

Form 5500-SF

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration
Pension Benefit Guaranty Corporation

Short Form Annual Return/Report of Small Employee Benefit Plan

This form is required to be filed 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-SF.**

OMB Nos. 1210-0110
1210-0089

2023

This Form is Open to Public Inspection

Part I Annual Report Identification Information

For calendar plan year 2023 or fiscal plan year beginning 08/01/2023 and ending 08/31/2023

- A** This return/report is for: a single-employer plan a multiple-employer plan (not multiemployer) (Pension Plan filers checking this box must attach Schedule MEP. Other plans must attach a list of participating employer information in accordance with the form instructions.)
- 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** Check box if filing under: Form 5558 automatic extension DFVC program
 special extension (enter description)
- D** If the plan is a collectively-bargained plan, check here ▶
- 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 THE LOCKHART COMPANY RETIREMENT PLAN		1b Three-digit plan number (PN) ▶	001
		1c Effective date of plan	07/01/1960
2a Plan sponsor's name (employer, if for a single-employer plan) Mailing address (include room, apt., suite no. and street, or P.O. Box) City or town, state or province, country, and ZIP or foreign postal code (if foreign, see instructions) THE LOCKHART COMPANY 4981 MCKNIGHT ROAD, UNIT 101501 PITTSBURGH, PA 15237		2b Employer Identification Number (EIN)	25-0624650
		2c Sponsor's telephone number	412-407-2995
		2d Business code (see instructions)	325500
3a Plan administrator's name and address <input checked="" type="checkbox"/> Same as Plan Sponsor.		3b Administrator's EIN	
		3c Administrator's telephone number	
4 If the name and/or EIN of the plan sponsor or the plan name has changed since the last return/report filed for this plan, enter the plan sponsor's name, EIN, the plan name and the plan number from the last return/report. a Sponsor's name c Plan Name		4b EIN	
		4d PN	
5a Total number of participants at the beginning of the plan year	5a	18	
b Total number of participants at the end of the plan year.....	5b	0	
c(1) Number of participants with account balances as of the beginning of the plan year (only defined contribution plans complete this item)	5c(1)		
c(2) Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item)	5c(2)		
d(1) Total number of active participants at the beginning of the plan year.....	5d(1)	1	
d(2) Total number of active participants at the end of the plan year.....	5d(2)	0	
e Number of participants who terminated employment during the plan year with accrued benefits that were less than 100% vested.....	5e	0	

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, if applicable, a Schedule SB or Schedule MB completed and signed by an enrolled actuary, 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.	06/05/2024	ALISON SKILLINGTON
	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

- 6a** Were all of the plan's assets during the plan year invested in eligible assets? (See instructions.)..... Yes No
- b** Are you claiming a waiver of the annual examination and report of an independent qualified public accountant (IQPA) under 29 CFR 2520.104-46? (See instructions on waiver eligibility and conditions.)..... Yes No
- If you answered "No" to either line 6a or line 6b, the plan cannot use Form 5500-SF and must instead use Form 5500.**
- c** If the plan is a defined benefit plan, is it covered under the PBGC insurance program (see ERISA section 4021)? Yes No Not determined
- If "Yes" is checked, enter the My PAA confirmation number from the PBGC premium filing for this plan year 500986. (See instructions.)

Part III Financial Information			
7 Plan Assets and Liabilities		(a) Beginning of Year	(b) End of Year
a Total plan assets	7a	2448958	0
b Total plan liabilities	7b	0	0
c Net plan assets (subtract line 7b from line 7a)	7c	2448958	0
8 Income, Expenses, and Transfers for this Plan Year		(a) Amount	(b) Total
a Contributions received or receivable from:			
(1) Employers	8a(1)	0	
(2) Participants.....	8a(2)	0	
(3) Others (including rollovers)	8a(3)	0	
b Other income (loss).....	8b	-49842	
c Total income (add lines 8a(1), 8a(2), 8a(3), and 8b).....	8c		-49842
d Benefits paid (including direct rollovers and insurance premiums to provide benefits).....	8d	10804	
e Certain deemed and/or corrective distributions (see instructions) .	8e	0	
f Administrative service providers (salaries, fees, commissions)	8f	3368	
g Other expenses	8g	0	
h Total expenses (add lines 8d, 8e, 8f, and 8g)	8h		14172
i Net income (loss) (subtract line 8h from line 8c).....	8i		-64014
j Transfers to (from) the plan (see instructions)	8j	-2384944	

