

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 2023 This Form is Open to Public Inspection
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Part I	Annual Report Identification Information
For calendar plan year 2023 or fiscal plan year beginning 01/01/2023 and ending 12/31/2023	
A	This return/report is for: ☐ a multiemployer plan ☐ a multiple-employer plan (Filers checking this box must provide 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 TOWNSEND LEATHER CO., INC. 401(K) RETIREMENT PROFIT SHARING PLAN
1b	Three-digit plan number (PN) ▶ 001
1c	Effective date of plan 05/01/1993
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) TOWNSEND LEATHER COMPANY, INC. PO BOX 669 JOHNSTOWN, NY 12095
2b	Employer Identification Number (EIN) 14-1819836
2c	Plan Sponsor's telephone number 518-762-2764
2d	Business code (see instructions) 316110

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.	10/07/2024	TRICIA MARTIN
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE			
	Signature of employer/plan sponsor	Date	Enter name of individual signing as employer or plan sponsor
SIGN HERE			
	Signature of DFE	Date	Enter name of individual signing as DFE

3a Plan administrator's name and address ☒ Same as Plan Sponsor	3b Administrator's EIN 3c Administrator's telephone number
4 If the name and/or EIN of the plan sponsor or the plan name has changed since the last return/report filed for this plan, enter the plan sponsor's name, EIN, the plan name and the plan number from the last return/report: a Sponsor's name c Plan Name	4b EIN 4d PN
5 Total number of participants at the beginning of the plan year	5 222
6 Number of participants as of the end of the plan year unless otherwise stated (welfare plans complete only lines 6a(1) , 6a(2) , 6b , 6c , and 6d). a(1) Total number of active participants at the beginning of the plan year a(2) Total number of active participants at the end of the plan year b Retired or separated participants receiving benefits c Other retired or separated participants entitled to future benefits d Subtotal. Add lines 6a(2) , 6b , and 6c e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits f Total. Add lines 6d and 6e g(1) Number of participants with account balances as of the beginning of the plan year (only defined contribution plans complete this item) g(2) Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item) h Number of participants who terminated employment during the plan year with accrued benefits that were less than 100% vested	6a(1) 171 6a(2) 135 6b 15 6c 37 6d 187 6e 0 6f 187 6g(1) 215 6g(2) 187 6h 36
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:

2E 2F 2G 2J 2K 2S 2T 3B 3D

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
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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
- (4)** ☐ **DCG** (Individual Plan Information) – Number Attached _____
- (5)** ☐ **MEP** (Multiple-Employer Retirement Plan Information)

b General Schedules

- (1)** ☒ **H** (Financial Information)
- (2)** ☐ **I** (Financial Information – Small Plan)
- (3)** ☐ **A** (Insurance Information) – Number Attached 0
- (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 2023 Form M-1 annual report. If the plan was not required to file the 2023 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
		2023
		This Form is Open to Public Inspection.

For calendar plan year 2023 or fiscal plan year beginning 01/01/2023 and ending 12/31/2023		
A Name of plan TOWNSEND LEATHER CO., INC. 401(K) RETIREMENT PROFIT SHARING PLAN	B Three-digit plan number (PN) ▶	001
C Plan sponsor's name as shown on line 2a of Form 5500 TOWNSEND LEATHER COMPANY, INC.	D Employer Identification Number (EIN) 14-1819836	

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

1 Information on Persons Receiving Only Eligible Indirect Compensation

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

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

JPMORGAN INVEST HOLDINGS LLC

13-2624428

(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?
64	RECORDKEEPER	1255	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 ☐

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

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

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

Explanation:

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

Explanation:

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

Explanation:

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

Explanation:

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

Explanation:

SCHEDULE H (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Financial Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA), and section 6058(a) of the Internal Revenue Code (the Code). ► File as an attachment to Form 5500.	OMB No. 1210-0110
		2023
		This Form is Open to Public Inspection

For calendar plan year 2023 or fiscal plan year beginning 01/01/2023 and ending 12/31/2023

A Name of plan <u>TOWNSEND LEATHER CO., INC. 401(K) RETIREMENT 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>TOWNSEND LEATHER COMPANY, INC.</u>	D Employer Identification Number (EIN) <u>14-1819836</u>

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

Assets		(a) Beginning of Year	(b) End of Year
a Total noninterest-bearing cash	1a	0	0
b Receivables (less allowance for doubtful accounts):			
(1) Employer contributions	1b(1)	0	0
(2) Participant contributions	1b(2)	0	0
(3) Other	1b(3)	0	0
c General investments:			
(1) Interest-bearing cash (include money market accounts & certificates of deposit)	1c(1)	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)	225689	176316
(9) Value of interest in common/collective trusts	1c(9)	0	0
(10) Value of interest in pooled separate accounts	1c(10)		
(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)	8010811	9269386
(14) Value of funds held in insurance company general account (unallocated contracts)	1c(14)		
(15) Other	1c(15)	0	0

