

Form 5500

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security
Administration

Pension Benefit Guaranty Corporation

Annual Return/Report of Employee Benefit Plan

This form is required to be filed for employee benefit plans under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and sections 6057(b) and 6058(a) of the Internal Revenue Code (the Code).

▶ **Complete all entries in accordance with the instructions to the Form 5500.**

OMB Nos. 1210-0110
1210-0089

2022

This Form is Open to Public Inspection

Part I Annual Report Identification Information

For calendar plan year 2022 or fiscal plan year beginning 01/01/2022 and ending 12/31/2022

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

Part II Basic Plan Information—enter all requested information

1a Name of plan <u>VERTEX EMPLOYEE STOCK OWNERSHIP PLAN</u>	1b Three-digit plan number (PN) ▶ <u>002</u>
	1c Effective date of plan <u>01/01/2013</u>
2a Plan sponsor's name (employer, if for a single-employer plan) Mailing address (include room, apt., suite no. and street, or P.O. Box) City or town, state or province, country, and ZIP or foreign postal code (if foreign, see instructions) <u>THE VERTEX COMPANIES, INC.</u> <u>400 LIBBEY PKWY</u> <u>WEYMOUTH, MA 02189</u>	2b Employer Identification Number (EIN) <u>20-3724403</u>
	2c Plan Sponsor's telephone number <u>781-952-6000</u>
	2d Business code (see instructions) <u>562000</u>

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

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

SIGN HERE	<u>Filed with authorized/valid electronic signature.</u>	<u>09/13/2023</u>	<u>JIM O'BRIEN</u>
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE			
	Signature of employer/plan sponsor	Date	Enter name of individual signing as employer or plan sponsor
SIGN HERE			
	Signature of DFE	Date	Enter name of individual signing as DFE

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

Form 5500 (2022)
v. 220413

3a Plan administrator's name and address <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	5 517
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 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) 372 6a(2) 0 6b 0 6c 0 6d 0 6e 0 6f 0 6g 0 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: 2I 2O 2Q 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) (1) <input type="checkbox"/> Insurance (2) <input type="checkbox"/> Code section 412(e)(3) insurance contracts (3) <input checked="" type="checkbox"/> Trust (4) <input type="checkbox"/> General assets of the sponsor	9b Plan benefit arrangement (check all that apply) (1) <input type="checkbox"/> Insurance (2) <input type="checkbox"/> Code section 412(e)(3) insurance contracts (3) <input checked="" type="checkbox"/> Trust (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) <input checked="" type="checkbox"/> R (Retirement Plan Information) (2) <input type="checkbox"/> MB (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary (3) <input type="checkbox"/> SB (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary	b General Schedules (1) <input checked="" type="checkbox"/> H (Financial Information) (2) <input type="checkbox"/> I (Financial Information – Small Plan) (3) <input type="checkbox"/> 0 A (Insurance Information) (4) <input type="checkbox"/> C (Service Provider Information) (5) <input type="checkbox"/> D (DFE/Participating Plan Information) (6) <input type="checkbox"/> G (Financial Transaction Schedules)

Part III Form M-1 Compliance Information (to be completed by welfare benefit plans)

11a If the plan provides welfare benefits, was the plan subject to the Form M-1 filing requirements during the plan year? (See instructions and 29 CFR 2520.101-2.) Yes No

If "Yes" is checked, complete lines 11b and 11c.

11b Is the plan currently in compliance with the Form M-1 filing requirements? (See instructions and 29 CFR 2520.101-2.) Yes No

11c Enter the Receipt Confirmation Code for the 2022 Form M-1 annual report. If the plan was not required to file the 2022 Form M-1 annual report, enter the Receipt Confirmation Code for the most recent Form M-1 that was required to be filed under the Form M-1 filing requirements. (Failure to enter a valid Receipt Confirmation Code will subject the Form 5500 filing to rejection as incomplete.)