Part IV Plan Characteristics	
9a	If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristic Codes in the instructions: 1A 3H 1I
b	If the plan provides welfare benefits, enter the applicable welfare feature codes from the List of Plan Characteristic Codes in the instructions:

Part V Compliance Questions				
10 During the plan year:		Yes	No	Amount
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)	10a		X	
b Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 10a.).....	10b		X	
c Was the plan covered by a fidelity bond?	10c	X		500000
d Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?	10d		X	
e Were any fees or commissions paid to any brokers, agents, or other persons by an insurance carrier, insurance service, or other organization that provides some or all of the benefits under the plan? (See instructions.).....	10e		X	
f Has the plan failed to provide any benefit when due under the plan?	10f		X	
g Did the plan have any participant loans? (If "Yes," enter amount as of year-end.)	10g		X	
h If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.)	10h			
i If 10h was answered "Yes," check the box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3.....	10i			

Part VI Pension Funding Compliance

11 Is this a defined benefit plan subject to minimum funding requirements? (If "Yes," see instructions and complete Schedule SB (Form 5500) and lines 11a and b below.) If this is a defined contribution pension plan, leave line 11 blank and complete line 12 below. Yes No

a Enter the unpaid minimum required contributions for all years from Schedule SB (Form 5500) line 40 **11a** 0

b PBGC missed contribution reporting requirements. If the plan is covered by PBGC and the amount reported on line 11a is greater than \$0, 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 _____

12 Is this a defined contribution plan subject to the minimum funding requirements of section 412 of the Code or section 302 of ERISA? Yes No
(If "Yes," complete line 12a or lines 12b, 12c, 12d, and 12e below, as applicable.) If this is a defined benefit pension plan, leave line 12 blank and complete line 11 above.

a 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 letter ruling granting the waiver. Month _____ Day _____ Year _____

If you completed line 12a, complete lines 3, 9, and 10 of Schedule MB (Form 5500), and skip to line 13.

b Enter the minimum required contribution for this plan year **12b**

c Enter the amount contributed by the employer to the plan for this plan year **12c**

d Subtract the amount in line 12c from the amount in line 12b. Enter the result (enter a minus sign to the left of a negative amount) **12d**

e Will the minimum funding amount reported on line 12d be met by the funding deadline? Yes No N/A

Part VII Plan Terminations and Transfers of Assets

13a Has a resolution to terminate the plan been adopted in any plan year? Yes No

a If "Yes," enter the amount of any plan assets that reverted to the employer this year..... **13a** 0

b Were all the plan assets distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC? Yes No

c 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.)

13c(1) Name of plan(s):	13c(2) EIN(s)	13c(3) PN(s)

Part VIII IRS Compliance Questions

14a Does the plan satisfy the coverage and nondiscrimination tests of Code sections 410(b) and 401(a)(4) by combining this plan with any other plans under the permissive aggregation rules? Yes No

14b If this is a Code section 401(k) plan, check all boxes that apply to indicate how the plan is intended to satisfy the nondiscrimination requirements for employee deferrals and employer matching contributions (as applicable) under Code sections 401(k)(3) and 401(m)(2).

- Design-based safe harbor method
- "Prior year" ADP test
- "Current year" ADP test
- N/A

15 If the plan sponsor is an adopter of a pre-approved plan that received a favorable IRS Opinion Letter, enter the date of the Opinion Letter ___/___/___ (MM/DD/YYYY) and the Opinion Letter serial number _____.

SCHEDULE SB (Form 5500) <small>Department of the Treasury Internal Revenue Service</small> <small>Department of Labor Employee Benefits Security Administration</small> <small>Pension Benefit Guaranty Corporation</small>	Single-Employer Defined Benefit Plan Actuarial Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6059 of the Internal Revenue Code (the Code). ▶ File as an attachment to Form 5500 or 5500-SF.	<small>OMB No. 1210-0110</small> 2023 This Form is Open to Public Inspection
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For calendar plan year 2023 or fiscal plan year beginning 08/01/2023 and ending 08/31/2023

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

A Name of plan <u>THE LOCKHART COMPANY RETIREMENT PLAN</u>	B Three-digit plan number (PN) ▶	<u>001</u>
C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF <u>THE LOCKHART COMPANY</u>	D Employer Identification Number (EIN) <u>25-0624650</u>	
E Type of plan: <input checked="" type="checkbox"/> Single <input type="checkbox"/> Multiple-A <input type="checkbox"/> Multiple-B	F Prior year plan size: <input checked="" type="checkbox"/> 100 or fewer <input type="checkbox"/> 101-500 <input type="checkbox"/> More than 500	