1d Employer-related investments:		(a) Beginning of Year	(b) End of Year
(1) Employer securities	1d(1)	0	0
(2) Employer real property	1d(2)	0	0
e Buildings and other property used in plan operation	1e	0	0
f Total assets (add all amounts in lines 1a through 1e)	1f	8236500	9445702
Liabilities			
g Benefit claims payable	1g	0	0
h Operating payables	1h		
i Acquisition indebtedness	1i	0	0
j Other liabilities	1j	0	0
k Total liabilities (add all amounts in lines 1g through 1j)	1k	0	0
Net Assets			
l Net assets (subtract line 1k from line 1f)	1l	8236500	9445702

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)	166577	
(B) Participants	2a(1)(B)	301859	
(C) Others (including rollovers)	2a(1)(C)	0	
(2) Noncash contributions	2a(2)	0	
(3) Total contributions. Add lines 2a(1)(A) , (B) , (C) , and line 2a(2)	2a(3)		468436
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)	11408	
(F) Other	2b(1)(F)	0	
(G) Total interest. Add lines 2b(1)(A) through (F)	2b(1)(G)		11408
(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)	225729	
(D) Total dividends. Add lines 2b(2)(A) , (B) , and (C)	2b(2)(D)		225729
(3) Rents	2b(3)		0
(4) Net gain (loss) on sale of assets: (A) Aggregate proceeds	2b(4)(A)	0	
(B) Aggregate carrying amount (see instructions)	2b(4)(B)	0	
(C) Subtract line 2b(4)(B) from line 2b(4)(A) and enter result	2b(4)(C)		
(5) Unrealized appreciation (depreciation) of assets: (A) Real estate	2b(5)(A)	0	
(B) Other	2b(5)(B)	0	
(C) Total unrealized appreciation of assets. Add lines 2b(5)(A) and (B)	2b(5)(C)		

		(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)		1116903
c Other income	2c		634
d Total income. Add all income amounts in column (b) and enter total	2d		1823110

Expenses

e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	609249	
(2) To insurance carriers for the provision of benefits.....	2e(2)	0	
(3) Other	2e(3)	0	
(4) Total benefit payments. Add lines 2e(1) through (3)	2e(4)		609249
f Corrective distributions (see instructions)	2f		1728
g Certain deemed distributions of participant loans (see instructions)	2g		1676
h Interest expense	2h		0
i Administrative expenses:			
(1) Salaries and allowances	2i(1)	0	
(2) Contract administrator fees.....	2i(2)	0	
(3) Recordkeeping fees.....	2i(3)	1255	
(4) IQPA audit fees.....	2i(4)	0	
(5) Investment advisory and investment management fees	2i(5)	0	
(6) Bank or trust company trustee/custodial fees	2i(6)	0	
(7) Actuarial fees	2i(7)	0	
(8) Legal fees	2i(8)	0	
(9) Valuation/appraisal fees	2i(9)	0	
(10) Other trustee fees and expenses	2i(10)	0	
(11) Other expenses	2i(11)	0	
(12) Total administrative expenses. Add lines 2i(1) through (11)	2i(12)		1255
j Total expenses. Add all expense amounts in column (b) and enter total	2j		613908

Net Income and Reconciliation

k Net income (loss). Subtract line 2j from line 2d	2k		1209202
l Transfers of assets:			
(1) To this plan	2l(1)		
(2) From this plan	2l(2)		

Part III Accountant's Opinion

3 Complete lines 3a through 3c if the opinion of an independent qualified public accountant is attached to this Form 5500. Complete line 3d if an opinion is not attached.

a The attached opinion of an independent qualified public accountant for this plan is (see instructions):

(1) ☒ Unmodified (2) ☐ Qualified (3) ☐ Disclaimer (4) ☐ Adverse

b Check the appropriate box(es) to indicate whether the IQPA performed an ERISA section 103(a)(3)(C) audit. Check both boxes (1) and (2) if the audit was performed pursuant to both 29 CFR 2520.103-8 and 29 CFR 2520.103-12(d). Check box (3) if pursuant to neither.

(1) ☒ DOL Regulation 2520.103-8 (2) ☐ DOL Regulation 2520.103-12(d) (3) ☐ neither DOL Regulation 2520.103-8 nor DOL Regulation 2520.103-12(d).

c Enter the name and EIN of the accountant (or accounting firm) below:

(1) Name: **PHILIP BECKETT CPA, PC**

(2) EIN: **14-1767080**

d The opinion of an independent qualified public accountant is **not attached** as part of Schedule H because:

(1) ☐ This form is filed for a CCT, PSA, DCG 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. DCGs do not complete lines 4e, 4f, 4k, 4l, and 5, and DCGs generally complete the rest of Part IV collectively for all plans in the DCG, except as otherwise provided (see instructions).

