferral (“elective deferrals”). The Plan also allows for after-tax contributions (“Roth”) which are maintained in a separate account from the pre-tax deferrals. For any calendar year, a participant’s elective deferrals may not exceed a certain dollar amount as determined by the Internal Revenue Service (“IRS”). Participants 50 years of age or older can make an additional “catch-up” deferral of up to an additional \$6,500. Participants may also contribute amounts representing distributions from other qualified defined benefit or contribution plans (“rollover”).

Each year, the Company may make a discretionary qualified non-elective profit-sharing contribution to eligible participant’s account. The contribution is allocated based on a uniform percentage of each eligible individual’s compensation, subject to limits and in accordance with the contribution defined for each group of employees. All participants are eligible to share in the allocation of the employer’s contribution regardless of service completed in the year or employment status on the last day of the year. The Company elected not to contribute to the Plan for 2022 and 2021.

Participants’ Accounts

Each participant’s account is credited with the participant’s elective contributions and allocations of (a) the Company’s qualified non-elective profit-sharing discretionary contributions, and (b) investment earnings or losses, and (c) charged with an allocation of administrative expenses if the expenses are not paid by the Company. Allocations are based on participant earnings, account balances, or specific participant transactions, as defined by the Plan. The benefit to which a participant is entitled is the benefit that can be provided from the participant’s vested account. Participants direct the investment of their contributions and Company contributions into various investment options offered by the Plan. Participants may change their investment allocation at any time.

Vesting and Forfeitures

Participants are immediately vested in their contributions, amounts rolled over into the Plan, plus actual investment earnings thereon. Vesting in the Company’s non-elective discretionary profit-sharing portion of their account is based on years of continuous service. A participant is fully vested after five years of credited service. A participant becomes 100 percent vested upon death, disability, or retirement.

Pennco Institutes, Inc. 401(k) Profit Sharing Plan

Notes to Financial Statements

December 31, 2022

Non-vested portions of Company contributions are forfeited as of a participant's termination date. Forfeitures are available to be used to reduce future Company contributions and may be used to offset administrative expenses. As of December 31, 2022 and 2021, there were no forfeited non-vested accounts. Also, in 2022, the Company did not utilize forfeitures to offset administrative expenses.

In-service and Hardship Withdrawals

While a participant is employed with the Company, an in-service distribution is not permitted. Participants may request a hardship distribution from the Plan prior to the participant's termination of employment in any one Plan year up to the lesser of 100% of the participant's elective salary deferrals, Roth contributions and the participant's transfer/rollover account value as of the last valuation date or the amount necessary to satisfy the immediate and heavy financial need of the participant. In order to request a hardship distribution, the participant must meet one of six conditions related to a financial hardship as defined by the Internal Revenue Code.

Payment of Benefits

On termination of service due to death, disability, or retirement, a participant may elect to receive either a single lump-sum amount equal to the value of the participant's vested interest in their account, or installments that are distributed in accordance with the Plan. A participant with less than \$5,000 in vested benefits may only be distributed a single lump sum. For termination of service for other reasons, a participant may receive the value of the vested interest in their account as a lump-sum distribution or if the Plan offers an investment option contract that provides a life income feature, then distributions from this investment may be in any form permitted by the contract. If the vested balances are less than \$1,000 and no choice is made, the Plan will automatically pay out their vested balance in a lump-sum distribution.

2. Significant Accounting Policies

Basis of Accounting

The financial statements of the Plan are prepared on the accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America ("GAAP").

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and changes therein, and disclosure of contingent assets and liabilities. Actual results could differ from those estimates.

Investment Valuation and Income Recognition

Investments are reported at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Plan's Management determines the Plan's valuation policies utilizing information provided by the investment advisers and trustee. See Note 8 for additional information on fair value measurements.