Part I Basic Information

1 Enter the valuation date:	Month <u>08</u> Day <u>01</u> Year <u>2023</u>		
2 Assets:			
a Market value	2a		<u>2448958</u>
b Actuarial value	2b		<u>2448958</u>
3 Funding target/participant count breakdown	(1) Number of participants	(2) Vested Funding Target	(3) Total Funding Target
a For retired participants and beneficiaries receiving payment	<u>7</u>	<u>1522609</u>	<u>1522609</u>
b For terminated vested participants	<u>10</u>	<u>794022</u>	<u>794022</u>
c For active participants	<u>1</u>	<u>8396</u>	<u>8396</u>
d Total	<u>18</u>	<u>2325027</u>	<u>2325027</u>
4 If the plan is in at-risk status, check the box and complete lines (a) and (b)	<input type="checkbox"/>		
a Funding target disregarding prescribed at-risk assumptions	4a		
b Funding target reflecting at-risk assumptions, but disregarding transition rule for plans that have been in at-risk status for fewer than five consecutive years and disregarding loading factor	4b		
5 Effective interest rate	5		<u>5.22 %</u>
6 Target normal cost			
a Present value of current plan year accruals	6a		<u>0</u>
b Expected plan-related expenses	6b		<u>25000</u>
c Target normal cost	6c		<u>25000</u>

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

SIGN HERE Signature of actuary <u>DAVID WEAVER</u> Type or print name of actuary <u>COWDEN ASSOCIATES, INC.</u> Firm name <u>FOUR GATEWAY CENTER, SUITE 605</u> <u>PITTSBURGH, PA 15222-1222</u> Address of the firm	<u>06/04/2024</u> Date <u>23-07592</u> Most recent enrollment number <u>412-394-9952</u> Telephone number (including area code)
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If the actuary has not fully reflected any regulation or ruling promulgated under the statute in completing this schedule, check the box and see instructions

Part II		Beginning of Year Carryover and Prefunding Balances	
		(a) Carryover balance	(b) Prefunding balance
7	Balance at beginning of prior year after applicable adjustments (line 13 from prior year)	0	0
8	Portion elected for use to offset prior year's funding requirement (line 35 from prior year)		
9	Amount remaining (line 7 minus line 8)	0	0
10	Interest on line 9 using prior year's actual return of _____ %		
11	Prior year's excess contributions to be added to prefunding balance:		
	a Present value of excess contributions (line 38a from prior year)		0
	b(1) Interest on the excess, if any, of line 38a over line 38b from prior year Schedule SB, using prior year's effective interest rate of <u>5.39</u> %		0
	b(2) Interest on line 38b from prior year Schedule SB, using prior year's actual return		
	c Total available at beginning of current plan year to add to prefunding balance		0
	d Portion of (c) to be added to prefunding balance		
12	Other reductions in balances due to elections or deemed elections	0	0
13	Balance at beginning of current year (line 9 + line 10 + line 11d – line 12)	0	0

Part III		Funding Percentages	
14	Funding target attainment percentage	14	105.33 %
15	Adjusted funding target attainment percentage	15	105.33 %
16	Prior year's funding percentage for purposes of determining whether carryover/prefunding balances may be used to reduce current year's funding requirement	16	109.44 %
17	If the current value of the assets of the plan is less than 70 percent of the funding target, enter such percentage	17	%

Part IV		Contributions and Liquidity Shortfalls			
18 Contributions made to the plan for the plan year by employer(s) and employees:					
(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees	(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees
Totals ▶			18(b)	0	18(c)
					0

19	Discounted employer contributions – see instructions for small plan with a valuation date after the beginning of the year:	
	a Contributions allocated toward unpaid minimum required contributions from prior years.	19a 0
	b Contributions made to avoid restrictions adjusted to valuation date	19b 0
	c Contributions allocated toward minimum required contribution for current year adjusted to valuation date	19c 0
20	Quarterly contributions and liquidity shortfalls:	
	a Did the plan have a "funding shortfall" for the prior year?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
	b If line 20a is "Yes," were required quarterly installments for the current year made in a timely manner?	<input type="checkbox"/> Yes <input type="checkbox"/> No
	c If line 20a is "Yes," see instructions and complete the following table as applicable:	
Liquidity shortfall as of end of quarter of this plan year		
(1) 1st	(2) 2nd	(3) 3rd
(4) 4th		

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

21 Discount rate:

a Segment rates:	1st segment: 4.75 %	2nd segment: 5.00 %	3rd segment: 5.74 %	<input type="checkbox"/> N/A, full yield curve used
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b Applicable month (enter code)..... **21b** 0

