

Form 5500

Annual Return/Report of Employee Benefit Plan

OMB Nos. 1210-0110 1210-0089

2023

This Form is Open to Public Inspection

Department of the Treasury Internal Revenue Service

Department of Labor Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

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.

Part I Annual Report Identification Information

For calendar plan year 2023 or fiscal plan year beginning 11/01/2023 and ending 10/31/2024

- A This return/report is for: a multiemployer plan, a multiple-employer plan, 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)
B This return/report is:
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) FEMA STORM RELIEF 3624-EM
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: CARRIER PROCESS EQUIPMENT GROUP, INC. EMPLOYEE STOCK OWNERSHIP PLAN
1b Three-digit plan number (PN): 002
1c Effective date of plan: 02/01/1984
2a Plan sponsor's name (employer, if for a single-employer plan): CARRIER PROCESS EQUIPMENT GROUP, INC.
2b Employer Identification Number (EIN): 81-2418317
2c Plan Sponsor's telephone number: 502-969-3171
2d Business code (see instructions): 332900

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.

Table with 4 columns: SIGN HERE, Signature of plan administrator, Date, Enter name of individual signing as plan administrator. Includes rows for employer/plan sponsor and DFE.

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

Form 5500 (2023) v. 230707

3a Plan administrator's name and address <input checked="" type="checkbox"/> Same as Plan Sponsor	3b Administrator's EIN	
	3c Administrator's telephone number	
4 If the name and/or EIN of the plan sponsor or the plan name has changed since the last return/report filed for this plan, enter the plan sponsor's name, EIN, the plan name and the plan number from the last return/report: a Sponsor's name c Plan Name	4b EIN	
	4d PN	
5 Total number of participants at the beginning of the plan year	5	355
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)	231
	6a(2)	227
	6b	19
	6c	87
	6d	333
	6e	0
	6f	333
	6g(1)	338
	6g(2)	332
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 2Q 2I 3I

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)	9b Plan benefit arrangement (check all that apply)
(1) <input type="checkbox"/> Insurance	(1) <input type="checkbox"/> Insurance
(2) <input type="checkbox"/> Code section 412(e)(3) insurance contracts	(2) <input type="checkbox"/> Code section 412(e)(3) insurance contracts
(3) <input checked="" type="checkbox"/> Trust	(3) <input checked="" type="checkbox"/> Trust
(4) <input type="checkbox"/> General assets of the sponsor	(4) <input type="checkbox"/> General assets of the sponsor

10 Check all applicable boxes in 10a and 10b to indicate which schedules are attached, and, where indicated, enter the number attached. (See instructions)

- a Pension Schedules**
- (1) **R** (Retirement Plan Information)
 - (2) **MB** (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary
 - (3) **SB** (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary
 - (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 _____
 - (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) <small>Department of the Treasury Internal Revenue Service</small> <small>Department of Labor Employee Benefits Security Administration</small> <small>Pension Benefit Guaranty Corporation</small>	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
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For calendar plan year 2023 or fiscal plan year beginning 11/01/2023 and ending 10/31/2024	
A Name of plan CARRIER PROCESS EQUIPMENT GROUP, INC. EMPLOYEE STOCK OWNERSHIP PLAN	B Three-digit plan number (PN) ▶ 002
C Plan sponsor's name as shown on line 2a of Form 5500 CARRIER PROCESS EQUIPMENT GROUP, INC.	D Employer Identification Number (EIN) 81-2418317

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.

		(a) Beginning of Year	(b) End of Year
Assets			
a Total noninterest-bearing cash	1a	140165	491647
b Receivables (less allowance for doubtful accounts):			
(1) Employer contributions	1b(1)	1920916	0
(2) Participant contributions	1b(2)		
(3) Other	1b(3)	2656000	0
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)	75591453	81992722
(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	80308534	82484369
Liabilities			
g Benefit claims payable	1g	4716111	333439
h Operating payables	1h		
i Acquisition indebtedness	1i	7348620	6823718
j Other liabilities	1j		
k Total liabilities (add all amounts in lines 1g through 1j)	1k	12064731	7157157
Net Assets			
l Net assets (subtract line 1k from line 1f)	1l	68243803	75327212