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

Administrative Expenses

Certain expenses of maintaining the Plan are paid by the Plan, unless otherwise paid by the Company. Expenses paid by the Company are excluded from these financial statements. Fees related to distributions are charged directly to the participant's account and are included in administrative expenses. Investment related expenses are included in the net appreciation or depreciation in fair value of investments.

Pennco Institutes, Inc. 401(k) Profit Sharing Plan

Notes to Financial Statements

December 31, 2022

Benefit Payments

Benefits are recorded when paid.

Date of Management's Review

The Plan has evaluated subsequent events through October 12, 2023, the date the financial statements were available to be issued.

3. Information Prepared and Certified by the Trustee

The plan administrator has elected the method of compliance permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA. Accordingly, Mid Atlantic Trust Company, the trustee of the Plan, has certified certain information included in the accompanying financial statements and supplementary schedule as complete and accurate with respect to non-interest bearing cash and investments as shown on the statement of net assets available for benefits as of December 31, 2022 and 2021, and net investment activity as shown in the statement of changes in net assets available for benefits for the year ended December 31, 2022.

4. Related Party Transactions and Party in Interest Transactions

Certain Plan investments are managed by the trustee. These transactions qualify as party in interest transactions.

5. Plan Termination

Although it has not expressed any intention 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 set forth in ERISA. In the event of any termination of the Plan, or upon complete or partial discontinuance of contributions, participants would become 100% vested in their accounts, including all employer discretionary profit-sharing contributions and actual earnings thereon.

6. Risks and Uncertainties

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

The Coronavirus ("COVID-19") pandemic has impacted financial markets. The long-term impact of the effects of the COVID-19 pandemic to the Plan or Company are currently not known.

7. Tax Status

The Plan has adopted a non-standardized pre-approved profit-sharing plan sponsored by Mutual of America Life Insurance Company, the Plan's third-party administrator. The Internal Revenue Service ("IRS") has determined and informed the Mutual of America Life Insurance Company by letter dated November 30, 2020, that the Plan and related trust are designed in accordance with applicable sections of the Internal Revenue Code ("IRC"). Although the Plan has been amended since receiving the determination letter, the Plan administrator believes that the Plan is designed, and is currently being operated, in compliance with

Pennco Institutes, Inc. 401(k) Profit Sharing Plan

Notes to Financial Statements

December 31, 2022

applicable requirements of the IRC and, therefore, believes that the Plan is qualified, and the related trust is tax-exempt.

Accounting principles generally accepted in the United States of America require Plan management to evaluate tax positions taken by the Plan and recognize a tax liability if the Plan has taken an uncertain position that more likely than not would not be sustained upon examination by the IRS. As of December 31, 2022 and 2021, the Plan has no liabilities for uncertain tax positions. The Plan is subject to routine audits by the taxing jurisdictions; however, there are currently no audits for any tax periods in progress.

8. Fair Value Measurements

The framework for measuring fair value provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1) and the lowest priority to unobservable inputs (level 3). The following three levels of fair value hierarchy under Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") 820 are as follows:

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

Level 2 – Inputs to the valuation methodology include: 1) quoted prices for similar assets or liabilities in active markets; 2) quoted prices for identical or similar assets or liabilities in inactive markets; 3) inputs other than quoted prices that are observable for the asset or liability; and 4) inputs that are derived principally from or corroborated by observable market data by correlation or other means. If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.

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

The asset 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 maximize the use of relevant 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 funds – Valued at the daily closing price as reported by the fund. Mutual funds held by the Plan are open-end mutual funds that are registered with the U.S. Securities and Exchange Commission ("SEC"). These funds held by the Plan are deemed to be actively traded with readily determinable fair values.