22 Weighted average retirement age **22** 65

23 Mortality table(s) (see instructions) Prescribed - combined Prescribed - separate Substitute

Part VI Miscellaneous Items

24 Has a change been made in the non-prescribed actuarial assumptions for the current plan year? If "Yes," see instructions regarding required attachment..... Yes No

25 Has a method change been made for the current plan year? If "Yes," see instructions regarding required attachment. Yes No

26 Demographic and benefit information

a Is the plan required to provide a Schedule of Active Participants? If "Yes," see instructions regarding required attachment. Yes No

b Is the plan required to provide a projection of expected benefit payments? If "Yes," see instructions regarding required attachment ... Yes No

27 If the plan is subject to alternative funding rules, enter applicable code and see instructions regarding attachment..... **27**

Part VII Reconciliation of Unpaid Minimum Required Contributions For Prior Years

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

Part VIII Minimum Required Contribution For Current Year

31 Target normal cost and excess assets (see instructions):

a Target normal cost (line 6c).....	31a	25000
b Excess assets, if applicable, but not greater than line 31a	31b	25000

32 Amortization installments:	Outstanding Balance	Installment
a Net shortfall amortization installment	0	0
b Waiver amortization installment	0	0

33 If a waiver has been approved for this plan year, enter the date of the ruling letter granting the approval (Month _____ Day _____ Year _____) and the waived amount **33**

34 Total funding requirement before reflecting carryover/prefunding balances (lines 31a - 31b + 32a + 32b - 33).....	34	0
	Carryover balance	Prefunding balance
35 Balances elected for use to offset funding requirement		0

36 Additional cash requirement (line 34 minus line 35)..... **36** 0

37 Contributions allocated toward minimum required contribution for current year adjusted to valuation date (line 19c)..... **37** 0

38 Present value of excess contributions for current year (see instructions)

a Total (excess, if any, of line 37 over line 36)	38a	0
b Portion included in line 38a attributable to use of prefunding and funding standard carryover balances	38b	

39 Unpaid minimum required contribution for current year (excess, if any, of line 36 over line 37) **39** 0

40 Unpaid minimum required contributions for all years **40** 0

Part IX Pension Funding Relief Under the American Rescue Plan Act of 2021 (See Instructions)

41 If an election was made to use the extended amortization rule for a plan year beginning on or before December 31, 2021, check the box to indicate the first plan year for which the rule applies. 2019 2020 2021

Actuarial Methods and Assumptions

As of August 1, 2023

Mortality

Minimum/Maximum Funding: IRS Generational Mortality Table under regulation §1.430(h)(3)-1(a), as amended in 2017, with separate annuitant and non-annuitant tables; separate tables by sex; postretirement only.

Mortality Improvements

Minimum/Maximum Funding: Under regulation §1.430(h)(2)-1(a) as amended in 2017, projected on a fully generational basis.

Lump Sum Optional Form: See “Form of Payment” below.

Termination Rates: 2003 SOA Pension Plan Turnover Study Small (1,000 lives or less) Plan Service Table.

Sample rates

<u>Service</u>	<u>Rate</u>	<u>Service</u>	<u>Rate</u>	<u>Service</u>	<u>Rate</u>
5	0.123	20	0.025	35	0.004
10	0.074	25	0.014	40	0.002
15	0.044	30	0.008	45	0.001

Actuarial Methods and Assumptions (continued)

Disability: None Assumed**Interest Rates**

• <u>Minimum Funding</u>	<u>Current Year</u>	<u>Prior Year</u>
First Segment Rate	4.75%	4.75%
Second Segment Rate	5.00%	5.18%
Third Segment Rate	5.74%	5.92%
Look back Month	August	August
• <u>Maximum Funding</u>	<u>Current Year</u>	<u>Prior Year</u>
First Segment Rate	3.42%	1.27%
Second Segment Rate	4.33%	2.99%
Third Segment Rate	4.43%	3.51%
Look back Month	August	August

Salary Increase: N/A – The current plan year had no top-heavy accruals, and all other accruals were frozen July 31, 2012.

Retirement Age: Normal Retirement Age, or attained age if greater

Expenses: \$25,000 for the 2023-2024 plan year.

Asset Valuation Method: Market Value

Funding Method: Unit Credit Actuarial Cost Method

A method under which the projected benefits of each individual included in an actuarial valuation are allocated by a consistent formula to valuation years. The actuarial present value of benefits allocated to a valuation year is the normal cost. The actuarial present value of benefits allocated to all periods prior to a valuation year is called actuarial accrued liability. Under this method, the actuarial gains (losses), as they occur, generally reduce (increase) the unfunded actuarial accrued liability.

