

<p><b>Form 5500</b></p> <p>Department of the Treasury Internal Revenue Service</p> <hr/> <p>Department of Labor Employee Benefits Security Administration</p> <hr/> <p>Pension Benefit Guaranty Corporation</p>	<p><b>Annual Return/Report of Employee Benefit Plan</b></p> <p>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).</p> <p>▶ <b>Complete all entries in accordance with the instructions to the Form 5500.</b></p>	<p>OMB Nos. 1210-0110 1210-0089</p> <hr/> <p style="font-size: 24pt; font-weight: bold;">2022</p> <hr/> <p><b>This Form is Open to Public Inspection</b></p>
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**Part I Annual Report Identification Information**  
 For calendar plan year 2022 or fiscal plan year beginning 01/01/2022 and ending 12/31/2022

**A** This return/report is for:  a multiemployer plan  a 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

<p><b>1a</b> Name of plan PRISONER TRANSPORTATION SERVICES, INC EMPLOYEE STOCK OWNERSHIP PLAN</p>	<p><b>1b</b> Three-digit plan number (PN) ▶ <u>001</u></p>
<p><b>2a</b> 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) PRISONER TRANSPORTATION SERVICES, INC</p> <p>P.O. BOX 171078 NASHVILLE, TN 37217</p>	<p><b>1c</b> Effective date of plan <u>01/01/2019</u></p> <p><b>2b</b> Employer Identification Number (EIN) <u>84-3939688</u></p> <p><b>2c</b> Plan Sponsor's telephone number <u>615-352-9798</u></p> <p><b>2d</b> Business code (see instructions) <u>485990</u></p>

**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.

<b>SIGN HERE</b>	Filed with authorized/valid electronic signature.	10/18/2023	JOEL BRASFIELD
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
<b>SIGN HERE</b>			
	Signature of employer/plan sponsor	Date	Enter name of individual signing as employer or plan sponsor
<b>SIGN HERE</b>			
	Signature of DFE	Date	Enter name of individual signing as DFE

<b>3a</b> Plan administrator's name and address <input checked="" type="checkbox"/> Same as Plan Sponsor	<b>3b</b> Administrator's EIN  <b>3c</b> Administrator's telephone number
<b>4</b> 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: <b>a</b> Sponsor's name <b>c</b> Plan Name	<b>4b</b> EIN  <b>4d</b> PN
<b>5</b> Total number of participants at the beginning of the plan year	<b>5</b> 113
<b>6</b> Number of participants as of the end of the plan year unless otherwise stated (welfare plans complete only lines <b>6a(1)</b> , <b>6a(2)</b> , <b>6b</b> , <b>6c</b> , and <b>6d</b> ).  <b>6a(1)</b> Total number of active participants at the beginning of the plan year ..... <b>6a(2)</b> Total number of active participants at the end of the plan year .....  <b>b</b> Retired or separated participants receiving benefits ..... <b>c</b> Other retired or separated participants entitled to future benefits..... <b>d</b> Subtotal. Add lines <b>6a(2)</b> , <b>6b</b> , and <b>6c</b> ..... <b>e</b> Deceased participants whose beneficiaries are receiving or are entitled to receive benefits. .... <b>f</b> Total. Add lines <b>6d</b> and <b>6e</b> .....  <b>g</b> Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item).....  <b>h</b> Number of participants who terminated employment during the plan year with accrued benefits that were less than 100% vested.....	<b>6a(1)</b> 91 <b>6a(2)</b> 65 <b>6b</b> 0 <b>6c</b> 22 <b>6d</b> 87 <b>6e</b> 0 <b>6f</b> 87 <b>6g</b> 87 <b>6h</b> 5
<b>7</b> Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item) .....	<b>7</b>
<b>8a</b> If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristics Codes in the instructions: 2E 2P 2Q 3I  <b>b</b> If the plan provides welfare benefits, enter the applicable welfare feature codes from the List of Plan Characteristics Codes in the instructions:	
<b>9a</b> Plan funding arrangement (check all that apply) (1) <input type="checkbox"/> Insurance (2) <input type="checkbox"/> Code section 412(e)(3) insurance contracts (3) <input checked="" type="checkbox"/> Trust (4) <input type="checkbox"/> General assets of the sponsor	<b>9b</b> Plan benefit arrangement (check all that apply) (1) <input type="checkbox"/> Insurance (2) <input type="checkbox"/> Code section 412(e)(3) insurance contracts (3) <input checked="" type="checkbox"/> Trust (4) <input type="checkbox"/> General assets of the sponsor
<b>10</b> Check all applicable boxes in 10a and 10b to indicate which schedules are attached, and, where indicated, enter the number attached. (See instructions)	
<b>a Pension Schedules</b> (1) <input checked="" type="checkbox"/> <b>R</b> (Retirement Plan Information)  (2) <input type="checkbox"/> <b>MB</b> (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary  (3) <input type="checkbox"/> <b>SB</b> (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary	<b>b General Schedules</b> (1) <input checked="" type="checkbox"/> <b>H</b> (Financial Information) (2) <input type="checkbox"/> <b>I</b> (Financial Information – Small Plan) (3) <input type="checkbox"/> <b>0 A</b> (Insurance Information) (4) <input type="checkbox"/> <b>C</b> (Service Provider Information) (5) <input type="checkbox"/> <b>D</b> (DFE/Participating Plan Information) (6) <input type="checkbox"/> <b>G</b> (Financial Transaction Schedules)

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

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**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.