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.)		☒	
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.)		☒	
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.)		☒	
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.)		☒	
e Was this plan covered by a fidelity bond?	☒		1000000
f Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?		☒	
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?		☒	
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?		☒	
i Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.)	☒		
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.)		☒	
k Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?		☒	
l Has the plan failed to provide any benefit when due under the plan?		☒	
m If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.)		☒	
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.			

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
		2023
		This Form is Open to Public Inspection.

For calendar plan year 2023 or fiscal plan year beginning 01/01/2023 and ending 12/31/2023		
A Name of plan TOWNSEND LEATHER CO., INC. 401(K) RETIREMENT PROFIT SHARING PLAN	B Three-digit plan number (PN) ▶	001
C Plan sponsor's name as shown on line 2a of Form 5500 TOWNSEND LEATHER COMPANY, INC.	D Employer Identification Number (EIN) 14-1819836	

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): 84-1455663		
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
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9	If this is a defined benefit pension plan, were any amendments adopted during this plan year that increased or decreased the value of benefits? If yes, check the appropriate box. If no, check the "No" box.	☐ Increase	☐ Decrease	☐ Both	☐ No
---	--	-----------------------------------	-----------------------------------	-------------------------------	-----------------------------

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

Part V Additional Information for Multiemployer Defined Benefit Pension Plans

13 Enter the following information for each employer that (1) contributed more than 5% of total contributions to the plan during the plan year or (2) was one of the top-ten highest contributors (measured in dollars). See instructions. *Complete as many entries as needed to report all applicable employers.*

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

14 Enter the number of deferred vested and retired participants (inactive participants), as of the beginning of the plan year, whose contributing employer is no longer making contributions to the plan for:		
a The current plan year. Check the box to indicate the counting method used to determine the number of inactive participants: ☐ last contributing employer ☐ alternative ☐ reasonable approximation (see instructions for required attachment)	14a	
b The plan year immediately preceding the current plan year. ☐ Check the box if the number reported is a change from what was previously reported (see instructions for required attachment)	14b	
c The second preceding plan year. ☐ Check the box if the number reported is a change from what was previously reported (see instructions for required attachment)	14c	

15 Enter the ratio of the number of participants under the plan on whose behalf no employer had an obligation to make an employer contribution during the current plan year to:		
a The corresponding number for the plan year immediately preceding the current plan year	15a	
b The corresponding number for the second preceding plan year	15b	

16 Information with respect to any employers who withdrew from the plan during the preceding plan year:		
a Enter the number of employers who withdrew during the preceding plan year	16a	
b If line 16a is greater than 0, enter the aggregate amount of withdrawal liability assessed or estimated to be assessed against such withdrawn employers	16b	

17 If assets and liabilities from another plan have been transferred to or merged with this plan during the plan year, check box and see instructions regarding supplemental information to be included as an attachment..... ☐

Part VI	Additional Information for Single-Employer and Multiemployer Defined Benefit Pension Plans
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18 If any liabilities to participants or their beneficiaries under the plan as of the end of the plan year consist (in whole or in part) of liabilities to such participants and beneficiaries under two or more pension plans as of immediately before such plan year, check box and see instructions regarding supplemental information to be included as an attachment..... ☐

19 If the total number of participants is 1,000 or more, complete lines (a) and (b):

a Enter the percentage of plan assets held as:

Public Equity: _____% Private Equity: _____% Investment-Grade Debt and Interest Rate Hedging Assets: _____%

High-Yield Debt: _____% Real Assets: _____% Cash or Cash Equivalents: _____% Other: _____%

b Provide the average duration of the Investment-Grade Debt and Interest Rate Hedging Assets:

☐ 0-5 years ☐ 5-10 years ☐ 10-15 years ☐ 15 years or more

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. _____

Part VII	IRS Compliance Questions
-----------------	---------------------------------

21a 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

21b 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

22 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 11 / 14 / 2022 (MM/DD/YYYY) and the Opinion Letter serial number Q702518A.

