

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
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Part I	Annual Report Identification Information
For calendar plan year 2022 or fiscal plan year beginning <u>01/01/2022</u> and ending <u>12/31/2022</u>	
A This return/report is for:	☐ a multiemployer plan ☐ a multiple-employer plan (Filers checking this box must attach a list of participating employer information in accordance with the form instructions.) ☒ a single-employer plan ☐ a DFE (specify) ____
B This return/report is:	☐ the first return/report ☐ the final return/report ☐ an amended return/report ☐ a short plan year return/report (less than 12 months)
C If the plan is a collectively-bargained plan, check here.	☐
D Check box if filing under:	☒ Form 5558 ☐ automatic extension ☐ the DFVC program ☐ special extension (enter description)
E If this is a retroactively adopted plan permitted by SECURE Act section 201, check here.	☐

Part II Basic Plan Information —enter all requested information		
1a Name of plan <u>LEONARD HOLDING COMPANY 401(K) PLAN</u>	1b	Three-digit plan number (PN) ▶ <u>001</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>LEONARD HOLDING COMPANY</u> <u>2001 S. LAREDO ST.</u> <u>SAN ANTONIO, TX 78207</u>	1c	Effective date of plan <u>10/01/1980</u>
	2b	Employer Identification Number (EIN) <u>88-0329816</u>
	2c	Plan Sponsor's telephone number <u>210-532-3241</u>
	2d	Business code (see instructions) <u>311110</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	Filed with authorized/valid electronic signature.	09/27/2023	CARLOS ALVARADO
	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 ☒ 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		5 453
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		6a(1) 276
a(2) Total number of active participants at the end of the plan year		6a(2) 310
b Retired or separated participants receiving benefits		6b 8
c Other retired or separated participants entitled to future benefits.....		6c 116
d Subtotal. Add lines 6a(2) , 6b , and 6c		6d 434
e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits.		6e 1
f Total. Add lines 6d and 6e		6f 435
g Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item).....		6g 419
h Number of participants who terminated employment during the plan year with accrued benefits that were less than 100% vested.....		6h 45
7 Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item)		7
8a If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristics Codes in the instructions: 2E 2F 2H 2J 2S 2T 3D 3F 3H		
b If the plan provides welfare benefits, enter the applicable welfare feature codes from the List of Plan Characteristics Codes in the instructions:		
9a Plan funding arrangement (check all that apply) (1) ☐ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☒ Trust (4) ☐ General assets of the sponsor		9b Plan benefit arrangement (check all that apply) (1) ☐ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☒ Trust (4) ☐ General assets of the sponsor
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		b General Schedules (1) ☒ H (Financial Information) (2) ☐ I (Financial Information – Small Plan) (3) ☐ 0 A (Insurance Information) (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 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 C (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Service Provider Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA). ▶ File as an attachment to Form 5500.	OMB No. 1210-0110
		2022
		This Form is Open to Public Inspection.

For calendar plan year 2022 or fiscal plan year beginning 01/01/2022 and ending 12/31/2022		
A Name of plan LEONARD HOLDING COMPANY 401(K) PLAN	B Three-digit plan number (PN) ▶	001
C Plan sponsor's name as shown on line 2a of Form 5500 LEONARD HOLDING COMPANY	D Employer Identification Number (EIN) 88-0329816	

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

1 Information on Persons Receiving Only Eligible Indirect Compensation

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

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation
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2. Information on Other Service Providers Receiving Direct or Indirect Compensation. Except for those persons for whom you answered "Yes" to line 1a above, complete as many entries as needed to list each person receiving, directly or indirectly, \$5,000 or more in total compensation (i.e., money or anything else of value) in connection with services rendered to the plan or their position with the plan during the plan year. (See instructions).

(a) Enter name and EIN or address (see instructions)

MERRILL LYNCH PIERCE FENNER & SMITH

13-4674085

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
27 28 51	ADVISOR	27857	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

NEWPORT GROUP, INC.

27-2037969

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
13 15 21	RECORDKEEPER	12101	Yes ☒ No ☐	Yes ☒ No ☐	0	Yes ☐ No ☒

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

Part I Service Provider Information (continued)

3. If you reported on line 2 receipt of indirect compensation, other than eligible indirect compensation, by a service provider, and the service provider is a fiduciary or provides contract administrator, consulting, custodial, investment advisory, investment management, broker, or recordkeeping services, answer the following questions for (a) each source from whom the service provider received \$1,000 or more in indirect compensation and (b) each source for whom the service provider gave you a formula used to determine the indirect compensation instead of an amount or estimated amount of the indirect compensation. Complete as many entries as needed to report the required information for each source.

(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	
(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	
(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	

Part II Service Providers Who Fail or Refuse to Provide Information

4 Provide, to the extent possible, the following information for each service provider who failed or refused to provide the information necessary to complete this Schedule.

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

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

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

Explanation:

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

Explanation:

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

Explanation:

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

Explanation:

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

Explanation:

SCHEDULE D (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration	DFE/Participating Plan Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA). ► File as an attachment to Form 5500.	OMB No. 1210-0110 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 LEONARD HOLDING COMPANY 401(K) PLAN	B Three-digit plan number (PN) ►	001
C Plan or DFE sponsor's name as shown on line 2a of Form 5500 LEONARD HOLDING COMPANY	D Employer Identification Number (EIN) 88-0329816	

Part I	Information on interests in MTIAs, CCTs, PSAs, and 103-12 IEs (to be completed by plans and DFEs) (Complete as many entries as needed to report all interests in DFEs)
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a Name of MTIA, CCT, PSA, or 103-12 IE: PUTNAM STABLE VAL FD 20 BPS A		
b Name of sponsor of entity listed in (a): PUTNAM FIDUCIARY TRUST COMPANY		
c EIN-PN 04-3159710-202	d Entity code C	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 219339
a Name of MTIA, CCT, PSA, or 103-12 IE:		
b Name of sponsor of entity listed in (a):		
c EIN-PN	d Entity code	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)
a Name of MTIA, CCT, PSA, or 103-12 IE:		
b Name of sponsor of entity listed in (a):		
c EIN-PN	d Entity code	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)
a Name of MTIA, CCT, PSA, or 103-12 IE:		
b Name of sponsor of entity listed in (a):		
c EIN-PN	d Entity code	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)
a Name of MTIA, CCT, PSA, or 103-12 IE:		
b Name of sponsor of entity listed in (a):		
c EIN-PN	d Entity code	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)
a Name of MTIA, CCT, PSA, or 103-12 IE:		
b Name of sponsor of entity listed in (a):		
c EIN-PN	d Entity code	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)
a Name of MTIA, CCT, PSA, or 103-12 IE:		
b Name of sponsor of entity listed in (a):		
c EIN-PN	d Entity code	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)
a Name of MTIA, CCT, PSA, or 103-12 IE:		
b Name of sponsor of entity listed in (a):		
c EIN-PN	d Entity code	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
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code**e** Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)

Part II **Information on Participating Plans (to be completed by DFEs)**

(Complete as many entries as needed to report all participating plans)

a Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
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plan sponsor**c** EIN-PN**a** Plan name**b** Name of
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plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN

SCHEDULE H (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Financial Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA), and section 6058(a) of the Internal Revenue Code (the Code). ► File as an attachment to Form 5500.	OMB No. 1210-0110 2022 This Form is Open to Public Inspection
For calendar plan year 2022 or fiscal plan year beginning <u>01/01/2022</u> and ending <u>12/31/2022</u>		
A Name of plan <u>LEONARD HOLDING COMPANY 401(K) PLAN</u>	B Three-digit plan number (PN) ►	<u>001</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>LEONARD HOLDING COMPANY</u>	D Employer Identification Number (EIN) <u>88-0329816</u>	