Pennco Institutes, Inc. 401(k) Profit Sharing Plan
Notes to Financial Statements
December 31, 2022

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

Assets at Fair Value as of December 31, 2022			
	Level 1	Level 2	Level 3
	Total		
Mutual Funds	\$ 166,673	\$ -	\$ -
Investments at fair value	\$ 166,673	\$ -	\$ -

Assets at Fair Value as of December 31, 2021			
	Level 1	Level 2	Level 3
	Total		
Mutual Funds	\$ 35,439	\$ -	\$ -
Investments at fair value	\$ 35,439	\$ -	\$ -

* * * * *

Pennco Institutes, Inc. 401(k) Profit Sharing Plan
Schedule H, line 4i – Schedule of Assets (Held at End of Year)
December 31, 2022

Plan Sponsor EIN: 23-1891908 Plan #001

(b) Identity of Issue, (a)* Borrowers, Lessor or Similar Party		(c) Description of Investment, Including Maturity Date, Rate of Interest, Collateral, Par, or Maturity Value	(d) Cost	(e) Current Value
	Vanguard Treasury Money Market Fund Investor Shares	Mutual Funds	**	\$ 871
	BlackRock Mid-Cap Growth EquityPortfolio Class K	Mutual Funds	**	8,163
	Calvert US Large Cap Core Response Index Fund Club R6	Mutual Funds	**	895
	Dodge & Cox Stock Fund Class I	Mutual Funds	**	25,050
*	Mutual of America Equity Index Fund	Mutual Funds	**	10,064
*	Mutual of America Small Cap Equity Index Fund	Mutual Funds	**	5,965
	T. Rowe Price Blue Chip Growth Fund I Class	Mutual Funds	**	299
*	Mutual of America 2065 Retirement Fund Class	Mutual Funds	**	8,923
*	Mutual of America 2060 Retirement Fund Class	Mutual Funds	**	6,349
*	Mutual of America 2055 Retirement Fund Class	Mutual Funds	**	3,527
*	Mutual of America 2050 Retirement Fund Class	Mutual Funds	**	8,358
*	Mutual of America 2045 Retirement Fund Class	Mutual Funds	**	14,083
*	Mutual of America 2040 Retirement Fund Class	Mutual Funds	**	5,312
*	Mutual of America 2035 Retirement Fund Class	Mutual Funds	**	36,415
*	Mutual of America 2030 Retirement Fund Class	Mutual Funds	**	14,700
*	Mutual of America 2025 Retirement Fund Class	Mutual Funds	**	16,239
*	Mutual of America Retirement Income Fund	Mutual Funds	**	1,460
				<u>\$ 166,673</u>
*	A party in interest as defined by ERISA.			
**	Cost omitted for participant directed investments.			

See accompanying independent auditor's report

Pennco Institutes, Inc. 401(k)
Profit Sharing Plan

Financial Statements and
Supplemental Schedule
December 31, 2022

Pennco Institutes, Inc. 401(k) Profit Sharing Plan
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December 31, 2022

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*Other schedules required by Section 2520.103-10 of the Department of Labor Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 have been omitted because they are not applicable.



Independent Auditor's Report

To the Participants and Administrator of
Pennco Institutes, Inc. 401(k) Profit Sharing Plan

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

We have performed audits of the accompanying financial statements of Pennco Institutes, Inc. 401(k) Profit Sharing Plan (the "Plan"), an employee benefit plan subject to the Employee Retirement Income Security Act of 1974 (ERISA), as permitted by ERISA Section 103(a)(3)(C) [ERISA Section 103(a)(3)(C) audit]. The financial statements comprise the statements of net assets available for benefits 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 audits 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 Rules and Regulations for Reporting and Disclosure under ERISA. As permitted by ERISA Section 103(a)(3)(C), our audits need not extend to any statements or information related to assets held for investment of the plan (investment information) by a bank or similar institution or insurance carrier that is regulated, supervised, and subject to periodic examination by a state or federal agency, provided that the statements or information regarding assets so held are prepared and certified to by the bank or similar institution or insurance carrier in accordance with 29 CFR 2520.103-5 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA (qualified institution).

Management has obtained certifications from a qualified institution 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 3 to the financial statements, is complete and accurate.

Opinion

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

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

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. 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 audits.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our ERISA Section 103(a)(3)(C) audit opinion.