TOWNSEND LEATHER CO., INC.
401(k) RETIREMENT PROFIT SHARING PLAN

JOHNSTOWN, NEW YORK

FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022

PHILIP BECKETT CPA, P.C.
132 East State Street Gloversville, New York 12078

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132 East State Street
Members AICPA AND NYSSCPA

Gloversville, New York 12078
Email phil@philipbeckettcpa.com

(518)773-7226
Fax (518)725-4921

INDEPENDENT AUDITOR'S REPORT

To the Administrators and Trustees of
Townsend Leather Co., Inc. 401(k) Retirement Profit Sharing Plan
Johnstown, New York

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

We have performed audits of the financial statements of Townsend Leather Co., Inc. 401(k) Retirement Profit Sharing 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, 2023 and 2022, and the related statements of changes in net assets available for benefits for the years then ended, 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, 2023 and 2022, and for the years then ended, stating that the certified investment information, as described in investments footnote 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 accompanying financial statements, other than those agreed to or derived from the certified investment information, are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America.
- the information in the accompanying financial statements related to assets held by and certified to by a qualified institution agrees to, or is derived from, in all material respects, the information prepared and certified by an institution that management determined meets the requirements of ERISA Section 103(a)(3)(C).

132 East State Street
Members AICPA AND NYSSCPA

Gloversville, New York 12078
Email phil@philipbeckettcpa.com

(518)773-7226
Fax (518)725-4921

INDEPENDENT AUDITOR'S REPORT (continued)

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Townsend Leather Co., Inc. 401(k) Retirement Profit Sharing 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 Townsend Leather Co., Inc. 401(k) Retirement Profit Sharing 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 GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

132 East State Street
Members AICPA AND NYSSCPA

Gloversville, New York 12078
Email phil@philipbeckettcpa.com

(518)773-7226
Fax (518)725-4921

INDEPENDENT AUDITOR'S REPORT (continued)

- 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 Townsend Leather Co., Inc. 401(k) Retirement Profit Sharing 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 Townsend Leather Co., Inc. 401(k) Retirement Profit Sharing 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.

Other Matter - Supplemental Schedule required by ERISA

The supplemental 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

132 East State Street
Members AICPA AND NYSSCPA

Gloversville, New York 12078
Email phil@philipbeckettcpa.com

(518)773-7226
Fax (518)725-4921

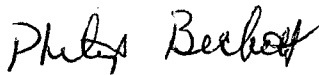
INDEPENDENT AUDITOR'S REPORT
(continued)

the financial statements themselves, and other additional procedures in accordance with GAAS. For information included in the supplemental schedule that agreed to or is derived from the certified investment information, we compared such information to the related certified investment information.

In forming our opinion on the supplemental schedule, we evaluated whether the supplemental schedule, other than the information agreed to or derived from the certified investment information, including their form and content, are 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, are 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).



Philip Beckett CPA, P.C.

Gloversville, New York
September 20, 2024

TOWNSEND LEATHER CO., INC.
401(k) RETIREMENT PROFIT SHARING PLAN
Statements of Net Assets Available for Benefits

	<u>As of December 31,</u>	
	<u>2023</u>	<u>2022</u>
ASSETS		
Investments:		
Participant-directed investments (at fair value)	\$ 9,269,386	\$ 8,010,811
Receivables:		
Notes receivable from participants	176,316	225,689
Employer's contribution receivable	127,225	115,479
Total receivables	<u>303,541</u>	<u>341,168</u>
TOTAL ASSETS	<u>\$ 9,572,927</u>	<u>\$ 8,351,979</u>
LIABILITIES		
TOTAL LIABILITIES	<u>\$ 0</u>	<u>\$ 0</u>
NET ASSETS AVAILABLE FOR BENEFITS	<u>9,572,927</u>	<u>8,351,979</u>
TOTAL LIABILITIES AND		
NET ASSETS AVAILABLE FOR BENEFITS	<u>\$ 9,572,927</u>	<u>\$ 8,351,979</u>

See accompanying footnotes.

TOWNSEND LEATHER CO., INC.
401(k) RETIREMENT PROFIT SHARING PLAN
Statements of Changes in Net Assets Available for Benefits

	Year Ended <u>December 31, 2023</u>	Year Ended <u>December 31, 2022</u>
ADDITIONS (SUBTRACTIONS)		
Additions to (subtractions from) net assets attributed to:		
Investment income:		
Net appreciation in fair value of investments	\$ 1,116,903	\$ (2,226,183)
Dividends	225,729	646,743
Other income	634	1,025
Net investment income	<u>1,343,266</u>	<u>(1,578,415)</u>
Contributions and forfeitures:		
Participants	\$ 301,859	\$ 304,637
Employer	178,323	162,133
Rollovers	<u>0</u>	<u>121,495</u>
Total contributions and forfeitures	480,182	588,265
Interest income on notes receivable from participants	<u>11,408</u>	<u>8,797</u>
TOTAL ADDITIONS	<u>\$ 1,834,856</u>	<u>\$ (981,353)</u>
DEDUCTIONS		
Deductions from net assets attributed to:		
Benefits paid to participants	\$ 609,249	\$ 554,410
Corrective distributions	1,728	0
Distributions of notes receivable from participants	1,676	0
Administrative expenses	<u>1,255</u>	<u>1,167</u>
TOTAL DEDUCTIONS	<u>613,908</u>	<u>555,577</u>
NET INCREASE (DECREASE)	<u>\$ 1,220,948</u>	<u>\$ (1,536,930)</u>
NET ASSETS AVAILABLE FOR BENEFITS		
Beginning of year	<u>8,351,979</u>	<u>9,888,909</u>
END OF YEAR NET ASSETS AVAILABLE FOR BENEFITS	<u><u>\$ 9,572,927</u></u>	<u><u>\$ 8,351,979</u></u>