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)	768444	
(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)		768444
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)		
(2) Dividends:			
(A) Preferred stock	2b(2)(A)		
(B) Common stock	2b(2)(B)	5408531	
(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)		5408531
(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)	6401269	
(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		12578244

Expenses

e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	5273101	
(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)		5273101
f Corrective distributions (see instructions).....	2f		
g Certain deemed distributions of participant loans (see instructions)	2g		
h Interest expense	2h		220459
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)	1275	
(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)		1275
j Total expenses. Add all expense amounts in column (b) and enter total	2j		5494835

Net Income and Reconciliation

k Net income (loss). Subtract line 2j from line 2d	2k		7083409
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: **DEAN DORTON**

(2) EIN: **27-3858252**

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.)		X	
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.)		X	
c Were any leases to which the plan was a party in default or classified during the year as uncollectible? (Attach Schedule G (Form 5500) Part II if "Yes" is checked.)		X	
d Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 4a. Attach Schedule G (Form 5500) Part III if "Yes" is checked.)		X	
e Was this plan covered by a fidelity bond?	X		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?		X	
g Did the plan hold any assets whose current value was neither readily determinable on an established market nor set by an independent third party appraiser?		X	
h Did the plan receive any noncash contributions whose value was neither readily determinable on an established market nor set by an independent third party appraiser?		X	
i Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.)	X		
j Were any plan transactions or series of transactions in excess of 5% of the current value of plan assets? (Attach schedule of transactions if "Yes" is checked and see instructions for format requirements.)		X	
k Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?		X	
l Has the plan failed to provide any benefit when due under the plan?		X	
m If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.)		X	
n If 4m was answered "Yes," check the "Yes" box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3.			

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) <small>Department of the Treasury Internal Revenue Service</small> <small>Department of Labor Employee Benefits Security Administration</small> <small>Pension Benefit Guaranty Corporation</small>	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.	<small>OMB No. 1210-0110</small> 2023 This Form is Open to Public Inspection.
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For calendar plan year 2023 or fiscal plan year beginning 11/01/2023 and ending 10/31/2024

A Name of plan <u>CARRIER PROCESS EQUIPMENT GROUP, INC. EMPLOYEE STOCK OWNERSHIP PLAN</u>	B Three-digit plan number (PN) ▶	<u>002</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>CARRIER PROCESS EQUIPMENT GROUP, INC.</u>	D Employer Identification Number (EIN) <u>81-2418317</u>	

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
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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): 81-2035543 33-6134835

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	
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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

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

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: <input type="checkbox"/> last contributing employer <input type="checkbox"/> alternative <input type="checkbox"/> reasonable approximation (see instructions for required attachment)	14a	
b The plan year immediately preceding the current plan year. <input type="checkbox"/> 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. <input type="checkbox"/> 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 _____.



Financial Statements and Supplemental Schedule

for

**CARRIER PROCESS EQUIPMENT GROUP, INC.
EMPLOYER STOCK OWNERSHIP PLAN AND TRUST**

As of October 31, 2024 and 2023 and
for the Year Ended October 31, 2024
with Independent Auditor's Report

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Independent Auditor's Report

To the Participants and Plan Administrator of
Carrier Process Equipment Group, Inc. Employee Stock Ownership Plan and Trust

Opinion

We have audited the financial statements of Carrier Process Equipment Group, Inc. Employee Stock Ownership Plan and Trust (the Plan), an employee benefit plan subject to the Employee Retirement Income Security Act of 1974 (ERISA), which comprise the statements of net assets available for benefits as of October 31, 2024 and 2023, the related statement of changes in net assets available for benefits for the year ended October 31, 2024, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the net assets available for benefits of the Plan as of October 31, 2024 and 2023, and the changes in its net assets available for benefits for the year ended October 31, 2024, in accordance with accounting principles generally accepted in the United States of America.

