

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) _____ ☒ 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 PENNSYLVANIA TOOL SALES & SERVICES EMPLOYEE STOCK OWNERSHIP PLAN
1b	Three-digit plan number (PN) ▶ 002
1c	Effective date of plan 01/01/2023
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) PENNSYLVANIA TOOL SALES & SERVICES 625 BEV ROAD YOUNGSTOWN, OH 44512
2b	Employer Identification Number (EIN) 25-1356417
2c	Plan Sponsor's telephone number 330-758-0845
2d	Business code (see instructions) 423800

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.	10/15/2024	ROBERT BAXTER
	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	5 162
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) 162 6a(2) 151 6b 0 6c 0 6d 151 6e 0 6f 151 6g(1) 0 6g(2) 148 6h 0
7 Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item)	7

8a If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristics Codes in the instructions:

2P

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 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 PENNSYLVANIA TOOL SALES & SERVICES EMPLOYEE STOCK OWNERSHIP PLAN	B Three-digit plan number (PN) ▶	002
C Plan sponsor's name as shown on line 2a of Form 5500 PENNSYLVANIA TOOL SALES & SERVICES	D Employer Identification Number (EIN) 25-1356417	

Part I	Asset and Liability Statement		
1 Current value of plan assets and liabilities at the beginning and end of the plan year. Combine the value of plan assets held in more than one trust. Report the value of the plan's interest in a commingled fund containing the assets of more than one plan on a line-by-line basis unless the value is reportable on lines 1c(9) through 1c(14). Do not enter the value of that portion of an insurance contract which guarantees, during this plan year, to pay a specific dollar benefit at a future date. Round off amounts to the nearest dollar. MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 1b(1), 1b(2), 1c(8), 1g, 1h, and 1i. CCTs, PSAs, and 103-12 IEs also do not complete lines 1d and 1e. See instructions.			
Assets		(a) Beginning of Year	(b) End of Year
a Total noninterest-bearing cash	1a		
b Receivables (less allowance for doubtful accounts):			
(1) Employer contributions	1b(1)	0	192132
(2) Participant contributions	1b(2)		
(3) Other	1b(3)		
c General investments:			
(1) Interest-bearing cash (include money market accounts & certificates of deposit)	1c(1)		
(2) U.S. Government securities	1c(2)		
(3) Corporate debt instruments (other than employer securities):			
(A) Preferred	1c(3)(A)		
(B) All other	1c(3)(B)		
(4) Corporate stocks (other than employer securities):			
(A) Preferred	1c(4)(A)		
(B) Common	1c(4)(B)		
(5) Partnership/joint venture interests	1c(5)		
(6) Real estate (other than employer real property)	1c(6)		
(7) Loans (other than to participants)	1c(7)		
(8) Participant loans	1c(8)		
(9) Value of interest in common/collective trusts	1c(9)		
(10) Value of interest in pooled separate accounts	1c(10)		
(11) Value of interest in master trust investment accounts	1c(11)		
(12) Value of interest in 103-12 investment entities	1c(12)		
(13) Value of interest in registered investment companies (e.g., mutual funds)	1c(13)		
(14) Value of funds held in insurance company general account (unallocated contracts)	1c(14)		
(15) Other	1c(15)		

1d Employer-related investments:		(a) Beginning of Year	(b) End of Year
(1) Employer securities	1d(1)	0	7536566
(2) Employer real property	1d(2)		
e Buildings and other property used in plan operation	1e		
f Total assets (add all amounts in lines 1a through 1e)	1f	0	7728698
Liabilities			
g Benefit claims payable	1g		
h Operating payables	1h		
i Acquisition indebtedness	1i	0	3301455
j Other liabilities	1j	0	192132
k Total liabilities (add all amounts in lines 1g through 1j)	1k	0	3493587
Net Assets			
l Net assets (subtract line 1k from line 1f)	1l	0	4235111