Part I	Asset and Liability Statement		
1 Current value of plan assets and liabilities at the beginning and end of the plan year. Combine the value of plan assets held in more than one trust. Report the value of the plan's interest in a commingled fund containing the assets of more than one plan on a line-by-line basis unless the value is reportable on lines 1c(9) through 1c(14). Do not enter the value of that portion of an insurance contract which guarantees, during this plan year, to pay a specific dollar benefit at a future date. Round off amounts to the nearest dollar. MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 1b(1), 1b(2), 1c(8), 1g, 1h, and 1i. CCTs, PSAs, and 103-12 IEs also do not complete lines 1d and 1e. See instructions.			
Assets		(a) Beginning of Year	(b) End of Year
a Total noninterest-bearing cash.....	1a		
b Receivables (less allowance for doubtful accounts):			
(1) Employer contributions.....	1b(1)		
(2) Participant contributions.....	1b(2)		
(3) Other.....	1b(3)		
c General investments:			
(1) Interest-bearing cash (include money market accounts & certificates of deposit).....	1c(1)		
(2) U.S. Government securities	1c(2)		
(3) Corporate debt instruments (other than employer securities):			
(A) Preferred	1c(3)(A)		
(B) All other	1c(3)(B)		
(4) Corporate stocks (other than employer securities):			
(A) Preferred	1c(4)(A)		
(B) Common.....	1c(4)(B)		
(5) Partnership/joint venture interests	1c(5)		
(6) Real estate (other than employer real property)	1c(6)		
(7) Loans (other than to participants).....	1c(7)		
(8) Participant loans.....	1c(8)		
(9) Value of interest in common/collective trusts.....	1c(9)	488499	219339
(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)	14958511	12713419
(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)		
(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	15447010	12932758

Liabilities

g Benefit claims payable	1g		
h Operating payables	1h		
i Acquisition indebtedness	1i		
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	15447010	12932758
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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)	657616	
(B) Participants	2a(1)(B)	1269874	
(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)		1927490
b Earnings on investments:			
(1) Interest:			
(A) Interest-bearing cash (including money market accounts and certificates of deposit)	2b(1)(A)		
(B) U.S. Government securities	2b(1)(B)		
(C) Corporate debt instruments	2b(1)(C)		
(D) Loans (other than to participants)	2b(1)(D)		
(E) Participant loans	2b(1)(E)		
(F) Other	2b(1)(F)		
(G) Total interest. Add lines 2b(1)(A) through (F)	2b(1)(G)		0
(2) Dividends: (A) Preferred stock	2b(2)(A)		
(B) Common stock	2b(2)(B)		
(C) Registered investment company shares (e.g. mutual funds)	2b(2)(C)	917102	
(D) Total dividends. Add lines 2b(2)(A) , (B) , and (C)	2b(2)(D)		917102
(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)		0
(5) Unrealized appreciation (depreciation) of assets: (A) Real estate	2b(5)(A)		
(B) Other	2b(5)(B)		
(C) Total unrealized appreciation of assets. Add lines 2b(5)(A) and (B)	2b(5)(C)		0

		(a) Amount	(b) Total
(6) Net investment gain (loss) from common/collective trusts	2b(6)		33
(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)		-3708605
c Other income	2c		
d Total income. Add all income amounts in column (b) and enter total	2d		-863980
Expenses			
e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	1610314	
(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)		1610314
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)	12101	
(3) Investment advisory and management fees	2i(3)	27857	
(4) Other	2i(4)		
(5) Total administrative expenses. Add lines 2i(1) through (4)	2i(5)		39958
j Total expenses. Add all expense amounts in column (b) and enter total	2j		1650272
Net Income and Reconciliation			
k Net income (loss). Subtract line 2j from line 2d	2k		-2514252
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: **ADKF, P.C.**

(2) EIN: **74-2606559**

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		14389

	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?	X		500000
f Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?		X	
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.)	X		
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 _____.

5b If, during this plan year, any assets or liabilities were transferred from this plan to another plan(s), identify the plan(s) to which assets or liabilities were transferred. (See instructions.)

5b(1) Name of plan(s)	5b(2) EIN(s)	5b(3) PN(s)

5c Was the plan a defined benefit plan covered under the PBGC insurance program at any time during this plan year? (See ERISA section 4021 and instructions.) ☐ Yes ☐ No ☐ Not determined
If "Yes" is checked, enter the My PAA confirmation number from the PBGC premium filing for this plan year _____.

SCHEDULE R (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Retirement Plan Information This schedule is required to be filed under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6058(a) of the Internal Revenue Code (the Code). ► File as an attachment to Form 5500.	OMB No. 1210-0110 2022 This Form is Open to Public Inspection.
For calendar plan year 2022 or fiscal plan year beginning 01/01/2022 and ending 12/31/2022		
A Name of plan LEONARD HOLDING COMPANY 401(K) PLAN		B Three-digit plan number (PN) ► 001
C Plan sponsor's name as shown on line 2a of Form 5500 LEONARD HOLDING COMPANY		D Employer Identification Number (EIN) 88-0329816
Part I	Distributions	
All references to distributions relate only to payments of benefits during the plan year.		
1 Total value of distributions paid in property other than in cash or the forms of property specified in the instructions.....		1 0
2 Enter the EIN(s) of payor(s) who paid benefits on behalf of the plan to participants or beneficiaries during the year (if more than two, enter EINs of the two payors who paid the greatest dollar amounts of benefits): EIN(s): 75-3182674		
Profit-sharing plans, ESOPs, and stock bonus plans, skip line 3.		
3 Number of participants (living or deceased) whose benefits were distributed in a single sum, during the plan year.....		3
Part II	Funding Information (If the plan is not subject to the minimum funding requirements of section 412 of the Internal Revenue Code or ERISA section 302, skip this Part.)	
4 Is the plan administrator making an election under Code section 412(d)(2) or ERISA section 302(d)(2)? ☐ Yes ☐ No ☐ N/A If the plan is a defined benefit plan, go to line 8.		
5 If a waiver of the minimum funding standard for a prior year is being amortized in this plan year, see instructions and enter the date of the ruling letter granting the waiver. Date: Month _____ Day _____ Year _____ If you completed line 5, complete lines 3, 9, and 10 of Schedule MB and do not complete the remainder of this schedule.		
6 a Enter the minimum required contribution for this plan year (include any prior year accumulated funding deficiency not waived).....		6a
b Enter the amount contributed by the employer to the plan for this plan year.....		6b
c Subtract the amount in line 6b from the amount in line 6a. Enter the result (enter a minus sign to the left of a negative amount).....		6c
If you completed line 6c, skip lines 8 and 9.		
7 Will the minimum funding amount reported on line 6c be met by the funding deadline? ☐ Yes ☐ No ☐ N/A		
8 If a change in actuarial cost method was made for this plan year pursuant to a revenue procedure or other authority providing automatic approval for the change or a class ruling letter, does the plan sponsor or plan administrator agree with the change? ☐ Yes ☐ No ☐ N/A		
Part III	Amendments	
9 If this is a defined benefit pension plan, were any amendments adopted during this plan year that increased or decreased the value of benefits? If yes, check the appropriate box. If no, check the "No" box..... ☐ Increase ☐ Decrease ☐ Both ☐ No		
Part IV	ESOPs (see instructions). If this is not a plan described under section 409(a) or 4975(e)(7) of the Internal Revenue Code, skip this Part.	
10 Were unallocated employer securities or proceeds from the sale of unallocated securities used to repay any exempt loan?..... ☐ Yes ☐ No		
11 a Does the ESOP hold any preferred stock?..... ☐ Yes ☐ No		
b If the ESOP has an outstanding exempt loan with the employer as lender, is such loan part of a "back-to-back" loan? (See instructions for definition of "back-to-back" loan.)..... ☐ Yes ☐ No		
12 Does the ESOP hold any stock that is not readily tradable on an established securities market?..... ☐ Yes ☐ No		
For Paperwork Reduction Act Notice, see the Instructions for Form 5500.		
Schedule R (Form 5500) 2022 v. 220413		