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 the Plan and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our 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 the Plan's ability to continue as a going concern within one year after the date that the financial statements are issued or 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

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

In performing an audit in accordance with GAAS, we:

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

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 audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The supplemental Schedule H, Line 4i - Schedule of Assets (Held at End of Year) as of October 31, 2024, 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 (DOL's) Rules and Regulations for Reporting and Disclosure under ERISA. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to auditing procedures applied in the audits of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with GAAS.

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 DOL'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 DOL's Rules and Regulations for Reporting and Disclosure under ERISA.

Dean Dotson Allen Ford, PLLC

Louisville, Kentucky
September 5, 2025

**CARRIER PROCESS EQUIPMENT GROUP, INC.
EMPLOYEE STOCK OWNERSHIP PLAN AND TRUST**

Statements of Net Assets Available for Benefits

October 31, 2024 and 2023

Assets	2024			2023		
	Allocated	Unallocated	Total	Allocated	Unallocated	Total
Investments, at fair value	\$ 66,678,421	\$ 15,314,301	\$ 81,992,722	\$ 60,195,452	\$ 15,396,001	\$ 75,591,453
Employer contribution receivable	-	-	-	1,920,916	-	1,920,916
Dividend receivable	-	-	-	564,820	-	564,820
Receivable - other	-	-	-	2,091,180	-	2,091,180
Cash, non-interest bearing	<u>491,647</u>	<u>-</u>	<u>491,647</u>	<u>140,165</u>	<u>-</u>	<u>140,165</u>
Total assets	67,170,068	15,314,301	82,484,369	64,912,533	15,396,001	80,308,534
Liabilities						
Distributions payable	333,439	-	333,439	4,716,111	-	4,716,111
Note payable, secured by unallocated shares of common stock	<u>-</u>	<u>6,823,718</u>	<u>6,823,718</u>	<u>-</u>	<u>7,348,620</u>	<u>7,348,620</u>
Total liabilities	<u>333,439</u>	<u>6,823,718</u>	<u>7,157,157</u>	<u>4,716,111</u>	<u>7,348,620</u>	<u>12,064,731</u>
Net assets available for benefits	<u>\$ 66,836,629</u>	<u>\$ 8,490,583</u>	<u>\$ 75,327,212</u>	<u>\$ 60,196,422</u>	<u>\$ 8,047,381</u>	<u>\$ 68,243,803</u>

See accompanying notes.

**CARRIER PROCESS EQUIPMENT GROUP, INC.
EMPLOYEE STOCK OWNERSHIP PLAN AND TRUST**

Statement of Changes in Net Assets Available for Benefits

Year ended October 31, 2024

	Allocated	Unallocated	Total
Additions to net assets attributable to:			
Investment income:			
Net appreciation in fair value of investments	\$ 5,205,652	\$ 1,195,617	\$ 6,401,269
Interest and dividends	<u>5,408,531</u>	<u>-</u>	<u>5,408,531</u>
Total investment income	10,614,183	1,195,617	11,809,800
Company contributions	23,084	745,360	768,444
Allocation of 4,186 shares of Company stock, at fair value	<u>1,277,316</u>	<u>-</u>	<u>1,277,316</u>
Total additions	11,914,583	1,940,977	13,855,560
Deductions from net assets attributable to:			
Cash distributions to participants	5,273,101	-	5,273,101
Allocation of 4,186 shares of Company stock, at fair value	-	1,277,316	1,277,316
Interest expense	-	220,459	220,459
Administrative expenses	<u>1,275</u>	<u>-</u>	<u>1,275</u>
Total deductions	<u>5,274,376</u>	<u>1,497,775</u>	<u>6,772,151</u>
Net increase	6,640,207	443,202	7,083,409
Net assets available for benefits:			
Beginning of year	<u>60,196,422</u>	<u>8,047,381</u>	<u>68,243,803</u>
End of year	<u>\$ 66,836,629</u>	<u>\$ 8,490,583</u>	<u>\$ 75,327,212</u>

See accompanying notes.