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)	192132	
(B) Participants	2a(1)(B)		
(C) Others (including rollovers)	2a(1)(C)		
(2) Noncash contributions	2a(2)		
(3) Total contributions. Add lines 2a(1)(A) , (B) , (C) , and line 2a(2)	2a(3)		192132
b Earnings on investments:			
(1) Interest:			
(A) Interest-bearing cash (including money market accounts and certificates of deposit)	2b(1)(A)		
(B) U.S. Government securities	2b(1)(B)		
(C) Corporate debt instruments	2b(1)(C)		
(D) Loans (other than to participants)	2b(1)(D)		
(E) Participant loans	2b(1)(E)		
(F) Other	2b(1)(F)		
(G) Total interest. Add lines 2b(1)(A) through (F)	2b(1)(G)		0
(2) Dividends: (A) Preferred stock	2b(2)(A)		
(B) Common stock	2b(2)(B)		
(C) Registered investment company shares (e.g. mutual funds)	2b(2)(C)		
(D) Total dividends. Add lines 2b(2)(A) , (B) , and (C)	2b(2)(D)		0
(3) Rents	2b(3)		
(4) Net gain (loss) on sale of assets: (A) Aggregate proceeds	2b(4)(A)		
(B) Aggregate carrying amount (see instructions)	2b(4)(B)		
(C) Subtract line 2b(4)(B) from line 2b(4)(A) and enter result	2b(4)(C)		
(5) Unrealized appreciation (depreciation) of assets: (A) Real estate	2b(5)(A)		
(B) Other	2b(5)(B)	4089063	
(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)		
(7) Net investment gain (loss) from pooled separate accounts.....	2b(7)		
(8) Net investment gain (loss) from master trust investment accounts.....	2b(8)		
(9) Net investment gain (loss) from 103-12 investment entities.....	2b(9)		
(10) Net investment gain (loss) from registered investment companies (e.g., mutual funds)	2b(10)		
c Other income	2c		
d Total income. Add all income amounts in column (b) and enter total	2d		4281195

Expenses

e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)		
(2) To insurance carriers for the provision of benefits.....	2e(2)		
(3) Other	2e(3)		
(4) Total benefit payments. Add lines 2e(1) through (3)	2e(4)		0
f Corrective distributions (see instructions)	2f		
g Certain deemed distributions of participant loans (see instructions)	2g		
h Interest expense	2h		46084
i Administrative expenses:			
(1) Salaries and allowances	2i(1)		
(2) Contract administrator fees.....	2i(2)		
(3) Recordkeeping fees.....	2i(3)		
(4) IQPA audit fees.....	2i(4)		
(5) Investment advisory and investment management fees	2i(5)		
(6) Bank or trust company trustee/custodial fees	2i(6)		
(7) Actuarial fees	2i(7)		
(8) Legal fees	2i(8)		
(9) Valuation/appraisal fees	2i(9)		
(10) Other trustee fees and expenses	2i(10)		
(11) Other expenses	2i(11)		
(12) Total administrative expenses. Add lines 2i(1) through (11)	2i(12)		0
j Total expenses. Add all expense amounts in column (b) and enter total	2j		46084

Net Income and Reconciliation

k Net income (loss). Subtract line 2j from line 2d	2k		4235111
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: **PACKER THOMAS**

(2) EIN: **34-6546916**

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?	☒		500000
f Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?		☒	
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.
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For calendar plan year 2023 or fiscal plan year beginning 01/01/2023 and ending 12/31/2023

A Name of plan PENNSYLVANIA TOOL SALES & SERVICES EMPLOYEE STOCK OWNERSHIP PLAN	B Three-digit plan number (PN) ▶ 002
C Plan sponsor's name as shown on line 2a of Form 5500 PENNSYLVANIA TOOL SALES & SERVICES	D Employer Identification Number (EIN) 25-1356417