Receipt Confirmation Code _____

SCHEDULE 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 2022 This Form is Open to Public Inspection
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For calendar plan year 2022 or fiscal plan year beginning 01/01/2022 and ending 12/31/2022	
A Name of plan VERTEX EMPLOYEE STOCK OWNERSHIP PLAN	B Three-digit plan number (PN) ▶ 002
C Plan sponsor's name as shown on line 2a of Form 5500 THE VERTEX COMPANIES, INC.	D Employer Identification Number (EIN) 20-3724403

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

Assets		(a) Beginning of Year	(b) End of Year
a Total noninterest-bearing cash.....	1a	0	0
b Receivables (less allowance for doubtful accounts):			
(1) Employer contributions.....	1b(1)		
(2) Participant contributions.....	1b(2)		
(3) Other.....	1b(3)	523876	0
c General investments:			
(1) Interest-bearing cash (include money market accounts & certificates of deposit).....	1c(1)	19836367	0
(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	0
(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	20360243	0

Liabilities

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

Net Assets

l Net assets (subtract line 1k from line 1f).....	1l	20360243	0
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Part II Income and Expense Statement

2 Plan income, expenses, and changes in net assets for the year. Include all income and expenses of the plan, including any trust(s) or separately maintained fund(s) and any payments/receipts to/from insurance carriers. Round off amounts to the nearest dollar. MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 2a, 2b(1)(E), 2e, 2f, and 2g.

Income

		(a) Amount	(b) Total
a Contributions:			
(1) Received or receivable in cash from: (A) Employers.....	2a(1)(A)	0	
(B) Participants.....	2a(1)(B)		
(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)		0
b Earnings on investments:			
(1) Interest:			
(A) Interest-bearing cash (including money market accounts and certificates of deposit).....	2b(1)(A)	0	
(B) U.S. Government securities.....	2b(1)(B)		
(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)	48971	
(D) Total dividends. Add lines 2b(2)(A), (B), and (C).....	2b(2)(D)		
(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)	0	
(C) Subtract line 2b(4)(B) from line 2b(4)(A) and enter result.....	2b(4)(C)		
(5) Unrealized appreciation (depreciation) of assets: (A) Real estate.....	2b(5)(A)		
(B) Other.....	2b(5)(B)	0	
(C) Total unrealized appreciation of assets. Add lines 2b(5)(A) and (B).....	2b(5)(C)		

		(a) Amount	(b) Total
(6) Net investment gain (loss) from common/collective trusts	2b(6)		
(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		48971
Expenses			
e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	20409214	
(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)		20409214
f Corrective distributions (see instructions)	2f		
g Certain deemed distributions of participant loans (see instructions)	2g		
h Interest expense	2h		
i Administrative expenses: (1) Professional fees	2i(1)		
(2) Contract administrator fees.....	2i(2)		
(3) Investment advisory and management fees	2i(3)		
(4) Other	2i(4)		
(5) Total administrative expenses. Add lines 2i(1) through (4).....	2i(5)		0
j Total expenses. Add all expense amounts in column (b) and enter total	2j		20409214
Net Income and Reconciliation			
k Net income (loss). Subtract line 2j from line 2d.....	2k		-20360243
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: GRAY, GRAY & GRAY, LLP

(2) EIN: 04-2088368

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

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

Part IV Compliance Questions

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

During the plan year:

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

	Yes	No	Amount
4a		X	

		Yes	No	Amount
b Were any loans by the plan or fixed income obligations due the plan in default as of the close of the plan year or classified during the year as uncollectible? Disregard participant loans secured by participant's account balance. (Attach Schedule G (Form 5500) Part I if "Yes" is checked.).....	4b		X	
c Were any leases to which the plan was a party in default or classified during the year as uncollectible? (Attach Schedule G (Form 5500) Part II if "Yes" is checked.)	4c		X	
d Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 4a. Attach Schedule G (Form 5500) Part III if "Yes" is checked.).....	4d		X	
e Was this plan covered by a fidelity bond?.....	4e	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?	4f		X	
g Did the plan hold any assets whose current value was neither readily determinable on an established market nor set by an independent third party appraiser?	4g		X	
h Did the plan receive any noncash contributions whose value was neither readily determinable on an established market nor set by an independent third party appraiser?.....	4h		X	
i Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.).....	4i		X	
j Were any plan transactions or series of transactions in excess of 5% of the current value of plan assets? (Attach schedule of transactions if "Yes" is checked and see instructions for format requirements.).....	4j	X		
k Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?	4k	X		
l Has the plan failed to provide any benefit when due under the plan?	4l		X	
m If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.)	4m		X	
n If 4m was answered "Yes," check the "Yes" box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3.	4n			

5a Has a resolution to terminate the plan been adopted during the plan year or any prior plan year?..... Yes No
 If "Yes," enter the amount of any plan assets that reverted to the employer this year 0.