Marriage: 100% married; males 3 years older than females, except where actual age known for inactive participants.

Significant Benefits Not Recognized: None.

Actuarial Methods and Assumptions (continued)

Top-Heavy Minimum: Minimum benefits are not recognized as of the valuation date because legal counsel indicates that top heavy accruals need not be provided in this plan as long as the 401(k) plan remains a safe harbor plan, as it has for all years since its inception. This plan was top-heavy in the 2012-2013 and 2018-2019 plan years. We have relied on plan counsel, Richard Kennedy of Meyer, Unkovic & Scott LLP. See the top-heavy test letter dated July 2, 2021 for additional information.

Form of Payment:

Election: 70% of active and terminated vested participants are assumed to choose a lump sum and 30% the normal form of annuity at retirement.

Method/Assumptions: Lump sums were valued by annuity substitution under final IRS Regulation 1.430(d)-1 (f) (4) (iii) using the valuation minimum funding segment rates, and the Applicable Mortality Table under 417(e)(3) for the Plan Year. Under IRS regulations, this table is not projected for future mortality improvements, but updated annually.

Future Increases in Section 415 Limits: None.

Future Increases in Section 401(a)(17) Limits: None.

Participant Data: Provided as of the valuation date by the plan sponsor, The Lockhart Company. The plan sponsor and its advisors are solely responsible for the accuracy and comprehensiveness of the data. We have reviewed the participant data and found it to be reasonable and of sufficient quality for valuation purposes.

Asset Data: Provided as of the valuation date by The Lockhart Company and F. N. B. Wealth Management. The plan sponsor and its advisors are solely responsible for the accuracy and comprehensiveness of the data.

Plan Documents: Provided by The Lockhart Company and their legal advisor, Meyer, Unkovic & Scott LLP. The plan sponsor and its advisors are solely responsible for the accuracy and comprehensiveness of the data.

Actuarial Methods and Assumptions (continued)

Prescribed Assumption or Method Set by Law or Legally Binding Authority:

Note that all references to the Pension Protection Act of 2006 (PPA) include subsequent amendments to that Act, and associated regulations.

- Mortality for Healthy Lives – Minimum/Maximum Funding⁵
- Mortality Improvements – Minimum/Maximum Funding⁵
- Mortality for Lump Sum Optional Form⁵
- Interest Rate – Minimum Funding (including lookback month)⁵
- Interest Rate – Maximum Funding (including lookback month)⁵
- Expenses (explicit assumption required by PPA)
- Asset Valuation Method⁵
- Funding Method (required by PPA)
- Future Section 415 and Section 401(a)(17) limit increases (IRS regulations under ERISA require no increases recognized.)

Prescribed Assumption or Method Set by Another Party:

- Mortality and Mortality Improvements – ASC 960 (selected by the plan sponsor)
- Interest Rate – ASC 960 (selected by the plan sponsor)
- Lookback month – Minimum/Maximum Funding (selected by plan sponsor as permitted option under PPA)

Models Used:

Actuarial Standard of Practice (ASOP) No. 56, Modeling, requires commentary by the actuary on the use of any model that has a significant impact on our work, including the intended purpose of the model, material limitations or known weaknesses of the model, and the extent of reliance on models developed by others. This standard is effective for work performed on or after October 1, 2020.

Cowden uses a third-party actuarial software package for pension valuation work. This software package is used worldwide by many actuarial and investment firms. The software models future benefit cash flows, present values, and attribution to various periods, based on deterministic or stochastic assumption sets and benefit parameters provided by the user. The model is highly flexible and also supports comparisons between periods, maintenance of plan specific participant databases, and preparation of reports under various accounting and regulatory structures.

In the absence of adequate review, the model's complexity and flexibility could lead to unintentional results. However, the model contains robust tools to test and verify the reasonableness of results. Our internal technical review utilizes these tools.

We have reviewed the model's documentation and have relied on the expertise of the software vendor for the underlying structure, methodology, and extensive supporting calculations. We have not performed a substantial audit of the model or its structure beyond typical use in preparing results, as this is typically not done by plan actuaries. However, we expect that the very deep market of qualified users for this same model ensures that no materially significant issues can or will persist.

⁵Default under the Pension Protection Act (PPA) of 2006 unless the plan sponsor made a written election of a permitted alternative.