Part I	Distributions
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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): _____ 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.)
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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
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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.
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10 Were unallocated employer securities or proceeds from the sale of unallocated securities used to repay any exempt loan?	☐ Yes ☒ No
11 a Does the ESOP hold any preferred stock?	☐ Yes ☒ No
b If the ESOP has an outstanding exempt loan with the employer as lender, is such loan part of a "back-to-back" loan? (See instructions for definition of "back-to-back" loan.)	☐ Yes ☒ No
12 Does the ESOP hold any stock that is not readily tradable on an established securities market?	☒ Yes ☐ No

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

Schedule R (Form 5500) 2023
v. 230707

Part V Additional Information for Multiemployer Defined Benefit Pension Plans

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

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

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

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

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

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

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

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

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

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

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

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

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

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

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

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

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

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

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

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

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

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

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

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

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

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

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

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

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

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

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

14 Enter the number of deferred vested and retired participants (inactive participants), as of the beginning of the plan year, whose contributing employer is no longer making contributions to the plan for:

a The current plan year. Check the box to indicate the counting method used to determine the number of inactive participants: ☐ last contributing employer ☐ alternative ☐ reasonable approximation (see instructions for required attachment)

14a

b The plan year immediately preceding the current plan year. ☐ Check the box if the number reported is a change from what was previously reported (see instructions for required attachment)

14b

c The second preceding plan year. ☐ Check the box if the number reported is a change from what was previously reported (see instructions for required attachment)

14c

15 Enter the ratio of the number of participants under the plan on whose behalf no employer had an obligation to make an employer contribution during the current plan year to:

a The corresponding number for the plan year immediately preceding the current plan year

15a

b The corresponding number for the second preceding plan year

15b

16 Information with respect to any employers who withdrew from the plan during the preceding plan year:

a Enter the number of employers who withdrew during the preceding plan year

16a

b If line 16a is greater than 0, enter the aggregate amount of withdrawal liability assessed or estimated to be assessed against such withdrawn employers

16b

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

Part VI Additional Information for Single-Employer and Multiemployer Defined Benefit Pension Plans

18 If any liabilities to participants or their beneficiaries under the plan as of the end of the plan year consist (in whole or in part) of liabilities to such participants and beneficiaries under two or more pension plans as of immediately before such plan year, check box and see instructions regarding supplemental information to be included as an attachment..... ☐

19 If the total number of participants is 1,000 or more, complete lines (a) 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 ____/____/____ (MM/DD/YYYY) and the Opinion Letter serial number _____.

Pennsylvania Tool Sales &
Service, inc.
EMPLOYEE STOCK OWNERSHIP
PLAN

AUDIT OF FINANCIAL STATEMENTS

For the year ended December 31, 2023



PACKER · THOMAS
Certified Public Accountants & Business Consultants

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REPORT OF INDEPENDENT AUDITORS

Trustee and ESOP Administrative Committee
Pennsylvania Tool Sales & Service, Inc.
Employee Stock Ownership Plan

Opinion

We have audited the accompanying financial statements of Pennsylvania Tool Sales & Service, Inc. Employee Stock Ownership Plan, an employee benefit plan subject to the Employee Retirement Income Security Act of 1974 (ERISA), which comprise the statement of net assets available for benefits as of December 31, 2023, and the related statement of changes in net assets available for benefits for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the net assets available for benefits of Pennsylvania Tool Sales & Service, Inc. Employee Stock Ownership Plan as of December 31, 2023, and the changes in its net assets available for benefits for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Pennsylvania Tool Sales & Service, Inc. Employee Stock Ownership Plan and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our 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.

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 Pennsylvania Tool Sales & Service, Inc. Employee Stock Ownership 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.

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

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Pennsylvania Tool Sales & Service, Inc. Employee Stock Ownership 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 Pennsylvania Tool Sales & Service, Inc. Employee Stock Ownership Plan's ability to continue as a going concern for a reasonable period of time.

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

Supplemental Schedule Required by ERISA

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The supplemental schedule 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 has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with generally accepted auditing standards.