Part V Additional Information for Multiemployer Defined Benefit Pension Plans

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

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

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

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

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

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

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

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

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

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

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

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

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

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

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

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

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

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

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

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

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

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

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

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

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

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

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

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

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

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

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

14	Enter the number of deferred vested and retired participants (inactive participants), as of the beginning of the plan year, whose contributing employer is no longer making contributions to the plan for:		
	a The current plan year. Check the box to indicate the counting method used to determine the number of inactive participants: ☐ last contributing employer ☐ alternative ☐ reasonable approximation (see instructions for required attachment).....	14a	
	b The plan year immediately preceding the current plan year. ☐ Check the box if the number reported is a change from what was previously reported (see instructions for required attachment)	14b	
	c The second preceding plan year. ☐ Check the box if the number reported is a change from what was previously reported (see instructions for required attachment)	14c	
15	Enter the ratio of the number of participants under the plan on whose behalf no employer had an obligation to make an employer contribution during the current plan year to:		
	a The corresponding number for the plan year immediately preceding the current plan year.....	15a	
	b The corresponding number for the second preceding plan year.....	15b	
16	Information with respect to any employers who withdrew from the plan during the preceding plan year:		
	a Enter the number of employers who withdrew during the preceding plan year	16a	
	b If line 16a is greater than 0, enter the aggregate amount of withdrawal liability assessed or estimated to be assessed against such withdrawn employers.....	16b	
17	If assets and liabilities from another plan have been transferred to or merged with this plan during the plan year, check box and see instructions regarding supplemental information to be included as an attachment ☐		

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

18	If any liabilities to participants or their beneficiaries under the plan as of the end of the plan year consist (in whole or in part) of liabilities to such participants and beneficiaries under two or more pension plans as of immediately before such plan year, check box and see instructions regarding supplemental information to be included as an attachment ☐
19	If the total number of participants is 1,000 or more, complete lines (a) 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 _____

LEONARD HOLDING COMPANY 401(k) PLAN

Audited Financial Statements

December 31, 2022

ADKF, P.C.
Certified Public Accountants

LEONARD HOLDING COMPANY 401(k) PLAN
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December 31, 2022

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Accounting Oversight Board.

INDEPENDENT AUDITOR'S REPORT

To the Directors and Management
Leonard Holding Company 401(k) Plan
San Antonio, Texas

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

We have performed the audits of the financial statements of Leonard Holding Company 401(k) Plan, an employee benefit plan subject to the Employee Retirement Income Security Act of 1974 (ERISA), as permitted by ERISA Section 103(a)(3)(C) (ERISA Section 103(a)(3)(C) audit). The financial statements comprise the statements of net assets available for benefits as of December 31, 2022 and 2021, and the related statements of changes in net assets available for benefits for the years then ended, and the related notes to the financial statements.

Management, having determined it is permissible in the circumstances, has elected to have the audit of the Leonard Holding Company 401(k) Plan's financial statements performed in accordance with ERISA Section 103(a)(3)(C) pursuant to 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA. As permitted by ERISA Section 103(a)(3)(C), our audit need not extend to any statements or information related to assets held for investment of the plan (investment information) by a bank or similar institution or insurance carrier that is regulated, supervised, and subject to periodic examination by a state or federal agency, provided that the statements or information regarding assets so held are prepared and certified to by the bank or similar institution or insurance carrier in accordance with 29 CFR 2520.103-5 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA (qualified institution).

Management has obtained a certification from Newport Trust Company as of and for the years ended December 31, 2022 and 2021, stating that the certified investment information, as described in Note C to the financial statements, is complete and accurate.

Opinion on the Financial Statements

In our opinion, based on our audits and on the procedures performed as described in the Auditor's Responsibilities for the Audit of the Financial Statements section:

- the amounts and disclosures in the financial statements, other than those agreed to or derived from the certified investment information, are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America.
- the information in the financial statements related to assets held by and certified to by a qualified institution agrees to, or is derived from, in all material respects, the information prepared and certified by an institution that management determined meets the requirements of ERISA Section 103(a)(3)(C).

Basis for Opinion on the Financial Statements

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 audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our ERISA Section 103(a)(3)(C) audit opinion.

- 1 -

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Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error. Management's election of the ERISA Section 103(a)(3)(C) audit does not affect management's responsibility for the financial statements.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Plan's ability to continue as a going concern for one year after the date the financial statements are available to be issued.

Management is also responsible for maintaining a current Plan instrument, including all Plan amendments; administering the Plan; and determining that the Plan's transactions that are presented and disclosed in the financial statements are in conformity with the Plan's provisions, including maintaining sufficient records with respect to each of the participants, to determine the benefits due or which may become due to such participants.

Auditor's Responsibilities for the Audit of the Financial Statements

Except as described in the Scope and Nature of the ERISA Section 103(a)(3)(C) Audit section of our report, our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- 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.

Our audit did not extend to the certified investment information, except for obtaining and reading the certification, comparing the certified investment information with the related information presented and disclosed in the financial statements, and reading the disclosures relating to the certified investment information to assess whether they are in accordance with the presentation and disclosure requirements of accounting principles generally accepted in the United States of America.

Accordingly, the objective of an ERISA Section 103(a)(3)(C) audit is not to express an opinion about whether the financial statements as a whole are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America.

Auditor's Responsibilities for the Audit of the Financial Statements (continued)

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 Schedules Required by ERISA

The supplemental schedules, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the financial statements but are supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information included in the supplemental schedules, other than that agreed to or derived from the certified investment information, has been subjected to auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with GAAS. For information included in the supplemental schedules that agreed to or is derived from the certified investment information, we compared such information to the related certified investment information.

In forming our opinion on the supplemental schedules, we evaluated whether the supplemental schedules, other than the information agreed to or derived from the certified investment information, including their form and content, are presented in conformity with the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA.

In our opinion:

- the form and content of the supplemental schedules, other than the information in the supplemental schedules that agreed to or is derived from the certified investment information, are presented, in all material respects, in conformity with the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA.
- the information in the supplemental schedules related to assets held by and certified to by a qualified institution agrees to or is derived from, in all material respects, the information prepared and certified by an institution that management determined meets the requirements of ERISA Section 103(a)(3)(C).

ADKF, PC

ADKF, P.C.
San Antonio, Texas
September 22, 2023

LEONARD HOLDING COMPANY 401(k) PLAN
Statements of Net Assets Available for Benefits
December 31, 2022 and 2021

	<u>2022</u>	<u>2021</u>
ASSETS		
Investments, at fair value:		
Mutual funds	\$ 12,713,419	\$ 14,958,511
Collective investment trust	<u>219,339</u>	<u>488,499</u>
Total investments, at fair value	12,932,758	15,447,010
Receivables:		
Employer contributions	8,322	-
Employee contributions	<u>14,502</u>	<u>-</u>
Total receivables	<u>22,824</u>	<u>-</u>
 Total Net Assets Available for Benefits	 <u><u>\$ 12,955,582</u></u>	 <u><u>\$ 15,447,010</u></u>

See notes to audited financial statements.