**SCHEDULE SB
(Form 5500)**

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration
Pension Benefit Guaranty Corporation

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

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

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

OMB No. 1210-0110

2023

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For calendar plan year 2023 or fiscal plan year beginning 08/01/2023 and ending 08/31/2023

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

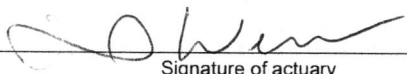
▶ **Caution:** A penalty of \$1,000 will be assessed for late filing of this report unless reasonable cause is established.

A Name of plan THE LOCKHART COMPANY RETIREMENT PLAN		B Three-digit plan number (PN) ▶	001
C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF THE LOCKHART COMPANY		D Employer Identification Number (EIN) 25-0624650	
E Type of plan: <input checked="" type="checkbox"/> Single <input type="checkbox"/> Multiple-A <input type="checkbox"/> Multiple-B		F Prior year plan size: <input checked="" type="checkbox"/> 100 or fewer <input type="checkbox"/> 101-500 <input type="checkbox"/> More than 500	

Part I Basic Information			
1	Enter the valuation date: Month <u>08</u> Day <u>01</u> Year <u>2023</u>		
2	Assets:		
	a Market value.....	2a	2,448,958
	b Actuarial value.....	2b	2,448,958
3	Funding target/participant count breakdown	(1) Number of participants	(2) Vested Funding Target
	a For retired participants and beneficiaries receiving payment.....	7	1,522,609
	b For terminated vested participants.....	10	794,022
	c For active participants.....	1	8,396
	d Total.....	18	2,325,027
4	If the plan is in at-risk status, check the box and complete lines (a) and (b)..... <input type="checkbox"/>		
	a Funding target disregarding prescribed at-risk assumptions.....	4a	
	b Funding target reflecting at-risk assumptions, but disregarding transition rule for plans that have been in at-risk status for fewer than five consecutive years and disregarding loading factor.....	4b	
5	Effective interest rate.....	5	5.22%
6	Target normal cost		
	a Present value of current plan year accruals.....	6a	0
	b Expected plan-related expenses.....	6b	25,000
	c Target normal cost.....	6c	25,000

Statement by Enrolled Actuary

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

SIGN HERE		<u>6/4/2024</u>
	Signature of actuary	Date
David Weaver	Type or print name of actuary	2307592
COWDEN ASSOCIATES, INC.	Firm name	Most recent enrollment number
		412-394-9952
		Telephone number (including area code)
FOUR GATEWAY CENTER, SUITE 605		
PITTSBURGH PA 15222-1222	Address of the firm	

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

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

**Schedule SB (Form 5500) 2023
v. 230728**

Part II Beginning of Year Carryover and Prefunding Balances		(a) Carryover balance	(b) Prefunding balance
7	Balance at beginning of prior year after applicable adjustments (line 13 from prior year).....	0	0
8	Portion elected for use to offset prior year's funding requirement (line 35 from prior year).....		
9	Amount remaining (line 7 minus line 8).....	0	0
10	Interest on line 9 using prior year's actual return of _____%.....		
11	Prior year's excess contributions to be added to prefunding balance:		
a	Present value of excess contributions (line 38a from prior year).....		0
b(1)	Interest on the excess, if any, of line 38a over line 38b from prior year Schedule SB, using prior year's effective interest rate of <u>5.39</u> %.....		0
b(2)	Interest on line 38b from prior year Schedule SB, using prior year's actual return.....		
c	Total available at beginning of current plan year to add to prefunding balance.....		0
d	Portion of (c) to be added to prefunding balance.....		
12	Other reductions in balances due to elections or deemed elections.....		
13	Balance at beginning of current year (line 9 + line 10 + line 11d - line 12).....	0	0

Part III Funding Percentages			
14	Funding target attainment percentage.....	14	105.33%
15	Adjusted funding target attainment percentage.....	15	105.33%
16	Prior year's funding percentage for purposes of determining whether carryover/prefunding balances may be used to reduce current year's funding requirement.....	16	109.44%
17	If the current value of the assets of the plan is less than 70 percent of the funding target, enter such percentage.....	17	%

Part IV Contributions and Liquidity Shortfalls						
18 Contributions made to the plan for the plan year by employer(s) and employees:						
(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees	(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees	
Totals ▶			18(b)	0	18(c)	0

19	Discounted employer contributions – see instructions for small plan with a valuation date after the beginning of the year:		
a	Contributions allocated toward unpaid minimum required contributions from prior years.....	19a	0
b	Contributions made to avoid restrictions adjusted to valuation date.....	19b	0
c	Contributions allocated toward minimum required contribution for current year adjusted to valuation date.....	19c	0