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

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

A handwritten signature in black ink that reads "Rachel Thomas". The signature is written in a cursive, flowing style.

New Castle, Pennsylvania
October 15, 2024

Pennsylvania Tool Sales & Service, Inc. Employee Stock Ownership Plan
STATEMENT OF NET ASSETS AVAILABLE FOR BENEFITS

	As of December 31, 2023		
	Allocated	Unallocated	Total
ASSETS			
Contribution receivable	\$ -	\$ 192,132	\$ 192,132
Investments in pennsylvania tool sales & service, inc. common stock at fair value	187,683	7,348,883	7,536,566
TOTAL ASSETS	187,683	7,541,015	7,728,698
LIABILITIES			
Principal payable	-	146,048	146,048
Interest payable	-	46,084	46,084
Note payable- pennsylvania tool sales & service, inc.	-	3,301,455	3,301,455
TOTAL LIABILITIES	-	3,493,587	3,493,587
NET ASSETS AVAILABLE FOR BENEFITS	\$ 187,683	\$ 4,047,428	\$ 4,235,111

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

Pennsylvania Tool Sales & Service, Inc. Employee Stock Ownership Plan
**STATEMENT OF CHANGES IN NET ASSETS AVAILABLE
FOR BENEFITS**

For the Year Ended December 31, 2023

	Allocated	Unallocated	Total
ADDITIONS			
Investment income:			
Net realized and unrealized appreciation in fair value of investments	\$ -	\$ 4,089,063	\$ 4,089,063
Contributions:			
Employer	-	192,132	\$ 192,132
Allocation of 58,468.26 shares of pennsylvania tool sales & service, inc. common shares, at fair value, \$3.21 per share	187,683	-	\$ 187,683
TOTAL ADDITIONS	187,683	4,281,195	4,468,878
DEDUCTIONS			
Interest expense	-	46,084	46,084
Allocation of 58,468.26 shares of pennsylvania tool sales & service, inc. common shares, at fair value, \$3.21 per share	-	187,683	187,683
TOTAL DEDUCTIONS	-	233,767	233,767
NET CHANGE	187,683	4,047,428	4,235,111
NET ASSETS AVAILABLE FOR BENEFITS BEGINNING OF YEAR	-	-	-
NET ASSETS AVAILABLE FOR BENEFITS END OF YEAR	\$ 187,683	\$ 4,047,428	\$ 4,235,111

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

NOTES TO FINANCIAL STATEMENTS

December 31, 2023

NOTE A – DESCRIPTION OF PLAN

The following description of the Pennsylvania Tool Sales & Service, inc. Employee Stock Ownership Plan (the “Plan”), provides only general information. Participants should refer to the Plan document for a more complete description of the Plan's provisions.

General

The Plan is a defined contribution plan established December 29, 2023, effective for the plan year beginning January 1, 2023, to provide retirement benefits to employees of Pennsylvania Tool Sales & Service, inc. (the “Company”). The Plan is a leveraged employee stock ownership plan (ESOP) and is designed to comply with Section 4975(e)(7) and the regulations thereunder of the Internal Revenue Code of 1986 (IRC), as amended, and subject to the applicable provision of the Employee Retirement Income Security Act of 1974 (ERISA), as amended. The Plan is administered by an ESOP Committee of three individuals.

On December 29, 2023, the Plan purchased 2,347,840 shares of the Company common stock from the Company, representing 100% of the Company for \$3,447,503. The Plan used the proceeds of a loan from the Company (Note H) to make the purchase. The Plan holds the common shares in a trust established under the plan provisions. As the Company makes contributions to the Plan, an appropriate percentage of common shares are allocated to eligible employees accounts in accordance with applicable regulations under the IRC. The loan is collateralized by the unallocated shares of stock. The Company has no rights against shares once they are allocated under the ESOP. Accordingly, the financial statements of the Plan as of December 31, 2023 and for the year then ended, present separately the assets and liabilities and changes therein pertaining to:

- a) The accounts of employees with vested rights in allocated stock (allocated)
- b) Stock not yet allocated to employees (unallocated)

Eligibility

Employees of the Company are generally eligible to participate in the Plan after one full year of service provided they worked at least 1,000 hours during the first 12 months following their hire date and have attained the age of 21. Employees who attain or maintain eligibility at any time during the plan year and are employed on the last day of the year will be eligible to receive a portion of the Company contribution under the Plan provisions.