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> 2022 This Form is Open to Public Inspection.
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For calendar plan year 2022 or fiscal plan year beginning 01/01/2022 and ending 12/31/2022

A Name of plan <u>VERTEX 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>THE VERTEX COMPANIES, INC.</u>	D Employer Identification Number (EIN) <u>20-3724403</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): 58-1428634

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	
6 b Enter the amount contributed by the employer to the plan for this plan year.....	6b	
6 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) through (c)

a Enter the percentage of plan assets held as:
 Stock: _____% Investment-Grade Debt: _____% High-Yield Debt: _____% Real Estate: _____% Other: _____%

b Provide the average duration of the combined investment-grade and high-yield debt:
 0-3 years 3-6 years 6-9 years 9-12 years 12-15 years 15-18 years 18-21 years 21 years or more

c What duration measure was used to calculate line 19(b)?
 Effective duration Macaulay duration Modified duration Other (specify): _____

20 PBGC missed contribution reporting requirements. If this is a multiemployer plan or a single-employer plan that is not covered by PBGC, skip line 20.

a Is the amount of unpaid minimum required contributions for all years from Schedule SB (Form 5500) line 40 greater than zero? Yes No

b If line 20a is "Yes," has PBGC been notified as required by ERISA sections 4043(c)(5) and/or 303(k)(4)? Check the applicable box:

Yes.

No. Reporting was waived under 29 CFR 4043.25(c)(2) because contributions equal to or exceeding the unpaid minimum required contribution were made by the 30th day after the due date.

No. The 30-day period referenced in 29 CFR 4043.25(c)(2) has not yet ended, and the sponsor intends to make a contribution equal to or exceeding the unpaid minimum required contribution by the 30th day after the due date.

No. Other. Provide explanation _____

VERTEX EMPLOYEE STOCK OWNERSHIP PLAN

Financial Statements and Supplemental Schedule
With Independent Auditor's Report

December 31, 2022

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NOTIFICATION TO THIRD PARTY USERS OF THIS REPORT

This report was prepared subject to the terms and conditions set forth in an engagement letter. By relying upon this report, all users shall be deemed to agree to the terms and conditions of that engagement letter. Users intending to rely upon this report should contact the issuer to obtain a copy of its applicable terms and conditions. This report is intended for the exclusive use of the clients of the issuer and others to whom the issuer has expressly granted consent.

VERTEX EMPLOYEE STOCK OWNERSHIP PLAN

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

INDEPENDENT AUDITOR'S REPORT

To the Participants and Administrator
Vertex Employee Stock Ownership Plan

Opinion

We have audited the accompanying financial statements of **Vertex 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, 2022 and 2021 (in liquidation), and the related statement of changes in net assets available for benefits for the year ended December 31, 2022 (in liquidation) and the related notes to the financial statements.

In our opinion, the financial statements referred to in the first paragraph present fairly, in all material respects, the net assets available for benefits of **Vertex Employee Stock Ownership Plan** as of December 31, 2022 and 2021 (in liquidation), and the changes in its net assets available for benefits for the year ended December 31, 2022 (in liquidation), in accordance with accounting principles generally accepted in the United States of America ("GAAP").

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of **Vertex Employee Stock Ownership 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 GAAP, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Management 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.

Emphasis of Matter - Plan Termination and Liquidation Basis of Accounting

As described in Note 1 to the financial statements, in 2021 the Board of Directors of Vertex Companies, Inc. voted to terminate the Plan and management determined liquidation is imminent. As a result, the 2021 and 2022 financial statements are reported on the liquidation basis of accounting. Our opinion is not modified with respect to that matter.

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 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 **Vertex 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.