20	Quarterly contributions and liquidity shortfalls:	
a	Did the plan have a "funding shortfall" for the prior year?.....	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
b	If line 20a is "Yes," were required quarterly installments for the current year made in a timely manner?.....	<input type="checkbox"/> Yes <input type="checkbox"/> No
c	If line 20a is "Yes," see instructions and complete the following table as applicable:	

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

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

21 Discount rate:

a Segment rates:

1st segment: 4.75 %	2nd segment: 5.00 %	3rd segment: 5.74 %	<input type="checkbox"/> N/A, full yield curve used
------------------------	------------------------	------------------------	---

b Applicable month (enter code)..... **21b** 0

22 Weighted average retirement age **22** 65

23 Mortality table(s) (see instructions) Prescribed - combined Prescribed - separate Substitute

Part VI Miscellaneous Items

24 Has a change been made in the non-prescribed actuarial assumptions for the current plan year? If "Yes," see instructions regarding required attachment. Yes No

25 Has a method change been made for the current plan year? If "Yes," see instructions regarding required attachment. Yes No

26 Demographic and benefit information

a Is the plan required to provide a Schedule of Active Participants? If "Yes," see instructions regarding required attachment. Yes No

b Is the plan required to provide a projection of expected benefit payments? If "Yes," see instructions regarding required attachment... Yes No

27 If the plan is subject to alternative funding rules, enter applicable code and see instructions regarding attachment **27**

Part VII Reconciliation of Unpaid Minimum Required Contributions For Prior Years

28 Unpaid minimum required contributions for all prior years..... **28** 0

29 Discounted employer contributions allocated toward unpaid minimum required contributions from prior years (line 19a)..... **29** 0

30 Remaining amount of unpaid minimum required contributions (line 28 minus line 29)..... **30** 0

Part VIII Minimum Required Contribution For Current Year

31 Target normal cost and excess assets (see instructions):

a Target normal cost (line 6c)..... **31a** 25,000

b Excess assets, if applicable, but not greater than line 31a **31b** 25,000

32 Amortization installments:

	Outstanding Balance	Installment
a Net shortfall amortization installment	0	0
b Waiver amortization installment.....	0	0

33 If a waiver has been approved for this plan year, enter the date of the ruling letter granting the approval (Month _____ Day _____ Year _____) and the waived amount **33**

34 Total funding requirement before reflecting carryover/prefunding balances (lines 31a - 31b + 32a + 32b - 33).... **34** 0

	Carryover balance	Prefunding balance	Total balance
35 Balances elected for use to offset funding requirement.....			0
36 Additional cash requirement (line 34 minus line 35).....			0
37 Contributions allocated toward minimum required contribution for current year adjusted to valuation date (line 19c).....			0
38 Present value of excess contributions for current year (see instructions)			
a Total (excess, if any, of line 37 over line 36).....			0
b Portion included in line 38a attributable to use of prefunding and funding standard carryover balances			
39 Unpaid minimum required contribution for current year (excess, if any, of line 36 over line 37).....			0
40 Unpaid minimum required contributions for all years.....			0

Part IX Pension Funding Relief Under the American Rescue Plan Act of 2021 (See Instructions)

41 If an election was made to use the extended amortization rule for a plan year beginning on or before December 31, 2021, check the box to indicate the first plan year for which the rule applies. 2019 2020 2021

Attachment to the 2023 IRS Form 5500-SF Schedule SB
The Lockhart Company Retirement Plan
EIN/PN: 25-0624650/001
Schedule SB, line 22 - Description of Weighted Average Retirement Age

(1) Age	(2) Expected Active Headcount	(3) Retirement Rate	(4) Expected Retirements (2)*(3)	(5) Weighted Age (1)*(4)
65	0.7149	1	0.7149	46.466
Total			0.7149	<u>46.466</u>
Average				65.00

Plan Provisions

The following is a summary of the major provisions of the plan as of August 1, 2023. Please refer to the plan document for a more complete description of the most recent plan provisions.

General Information

- Effective Date: July 1, 1960; last amended effective August 1, 2018 (adopted December 9, 2021).
- Plan Year: August 1 to July 31.
- Accrued benefits were frozen effective July 31, 2012. Top-heavy accruals continue as required. Plan was top-heavy in 2012-2013 plan year, and again starting with the 2018-2019 plan year.
- Bradley Coatings was sold effective September 15, 2017.