LEONARD HOLDING COMPANY 401(k) PLAN
Statements of Changes in Net Assets Available for Benefits
Years Ended December 31, 2022 and 2021

	<u>2022</u>	<u>2021</u>
Additions		
Investment earnings:		
Net (depreciation) appreciation in fair value	\$ (3,708,571)	\$ 649,632
Interest and dividends	917,101	1,167,741
Contributions:		
Participants	1,284,376	1,293,933
Employer	665,938	638,840
Total additions	<u>(841,156)</u>	<u>3,750,146</u>
Deductions		
Benefit payments	1,610,254	2,217,620
Administrative expenses	40,018	44,759
Total deductions	<u>1,650,272</u>	<u>2,262,379</u>
Net change in net assets available for benefits	(2,491,428)	1,487,767
Net assets available for benefits at beginning of year	<u>15,447,010</u>	<u>13,959,243</u>
Net Assets Available for Benefits at End of Year	<u><u>\$ 12,955,582</u></u>	<u><u>\$ 15,447,010</u></u>

See notes to audited financial statements.

LEONARD HOLDING COMPANY 401(k) PLAN
Notes to Audited Financial Statements
December 31, 2022 and 2021

NOTE A – SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting: The financial statements of the Leonard Holding Company 401(k) Plan (the Plan) are prepared on the accrual basis of accounting.

Investment Valuation and Income Recognition: 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 Plan's management determines the Plan's valuation policies utilizing information provided by investment advisers and the custodian. Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date. Net appreciation includes the Plan's gains and losses on investments bought and sold as well as held during the year.

Benefit Payments: Benefits are recorded when paid.

Administrative Expenses: Certain expenses of maintaining the Plan are paid directly by the plan sponsor and are excluded from these financial statements. Fees related to the administration of notes receivable from participants are charged directly to the participant's account and are included in administrative expenses. Investment related expenses are included in net appreciation (depreciation) in fair value of investments.

Subsequent Events: Subsequent events have been evaluated by management through the date of the independent auditor's report. Material subsequent events, if any, are disclosed in a separate footnote to these financial statements.

Use of Estimates: The preparation of the financial statements in conformity with U. S. generally accepted accounting principles requires the Plan Administrator to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results may differ from those estimates.

Reclassifications: Certain amounts for the prior year, none of which are significant, have been reclassified for comparative purposes to the current year presentation.

NOTE B – DESCRIPTION OF THE PLAN

The following description of the Plan provides only general information. Participants should refer to the Plan Agreement for a more complete description of the Plan's provisions.

General: The Plan is a defined contribution plan covering all eligible employees of Leonard Holding Company who have six months of service and attained the age of 18. It is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA), as amended.

Companies or affiliates of the Plan Sponsor which participated in the Plan during 2022 and 2021 include New Earth, Inc. and Surlean Meat Co.

Plan Amendments: The Plan was restated, effective January 31, 2021 as a Cycle 3 restatement and includes amendments for certain provisions permitted by the Coronavirus Aid, Relief, and Economic Security Act (the CARES Act) which change the Plan to suspend requirement minimum distributions as well as certain changes permitted by the Setting Every Community Up for Retirement Enhancement Act of 2019 (the SECURE Act) which delays the commencement date for required minimum distributions.

LEONARD HOLDING COMPANY 401(k) PLAN
Notes to Audited Financial Statements
December 31, 2022 and 2021

NOTE B – DESCRIPTION OF THE PLAN – continued

Contributions: Participants may elect to contribute up to 100% of pretax and after tax annual compensation, subject to IRS limitations, as defined in the Plan. Participants who have attained age 50 before the end of the Plan year are eligible to make catch-up contributions. Participants may also contribute amounts representing distributions from other qualified defined benefit or defined contribution plans (rollover). Participants direct the investment of their contributions to various investment options offered by the Plan. The Plan Sponsor may elect to contribute matching contributions, the amount of which is determined by the Board of Directors and allocated based on each participant's contribution. Additional profit-sharing amounts may be contributed at the option of the Plan Sponsor.

The Plan Sponsor made Qualified Non-Elective Contributions (QNEC) of \$33,175 in 2022 and \$2,655 in 2021. These QNEC contributions are included in employer match contributions on the statement of changes in net assets.

Participant Accounts: Each participant's account is credited with the participant's contributions and allocations of the Plan Sponsor's contributions and Plan earnings and charged with an allocation of investment related expenses that are paid by the Plan. Allocations are based on participant contributions or account balances, as defined. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account.

Vesting: Participants are immediately vested in their contributions plus earnings thereon. A participant's account becomes 100% vested upon attaining the Plan's normal retirement age or if employment is terminated due to death or disability. The employee's interest in employer contributions becomes 100% vested following 2 years of credited service employment.

Benefits: Benefits are paid in a lump sum. The participant or beneficiary is entitled to a benefit equal to the vested balance and non-forfeitable interest in his or her account as of the distribution date.

Forfeitures: Forfeited accounts totaled \$10 at December 31, 2022 and \$11,619 at December 31, 2021. Forfeitures may be used to reduce future employer contributions and pay the expenses of the Plan. Forfeitures totaling \$34,222 in 2022 and \$32,204 in 2021 were used to reduce employer contributions and \$0 in 2022 and \$93 in 2021 to pay Plan expenses.

Termination of Plan: Although it has not expressed any intent to do so, the Plan Sponsor has the right under the Plan to discontinue its contributions at any time and to terminate the Plan subject to the provisions of ERISA. In the event of Plan termination, participants become 100% vested.

NOTE C – INVESTMENTS CERTIFIED BY THIRD PARTY (unaudited)

As permitted by Department of Labor CFR 2520.103-8, plan investments at December 31, 2022 and 2021, and the related investment earnings for the years then ended, were certified and held by Newport Trust Company, the Trustee, and were not audited by the independent auditor.

NOTE D – TRANSACTIONS WITH PARTIES-IN-INTEREST

The Plan's administrative expenses are paid either by the Plan or the Plan Sponsor as allowed by the Plan document. Expenses paid directly by the Plan Sponsor are excluded from these financial statements. Certain expenses incurred in connection with the general administration of the Plan that are paid by the Plan are recorded as deductions in the accompanying statement of changes in net assets available for benefits. In addition, certain investment-related expenses are included in net appreciation (depreciation) of fair value of investments.

LEONARD HOLDING COMPANY 401(k) PLAN
Notes to Audited Financial Statements
December 31, 2022 and 2021

NOTE E – INCOME TAX STATUS

The Internal Revenue Service has ruled that the Plan qualifies under Section 401(a) of the Internal Revenue Code (IRC) and is not subject to tax. The Plan has been amended since its determination; however, the Plan's administrator believes it is operating in accordance with applicable IRC regulations. Management is not aware of any tax positions that would have a significant impact on its financial position. Its federal tax returns for the last four years remain subject to examination.

NOTE F – FAIR VALUE MEASUREMENTS

In accordance with U.S. generally accepted accounting principles, the Plan utilizes a fair value hierarchy that prioritizes the inputs for the 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) and the lowest priority to unobservable inputs (Level 3). The three levels of the fair value hierarchy are 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 or liabilities 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
 - if the asset 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 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.