**CARRIER PROCESS EQUIPMENT GROUP, INC.
EMPLOYEE STOCK OWNERSHIP PLAN AND TRUST**

Notes to the Financial Statements

1. Description of Plan

The following description of the Carrier Process Equipment Group, Inc. Employee Stock Ownership Plan and Trust (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 intended to meet requirements for an Employee Stock Ownership Plan (ESOP), as defined in Section 4975(e)(7) of the Internal Revenue Code (IRC) and 407(d)(6) of the Employee Retirement Income Security Act of 1974 (ERISA), qualified under 401(a) of the IRC. The Plan covers all eligible employees of Carrier Process Equipment Group, Inc. (the Company, Plan Sponsor, and Plan Administrator).

During 1999, the Company obtained bank financing, from which it loaned approximately \$4,896,000 to the Plan to fund an initial purchase of 47,405 shares of the Company's common stock. The loan consisted of a ten-year term promissory note payable to the Company, that bore interest at 7.33% and was secured by unreleased shares. This loan matured in February 2009 and all shares were released as of October 31, 2009.

In May 2003, the Plan purchased an additional 6,654 shares of the Company's common stock for \$605,514. The purchase was funded substantially from the proceeds of a \$500,000 loan by the Company. The loan consisted of a ten-year promissory note payable bearing interest at 4.79% and was secured by the unreleased shares. This loan matured in May 2013 and all shares were released as of October 31, 2013.

In July 2004, the Plan purchased an additional 1,192 shares of the Company's common stock for \$92,976. These shares were purchased with available cash in the Plan.

In September 2005, the Plan purchased an additional 5,617 shares of the Company's common stock for \$488,679. The purchase was funded in part from the proceeds of a \$362,529 loan by the Company. The loan consisted of a ten-year promissory note payable bearing interest at 4.79% and was secured by the unreleased shares. The loan matured in September 2015 and all shares were released as of October 31, 2015.

In April 2006, the Plan purchased an additional 3,600 shares of the Company's common stock for \$316,800. The purchase was funded in part from the proceeds of a \$167,200 loan by the Company. The loan consisted of a ten-year promissory note payable bearing interest at 4.79% and was secured by the unreleased shares. The loan matured in April 2016 and all shares were released as of October 31, 2016.

**CARRIER PROCESS EQUIPMENT GROUP, INC.
EMPLOYEE STOCK OWNERSHIP PLAN AND TRUST**

Notes to the Financial Statements, continued

1. Description of Plan, continued

General, continued

In September 2007, the Plan purchased an additional 2,870 shares of the Company's common stock for \$264,040. These shares were purchased with available cash in the Plan.

In May 2008, the Plan purchased an additional 2,965 shares of the Company's common stock for \$246,095. These shares were purchased with available cash in the Plan.

In August 2009, the Plan purchased an additional 186,494 shares of the Company's common stock for \$22,379,280. The purchase was funded in part from the proceeds of a \$20,479,320 loan by the Company. The loan consists of a fifteen-year promissory note payable bearing interest at 8.00% and is secured by the unreleased shares. In November 2014, the loan was refinanced which extended the term an additional ten years through August 2034 and lowered the interest rate to 4.00%.

In October 2015, the Plan purchased an additional 21,083 shares of the Company's common stock for \$4,179,494. The purchase was funded in full by the proceeds of a \$4,179,494 loan by the Company. The loan consists of a ten-year promissory note payable (together with the note payable above, ESOP Note) bearing interest at 4.0% and is secured by the unreleased shares.

During fiscal year 2023, the two outstanding ESOP loans were consolidated into a single loan, with a new maturity date of October 31, 2037. The loan bears annual interest at 3.0%. Otherwise, the unreleased shares associated with the underlying loans continue to be held in trust and will be released to employees' ESOP accounts in the same manner as before. Also during fiscal year 2023, the Board of Directors amended the ESOP to allow the Company to offer early diversification opportunities primarily to current employees and to a lesser extent, former employees and/or beneficiaries maintaining an ESOP account - all of whom must meet certain criteria as defined in such offers. Under this scenario, in October 2023, the Company repurchased 30,153 shares from qualifying ESOP account holders, and immediately retired these shares.

As of October 31, 2024 the Plan owns 247,727 shares of the Company's common stock representing approximately 90% of the total shares outstanding.