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

Other Matter - Supplemental Schedule Required by ERISA

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The supplemental schedule of reportable transactions 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") 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 audits of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with generally accepted auditing standards.

In forming our opinion on the supplemental schedule, we evaluated whether the supplemental schedule, including its form and content, are 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.

GRAY, GRAY & GRAY, LLP

Gray, Gray & Gray, LLP

Canton, MA
September 13, 2023

VERTEX EMPLOYEE STOCK OWNERSHIP PLAN
STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS (IN LIQUIDATION)
December 31, 2022 and 2021

	2022 (Liquidation basis)			2021 (Liquidation basis)		
	Allocated	Unallocated	Total	Allocated	Unallocated	Total
ASSETS						
Investments, at fair value:						
Money market funds	\$ -	\$ -	\$ -	\$ 19,836,367	\$ -	\$ 19,836,367
Escrow contribution receivable	-	-	-	523,876	-	523,876
TOTAL ASSETS	<u>-</u>	<u>-</u>	<u>-</u>	<u>20,360,243</u>	<u>-</u>	<u>20,360,243</u>
NET ASSETS AVAILABLE FOR BENEFITS	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 20,360,243</u>	<u>\$ -</u>	<u>\$ 20,360,243</u>

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

VERTEX EMPLOYEE STOCK OWNERSHIP PLAN
STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS (IN LIQUIDATION)
Year Ended December 31, 2022

	<u>Allocated</u>	<u>Unallocated</u>	<u>Total</u>
ADDITIONS TO NET ASSETS			
Interest and dividends	\$ 48,971	\$ -	\$ 48,971
Net unrealized gain in fair value of The Vertex Companies, Inc. common stock	-	-	-
TOTAL ADDITIONS	48,971	-	48,971
DEDUCTIONS FROM NET ASSETS			
Allocation of The Vertex Companies, Inc. common stock at fair market value	-	-	-
Benefit payments to participants	20,409,214	-	20,409,214
TOTAL DEDUCTIONS	20,409,214	-	20,409,214
NET DECREASE	(20,360,243)	-	(20,360,243)
NET ASSETS AVAILABLE FOR BENEFITS:			
Beginning of year	20,360,243	-	20,360,243
End of year	\$ -	\$ -	\$ -

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

VERTEX EMPLOYEE STOCK OWNERSHIP PLAN

NOTES TO FINANCIAL STATEMENTS

NOTE 1: DESCRIPTION OF THE PLAN

The Vertex Employee Stock Ownership Plan (the “Plan”) was a defined-contribution plan, formed on January 1, 2013, covering the eligible employees of The Vertex Companies, Inc. (the “Company”). The Plan was designed to comply with Section 4975(e)(7) and the regulations thereunder of the Internal Revenue Code (“IRC”) and was subject to the applicable provisions of the Employee Retirement Income Security Act of 1974, as amended (“ERISA”).

The Plan purchased 800,000 shares of Company common stock by means of a note payable to the Company and held the common stock in a trust established under the Plan. Of the 800,000 shares purchased, 726,702 shares were acquired in a leveraged transaction involving various note payables to the sellers and the Company totaling \$27,251,342. This total amount was refinanced into one single note payable to the Company for this amount with the same terms. The remaining 73,298 shares were purchased outright by the Plan with a cash contribution to the Plan for \$2,748,658. The borrowing was to be repaid by Company contributions. As the Plan made each payment of principal, an appropriate percentage of stock was allocated to eligible employees’ accounts in accordance with applicable regulations under the IRC.

The note was payable in 25 equal annual payments of principal and interest totaling \$1,443,002, which commenced on December 31, 2014 and due on December 31, 2038. The note bore interest at 3.32%.

The borrowing was collateralized by the unallocated shares of common stock. The lender had no rights against the shares of common stock once they were allocated under the Plan. Accordingly, the Plan presented separately the assets and liabilities and changes therein pertaining to:

- a) The accounts of employees with allocated common stock (allocated) and,
- b) Common stock not yet allocated to employees (unallocated).

The following description of the Plan provides only general information. Participants should refer to the Plan document or summary Plan description for a more complete description of the Plan’s provisions. The Plan was administered on the basis of the Plan year, which was the consecutive 12-month period ending on December 31 after the effective date.