Responsibilities of Management for the Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the 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 generally accepted auditing standards 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 aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, 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 audits 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 accounting principles generally accepted in the United States of America.

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

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

Supplemental Schedule Required by ERISA

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

In our opinion—

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



Rosaline Mendoza, CPA, PA
Doral, Florida
October 12, 2023

Pennco Institutes, Inc. 401(k) Profit Sharing Plan
Statements of Net Assets Available for Benefits
December 31, 2022 and 2021

	2022	2021
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Total Assets	<u>166,804</u>	<u>35,440</u>
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The accompanying notes are an integral part of these financial statements.

Pennco Institutes, Inc. 401(k) Profit Sharing Plan
Statement of Changes in Net Assets Available for Benefits
For the Year Ended December 31, 2022

Additions to net assets available for benefits attributed to:

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Total investment income (loss)	<u>(10,767)</u>

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

Pennco Institutes, Inc. 401(k) Profit Sharing Plan

Notes to Financial Statements

December 31, 2022

1. Description of the Plan

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General

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Plan Administration

The Plan is administered by a third-party administrator (TPA) who serves at the discretion of the Company. The TPA is responsible for all matters, including, but not limited to, determining eligibility, rights to benefits, interpreting Plan documents, directing Plan’s trustee, and maintaining participant accounts. The Plan’s trustee and custodian is Mid Atlantic Trust Company.

Elective Deferrals and Company Contributions

Each year, participants may elect to defer a percentage of their base compensation or a specific dollar amount and have that amount contributed to the Plan on a pre-tax basis salary deferral (“elective deferrals”). The Plan also allows for after-tax contributions (“Roth”) which are maintained in a separate account from the pre-tax deferrals. For any calendar year, a participant’s elective deferrals may not exceed a certain dollar amount as determined by the Internal Revenue Service (“IRS”). Participants 50 years of age or older can make an additional “catch-up” deferral of up to an additional \$6,500. Participants may also contribute amounts representing distributions from other qualified defined benefit or contribution plans (“rollover”).

Each year, the Company may make a discretionary qualified non-elective profit-sharing contribution to eligible participant’s account. The contribution is allocated based on a uniform percentage of each eligible individual’s compensation, subject to limits and in accordance with the contribution defined for each group of employees. All participants are eligible to share in the allocation of the employer’s contribution regardless of service completed in the year or employment status on the last day of the year. The Company elected not to contribute to the Plan for 2022 and 2021.

Participants’ Accounts

Each participant’s account is credited with the participant’s elective contributions and allocations of (a) the Company’s qualified non-elective profit-sharing discretionary contributions, and (b) investment earnings or losses, and (c) charged with an allocation of administrative expenses if the expenses are not paid by the Company. Allocations are based on participant earnings, account balances, or specific participant transactions, as defined by the Plan. The benefit to which a participant is entitled is the benefit that can be provided from the participant’s vested account. Participants direct the investment of their contributions and Company contributions into various investment options offered by the Plan. Participants may change their investment allocation at any time.

Vesting and Forfeitures

Participants are immediately vested in their contributions, amounts rolled over into the Plan, plus actual investment earnings thereon. Vesting in the Company’s non-elective discretionary profit-sharing portion of their account is based on years of continuous service. A participant is fully vested after five years of credited service. A participant becomes 100 percent vested upon death, disability, or retirement.

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Notes to Financial Statements

December 31, 2022

Non-vested portions of Company contributions are forfeited as of a participant's termination date. Forfeitures are available to be used to reduce future Company contributions and may be used to offset administrative expenses. As of December 31, 2022 and 2021, there were no forfeited non-vested accounts. Also, in 2022, the Company did not utilize forfeitures to offset administrative expenses.