LEONARD HOLDING COMPANY 401(k) PLAN
Notes to Audited Financial Statements
December 31, 2022 and 2021

NOTE F – FAIR VALUE MEASUREMENTS – continued

The following table sets forth by level, within the fair value hierarchy, the Plan's investments measured at fair value:

	Fair Value Measurements Using			
	Level 1	Level 2	Level 3	Total
<u>December 31, 2022:</u>				
Mutual funds	\$12,713,419	\$ -	\$ -	\$12,713,419
Total investments in fair value hierarchy	<u>\$12,713,419</u>	<u>\$ -</u>	<u>\$ -</u>	12,713,419
Collective investment trust*				219,339
Total investments at fair value				<u>\$12,932,758</u>
<u>December 31, 2021:</u>				
Mutual funds	\$14,958,511	\$ -	\$ -	\$14,958,511
Total investments in fair value hierarchy	<u>\$14,958,511</u>	<u>\$ -</u>	<u>\$ -</u>	14,958,511
Collective investment trust*				488,499
Total investments at fair value				<u>\$15,447,010</u>

** In accordance with Subtopic 820-10, certain investments which measure fair value using the net asset value per share (or its equivalent) as a practical expedient have not been classified in the fair value hierarchy. The fair value amounts presented in this table are intended to permit reconciliation of the fair value hierarchy to the line item presented in the statement of net assets available for benefits.*

There have been no changes in methodologies used to estimate fair value, nor transfers between levels. Fair value techniques used by the Plan include the following:

Mutual funds: Valued at quoted prices in an active market.

Collective investment trust: Valued at net asset value (NAV) of units of the collective investment trust. The NAV, as provided by the Custodian, is used as a practical expedient to estimate fair value. The NAV is based on the fair value of the underlying investments held by the fund, less its liabilities. This practical expedient is not used when it is determined to be probable that the fund will sell the investment for an amount different than the reported NAV. Participant transactions (purchases and sales) may occur daily. If the Plan were to initiate a full redemption of the collective trust, the investment adviser reserves the right to temporarily delay withdrawal from the collective investment trust in order to ensure that securities liquidations will be carried out in an orderly business manner.

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

LEONARD HOLDING COMPANY 401(k) PLAN
Notes to Audited Financial Statements
December 31, 2022 and 2021

NOTE F – FAIR VALUE MEASUREMENTS – continued

The following table summarizes information about the Putnam Stable Value Fund, the collective investment trust held by the Plan at December 31, 2022 and 2021 which is measured using the net asset value per share practical expedient.

<u>Investment</u>	<u>Unfunded Commitments</u>	<u>Redemption Frequency (If Currently Eligible)</u>	<u>Redemption Notice Period</u>
Collective investment trust	N/A	Daily	1 Day

NOTE G – RISKS AND UNCERTAINTIES

The Plan invests in various investment securities. Investment securities are exposed to various risks, such as interest rate, market, and credit risks. Market risks include global events which could impact the value of investment securities, such as a pandemic or international conflict. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect participants' account balances and the amounts reported in the statement of net assets available for benefits.

NOTE H – RECONCILIATION OF FINANCIAL STATEMENTS TO FORM 5500

The audited financial statements are prepared on the accrual basis of accounting, whereas the Form 5500 is prepared on the cash basis.

The following is a reconciliation of net assets available for benefits as of December 31:

	<u>2022</u>	<u>2021</u>
Net assets available for benefits per the financial statements	\$ 12,955,582	\$ 15,447,010
Current year employer receivable	(8,322)	-
Current year employee receivable	<u>(14,502)</u>	<u>-</u>
Net assets available for benefits per Form 5500	<u>\$ 12,932,758</u>	<u>\$ 15,447,010</u>
	<u>2022</u>	<u>2021</u>
Change in net assets available for benefits per the financial statements	\$ (2,491,428)	\$ 1,487,767
Current year employer receivable	(8,322)	-
Current year employee receivable	<u>(14,502)</u>	<u>-</u>
Change in net assets per Form 5500	<u>\$ (2,514,252)</u>	<u>\$ 1,487,767</u>

LEONARD HOLDING COMPANY 401(k) PLAN
Notes to Audited Financial Statements
December 31, 2022 and 2021

NOTE I – PROHIBITED TRANSACTION

As required by ERISA Section 2510.3-102, the Plan sponsor is required to segregate employee contributions to the Plan from its general assets as soon as practicable. The Plan has contributions totaling \$14,389, all of which represented employee salary deferrals, that were not remitted timely. These contributions are considered prohibited transactions. The Company will calculate lost investment earnings and expects to compensate the plan for the lost earnings in 2023.

NOTE J – SUBSEQUENT EVENT

The Securing a Strong Retirement Act (SECURE 2.0 Act) was signed into law on December 29, 2022, and includes mandatory and optional provisions with varying effective dates in 2023 and later.

LEONARD HOLDING COMPANY 401(k) PLAN

Supplemental Schedules

December 31, 2022

LEONARD HOLDING COMPANY 401(k) PLAN
Schedule of Delinquent Contributions
Form 5500, Schedule H, Part IV, 4a
EIN 88-0329816 Plan No. 001
Year Ended December 31, 2022

Participant Contribution Transferred Late to Plan	Total That Constitute Nonexempt Prohibited Transactions			Total Fully Corrected Under VFCP and PTE 2002-51
Check Here if Late Participant Loan Repayments are Included ☐	Contributions Not Corrected	Contributions Corrected Outside VFCP	Contributions Pending Corrections in VFCP	
\$ 14,389	\$ 14,389	\$ -	\$ -	\$ -

LEONARD HOLDING COMPANY 401(k) PLAN
Schedule of Assets Held at End of Year
Form 5500, Schedule H, Part IV, 4i
EIN 88-0329816 Plan No. 001
December 31, 2022

(a)	(b)	(c)	(d)	(e)
	Identity of Issue, Borrower, Lessor or Similar Party	Description of Investment Including Maturity Date Rate of Interest, Collateral, Par or Maturity Value	Cost	Fair Value
	Virtus NFJ Mid-Cap Value Fund	Mutual fund	**	\$ 597,822
	American Funds 2015 Target Date	Mutual fund	**	38,191
	American Funds 2020 Target Date	Mutual fund	**	52,330
	American Funds 2025 Target Date	Mutual fund	**	111,326
	American Funds 2030 Target Date	Mutual fund	**	110,637
	American Funds 2035 Target Date	Mutual fund	**	94,670
	American Funds 2040 Target Date	Mutual fund	**	526,583
	American Funds 2045 Target Date	Mutual fund	**	500,360
	American Funds 2050 Target Date	Mutual fund	**	386,737
	American Funds 2055 Target Date	Mutual fund	**	187,613
	American Funds 2060 Target Date	Mutual fund	**	69,038
	American Funds 2065 Target Date	Mutual fund	**	111,763
	American Funds Washington Mutual	Mutual fund	**	520,762
	American Funds Washington Mutual	Mutual fund	**	361,023
	BlackRock Inflation Protected Bond K	Mutual fund	**	415,620
	Cohen & Steers Real Estate Securities	Mutual fund	**	254,967
	Columbia Dividend Income I3	Mutual fund	**	981,364
	Eaton Vance Atlanta Capital SMID-Cap R6	Mutual fund	**	642,172
	Goldman Sachs GQG Partners International	Mutual fund	**	177,167
	iShares S&P 500 Index Fund K	Mutual fund	**	324,649
	Janus Henderson Triton Fund N	Mutual fund	**	298,405
	JP Morgan Large Cap Growth	Mutual fund	**	1,425,193
	Loomis Sayles Global Allocation	Mutual fund	**	572,963
	Lord Abbett High Yield Fund F6	Mutual fund	**	16
	MFS Research International	Mutual fund	**	1,006,441
	Morgan Stanley Inst Growth R6	Mutual fund	**	104,766
	Oakmark International R6	Mutual fund	**	83,731
	PGIM High Yield	Mutual fund	**	144,773
	PIMCO Commodities Plus Strategy	Mutual fund	**	253,451
	Undiscovered MGRS Behavioral Value	Mutual fund	**	320,370
	Western Asset Core Plus Bond	Mutual fund	**	2,038,516
	Putnam Stable Value Fund 20 BPS	Collective investment trust	**	219,339
	Total investments per Statement of Net Assets Available for Benefits			<u>\$ 12,932,758</u>

* Parties in interest

** Cost data is not required since all transactions are participant directed

See independent auditor's report.