Acquisition, Plan Amendment and Restatement: On August 30, 2021, a private equity backed firm operating under the entity name TWD Vertex Acquisition, LLC acquired all of the Company’s Class A and Class B common stock.

VERTEX EMPLOYEE STOCK OWNERSHIP PLAN

NOTES TO FINANCIAL STATEMENTS

NOTE 1: DESCRIPTION OF THE PLAN (CONTINUED)

In conjunction with this acquisition, the Board of Directors of the Company voted and amended the Plan in favor of the following:

- To terminate the plan effective upon the closing of the stock sale
- To freeze the ESOP effective August 29, 2021 preventing new employees from joining the ESOP.
- To cease all contributions to the ESOP
- To allocate all remaining shares of the ESOP held in suspense to be allocated to participants upon repayment of the ESOP loan
- Full vesting of all active participants in the Plan as of the date of the transaction in accordance with the Plan document
- 80% of the net proceeds received in the transaction were distributed to the participants with the remaining 20% held in escrow subject to a favorable determination letter from the Internal Revenue Service ("IRS").

In June 2022, the Plan received a favorable determination letter from the IRS approving termination of the Plan. As a result of the favorable letter, distribution of the remaining net proceeds (20%) were paid to participants.

As part of the Company sale, 165,695 shares were redeemed by the sponsor to pay the balance of the note payable in full which had an outstanding balance including accrued interest of \$19,308,408.

Eligibility: All eligible employees, as defined in the Plan document, who worked for the Company were eligible to become participants. The Plan excluded nonresident aliens with foreign source income, leased employees, employees of Vertex TCS and any other affiliated employer that was not an adopting employer and employees whose employment was governed by a collective bargaining agreement. Additionally, the former majority owners of the Company who were still employees are excluded from participating in the Plan.

Each employee became a participant on January 1 or July 1 following the completion of one year of service, or 1,000 hours, and attainment of age 21, as defined in the Plan document. Employees who were employed by the Company on December 14, 2013, regardless of years of service, were enrolled in the Plan on that date if they had attained age 21.

VERTEX EMPLOYEE STOCK OWNERSHIP PLAN

NOTES TO FINANCIAL STATEMENTS

NOTE 1: DESCRIPTION OF THE PLAN (CONTINUED)

Employer Contributions: The Company established a trust to receive and retained contributions under the Plan. Each participant had an account maintained in his or her name in the Plan trust. Prior to the sale of the Company as disclosed in Note 1, on December 31st of each year in which payments were made on the Company's loan to the Plan, shares of common stock that had been removed from the Plan suspense account (unallocated shares) were allocated to the accounts of active participants or terminated participants who had completed at least 1,000 hours of service with the Company in that year.

Shares were allocated to participant accounts according to a fraction, the numerator of which was the participants' eligible compensation, as defined, for the Plan year, and the denominator of which was the total eligible compensation paid to all eligible participants for the Plan year.

Prior to the Company sale, if a participant terminated employment before the last day of an allocation period because of retirement on or after normal retirement age (as defined in the Plan document), death or disability, they were eligible to receive an allocation regardless of service during the allocation period. If a participant terminated employment before the last day of an allocation period for any other reason, they were eligible to receive an allocation if they were credited with at least 1,000 hours of service during the allocation period.

The Plan had 800,000 shares of common stock, of which 634,305 shares had been allocated as of December 31, 2022. The remaining 165,695 shares held in suspense were allocated to repay the note payable. These shares were valued at \$73.40 per share as of December 31, 2021.

The Company was obligated to make contributions in cash to the Plan, which equaled the amount necessary to enable the Plan to make its regularly scheduled payments of principal and interest due on its term loan.

Participant Contributions: Participants were not permitted to make contributions to the Plan.

Trustee and Custodian: Argent Trust Company served as the trustee, custodian, and transfer agent and registrar of the Plan.