Contributions

Contributions are determined at the discretion of the Board of Directors of the Company; however, any Company contribution for each plan year shall be in an amount sufficient to cover any loan obligations and any other plan liabilities of the Plan as due. For the plan year ended December 31, 2023, Company contributions were used to pay debt service costs of the plan. Participant contributions and rollover contributions are not permitted.

Participant Accounts

The Plan is a noncontributory defined contribution plan under which a separate individual account is established for each participant. Each participant's account is credited as of the last day of each plan year with the allocation of shares of Company common stock released by the trustee from the unallocated account, representing the fair value of share equivalent to the Company contribution received in the current year. Only those participants who are eligible employees of the Company as of the last day of the plan year will receive an allocation; however, eligible participants who have achieved normal retirement age, have died, or have become totally or permanently disabled will receive an allocation regardless of whether the participant is employed on the last day of the plan year. Allocations are based on the participant's percentage of total eligible compensation and the value of the common stock.

NOTES TO FINANCIAL STATEMENTS

December 31, 2023

NOTE A – DESCRIPTION OF PLAN (continued)

Forfeitures

Forfeitures are allocated to each participant's account based on the relation of the participant's eligible compensation to total eligible compensation for the plan year. There were no forfeitures of terminated nonvested account balances during the year ended December 31, 2023.

Vesting

The balance credited to each participant's account shall become vested in accordance with the following schedule:

Years of Service	Vested Percentage of Employer Contributions
Less than 2 years	0%
2 or more years	100%

Under provision of the ESOP, participants were granted credit, for purposes of vesting, for specified years of service at the Company prior to the establishment of the ESOP. Any previously unvested portion shall become fully vested to a participant upon the attainment of age 65, or if earlier, and 5 years participation in the Plan, upon the termination of the participant by reason of death or disability.

Payment of Benefits

On terminations of service due to death, disability, retirement (as defined in the Plan), or other reason, the ESOP trustee, at its option, shall make distributions of benefit payments in a lump sum payment or in substantially equal annual installments over a period not to exceed five years. Distributions are made in the form of cash. Separations of service for retirement or other reasons are made following a five year separation of service period, while separations for death or disability are made in the calendar year following separation.

Diversification

Diversification is offered to participants close to retirement so they may have the opportunity to move part of their investment in Company common stock into investments which are more diversified. Participants who are at least age 55 with at least 10 years of participation in the Plan may elect to diversify a portion of their account.

Diversification is offered to each eligible participant, subject to certain percentage limitations. Participants who elect to diversify can receive cash distributions or transfer the amount to an account maintained for the participant in any qualified defined contribution plan maintained by the employer that allows the participant to direct the investment of his or her account balance, or transfer to an eligible retirement plan as a direct rollover.

Diversification is offered to each individual participant over a six year period. In each of the first five years, a participant may diversify up to 25% of the number of shares of Company common stock allocated to his or her account less any shares previously diversified. In the sixth year, the percentage changes to 50%.

Put Options

Under federal income tax regulations, the Company stock that is held by the plan and its participants and is not readily tradeable on an established market, or is subject to trading limitations, must be subject to a put option. The put option is a right to demand that the Company buy any shares of its stock distributed to participants for which there is no market. Pursuant to this option, the participants shall have the right to sell the stock to the Company at any time during two option periods, at a price equal to the fair market value of the common stock as of the most recent valuation date proceeding the option period. The first put option shall be for at least 60 days beginning on the date of distribution of the common stock.