LEONARD HOLDING COMPANY 401(k) PLAN
Schedule of Reportable Transactions
Form 5500, Schedule H, Part IV, 4j
EIN 88-0329816 Plan No. 001
Year Ended December 31, 2022

(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)
<u>Identity of Party Involved</u>	<u>Description of Assets</u>	<u>Purchase Price</u>	<u>Selling or Maturity Price</u>	<u>Lease Rental</u>	<u>Expenses Incurred with Transaction</u>	<u>Cost of Asset</u>	<u>Current Value on Transaction Date</u>	<u>Net Gain</u>

There were no reportable transactions during the current year.

See independent auditor's report.

LEONARD HOLDING COMPANY 401(k) PLAN

Audited Financial Statements

December 31, 2022

ADKF, P.C.
Certified Public Accountants

LEONARD HOLDING COMPANY 401(k) PLAN
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December 31, 2022

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ADKF

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Member of the AICPA & TXCPA.

Registered with Public Company
Accounting Oversight Board.

INDEPENDENT AUDITOR'S REPORT

To the Directors and Management
Leonard Holding Company 401(k) Plan
San Antonio, Texas

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

We have performed the audits of the financial statements of Leonard Holding Company 401(k) Plan, an employee benefit plan subject to the Employee Retirement Income Security Act of 1974 (ERISA), as permitted by ERISA Section 103(a)(3)(C) (ERISA Section 103(a)(3)(C) audit). The financial statements comprise the statements of net assets available for benefits as of December 31, 2022 and 2021, and the related statements of changes in net assets available for benefits for the years then ended, and the related notes to the financial statements.

Management, having determined it is permissible in the circumstances, has elected to have the audit of the Leonard Holding Company 401(k) Plan's financial statements performed in accordance with ERISA Section 103(a)(3)(C) pursuant to 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA. As permitted by ERISA Section 103(a)(3)(C), our audit need not extend to any statements or information related to assets held for investment of the plan (investment information) by a bank or similar institution or insurance carrier that is regulated, supervised, and subject to periodic examination by a state or federal agency, provided that the statements or information regarding assets so held are prepared and certified to by the bank or similar institution or insurance carrier in accordance with 29 CFR 2520.103-5 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA (qualified institution).

Management has obtained a certification from Newport Trust Company as of and for the years ended December 31, 2022 and 2021, stating that the certified investment information, as described in Note C to the financial statements, is complete and accurate.

Opinion on the Financial Statements

In our opinion, based on our audits and on the procedures performed as described in the Auditor's Responsibilities for the Audit of the Financial Statements section:

- the amounts and disclosures in the financial statements, other than those agreed to or derived from the certified investment information, are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America.
- the information in the financial statements related to assets held by and certified to by a qualified institution agrees to, or is derived from, in all material respects, the information prepared and certified by an institution that management determined meets the requirements of ERISA Section 103(a)(3)(C).

Basis for Opinion on the Financial Statements

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 audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our ERISA Section 103(a)(3)(C) audit opinion.

- 1 -

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Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error. Management's election of the ERISA Section 103(a)(3)(C) audit does not affect management's responsibility for the financial statements.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Plan's ability to continue as a going concern for one year after the date the financial statements are available to be issued.

Management is also responsible for maintaining a current Plan instrument, including all Plan amendments; administering the Plan; and determining that the Plan's transactions that are presented and disclosed in the financial statements are in conformity with the Plan's provisions, including maintaining sufficient records with respect to each of the participants, to determine the benefits due or which may become due to such participants.

Auditor's Responsibilities for the Audit of the Financial Statements

Except as described in the Scope and Nature of the ERISA Section 103(a)(3)(C) Audit section of our report, our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- 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.

Our audit did not extend to the certified investment information, except for obtaining and reading the certification, comparing the certified investment information with the related information presented and disclosed in the financial statements, and reading the disclosures relating to the certified investment information to assess whether they are in accordance with the presentation and disclosure requirements of accounting principles generally accepted in the United States of America.

Accordingly, the objective of an ERISA Section 103(a)(3)(C) audit is not to express an opinion about whether the financial statements as a whole are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America.

Auditor's Responsibilities for the Audit of the Financial Statements (continued)

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 Schedules Required by ERISA

The supplemental schedules, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the financial statements but are supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information included in the supplemental schedules, other than that agreed to or derived from the certified investment information, has been subjected to auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with GAAS. For information included in the supplemental schedules that agreed to or is derived from the certified investment information, we compared such information to the related certified investment information.

In forming our opinion on the supplemental schedules, we evaluated whether the supplemental schedules, other than the information agreed to or derived from the certified investment information, including their form and content, are presented in conformity with the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA.

In our opinion:

- the form and content of the supplemental schedules, other than the information in the supplemental schedules that agreed to or is derived from the certified investment information, are presented, in all material respects, in conformity with the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA.
- the information in the supplemental schedules related to assets held by and certified to by a qualified institution agrees to or is derived from, in all material respects, the information prepared and certified by an institution that management determined meets the requirements of ERISA Section 103(a)(3)(C).

ADKF, PC

ADKF, P.C.
San Antonio, Texas
September 22, 2023

LEONARD HOLDING COMPANY 401(k) PLAN
Statements of Net Assets Available for Benefits
December 31, 2022 and 2021

	<u>2022</u>	<u>2021</u>
ASSETS		
Investments, at fair value:		
Mutual funds	\$ 12,713,419	\$ 14,958,511
Collective investment trust	<u>219,339</u>	<u>488,499</u>
Total investments, at fair value	12,932,758	15,447,010
Receivables:		
Employer contributions	8,322	-
Employee contributions	<u>14,502</u>	<u>-</u>
Total receivables	<u>22,824</u>	<u>-</u>
 Total Net Assets Available for Benefits	 <u><u>\$ 12,955,582</u></u>	 <u><u>\$ 15,447,010</u></u>

See notes to audited financial statements.

LEONARD HOLDING COMPANY 401(k) PLAN
Statements of Changes in Net Assets Available for Benefits
Years Ended December 31, 2022 and 2021

	<u>2022</u>	<u>2021</u>
Additions		
Investment earnings:		
Net (depreciation) appreciation in fair value	\$ (3,708,571)	\$ 649,632
Interest and dividends	917,101	1,167,741
Contributions:		
Participants	1,284,376	1,293,933
Employer	665,938	638,840
Total additions	<u>(841,156)</u>	<u>3,750,146</u>
Deductions		
Benefit payments	1,610,254	2,217,620
Administrative expenses	40,018	44,759
Total deductions	<u>1,650,272</u>	<u>2,262,379</u>
Net change in net assets available for benefits	(2,491,428)	1,487,767
Net assets available for benefits at beginning of year	<u>15,447,010</u>	<u>13,959,243</u>
Net Assets Available for Benefits at End of Year	<u><u>\$ 12,955,582</u></u>	<u><u>\$ 15,447,010</u></u>

See notes to audited financial statements.