VERTEX EMPLOYEE STOCK OWNERSHIP PLAN

NOTES TO FINANCIAL STATEMENTS

NOTE 1: DESCRIPTION OF THE PLAN (CONTINUED)

Vesting: Vesting in the Company contributions portion of their accounts was based on years of continuous service. No years of service counted in determining a participant's vested interest that were credited prior to the date a participant reached age 18. Participants who reached normal retirement age or deceased prior to termination of employment were automatically become 100% vested. All participants were not credited with any service performed prior to January 1, 2013.

<u>Years of Service</u>	<u>Vesting Percentage</u>
Less than 2 year	0%
2 years but less than 3 years	20%
3 years but less than 4 years	40%
4 years but less than 5 years	60%
5 years but less than 6 years	80%
6 years or more	100%

As part of the sale disclosed in Note 1, all participants who were active in the Plan at the date of sale became 100% vested.

Participant Accounts: The Plan was a defined-contribution plan under which a separate individual account was established for each participant. Each participant's account was credited as of the last day of each Plan year with an allocation of shares of the Company's common stock released by the trustee from the unallocated account and forfeitures of terminated participants' non-vested accounts. Allocations were based on a participant's eligible compensation, relative to total eligible compensation.

Distributions, Termination of Employment, Diversification, Withdrawals, and Forfeitures: All distributions of participant accounts were to be made in cash or, if the Plan Administrator elected, shares of Company stock subject to the requirement that they be sold to the Company immediately upon distribution. Distribution of a participant's vested interest after they terminate employment because of retirement on or after their normal retirement age began no later than the last day of the Plan year following the year of retirement, unless the participant requests a later distribution date. If a participant terminated employment for any other reason (other than death), distribution of their vested interest would begin no later than the last day of the Plan year following the fifth anniversary of the date they terminated employment, unless a later date was requested.

A participant's vested interest would have been distributed in substantially equal installments over a minimum 5-year period. If the vested interest exceeds a certain threshold the 5-year distribution period would have been extended 1 additional year (but not more than 5 additional years) for each incremental amount or fraction thereof by which the vested interest exceeds the threshold.

If a participant left the Company, his or her Plan account became distributable in a single payment if his or her account value was below \$5,000 as soon as administratively possible.

VERTEX EMPLOYEE STOCK OWNERSHIP PLAN

NOTES TO FINANCIAL STATEMENTS

NOTE 1: DESCRIPTION OF THE PLAN (CONTINUED)

Once a participant reached age 55 and had been a participant in the Plan for at least 10 years, they had the right during the following five years to diversify up to a total of 25% of the Company stock in their account. During the sixth year, a participant could diversify up to a total of 50% of the Company stock in their account, minus any previously diversified shares. To satisfy this requirement, the Plan offered at least three investment alternatives, or a participant could take a distribution of that amount (either in cash or Company stock). This right only applies if a participant's account exceeded \$500. No participants were eligible for diversification for the year ended December 31, 2022 due to the sale of the Company.

Participants over the age of 70 ½ must take required minimum distributions on either April 1 following the year in which they reached Age 70 ½ or April 1 following the end of the calendar year in which they retired. If a participant was over age 70 ½ and a 5 percent owner of shares, they must begin receiving minimum distributions by the April 1 following the year they have reached age 70 ½.

Participants in the Plan at the time of the sale of the Company were able to take a one-time distribution of 80% of their vested balance.

Forfeitures: If a participant left the Company and was not vested in the Plan, all allocated shares were forfeited. Forfeitures were used by the Plan to cover administrative expenses of the Plan or restore previous forfeitures of participant's accounts. Any remaining forfeitures were redistributed to Plan participants based on the ratio that a participant's qualified compensation bears to the total value of all participants' qualified compensation.

Voting Rights: The trustee had the right to vote all unallocated shares at their discretion. The trustee also had the right to vote common shares, credited to individual accounts, at their discretion, except in issues concerning a corporate merger, consolidation, recapitalization, reclassification, liquidation, or dissolution. In these cases, the trustee must vote stock credited to individual participant accounts in accordance with the directions of the participant.

With respect to allocated shares, each participant received one vote regardless of the number of shares allocated to the participant's account.

Plan Termination: As part of the sale disclosed in Note 1, the Board of Directors voted to terminate the plan. As part of the Plan termination, participants became 100% vested in their allocated shares.