See accompanying footnotes.

TOWNSEND LEATHER CO., INC. 401(k) RETIREMENT PROFIT SHARING PLAN

Notes to Financial Statements
December 31, 2023 and 2022

DESCRIPTION OF PLAN

The following description of the Townsend Leather Co., Inc. 401(k) Retirement Profit Sharing Plan provides only general information. Participants should refer to the Plan agreement for a more complete description of the Plan's provisions.

General

The Plan is a defined contribution plan covering all full-time employees of Townsend Leather Co., Inc., the "Company", who have one year of service, that is greater than 1,000 hours of service, are age twenty-one or older, and are employed by the Company on the last day of the Plan year. It is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA).

Contributions

Participants may contribute up to a statutory limit of \$22,500 of pretax annual compensation in 2023 and \$20,500 in 2022. Participants who have attained the age of 50 before the end of the Plan year are eligible to make additional catch-up contributions of up to \$7,500 for 2023 and \$6,500 for 2022. Participants may also contribute amounts representing distributions from other qualified defined benefit or contribution plans.

The Internal Revenue Code contains limitations on the amount of contributions which can be made to the Plan by and on behalf of a participant. Specifically, there are limitations on contributions made on behalf of highly compensated employees to ensure that no prohibited discrimination takes place under the code.

Participants direct the investment of their contributions into various investment options offered by the Plan. The Plan currently offers 21 mutual, bond, and money market funds as investment options for participants. Effective May 1, 2002, the Company is required under the plan agreement to make annual safe harbor nonelective contributions of 3% of participants' base compensation. The Company may also make an additional discretionary contribution at the option of the Company's board of directors. Both of these contributions, if made, are invested in a portfolio of investments as directed by each participant. During 2010, the Company amended the Plan, removing the requirement for making the 3% safe harbor nonelective contributions.

Participant Accounts

Each participant's account is credited with the participant's contribution and allocations of (a) the Company's safe harbor and discretionary contributions and, (b) Plan earnings (losses), and charged with an allocation of administrative expenses. Allocations are based on participant earnings or account balances, as defined. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account.

Vesting

Participants are immediately vested in their contributions plus actual earnings thereon. For discretionary employer contributions and earnings, participants are vested according to a six-year vesting schedule.

Notes Receivable from Participants

Participants may borrow from their fund accounts a minimum of \$1,000 up to a maximum equal to the lesser of \$50,000 or 50% of their account balance. The loans are secured by the balance in the participant's account and bear interest at rates equal to regional bank rates for similar loans. Principal and interest are paid ratably through payroll deductions. The maximum term of the loan is 5 years.

See independent auditor's report.

TOWNSEND LEATHER CO., INC. 401(k) RETIREMENT PROFIT SHARING PLAN

Notes to Financial Statements
December 31, 2023 and 2022

DESCRIPTION OF PLAN (continued)

Payment of Benefits

On termination of service due to death, disability, or retirement, a participant may elect to receive either a lump-sum amount equal to the value of the participant's vested interest in his or her account, or annual installments. For termination of service due to other reasons, a participant may receive the value of the vested interest in his or her account as a lump-sum distribution. Effective for distributions commencing on or after January 1, 2010, the only form of payment under the plan is a single lump sum payment.

Forfeited Accounts

At December 31, 2023 and 2022, forfeited non-vested accounts totaled \$9,742 and \$3,164, respectively. These accounts will be used to reduce future employer contributions, and are included with the JP Morgan U.S. Government Money Market Fund balances for 2023 and 2022 in the schedule of assets (held at end of year) accompanying the respective Forms 5500. In 2023, employer contributions were reduced by \$11,335 from forfeited non-vested accounts.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The financial statements of the Plan are prepared using the accrual method of accounting.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America ("GAAP") requires the plan administrator to make estimates and assumptions that affect certain reported amounts of assets and liabilities and changes therein, and disclosures of contingent assets and liabilities. Accordingly, actual results could differ from those estimates.