LEONARD HOLDING COMPANY 401(k) PLAN
Notes to Audited Financial Statements
December 31, 2022 and 2021

NOTE A – SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting: The financial statements of the Leonard Holding Company 401(k) Plan (the Plan) are prepared on the accrual basis of accounting.

Investment Valuation and Income Recognition: 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 Plan's management determines the Plan's valuation policies utilizing information provided by investment advisers and the custodian. Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date. Net appreciation includes the Plan's gains and losses on investments bought and sold as well as held during the year.

Benefit Payments: Benefits are recorded when paid.

Administrative Expenses: Certain expenses of maintaining the Plan are paid directly by the plan sponsor and are excluded from these financial statements. Fees related to the administration of notes receivable from participants are charged directly to the participant's account and are included in administrative expenses. Investment related expenses are included in net appreciation (depreciation) in fair value of investments.

Subsequent Events: Subsequent events have been evaluated by management through the date of the independent auditor's report. Material subsequent events, if any, are disclosed in a separate footnote to these financial statements.

Use of Estimates: The preparation of the financial statements in conformity with U. S. generally accepted accounting principles requires the Plan Administrator to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results may differ from those estimates.

Reclassifications: Certain amounts for the prior year, none of which are significant, have been reclassified for comparative purposes to the current year presentation.

NOTE B – DESCRIPTION OF THE PLAN

The following description of the Plan provides only general information. Participants should refer to the Plan Agreement for a more complete description of the Plan's provisions.

General: The Plan is a defined contribution plan covering all eligible employees of Leonard Holding Company who have six months of service and attained the age of 18. It is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA), as amended.

Companies or affiliates of the Plan Sponsor which participated in the Plan during 2022 and 2021 include New Earth, Inc. and Surlean Meat Co.

Plan Amendments: The Plan was restated, effective January 31, 2021 as a Cycle 3 restatement and includes amendments for certain provisions permitted by the Coronavirus Aid, Relief, and Economic Security Act (the CARES Act) which change the Plan to suspend requirement minimum distributions as well as certain changes permitted by the Setting Every Community Up for Retirement Enhancement Act of 2019 (the SECURE Act) which delays the commencement date for required minimum distributions.

LEONARD HOLDING COMPANY 401(k) PLAN
Notes to Audited Financial Statements
December 31, 2022 and 2021

NOTE B – DESCRIPTION OF THE PLAN – continued

Contributions: Participants may elect to contribute up to 100% of pretax and after tax annual compensation, subject to IRS limitations, as defined in the Plan. Participants who have attained age 50 before the end of the Plan year are eligible to make catch-up contributions. Participants may also contribute amounts representing distributions from other qualified defined benefit or defined contribution plans (rollover). Participants direct the investment of their contributions to various investment options offered by the Plan. The Plan Sponsor may elect to contribute matching contributions, the amount of which is determined by the Board of Directors and allocated based on each participant's contribution. Additional profit-sharing amounts may be contributed at the option of the Plan Sponsor.

The Plan Sponsor made Qualified Non-Elective Contributions (QNEC) of \$33,175 in 2022 and \$2,655 in 2021. These QNEC contributions are included in employer match contributions on the statement of changes in net assets.

Participant Accounts: Each participant's account is credited with the participant's contributions and allocations of the Plan Sponsor's contributions and Plan earnings and charged with an allocation of investment related expenses that are paid by the Plan. Allocations are based on participant contributions or account balances, as defined. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account.

Vesting: Participants are immediately vested in their contributions plus earnings thereon. A participant's account becomes 100% vested upon attaining the Plan's normal retirement age or if employment is terminated due to death or disability. The employee's interest in employer contributions becomes 100% vested following 2 years of credited service employment.

Benefits: Benefits are paid in a lump sum. The participant or beneficiary is entitled to a benefit equal to the vested balance and non-forfeitable interest in his or her account as of the distribution date.

Forfeitures: Forfeited accounts totaled \$10 at December 31, 2022 and \$11,619 at December 31, 2021. Forfeitures may be used to reduce future employer contributions and pay the expenses of the Plan. Forfeitures totaling \$34,222 in 2022 and \$32,204 in 2021 were used to reduce employer contributions and \$0 in 2022 and \$93 in 2021 to pay Plan expenses.

Termination of Plan: Although it has not expressed any intent to do so, the Plan Sponsor has the right under the Plan to discontinue its contributions at any time and to terminate the Plan subject to the provisions of ERISA. In the event of Plan termination, participants become 100% vested.

NOTE C – INVESTMENTS CERTIFIED BY THIRD PARTY (unaudited)

As permitted by Department of Labor CFR 2520.103-8, plan investments at December 31, 2022 and 2021, and the related investment earnings for the years then ended, were certified and held by Newport Trust Company, the Trustee, and were not audited by the independent auditor.

NOTE D – TRANSACTIONS WITH PARTIES-IN-INTEREST

The Plan's administrative expenses are paid either by the Plan or the Plan Sponsor as allowed by the Plan document. Expenses paid directly by the Plan Sponsor are excluded from these financial statements. Certain expenses incurred in connection with the general administration of the Plan that are paid by the Plan are recorded as deductions in the accompanying statement of changes in net assets available for benefits. In addition, certain investment-related expenses are included in net appreciation (depreciation) of fair value of investments.

LEONARD HOLDING COMPANY 401(k) PLAN
Notes to Audited Financial Statements
December 31, 2022 and 2021

NOTE E – INCOME TAX STATUS

The Internal Revenue Service has ruled that the Plan qualifies under Section 401(a) of the Internal Revenue Code (IRC) and is not subject to tax. The Plan has been amended since its determination; however, the Plan's administrator believes it is operating in accordance with applicable IRC regulations. Management is not aware of any tax positions that would have a significant impact on its financial position. Its federal tax returns for the last four years remain subject to examination.

NOTE F – FAIR VALUE MEASUREMENTS

In accordance with U.S. generally accepted accounting principles, the Plan utilizes a fair value hierarchy that prioritizes the inputs for the 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) and the lowest priority to unobservable inputs (Level 3). The three levels of the fair value hierarchy are 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 or liabilities 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
 - if the asset 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 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.

LEONARD HOLDING COMPANY 401(k) PLAN
Notes to Audited Financial Statements
December 31, 2022 and 2021

NOTE F – FAIR VALUE MEASUREMENTS – continued

The following table sets forth by level, within the fair value hierarchy, the Plan's investments measured at fair value:

	Fair Value Measurements Using			
	Level 1	Level 2	Level 3	Total
<u>December 31, 2022:</u>				
Mutual funds	\$12,713,419	\$ -	\$ -	\$12,713,419
Total investments in fair value hierarchy	<u>\$12,713,419</u>	<u>\$ -</u>	<u>\$ -</u>	12,713,419
Collective investment trust*				219,339
Total investments at fair value				<u>\$12,932,758</u>
<u>December 31, 2021:</u>				
Mutual funds	\$14,958,511	\$ -	\$ -	\$14,958,511
Total investments in fair value hierarchy	<u>\$14,958,511</u>	<u>\$ -</u>	<u>\$ -</u>	14,958,511
Collective investment trust*				488,499
Total investments at fair value				<u>\$15,447,010</u>

** In accordance with Subtopic 820-10, certain investments which measure fair value using the net asset value per share (or its equivalent) as a practical expedient have not been classified in the fair value hierarchy. The fair value amounts presented in this table are intended to permit reconciliation of the fair value hierarchy to the line item presented in the statement of net assets available for benefits.*

There have been no changes in methodologies used to estimate fair value, nor transfers between levels. Fair value techniques used by the Plan include the following:

Mutual funds: Valued at quoted prices in an active market.