The future annual principal and interest payments on the ESOP Note is as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>
2025	\$ 524,901	\$ 204,712
2026	524,901	188,965
2027	524,901	173,217
2028	524,901	157,470
2029	524,901	141,723
2030-2037	<u>4,199,213</u>	<u>566,894</u>
	<u>\$ 6,823,718</u>	<u>\$ 1,432,981</u>

**CARRIER PROCESS EQUIPMENT GROUP, INC.
EMPLOYEE STOCK OWNERSHIP PLAN AND TRUST**

Notes to the Financial Statements, continued

1. Description of Plan, continued

General, continued

The shares of the Company's common stock held by the Plan's trust are maintained in a suspense account until released. The number of shares released after the end of each Plan year is allocated based on the ratio of principal plus interest paid during the current Plan year over the total principal plus interest remaining plus principal and interest paid during the current Plan year.

The shares released are then allocated to participants in the ratio of a participant's annual compensation, as defined in the Plan document, to the total annual compensation of all participants for such allocation period. As of October 31, 2024, 3,831 shares of the Company's common stock were committed to be released for allocation as a result of \$524,901 in principal payments on the ESOP Note. In accordance with the Plan document, those shares were allocated to participants' accounts subsequent to October 31, 2024 upon the completion of an independent valuation of the Company's stock.

Eligibility

All employees of Carrier Process Equipment Group, Inc., an S-Corporation, who were participating in the Plan on October 31, 2015 were eligible for participation in the Plan as amended and restated effective November 1, 2015. Otherwise, to become a participant, an employee must complete 12 consecutive months of service (provided the employee works at least 1,000 hours in that 12-month period) and attain age 21 to enter into the Plan. Entry dates are restricted to May 1 or November 1 immediately following completion of the age and service requirement. Effective March 2023, the Plan was amended and eligibility requirements were reduced to age 18 and 6-months of service with 500 hours.

The Company acquired S. Howes Inc. (S. Howes) on May 20, 2016 and gave all employees employed as of that date credit for their years of service with S. Howes for purposes of eligibility and vesting in the Plan.

The Company acquired Heyl Patterson Thermal Processing, LLC (Heyl Patterson) on December 8, 2016. The effective date of Heyl Patterson's participation in the Plan was May 1, 2019.

The Company acquired SLY, LLC (SLY) on October 19, 2019. Employees of SLY became eligible for participation in the Plan effective November 1, 2020. The Company gave all employees employed as of December 1, 2020 credit for their years of service with SLY for purposes of eligibility and vesting in the Plan.

**CARRIER PROCESS EQUIPMENT GROUP, INC.
EMPLOYEE STOCK OWNERSHIP PLAN AND TRUST**

Notes to the Financial Statements, continued

1. Description of Plan, continued

Contributions

Each Plan year, the Company may make a contribution to the Plan in an amount that the Board of Directors of the Company determines in its sole discretion. The Company contributions may be paid in cash or in shares of the Company's common stock, as determined by the Company; provided, however, that Company contributions may be paid in cash in such amounts and at such times as may be necessary to pay any currently maturing obligation under the ESOP Note. Upon completion of an independent valuation of the Company's common stock, the annual contribution amount and pro rata share of S-Corporation earnings will be allocated to separate participant-level accounts.

Participant Accounts

The Plan is a 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 an allocation of shares of the Company's common stock released from the unallocated account and forfeitures of terminated participants' non-vested accounts. Only those participants who are eligible employees of the Company as of the last day of the Plan year will receive an allocation. Allocations are based on a participant's eligible compensation, relative to total eligible compensation. Plan earnings are allocated to each participant's account based on the ratio of the participant's account balance.

Vesting

Contributions to a participant's ESOP account shall become vested in accordance with the following schedule:

<u>Years of Service</u>	<u>Vesting Percentage</u>
Less than 1	0%
1	20%
2	40%
3	60%
4	80%
5 or more	100%

A participant's ESOP account also becomes 100% vested upon early or normal retirement, as defined in the Plan document, death, or total and permanent disability while employed by the Company.