NOTES TO FINANCIAL STATEMENTS

December 31, 2023

NOTE A – DESCRIPTION OF PLAN (continued)

The second put option shall be for a period of at least 60 days beginning after the new determination of the fair market value of the common stock for the following plan year (and after delivery of notice of value to the participant or beneficiary). The purpose of the put option is to ensure that the participant has the ability to ultimately obtain cash.

Voting Rights

The Trustee shall vote the shares of common stock held in the trust fund in accordance with the Plan provisions. As to certain matters, as defined by the IRC, the Plan Administrator will be entitled to direct the trustee as to how to vote the shares allocated to participant accounts only in those limited circumstances as referenced in the plan document.

ESOP Termination

The Company has the right under the Plan to terminate the Plan at any time, subject to the provisions of ERISA. If the Plan terminates, participants will become 100% vested in their accounts.

Administrative Expense

As provided in the plan agreements, administrative expenses for the Plan are paid by the Company.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

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

Investments Valuation and Income Recognition

The common stock of the Company is reported at fair value. Fair value is determined by an annual independent appraisal. See Note G for discussion of fair value investments.

Use of Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of changes in net assets during the reporting period. Actual results could differ from those estimates.

Allocations

The financial statements of the Plan present separately the assets and liabilities and changes therein pertaining to (a) the accounts of employees with rights in allocated stock ("allocated") and (b) stock not yet allocated to employees ("unallocated"), including shares that are committed to be released.

Payments of Benefits

Benefits payments to participants are recorded upon distribution.

NOTE C – ADMINISTRATION OF PLAN ASSETS

The Plan's assets, which consist primarily of the Plan Sponsor Company common shares, are held by the Trustee of the Plan.

Company contributions are managed by the Trustee. The Trustee also administers the payments of interest and principal on the loan.

NOTES TO FINANCIAL STATEMENTS

December 31, 2023

NOTE D – INVESTMENTS

Certain administrative functions are performed by officers or employees of the Company. No such officer or employee received compensation from the Plan. Administrative expenses for the Trustee's fees are paid directly by the Company.

The Plan's investments, which consist exclusively of Company common stock, are held by the trustee of the Plan, and are presented in the following table:

	2023	
	Allocated	Unallocated
Common stock		
number of shares	58,468	2,289,372
Cost	\$ 85,853	\$3,361,650
Estimated fair value	\$187,683	\$7,348,883

NOTE E – TAX STATUS

The Plan is currently in the process of filing the application for tax determination with the Internal Revenue Service. The Plan administrator and the Plan's council believe that the Plan is currently designed and being operated in compliance with the applicable requirements of the Internal Revenue Code. Therefore, they believe the Plan is qualified and the related trust was tax-exempt as of the financial statements date.

NOTE F – CONTRIBUTIONS

The employer contributions for 2023 was \$192,132, which was used to repay debt obligations of the Plan.

NOTE G – FAIR VALUE MEASUREMENTS

Financial accounting standards establish a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy are described as follows:

Level 1 fair values are based on unadjusted quoted prices in active markets for identical assets or liabilities.

Level 2 fair value inputs are based on inputs other than quoted prices within Level 1 that are observable for the asset, either directly or indirectly. Observable inputs include quoted market prices in active markets for similar assets, quoted prices in markets that are not active for identical or similar assets and other market observable inputs such as interest rate, credit spread and foreign currency exchange rates observable in the marketplace or derived from market transactions.

Level 3 fair values are based on at least one significant unobservable input for the asset. Level 3 securities contain unobservable market inputs and as a result considerable judgment may be used in determining the fair values.