Collective investment trust: Valued at net asset value (NAV) of units of the collective investment trust. The NAV, as provided by the Custodian, is used as a practical expedient to estimate fair value. The NAV is based on the fair value of the underlying investments held by the fund, less its liabilities. This practical expedient is not used when it is determined to be probable that the fund will sell the investment for an amount different than the reported NAV. Participant transactions (purchases and sales) may occur daily. If the Plan were to initiate a full redemption of the collective trust, the investment adviser reserves the right to temporarily delay withdrawal from the collective investment trust in order to ensure that securities liquidations will be carried out in an orderly business manner.

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

LEONARD HOLDING COMPANY 401(k) PLAN
Notes to Audited Financial Statements
December 31, 2022 and 2021

NOTE F – FAIR VALUE MEASUREMENTS – continued

The following table summarizes information about the Putnam Stable Value Fund, the collective investment trust held by the Plan at December 31, 2022 and 2021 which is measured using the net asset value per share practical expedient.

<u>Investment</u>	<u>Unfunded Commitments</u>	<u>Redemption Frequency (If Currently Eligible)</u>	<u>Redemption Notice Period</u>
Collective investment trust	N/A	Daily	1 Day

NOTE G – RISKS AND UNCERTAINTIES

The Plan invests in various investment securities. Investment securities are exposed to various risks, such as interest rate, market, and credit risks. Market risks include global events which could impact the value of investment securities, such as a pandemic or international conflict. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect participants' account balances and the amounts reported in the statement of net assets available for benefits.

NOTE H – RECONCILIATION OF FINANCIAL STATEMENTS TO FORM 5500

The audited financial statements are prepared on the accrual basis of accounting, whereas the Form 5500 is prepared on the cash basis.

The following is a reconciliation of net assets available for benefits as of December 31:

	<u>2022</u>	<u>2021</u>
Net assets available for benefits per the financial statements	\$ 12,955,582	\$ 15,447,010
Current year employer receivable	(8,322)	-
Current year employee receivable	<u>(14,502)</u>	<u>-</u>
Net assets available for benefits per Form 5500	<u>\$ 12,932,758</u>	<u>\$ 15,447,010</u>
	<u>2022</u>	<u>2021</u>
Change in net assets available for benefits per the financial statements	\$ (2,491,428)	\$ 1,487,767
Current year employer receivable	(8,322)	-
Current year employee receivable	<u>(14,502)</u>	<u>-</u>
Change in net assets per Form 5500	<u>\$ (2,514,252)</u>	<u>\$ 1,487,767</u>

LEONARD HOLDING COMPANY 401(k) PLAN
Notes to Audited Financial Statements
December 31, 2022 and 2021

NOTE I – PROHIBITED TRANSACTION

As required by ERISA Section 2510.3-102, the Plan sponsor is required to segregate employee contributions to the Plan from its general assets as soon as practicable. The Plan has contributions totaling \$14,389, all of which represented employee salary deferrals, that were not remitted timely. These contributions are considered prohibited transactions. The Company will calculate lost investment earnings and expects to compensate the plan for the lost earnings in 2023.

NOTE J – SUBSEQUENT EVENT

The Securing a Strong Retirement Act (SECURE 2.0 Act) was signed into law on December 29, 2022, and includes mandatory and optional provisions with varying effective dates in 2023 and later.

LEONARD HOLDING COMPANY 401(k) PLAN

Supplemental Schedules

December 31, 2022

LEONARD HOLDING COMPANY 401(k) PLAN
Schedule of Delinquent Contributions
Form 5500, Schedule H, Part IV, 4a
EIN 88-0329816 Plan No. 001
Year Ended December 31, 2022

Participant Contribution Transferred Late to Plan	Total That Constitute Nonexempt Prohibited Transactions			Total Fully Corrected Under VFCP and PTE 2002-51
Check Here if Late Participant Loan Repayments are Included ☐	Contributions Not Corrected	Contributions Corrected Outside VFCP	Contributions Pending Corrections in VFCP	
\$ 14,389	\$ 14,389	\$ -	\$ -	\$ -

LEONARD HOLDING COMPANY 401(k) PLAN
Schedule of Assets Held at End of Year
Form 5500, Schedule H, Part IV, 4i
EIN 88-0329816 Plan No. 001
December 31, 2022

(a)	(b)	(c)	(d)	(e)
	Identity of Issue, Borrower, Lessor or Similar Party	Description of Investment Including Maturity Date Rate of Interest, Collateral, Par or Maturity Value	Cost	Fair Value
	Virtus NFJ Mid-Cap Value Fund	Mutual fund	**	\$ 597,822
	American Funds 2015 Target Date	Mutual fund	**	38,191
	American Funds 2020 Target Date	Mutual fund	**	52,330
	American Funds 2025 Target Date	Mutual fund	**	111,326
	American Funds 2030 Target Date	Mutual fund	**	110,637
	American Funds 2035 Target Date	Mutual fund	**	94,670
	American Funds 2040 Target Date	Mutual fund	**	526,583
	American Funds 2045 Target Date	Mutual fund	**	500,360
	American Funds 2050 Target Date	Mutual fund	**	386,737
	American Funds 2055 Target Date	Mutual fund	**	187,613
	American Funds 2060 Target Date	Mutual fund	**	69,038
	American Funds 2065 Target Date	Mutual fund	**	111,763
	American Funds Washington Mutual	Mutual fund	**	520,762
	American Funds Washington Mutual	Mutual fund	**	361,023
	BlackRock Inflation Protected Bond K	Mutual fund	**	415,620
	Cohen & Steers Real Estate Securities	Mutual fund	**	254,967
	Columbia Dividend Income I3	Mutual fund	**	981,364
	Eaton Vance Atlanta Capital SMID-Cap R6	Mutual fund	**	642,172
	Goldman Sachs GQG Partners International	Mutual fund	**	177,167
	iShares S&P 500 Index Fund K	Mutual fund	**	324,649
	Janus Henderson Triton Fund N	Mutual fund	**	298,405
	JP Morgan Large Cap Growth	Mutual fund	**	1,425,193
	Loomis Sayles Global Allocation	Mutual fund	**	572,963
	Lord Abbett High Yield Fund F6	Mutual fund	**	16
	MFS Research International	Mutual fund	**	1,006,441
	Morgan Stanley Inst Growth R6	Mutual fund	**	104,766
	Oakmark International R6	Mutual fund	**	83,731
	PGIM High Yield	Mutual fund	**	144,773
	PIMCO Commodities Plus Strategy	Mutual fund	**	253,451
	Undiscovered MGRS Behavioral Value	Mutual fund	**	320,370
	Western Asset Core Plus Bond	Mutual fund	**	2,038,516
	Putnam Stable Value Fund 20 BPS	Collective investment trust	**	219,339
Total investments per Statement of Net Assets Available for Benefits				<u>\$ 12,932,758</u>

* *Parties in interest*

** *Cost data is not required since all transactions are participant directed*

See independent auditor's report.

LEONARD HOLDING COMPANY 401(k) PLAN
Schedule of Reportable Transactions
Form 5500, Schedule H, Part IV, 4j
EIN 88-0329816 Plan No. 001
Year Ended December 31, 2022

(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)
<u>Identity of Party Involved</u>	<u>Description of Assets</u>	<u>Purchase Price</u>	<u>Selling or Maturity Price</u>	<u>Lease Rental</u>	<u>Expenses Incurred with Transaction</u>	<u>Cost of Asset</u>	<u>Current Value on Transaction Date</u>	<u>Net Gain</u>

There were no reportable transactions during the current year.

See independent auditor's report.