**CARRIER PROCESS EQUIPMENT GROUP, INC.
EMPLOYEE STOCK OWNERSHIP PLAN AND TRUST**

Notes to the Financial Statements, continued

1. Description of Plan, continued

Put Option

If a distribution is made to a Plan participant in the form of shares of Company stock and if the stock is not immediately repurchased by the Company, the Plan will offer the participant a "put" option which provides the participant the right for sixty days after the stock is distributed to require the Company or Plan to purchase the stock at fair market value. If the "put" option is not exercised within the first sixty days, the participant will have an additional sixty days in the following Plan year to exercise the option. The terms of payment for the purchase of such shares of stock shall be set forth in the "put" and may either be in a single payment or in five equal installments of principal together with interest on the unpaid principal balance.

Right of First Refusal

If a distribution of Plan benefits is made in the form of shares of Company stock, and if the shares are not immediately repurchased by the Company or the Plan, then such shares of Company stock are subject to a right of first refusal. This right provides that prior to any subsequent transfer, the shares must first be offered in writing to the Plan. In the event of a proposed purchase by a prospective bona fide purchaser, the offer to the Company or Plan shall be at fair value, as determined by an independent appraiser as of the latest fiscal year end, or at the price offered by the prospective bona fide purchaser, whichever is greater.

Payment of Benefits

Upon termination of employment from the Company, such participants having a vested account balance of \$5,000 or less receive a lump sum distribution as soon as administratively feasible following the next valuation date, as defined in the Plan document and subject to the following terms.

In the event a terminated participant's vested ESOP account is less than \$1,380,000 in 2024 (as adjusted by the Internal Revenue Service), the account balance will be paid in equal annual installments in cash over a period of five years. However, if the value of such accounts exceeds \$1,380,000, the installment period will be increased by one year (up to five more years) for each \$275,000 (as adjusted by the Internal Revenue Service) or fraction thereof, by which the value exceeds \$1,380,000. A lump sum distribution is allowed only to the extent adequate cash is available in the Plan.

No distributions shall be made from an ESOP account which are attributable to the Company's common stock acquired with the proceeds of the ESOP Note, until the close of the Plan year in which such loan is repaid in full, except in the event of death, disability, or retirement.

In the event of death or disability of a participant, the Plan will distribute the vested account balances as described in the Plan document. All death benefits are paid to a beneficiary designated by the participant.

**CARRIER PROCESS EQUIPMENT GROUP, INC.
EMPLOYEE STOCK OWNERSHIP PLAN AND TRUST**

Notes to the Financial Statements, continued

1. Description of Plan, continued

Voting Company Stock

A participant shall be entitled to direct SCJ Consulting Services LLC (the Trustee) as to the manner in which voting rights will be exercised with respect to Company stock which is a registration type class of security (as defined in Section 409(e) of the Code) allocated to his or her Company stock account. As to Company stock which is not a registration type class of security, a participant shall be entitled to vote shares of such Company stock accounts with respect to the approval or disapproval of any corporate merger or consolidation, recapitalization, reclassification, liquidation, dissolution, sale of substantially all the assets of a trade or business, or such similar transactions as may be prescribed in Treasury Regulations except as provided above. Any other securities shall be voted by the Trustee only in its discretion. The Trustee is required, however, to vote any unallocated shares on behalf of the collective best interests of Plan participants and beneficiaries.

Forfeited Amounts

When certain terminations of participation in the Plan occur the non-vested portion of the participant's account, as defined by the Plan, represent forfeiture. Forfeitures are reallocated to eligible participants in the subsequent Plan year. However, if the participant is reemployed and fulfills certain requirements, as defined in the Plan, the participant's account will be reinstated. There were no forfeitures of terminated non-vested account balances allocated to remaining participants during 2024.

Risks and Uncertainties

The Plan provides for investments in the common stock of the Company, a non-public manufacturing company. This investment is exposed to various risks, such as market volatility, performance of the Company, and other industry factors. Due to the level of risk associated with these investment securities and the level of uncertainty related to changes in the value of these investment securities, it is at least reasonably possible that changes in risks in the near term could materially affect participants' account balances and the amounts reported in these financial statements.

Administrative Expenses

Certain administrative expenses of the Plan are paid by the Plan as provided in the Plan document. All other administrative expenses are paid by the Company.