Put Option: Under Federal income tax regulations, the employer stock that was held by the Plan and its participants and was not readily tradable on an established market, or was subject to trading limitations, included a put option. The put option was a right to demand that the Company buy any shares of its stock distributed to participants for which there was no market. The put price is representative of the fair market value of the stock. The Company could pay for the purchase with interest over a period of five years. The purpose of the put option was to ensure that the participant has the ability to ultimately obtain cash.

VERTEX EMPLOYEE STOCK OWNERSHIP PLAN

NOTES TO FINANCIAL STATEMENTS

NOTE 2: SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting: For the year ended December 31, 2022 and 2021, the Plan's financial statements were prepared on the liquidation basis in accordance with accounting principles generally accepted in the United States of America ("GAAP"). The liquidation basis requires all assets to be reported at fair market value. The financial statements have been prepared to satisfy the reporting and disclosure requirements of ERISA.

Valuation of Investments: The fair value of the Company's common stock was based on an annual independent appraisal as of the end of each calendar year of the Company. There was no established market for the Company's common stock. Because of the inherent uncertainty of valuations, as well as the timing of the independent valuations, these estimated values could have differed significantly from the values that would have been used had a ready market for the securities existed, and the differences could be material.

The change in the current year market value and the cost of the investments is reflected in the statement of changes in net assets available for benefits as unrealized appreciation in the fair value of Company stock.

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.

Use of Estimates: The preparation of financial statements in conformity with GAAP requires the Plan sponsor's management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those reported.

Administrative Expenses: Administrative expenses of the Plan could be paid by either the Plan or the Company. The Company had historically paid the operating expenses for the Plan.

Plan Administration: The Plan's assets, which consisted principally of sponsor Company common shares of stock and eventually cash were held by the trustee of the Plan.

Company contributions were held and managed by the trustee, which invested cash received, interest, and dividend income and makes distributions to participants. The trustee also administered the payment of interest and principal on the loan.

Certain administrative functions were performed by the officers or employees of the Company. No such officer or employee receives compensation from the Plan.

Recognition of Benefit Payments: Benefits are recorded when paid.

VERTEX EMPLOYEE STOCK OWNERSHIP PLAN

NOTES TO FINANCIAL STATEMENTS

NOTE 2: SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Risks and Uncertainties: The Plan invested primarily in The Vertex Companies, Inc. common stock. The stock was exposed to various risks such as market and credit risks. Due to the level of risk associated with the stocks, it was reasonably possible that changes in the values would occur in the near term and that such change could materially affect the amounts reported in the statements of net assets available for benefits.

Uncertain Tax Positions: GAAP requires Plan management to evaluate tax positions taken by the Plan and recognize a tax liability (or asset) if the Plan has taken an uncertain position that more-likely-than-not would not be sustained upon examination. The Plan Administrator has analyzed the tax positions taken by the Plan, and has concluded that as of December 31, 2022, there are no uncertain positions taken or expected to be taken that would require recognition of a liability (or asset) or disclosure in the financial statements. The Plan Administrator believes it is no longer subject to income tax examination prior to 2019.

NOTE 3: INCOME TAX STATUS

The Plan obtained its latest determination letter dated June 10, 2022, in which the IRS stated that the Plan, as then designed, was in compliance with the applicable requirements of the IRC and that its termination did not affect its qualification for tax purposes. Accordingly, no provision for the income taxes has been made in the accompanying financial statements.

NOTE 4: FAIR VALUE MEASUREMENTS

Financial Accounting Standards Board (“FASB”), Accounting Standards Codification (“ASC”) 820, “*Fair Value Measurement and Disclosures*”, provides the framework for measuring fair value. The 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 under FASB ASC 820 are described as follows:

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

Level 2 - inputs to the valuation methodology include:

- quoted prices for similar assets or liabilities in active markets;
- quoted prices for identical or similar assets in inactive markets;
- inputs other than quoted prices that are observable for the asset or liability;
- inputs that are derived principally from or corroborated by observable market data by correlation or other means.