Investment Valuation and Income Recognition

The Plan's investments are stated 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. Shares of mutual funds are valued at the quoted net asset values, or closing market prices, of the shares held by the Plan at year-end. This is known as Level 1 fair value measurement. Participant loans are valued at their outstanding balances, which approximate fair value.

Purchases and sales of securities are recorded on a trade-date 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.

Payment of Benefits

Benefits are recorded when paid.

Expenses

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

Presentation of Financial Statements

The financial statements for December 31, 2022 have been presented in conformity with the December 31, 2023 format.

See independent auditor's report.

TOWNSEND LEATHER CO., INC. 401(k) RETIREMENT PROFIT SHARING PLAN

Notes to Financial Statements
December 31, 2023 and 2022

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Subsequent Events

Subsequent events were evaluated through September 19, 2024, the date the financial statements were available to be issued. No subsequent events have been recognized or disclosed.

As a result of the spread of COVID-19 coronavirus, economic uncertainties have arisen which have resulted in significant volatility in the investment markets, resulting in a substantial decline in the value of the investments. The duration of these uncertainties and the ultimate financial effects cannot be reasonably estimated at this time.

On December 29, 2022, the SECURE 2.0 Act was signed into law. It includes mandatory and optional provisions impacting defined contribution plans. Key provisions that may affect plan participants in the future include increasing the age for Required Minimum Distributions (RMDs), long-term part-time employee (LTPTE) eligibility, and self-certification for hardship distributions. Applicable provisions outlined in the SECURE 2.0 Act will be adopted if elected and/or required.

FAIR VALUE MEASUREMENTS

The Plan's investments are reported at fair value in the accompanying statements of net assets available for benefits. The Plan generally uses quoted market prices to determine the fair value of investment securities on a recurring basis.

The fair value measurement accounting literature establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The Plan uses appropriate valuation techniques based on the available inputs to measure the fair value of its investments. Observable inputs are inputs that market participants would use in pricing the asset or liability, based on the best information available in the circumstances. The hierarchy consists of three broad levels based on the reliability of inputs as follows:

- Level 1 - Valuations based on quoted prices in active markets for identical assets that the Plan has the ability to access. Valuation adjustments are not applied to Level 1 instruments. Since valuations are based on quoted prices that are readily and regularly available in an active market, valuation of these investments does not entail a significant degree of judgment.

The Plan's investments in mutual funds are valued utilizing Level 1 inputs.

- Level 2 - Valuations based on quoted prices in markets that are not active or for which all significant inputs are observable, directly or indirectly.

The Plan currently has no assets using Level 2 inputs.

- Level 3 – Valuations based on inputs that are unobservable and significant to the overall fair value measurement.

The Plan currently has no assets using Level 3 inputs.

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.

See independent auditor's report.

TOWNSEND LEATHER CO., INC. 401(k) RETIREMENT PROFIT SHARING PLAN

Notes to Financial Statements
December 31, 2023 and 2022

FAIR VALUE MEASUREMENTS (continued)

The following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at December 31, 2023 and 2022.

Common stocks: Valued at the closing price reported on the active market on which the individual securities are traded.

Corporate bonds: Valued using pricing models maximizing the use of observable inputs for similar securities. This includes basing value on yields currently available on comparable securities of issuers with similar credit ratings.

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 SEC. These funds are required to publish their daily net asset value (NAV) and to transact at that price. The mutual funds held by the Plan are deemed to be actively traded.

U.S. government securities: Valued using pricing models maximizing the use of observable inputs for similar securities.

The fair value measurements and levels within the fair value hierarchy of those measurements for the assets reported at fair value on a recurring basis at December 31, 2023 and 2022 are as follows:

<u>Description</u>	<u>2023</u>		<u>2022</u>	
	<u>Fair Value</u>	<u>Quoted Prices in Active Markets for Identical Assets (Level 1)</u>	<u>Fair Value</u>	<u>Quoted Prices in Active Markets for Identical Assets (Level 1)</u>
Mutual funds	<u>\$ 9,269,386</u>	<u>\$ 9,269,386</u>	<u>\$ 8,010,811</u>	<u>\$ 8,010,811</u>
TOTALS	<u>\$ 9,269,386</u>	<u>\$ 9,269,386</u>	<u>\$ 8,010,811</u>	<u>\$ 8,010,811</u>

INVESTMENTS

Investments that represent 5% or more of the Plan's net assets consisted of the following at December 31:

	<u>2023</u>	<u>2022</u>
JP Morgan Smart Retirement Income R6	less than 5%	\$ 426,314
JP Morgan Smart Retirement 2020 R6	less than 5%	435,613
JP Morgan Smart Retirement 2025 R6	773,067	673,797
JP Morgan Smart Retirement 2030 R6	1,228,357	1,261,018
JP Morgan Smart Retirement 2035 R6	1,799,527	1,482,465
JP Morgan Smart Retirement 2040 R6	1,869,004	1,492,968
JP Morgan Smart Retirement 2045 R6	1,353,513	1,110,579
JP Morgan Smart Retirement 2050 R6	523,594	less than 5%

The Plan's investments in mutual funds (including gains and losses on investments bought and sold, as well as held during the year) appreciated in value \$1,116,903 during 2023 and depreciated in value \$2,226,183 during 2022.