Participation

- Any eligible employee participates on the first of the month on or next following the date on which he begins Covered Employment. No Eligible Employee shall become an Active Participant in the Plan on or after August 1, 2012.
- Employees of Gavlon are eligible on the later of February 2, 2001 and their date of hire.
- Employees of Elite Coatings are eligible on the later of August 1, 2000 and their date of hire.
- Employees of Bradley Paint Company are eligible on the later of August 1, 1996 and their date of hire.
- Former employees of The Lockhart Chemical Company are eligible on the later of June 10, 1982 and their date of hire.
- Former hourly employees are eligible on the later of April 1, 1985 and their date of hire.

Eligibility for Benefits

- Normal: The first of the month coincident with or next following age sixty-five.
- Early: The first day of the five-year period before the participant reaches Normal Retirement Date.
- Late: If the participant retires after Normal Retirement Date, the first day of the month coincident with or next following his actual retirement date (Late Retirement Date).

Plan Provisions (continued)

Eligibility for Benefits (continued)

- Disability: After completion of five Years of Service if disability is total and permanent.
- Special vesting rules apply to Bradley, Elite Coatings, and Gavlon participants.
- Death – Spouse of a vested married participant entitled to pre-retirement survivor annuity; Actively employed receive actuarial equivalent of accrued benefit plus any life insurance proceeds minus value of any spousal pre-retirement survivor annuity payable.
- Deferred Vesting: Participants will be 100% vested in their Accrued Benefits upon death, disability or eligibility for Early Retirement. All other participants will vest in their Accrued Benefits according to the following assumed top-heavy vesting schedule:

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

Retirement Benefits

- Normal: A monthly benefit equal to the greater of (i) 2% of Average Monthly Compensation, multiplied by Years of Benefit Service at Normal Retirement Age, but not more than twenty-five years, and (ii) \$9 times Years of Benefit Service at Normal Retirement Age, but not in excess of 40 years. The Normal Retirement Benefit shall be offset for Participants listed in Exhibit A of the plan document for the aggregate amount of contribution for June 10, 1982 to September 30, 1982 made on their behalf to the Lockhart Chemical Company Profit Sharing Plan.

Benefits for non-key employees are subject to any Minimum Benefits that may be provided to non-key employees for Top-Heavy Plan Years when the 401(k) plan is not a safe harbor plan.

- Accrued Benefit: Participant's Normal Retirement Benefit as of the date of determination multiplied by a fraction, the numerator of which is Years of Benefit Service as of the date of determination and the denominator is Years of Benefit Service as of his Normal Retirement Date. Frozen as of July 31, 2012. Top-heavy accruals continue as required for years in which the 401(k) plan is not a safe harbor plan.

Plan Provisions (continued)

Retirement Benefits (continued)

- Late: The greater of the Actuarial Equivalent of participant's Normal Retirement Benefit and his Accrued Benefit. No increases are credited after July 31, 2012, other than actuarial increases for later payment, as applicable. Terminated participants who do not begin to receive payments at their Normal Retirement Date will receive back payments with 7% interest.
- Deferred Vesting: Participant's vested portion of Accrued Benefit deferred to age 65 or payable immediately as a lump sum.
- Disability: Actuarial Equivalent of Vested Accrued Benefit.
- Early: Participant's Accrued Benefit reduced 5/9ths of 1% per month for each month by which the starting date precedes the participant's Normal Retirement Date.

Definitions

- Average Monthly Compensation: The monthly total compensation of a Participant averaged over the five full calendar years (not necessarily consecutive) which produce the highest monthly average within the last seven completed years of participation. Effective August 1, 2000, compensation includes expense allowances. Effective July 31, 2012, Average Monthly Compensation shall not increase thereafter.
- Normal Form of Payment: Life Annuity with 10 years guaranteed.
- Benefit Service: All Years of Service, 1,000 or more hours per Plan Year required for a year of service except during plan year of hire or termination. Partial Years of Benefit Service earned during initial Plan Year and year of termination based on actual hours worked divided by 1,000 hours and rounded to the next higher tenth with a maximum of 1. Benefit Service is frozen as of July 31, 2012.
- Actuarial Equivalence (other than for Lump Sums): UP-84 (Pre & Post-Retirement), Interest 7%.
- Actuarial Equivalence for Lump Sums: Applicable Mortality Table for the Plan Year and Applicable Interest rate with a look back month of June, under IRC 417(e)(3).

Plan Provisions (continued)

Bradley Paint Company Participants

- Participants in the Bradley Paint Company Pension Plan who became participants in The Lockhart Company Retirement Plan as of July 31, 1996 are entitled to the greater of a benefit determined under the provision of the Bradley Plan or the benefit provided by the Lockhart formula with credited service beginning August 1, 1996.