NOTES TO FINANCIAL STATEMENTS

December 31, 2023

NOTE G – FAIR VALUE MEASUREMENTS (continued)

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

Common Stock of Privately Held Company: Valued at estimated fair value as determined at the end of the year by an independent appraisal selected by the Plan's Trustee. The independent appraiser's valuation is based on the financial performance of the Company and the financial markets as of the valuation date. Information used in the appraisal includes, but is not limited to, income and market valuation techniques (weighted), the Company's reviewed financial statements, financial performance and other internal financial and operating information of the Company. The appraiser prepares a preliminary report which the Company, along with the ESOP Trustee, reviews in detail, discusses and approves.

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

The following table set forth by level, within the fair value hierarchy, the Plan's assets at fair value as of December 31, 2023.

Assets Measured at Fair Value as December 31, 2023 on a Recurring Basis				
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Investments measured at fair value:				
Common stock	\$ -	\$ -	\$ 7,536,566	\$ 7,536,566
Total	\$ -	\$ -	\$ 7,536,566	\$ 7,536,566

Level 3 Gains and Losses

The following tables set forth a summary of changes in the fair value of the plan's level 3 assets for the year ended December 31, 2023.

	<u>2023</u>
Balance, beginning of year	\$ -
Realized gains	-
Total gain included in changes in net assets available for benefits	4,089,063
Purchases	3,447,503
Balance, end of year	<u>\$ 7,536,566</u>
The amount of total gains for the period attributable to the change in unrealized gain relating to assets still held at the reporting date	<u>\$ 4,089,063</u>

NOTES TO FINANCIAL STATEMENTS

December 31, 2023

NOTE H – NOTE PAYABLE

The Plan has a loan agreement with the Company. The proceeds of the loan were used to purchase Company common shares from the Company. Unallocated shares are collateral for the note. Shares are released from collateral and allocated to participants as payments of principal and interest are made. These payments resulted in 58,468 shares in 2023 being released and allocated.

The agreement provides the loan and related interest be repaid in forty annual principal installments of \$192,132. The note bears a 5.03% interest rate. The Trustee uses Company contributions to repay the loan and related interest. The balance of the note payable at December 31, 2023 was \$3,447,503.

Principal maturities are as follows:

2024	\$ 192,132
2025	192,132
2026	192,132
2027	192,132
2028	192,132
Thereafter	2,486,843
Total	<u>\$ 3,447,503</u>

NOTE I – RISKS AND UNCERTAINTIES

The Plan invests in common stock of the Company. The common stock is exposed to various risks such as interest rate, market and credit risks, as well as valuation assumptions based on earnings, cash flow and/or other such techniques. Due to the level of risks associated with the common stock and to uncertainties inherent in the estimation and assumption process, 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 Statement of Net Assets Available for Benefits.

NOTE J – PARTY-IN-INTEREST

The Plan invests in Company common stock and has indebtedness to the Company. The Company provides certain administrative services to the Plan for which fees were not charged to the Plan.

NOTE K – SUBSEQUENT EVENTS

Management evaluates events occurring subsequent to the date of the financial statements in determining the accounting for and disclosure of transactions and events that affect the financial statements. Subsequent events have been evaluated through October 15, 2024, which is the date the financial statements were available to be issued.

Pennsylvania Tool Sales & Service, Inc. Employee Stock Ownership Plan

SCHEDULE H, LINE 4i--SCHEDULE OF ASSETS

(HELD AT END OF YEAR)

EIN: 34-6546916

Plan Number: 002

December 31, 2023

(a)	(b)	(c)	(d)	(e)
	Identity of Issuer, Borrower, Lessor or Similar Party	Description of Investment Including Maturity Date, Rate of Interest, Collateral, Par, or Maturity Value	Cost	Current Value
*	Pennsylvania tool sales & service, inc.	2,347,840 common shares @ \$3.21/sh	\$ 3,447,503	\$ 7,536,566

* Party-in-interest



PACKER · THOMAS
Certified Public Accountants & Business Consultants

Name of Plan:

Employer Identification Number:▶ 25-1356417

For plan year (beginning/ending):▶ 01/01/2023 - 12/31/2023

Plan number: ►

002

[illegible]