**CARRIER PROCESS EQUIPMENT GROUP, INC.
EMPLOYEE STOCK OWNERSHIP PLAN AND TRUST**

Notes to the Financial Statements, continued

2. Summary of Significant Accounting Policies

The financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) which require management to make estimates and assumptions that affect the reported amounts and disclosures in the financial statements. Actual results could differ from those estimates. The following is a summary of the significant accounting policies consistently followed by the Plan in the preparation of its financial statements:

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. Shares are released from collateral and become allocated generally in the period in which debt service is actually paid.

Investments

The Plan's investments are reported at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The investment in the Company's common stock is recorded at the appraised value based on the valuation of an independent appraiser. See Note 4 for discussion of fair value measurements.

Purchases and sales of investments are recorded on a trade date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date. The Plan presents in the Statement of Changes in Net Assets Available for Benefits, the net appreciation or depreciation in the fair value of its investments, which consists of unrealized appreciation and depreciation on those investments.

Subsequent Events

The Plan's management has evaluated subsequent events for accounting and disclosure requirements through September 5, 2025, the date that the financial statements were available to be issued.

**CARRIER PROCESS EQUIPMENT GROUP, INC.
EMPLOYEE STOCK OWNERSHIP PLAN AND TRUST**

Notes to the Financial Statements, continued

3. Investments

The Plan's investments, as of October 31, 2024 and 2023, are presented in the following table:

	<u>2024</u>	<u>Allocated</u>	<u>Unallocated</u>
Company common stock:			
Number of shares		<u>201,457</u>	<u>46,270</u>
Cost		<u>\$ 17,861,287</u>	<u>\$ 1,793,295</u>
Fair value		<u>\$ 66,678,421</u>	<u>\$ 15,314,301</u>
	<u>2023</u>	<u>Allocated</u>	<u>Unallocated</u>
Company common stock:			
Number of shares		<u>197,271</u>	<u>50,456</u>
Cost		<u>\$ 19,138,603</u>	<u>\$ 3,070,611</u>
Fair value		<u>\$ 60,195,452</u>	<u>\$ 15,396,001</u>

4. Fair Value Measurements

The Plan classifies its investments based on a hierarchy consisting of: Level 1 (valued using quoted prices from active markets for identical assets), Level 2 (not traded on an active market but for which observable market inputs are readily available), and Level 3 (valued based on significant unobservable inputs). The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets measured at fair value on a recurring basis. There have been no changes in the valuation methodologies used at October 31, 2024 and 2023.

Company common stock: The Company common stock is not actively traded and significant other observable inputs are not available. Thus, the fair value of the Company common stock is determined by annual independent appraisals; determination of the estimated fair value involves subjective judgment because the actual fair value can be determined only by negotiation between the parties in a sales transaction. The independent appraiser used the income approach (discounted cash flow method) to determine the fair value of the Company stock as of October 31, 2024 and 2023.

Notes payable: The fair value of the notes payable are determined using quoted interest rates currently available for issuance of debt with similar terms and maturity dates.

**CARRIER PROCESS EQUIPMENT GROUP, INC.
EMPLOYEE STOCK OWNERSHIP PLAN AND TRUST**

Notes to the Financial Statements, continued

4. Fair Value Measurements, continued

The following table sets forth by level, within the fair value hierarchy, the Plan's assets and liabilities at fair value as of October 31, 2024 and 2023:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<u>2024</u>				
Company common stock	\$ -	\$ -	\$ <u>81,992,722</u>	\$ <u>81,992,722</u>
Notes payable	\$ -	\$ <u>6,823,718</u>	\$ -	\$ <u>6,823,718</u>
<u>2023</u>				
Company common stock	\$ -	\$ -	\$ <u>75,591,453</u>	\$ <u>75,591,453</u>
Notes payable	\$ -	\$ <u>7,348,620</u>	\$ -	\$ <u>7,348,620</u>

To assess the appropriate classification of investments within the fair value hierarchy, the availability of market data is monitored. Changes in economic conditions or valuation techniques may require the transfer of investments from one fair value level to another. In such instances, the transfer is reported at the beginning of the reporting period. Plan management evaluates the significance of transfers between levels based upon the nature of the investment and size of the transfer relative to total net assets available for benefits. For the year ended October 31, 2024, there were no significant transfers in or out of Level 3.