See independent auditor's report.

TOWNSEND LEATHER CO., INC. 401(k) RETIREMENT PROFIT SHARING PLAN

Notes to Financial Statements
December 31, 2023 and 2022

UNAUDITED INFORMATION CERTIFIED BY THE PLAN TRUSTEE

The following information included in the accompanying financial statements and supplemental information was obtained from data that has been certified to as complete and accurate by the trustee and custodian.

	<u>2023</u>	<u>2022</u>
Investments, at fair value:		
Mutual funds	\$ 9,269,386	\$ 8,010,811
Investment income (loss)	1,343,264	(1,578,415)

RECONCILIATION OF FINANCIAL STATEMENTS TO FORM 5500

The reconciliation of net assets available for benefits and changes in net assets available for benefits per the financial statements to Form 5500 at December 31:

	<u>2023</u>	<u>2022</u>
Statements of net assets available for benefits:		
Net assets available for benefits per the financial statements	\$ 9,572,927	\$ 8,351,979
Employer's contribution receivable	<u>(127,225)</u>	<u>(115,479)</u>
Net assets available for benefits per Form 5500	<u>\$ 9,445,702</u>	<u>\$ 8,236,500</u>
Statements of changes in net assets available for benefits:		
Increase (decrease) in net assets per the financial statements	\$ 1,220,948	\$ (1,536,930)
Employer's contribution accrued	(127,225)	(115,479)
Employer's contribution paid	<u>115,479</u>	<u>115,563</u>
Net income (loss) per Form 5500	<u>\$ 1,209,202</u>	<u>\$ (1,536,846)</u>

PLAN TERMINATION

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

TAX STATUS

The Internal Revenue Service has determined and informed the Company by a letter dated February 24, 2003, 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 administrators believe that the Plan is designed and is currently being operated in compliance with the applicable requirements of the IRC and therefore believe that the Plan is qualified and the related trust is tax-exempt.

See independent auditor's report.

TOWNSEND LEATHER CO., INC. 401(k) RETIREMENT PROFIT SHARING PLAN

Notes to Financial Statements
December 31, 2023 and 2022

TAX STATUS (continued)

Accounting principles generally accepted in the United States of America require the plan administrators to evaluate tax positions taken by the Plan and recognize a tax liability for any uncertain position that more likely than not would not be sustained upon examination by the IRS. The Plan is subject to routine audits by tax authorities; however, there are currently no audits for any tax periods in progress. The Plan administrators believe the Plan is no longer subject to income tax examinations for years prior to 2019.

RISKS AND UNCERTAINTIES

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

See independent auditor's report.

TOWNSEND LEATHER CO., INC. 401(k) RETIREMENT PROFIT SHARING PLAN

Supplemental Information

EIN: 14-1819836

Schedule H, Part IV, Line 4i – Schedule of Assets (Held at End of Year)

December 31, 2023

(a)	(b) Identity of Issue, Borrower, Lessor, or Similar Party	(c) Description of Investment Including Maturity Date, Rate of Interest, Collateral, Par, or Maturity Value	(d) Cost	(e) Current Value
	JP Morgan Smart Retirement Income R6	Registered Inv. Company	\$	374,372
	JP Morgan Smart Retirement 2020 R6	Registered Inv. Company		263,809
	JP Morgan Smart Retirement 2025 R6	Registered Inv. Company		773,066
	JP Morgan Smart Retirement 2030 R6	Registered Inv. Company		1,228,357
	JP Morgan Smart Retirement 2035 R6	Registered Inv. Company		1,799,527
	JP Morgan Smart Retirement 2040 R6	Registered Inv. Company		1,869,004
	JP Morgan Smart Retirement 2045 R6	Registered Inv. Company		1,353,513
	JP Morgan Smart Retirement 2050 R6	Registered Inv. Company		523,594
	JP Morgan Smart Retirement 2055 R6	Registered Inv. Company		120,299
	JP Morgan Smart Retirement 2060 R6	Registered Inv. Company		92,259
	DFA Global Equity	Registered Inv. Company		61,788
	JP Morgan Small Cap Value R6	Registered Inv. Company		1,839
	Vanguard Small Cap Index Fund Admiral	Registered Inv. Company		111,538
	Federated Hermes Mdt Mid Cap Growth R6	Registered Inv. Company		1,735
	Vanguard Mid Cap Index Adm	Registered Inv. Company		7,639
	JP Morgan Large Cap Growth R6	Registered Inv. Company		60,134
	Vanguard 500 Index Fund Admiral	Registered Inv. Company		88,051
	American Funds American Balanced Fnd R6	Registered Inv. Company		102,207
	American Funds Income Fnd of America R6	Registered Inv. Company		98,357
	Vanguard Interm-Term Bond Index Adm	Registered Inv. Company		47,746
	JP Morgan US Government MM Instl	Registered Inv. Company		<u>290,552</u>
				<u>\$ 9,269,386</u>
*	Notes receivable from participants	Participant loans -		
		4.25 to 9.50%		
		various due dates		<u>\$ 176,316</u>