In-service and Hardship Withdrawals

While a participant is employed with the Company, an in-service distribution is not permitted. Participants may request a hardship distribution from the Plan prior to the participant's termination of employment in any one Plan year up to the lesser of 100% of the participant's elective salary deferrals, Roth contributions and the participant's transfer/rollover account value as of the last valuation date or the amount necessary to satisfy the immediate and heavy financial need of the participant. In order to request a hardship distribution, the participant must meet one of six conditions related to a financial hardship as defined by the Internal Revenue Code.

Payment of Benefits

On termination of service due to death, disability, or retirement, a participant may elect to receive either a single lump-sum amount equal to the value of the participant's vested interest in their account, or installments that are distributed in accordance with the Plan. A participant with less than \$5,000 in vested benefits may only be distributed a single lump sum. For termination of service for other reasons, a participant may receive the value of the vested interest in their account as a lump-sum distribution or if the Plan offers an investment option contract that provides a life income feature, then distributions from this investment may be in any form permitted by the contract. If the vested balances are less than \$1,000 and no choice is made, the Plan will automatically pay out their vested balance in a lump-sum distribution.

2. Significant Accounting Policies

Basis of Accounting

The financial statements of the Plan are prepared on the accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America ("GAAP").

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and changes therein, and disclosure of contingent assets and liabilities. Actual results could differ from those estimates.

Investment Valuation and Income Recognition

Investments are reported at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Plan's Management determines the Plan's valuation policies utilizing information provided by the investment advisers and trustee. See Note 8 for additional information on fair value measurements.

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

Administrative Expenses

Certain expenses of maintaining the Plan are paid by the Plan, unless otherwise paid by the Company. Expenses paid by the Company are excluded from these financial statements. Fees related to distributions are charged directly to the participant's account and are included in administrative expenses. Investment related expenses are included in the net appreciation or depreciation in fair value of investments.

Pennco Institutes, Inc. 401(k) Profit Sharing Plan

Notes to Financial Statements

December 31, 2022

Benefit Payments

Benefits are recorded when paid.

Date of Management's Review

The Plan has evaluated subsequent events through October 12, 2023, the date the financial statements were available to be issued.

3. Information Prepared and Certified by the Trustee

The plan administrator has elected the method of compliance permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA. Accordingly, Mid Atlantic Trust Company, the trustee of the Plan, has certified certain information included in the accompanying financial statements and supplementary schedule as complete and accurate with respect to non-interest bearing cash and investments as shown on the statement of net assets available for benefits as of December 31, 2022 and 2021, and net investment activity as shown in the statement of changes in net assets available for benefits for the year ended December 31, 2022.

4. Related Party Transactions and Party in Interest Transactions

Certain Plan investments are managed by the trustee. These transactions qualify as party in interest transactions.

5. Plan Termination

Although it has not expressed any intention 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 set forth in ERISA. In the event of any termination of the Plan, or upon complete or partial discontinuance of contributions, participants would become 100% vested in their accounts, including all employer discretionary profit-sharing contributions and actual earnings thereon.

6. Risks and Uncertainties

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

The Coronavirus ("COVID-19") pandemic has impacted financial markets. The long-term impact of the effects of the COVID-19 pandemic to the Plan or Company are currently not known.

7. Tax Status

The Plan has adopted a non-standardized pre-approved profit-sharing plan sponsored by Mutual of America Life Insurance Company, the Plan's third-party administrator. The Internal Revenue Service ("IRS") has determined and informed the Mutual of America Life Insurance Company by letter dated November 30, 2020, that the Plan and related trust are designed in accordance with applicable sections of the Internal Revenue Code ("IRC"). Although the Plan has been amended since receiving the determination letter, the Plan administrator believes that the Plan is designed, and is currently being operated, in compliance with

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December 31, 2022

applicable requirements of the IRC and, therefore, believes that the Plan is qualified, and the related trust is tax-exempt.

Accounting principles generally accepted in the United States of America require Plan management to evaluate tax positions taken by the Plan and recognize a tax liability if the Plan has taken an uncertain position that more likely than not would not be sustained upon examination by the IRS. As of December 31, 2022 and 2021, the Plan has no liabilities for uncertain tax positions. The Plan is subject to routine audits by the taxing jurisdictions; however, there are currently no audits for any tax periods in progress.