The fair value of the Plan's investments are based on the valuation of an independent appraiser. As permitted under the accounting guidance for fair value disclosures, the Plan has not provided quantitative information about the significant unobservable inputs used in the fair value measurements of these securities.

The following table provides a summary of changes in fair value of the Plan's Level 3 assets for the year ended October 31, 2024:

Beginning balance	\$ 75,591,453
Unrealized gains relating to shares still held at reporting date	<u>6,401,269</u>
Ending balance	\$ <u>81,992,722</u>

5. Tax Status

The Plan has received a determination letter from the Internal Revenue Service dated September 3, 2013, stating that the Plan, as then designed, was in compliance with the applicable requirements of the IRC. Though the Plan has been amended since receiving the determination letter, the Plan Administrator believes the Plan continues to be qualified, and the related trust is tax-exempt, and the Plan has been and is currently being operated in compliance with the applicable requirements of the IRC and the Plan document.

**CARRIER PROCESS EQUIPMENT GROUP, INC.
EMPLOYEE STOCK OWNERSHIP PLAN AND TRUST**

Notes to the Financial Statements, continued

6. Plan Termination

The Company reserves the right to terminate the Plan at any time, subject to Plan provisions. Upon termination of the Plan, the Board of Directors directs the Trustee to pay all liabilities and expenses of the Plan and to sell shares of financed common stock held as collateral to the extent it determines such sale to be necessary in order to repay the loan. Subsequently, the interest of each participant in the Plan will be distributed to such participant or his or her beneficiary at the time prescribed by the Plan terms and IRC.

7. S - Corporation Distributions

As a shareholder in an S-Corporation, the Plan periodically receives distributions from the Company. The Company declared dividend distributions of approximately 68% of its estimated taxable income to its shareholders in 2024.

8. Related Party and Party-In-Interest Transactions

The Plan's assets, which consist of Company shares of common stock, are held by the Trustee of the Plan. Company contributions are held and managed by the Trustee, which invests cash received, interest income and S-Corporation distributions and makes distributions to participants. Certain administrative functions are performed by officers or employees of the Company. No such officer or employee receives compensation from the Plan.

The Plan invests in Company common stock and has indebtedness guaranteed by the Company. These are related party and party-in-interest transactions. The Company pays some of the Plan's expenses. The Plan has a number of service providers that are considered parties-in-interest under ERISA.

9. Amounts Due to Former Employees

Net assets available for benefits as of October 31, 2024 and 2023 include approximately \$15.5 million and \$16.4 million, respectively, allocated to the accounts of persons who, as of or prior to that date, are no longer employed by the Plan Sponsor.

SUPPLEMENTAL SCHEDULE

**CARRIER PROCESS EQUIPMENT GROUP, INC.
EMPLOYEE STOCK OWNERSHIP PLAN AND TRUST**

Schedule H, Line 4i - Schedule of Assets (Held at End of Year)

October 31, 2024

Name of Plan Sponsor: Carrier Process Equipment Group, Inc.
Employer identification number: 81-2418317
Three-digit plan number: 002

(a)	(b)	(c)	(d)	(e)
<u>Identity of issue, borrower, lessor or similar party</u>	<u>Description of investment including maturity date, rate of interest, collateral, par or maturity value</u>	<u>Cost</u>	<u>Current value</u>	
*	Carrier Process Equipment Group, Inc.	Common stock, 247,727 shares of which 46,270 are unreleased shares that secure the ESOP Note	\$19,654,582	\$81,992,722

* Denotes party-in-interest

See independent auditor's report.

**CARRIER PROCESS EQUIPMENT GROUP, INC.
EMPLOYEE STOCK OWNERSHIP PLAN AND TRUST**

Schedule H, Line 4i - Schedule of Assets (Held at End of Year)

October 31, 2024

Name of Plan Sponsor: Carrier Process Equipment Group, Inc.
Employer identification number: 81-2418317
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See independent auditor's report.