Note: * Column (a) denotes parties-in-interest.

Column (d) is blank as all investments are participant directed.

See independent auditor's report.

SCHEDULE OF ASSETS (HELD AT END OF YEAR)

Townsend Leather Co., Inc. 401(k) Retirement Profit Sharing Plan

01-JAN-23 to 31-DEC-23

22-JAN-24 21:24:06

INVESTMENT OPTION	MATURITY DATE	INTEREST RATE	COST OF ASSETS	CURRENT VALUE
1JSIYX			434,733.01	374,372.10
1JTTYX			313,929.09	263,808.61
1JNSYX			872,360.45	773,066.61
1JSMYX			1,367,509.61	1,228,357.49
1SRJYX			1,922,791.02	1,799,526.71
1SMTYX			1,991,130.38	1,869,004.17
1JSAYX			1,386,433.85	1,353,512.84
1JTSYX			532,611.45	523,594.18
1JFFYX			116,622.92	120,299.04
1JAKYX			87,072.11	92,259.15
1DGEIX			47,886.72	61,788.07
1JSVUX			1,868.77	1,839.02
1VSMAX			79,873.57	111,537.63
1FGSKX			1,603.44	1,734.78
1VIMAX			6,913.75	7,639.38
1JLGMX			58,604.56	60,133.77
1VFIAx			59,839.61	88,051.18
1RLBGX			88,141.49	102,206.85
1RIDGX			95,339.74	98,357.05
1VBILX			49,180.37	47,745.76
1IJGXX			280,810.35	280,810.35
			9,795,256.26	9,259,644.74
PARTICIPANT LOANS	VARIOUS	4.250-9.500	176,248.49	176,315.97
FORFEITURES			9,741.61	9,741.61

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SCHEDULE OF ASSETS (HELD AT END OF YEAR)

Page 2 of 2

Townsend Leather Co., Inc. 401(k) Retirement Profit Sharing Plan**01-JAN-23 to 31-DEC-23****22-JAN-24 21:24:06**

INVESTMENT OPTION	MATURITY DATE	INTEREST RATE	COST OF ASSETS	CURRENT VALUE
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LEGEND

INVESTMENT OPTION:

1JSIYX JPMorgan SmartRetirement Income R6
 1JNSYX JPMorgan SmartRetirement 2025 R6
 1SRJYX JPMorgan SmartRetirement 2035 R6
 1JSAYX JPMorgan SmartRetirement 2045 R6
 1JFFYX JPMorgan SmartRetirement 2055 R6
 1DGEIX DFA Global Equity I
 1VSMAX Vanguard Small Cap Index Fund - Admiral
 1VIMAX Vanguard Mid Cap Index Adm
 1VFIAX Vanguard 500 Index Fund - Admiral
 1RIDGX American Funds Income Fund of America R6
 1IJGXX JPMorgan US Government MMkt Instl

1JTITYX JPMorgan SmartRetirement 2020 R6
 1JSMYX JPMorgan SmartRetirement 2030 R6
 1SMTYX JPMorgan SmartRetirement 2040 R6
 1JTSYX JPMorgan SmartRetirement 2050 R6
 1JAKYX JPMorgan SmartRetirement 2060 R6
 1JSVUX J P Morgan Small Cap Value R6
 1FGSKX Federated Hermes Mdt Mid Cp Growth Fd R6
 1JLGMX JPMorgan Large Cap Growth R6
 1RLBGX American Funds American Balanced R6
 1VBILX Vanguard Interim-Term Bond Index Adm

COST OF ASSETS: The original cost of the assets in each investment option as of the last day of the plan year

CURRENT VALUE: The value of all assets in each investment option as of the last day of the plan year