8. Fair Value Measurements

The framework for measuring fair value provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1) and the lowest priority to unobservable inputs (level 3). The following three levels of fair value hierarchy under Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") 820 are as follows:

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

Level 2 – Inputs to the valuation methodology include: 1) quoted prices for similar assets or liabilities in active markets; 2) quoted prices for identical or similar assets or liabilities in inactive markets; 3) inputs other than quoted prices that are observable for the asset or liability; and 4) inputs that are derived principally from or corroborated by observable market data by correlation or other means. If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.

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

The asset 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 maximize the use of relevant 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 funds – Valued at the daily closing price as reported by the fund. Mutual funds held by the Plan are open-end mutual funds that are registered with the U.S. Securities and Exchange Commission ("SEC"). These funds held by the Plan are deemed to be actively traded with readily determinable fair values.

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December 31, 2022

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

Assets at Fair Value as of December 31, 2022			
	Level 1	Level 2	Level 3
	Total		
Mutual Funds	\$ 166,673	\$ -	\$ -
Investments at fair value	\$ 166,673	\$ -	\$ -

Assets at Fair Value as of December 31, 2021			
	Level 1	Level 2	Level 3
	Total		
Mutual Funds	\$ 35,439	\$ -	\$ -
Investments at fair value	\$ 35,439	\$ -	\$ -

* * * * *

Pennco Institutes, Inc. 401(k) Profit Sharing Plan
Schedule H, line 4i – Schedule of Assets (Held at End of Year)
December 31, 2022

Plan Sponsor EIN: 23-1891908 Plan #001

(b) Identity of Issue, (a)* Borrowers, Lessor or Similar Party		(c) Description of Investment, Including Maturity Date, Rate of Interest, Collateral, Par, or Maturity Value	(d) Cost	(e) Current Value
	Vanguard Treasury Money Market Fund Investor Shares	Mutual Funds	**	\$ 871
	BlackRock Mid-Cap Growth EquityPortfolio Class K	Mutual Funds	**	8,163
	Calvert US Large Cap Core Response Index Fund Club R6	Mutual Funds	**	895
	Dodge & Cox Stock Fund Class I	Mutual Funds	**	25,050
*	Mutual of America Equity Index Fund	Mutual Funds	**	10,064
*	Mutual of America Small Cap Equity Index Fund	Mutual Funds	**	5,965
	T. Rowe Price Blue Chip Growth Fund I Class	Mutual Funds	**	299
*	Mutual of America 2065 Retirement Fund Class	Mutual Funds	**	8,923
*	Mutual of America 2060 Retirement Fund Class	Mutual Funds	**	6,349
*	Mutual of America 2055 Retirement Fund Class	Mutual Funds	**	3,527
*	Mutual of America 2050 Retirement Fund Class	Mutual Funds	**	8,358
*	Mutual of America 2045 Retirement Fund Class	Mutual Funds	**	14,083
*	Mutual of America 2040 Retirement Fund Class	Mutual Funds	**	5,312
*	Mutual of America 2035 Retirement Fund Class	Mutual Funds	**	36,415
*	Mutual of America 2030 Retirement Fund Class	Mutual Funds	**	14,700
*	Mutual of America 2025 Retirement Fund Class	Mutual Funds	**	16,239
*	Mutual of America Retirement Income Fund	Mutual Funds	**	1,460
				<u>\$ 166,673</u>
*	A party in interest as defined by ERISA.			
**	Cost omitted for participant directed investments.			

See accompanying independent auditor's report

Pennco Institutes, Inc. 401(k) Profit Sharing Plan
Schedule H, line 4i – Schedule of Assets (Held at End of Year)
December 31, 2022

Plan Sponsor EIN: 23-1891908 Plan #001

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