VERTEX EMPLOYEE STOCK OWNERSHIP PLAN

NOTES TO FINANCIAL STATEMENTS

NOTE 4: FAIR VALUE MEASUREMENTS (CONTINUED)

If the assets or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.

Level 3- inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset'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.

The fair value of the Company's common stock held by the Plan is valued at estimated fair value based upon an independent appraisal. This appraisal was based upon a combination of the market and income valuation techniques consistent with prior years. The appraiser took into account historical and projected cash flow and net income, earnings multiples, return on assets, return on equity, market comparables, and estimated fair value of company assets and liabilities.

The following is a description of the valuation methodology used for assets measured at fair value. There have been no changes in the methodology used at December 31, 2022 and 2021.

Company Stock: The valuation process involved Plan management's selection of an independent appraiser. Plan management accumulated the data for the appraiser from the audited financial statements of the Company. The appraiser prepared a preliminary report which Plan management, along with the Plan trustee, reviewed in detail, discussed and approved. The results of this process were documented in the Plan fiduciary meeting minutes.

Mutual funds: Valued at the daily closing price as reported by the fund. Mutual funds held by the Plan are open-end mutual funds that are registered with the Securities and Exchange Commission. These funds are required to publish their daily net asset value ("NAV") and to transact at that price. The mutual funds held by the Plan are deemed to be actively traded.

The preceding method 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 method is appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

There were not assets held for investment at December 31, 2022.

VERTEX EMPLOYEE STOCK OWNERSHIP PLAN

NOTES TO FINANCIAL STATEMENTS

NOTE 4: FAIR VALUE MEASUREMENTS (CONTINUED)

The following table sets forth by Level 3, within the fair value hierarchy, the Plan's assets at fair value as of December 31, 2021:

	2021			Total
	Level 1	Level 2	Level 3	
Mutual funds	<u>\$ 19,863,495</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 19,863,495</u>
Total investments at fair value				<u>\$ 19,863,495</u>

NOTE 5: NET ASSETS AVAILABLE FOR BENEFITS

The vested amount included in net assets allocated to participants that have terminated employment amounted to \$0 and \$2,928,394 at December 31, 2022 and 2021, respectively.

NOTE 6: RELATED PARTY AND PARTY-IN-INTEREST TRANSACTIONS

The Plan investment in common stock was held in common stock of the Plan Sponsor. Any purchases and sales of these shares are made at fair market value. Such transactions, while considered party-in-interest transactions under ERISA regulations, were permitted under the provisions of the Plan and specifically exempt from the prohibition of party-in-interest transactions under ERISA. In addition, the Plan had a note payable due to the Company (see Note 5).

NOTE 7: SUBSEQUENT EVENTS

The date to which events occurring after December 31, 2022, the date of the most recent statement of financial position, have been evaluated for possible adjustment to the financial statements or disclosure is September 13, 2023, which is the date the financial statements were available to be issued.

SUPPLEMENTAL SCHEDULE

VERTEX EMPLOYEE STOCK OWNERSHIP PLAN
SUPPLEMENTAL SCHEDULE REQUIRED BY ERISA AND THE DEPARTMENT OF LABOR
Year Ended December 31, 2022
PLAN NUMBER: 005 EIN: 20-3724403

Schedule H, Line 4(j) - Schedule of Reportable Transactions

(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)
<u>Identity of Issue.</u> <u>Borrower.</u> <u>Lessor or Similar</u> <u>Party</u>	<u>Description of</u> <u>Investment.</u> <u>Including</u> <u>Maturity Date.</u> <u>Rate of Interest.</u> <u>Collateral, Par or</u> <u>Maturity Value</u>	<u>Purchase</u> <u>Price</u>	<u>Selling Price</u>	<u>Lease</u> <u>Rental</u>	<u>Expense</u> <u>Incurred</u> <u>with</u> <u>Transaction</u>	<u>Cost of Asset</u>	<u>Current</u> <u>Value of</u> <u>Asset on</u> <u>Transaction</u> <u>Date</u>	<u>Net Gain</u> <u>or (Loss)</u>
Argent Trust Company	Fedeated Treasury Fund	\$ -	\$ 20,409,214	\$ -	\$ -	\$ 20,409,214	\$ -	\$ -