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

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**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 \_\_\_\_\_

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**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 **01/01/2022** and ending **12/31/2022**

<b>A</b> Name of plan <b>PRISONER TRANSPORTATION SERVICES, INC EMPLOYEE STOCK OWNERSHIP PLAN</b>	<b>B</b> Three-digit plan number (PN) ► <b>001</b>
<b>C</b> Plan sponsor's name as shown on line 2a of Form 5500 <b>PRISONER TRANSPORTATION SERVICES, INC</b>	<b>D</b> Employer Identification Number (EIN) <b>84-3939688</b>

**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.

<b>Assets</b>		<b>(a) Beginning of Year</b>	<b>(b) End of Year</b>
<b>a</b> Total noninterest-bearing cash.....	<b>1a</b>	0	0
<b>b</b> Receivables (less allowance for doubtful accounts):			
<b>(1)</b> Employer contributions.....	<b>1b(1)</b>	0	0
<b>(2)</b> Participant contributions.....	<b>1b(2)</b>		
<b>(3)</b> Other.....	<b>1b(3)</b>		
<b>c</b> General investments:			
<b>(1)</b> Interest-bearing cash (include money market accounts & certificates of deposit).....	<b>1c(1)</b>		
<b>(2)</b> U.S. Government securities.....	<b>1c(2)</b>		
<b>(3)</b> Corporate debt instruments (other than employer securities):			
<b>(A)</b> Preferred.....	<b>1c(3)(A)</b>		
<b>(B)</b> All other.....	<b>1c(3)(B)</b>		
<b>(4)</b> Corporate stocks (other than employer securities):			
<b>(A)</b> Preferred.....	<b>1c(4)(A)</b>		
<b>(B)</b> Common.....	<b>1c(4)(B)</b>		
<b>(5)</b> Partnership/joint venture interests.....	<b>1c(5)</b>		
<b>(6)</b> Real estate (other than employer real property).....	<b>1c(6)</b>		
<b>(7)</b> Loans (other than to participants).....	<b>1c(7)</b>		
<b>(8)</b> Participant loans.....	<b>1c(8)</b>		
<b>(9)</b> Value of interest in common/collective trusts.....	<b>1c(9)</b>		
<b>(10)</b> Value of interest in pooled separate accounts.....	<b>1c(10)</b>		
<b>(11)</b> Value of interest in master trust investment accounts.....	<b>1c(11)</b>		
<b>(12)</b> Value of interest in 103-12 investment entities.....	<b>1c(12)</b>		
<b>(13)</b> Value of interest in registered investment companies (e.g., mutual funds).....	<b>1c(13)</b>		
<b>(14)</b> Value of funds held in insurance company general account (unallocated contracts).....	<b>1c(14)</b>		
<b>(15)</b> Other.....	<b>1c(15)</b>		

1d Employer-related investments:		(a) Beginning of Year	(b) End of Year
(1) Employer securities.....	1d(1)	15390000	16140000
(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	15390000	16140000
<b>Liabilities</b>			
g Benefit claims payable.....	1g		
h Operating payables.....	1h		
i Acquisition indebtedness.....	1i	38840584	38236318
j Other liabilities.....	1j	0	0
k Total liabilities (add all amounts in lines 1g through 1j).....	1k	38840584	38236318
<b>Net Assets</b>			
l Net assets (subtract line 1k from line 1f).....	1l	-23450584	-22096318

**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.

<b>Income</b>		(a) Amount	(b) Total
<b>a Contributions:</b>			
(1) Received or receivable in cash from: (A) Employers.....	2a(1)(A)	929247	
(B) Participants.....	2a(1)(B)		
(C) Others (including rollovers).....	2a(1)(C)		
(2) Noncash contributions.....	2a(2)		
(3) Total contributions. Add lines 2a(1)(A), (B), (C), and line 2a(2).....	2a(3)		929247
<b>b Earnings on investments:</b>			
(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)	486787	
(C) Registered investment company shares (e.g. mutual funds).....	2b(2)(C)		
(D) Total dividends. Add lines 2b(2)(A), (B), and (C).....	2b(2)(D)		486787
(3) Rents.....	2b(3)		
(4) Net gain (loss) on sale of assets:			
(A) Aggregate proceeds.....	2b(4)(A)		
(B) Aggregate carrying amount (see instructions).....	2b(4)(B)		
(C) Subtract line 2b(4)(B) from line 2b(4)(A) and enter result.....	2b(4)(C)		
(5) Unrealized appreciation (depreciation) of assets:			
(A) Real estate.....	2b(5)(A)		
(B) Other.....	2b(5)(B)	750000	
(C) Total unrealized appreciation of assets. Add lines 2b(5)(A) and (B).....	2b(5)(C)		

		(a) Amount	(b) Total
(6) Net investment gain (loss) from common/collective trusts .....	2b(6)		
(7) Net investment gain (loss) from pooled separate accounts .....	2b(7)		
(8) Net investment gain (loss) from master trust investment accounts .....	2b(8)		
(9) Net investment gain (loss) from 103-12 investment entities.....	2b(9)		
(10) Net investment gain (loss) from registered investment companies (e.g., mutual funds) .....	2b(10)		
<b>c</b> Other income .....	2c		
<b>d</b> Total income. Add all <b>income</b> amounts in column (b) and enter total .....	2d		2166034
<b>Expenses</b>			
<b>e</b> Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers .....	2e(1)		
(2) To insurance carriers for the provision of benefits .....	2e(2)		
(3) Other .....	2e(3)		
(4) Total benefit payments. Add lines 2e(1) through (3).....	2e(4)		0
<b>f</b> Corrective distributions (see instructions).....	2f		
<b>g</b> Certain deemed distributions of participant loans (see instructions) .....	2g		
<b>h</b> Interest expense.....	2h		811768
<b>i</b> Administrative expenses: (1) Professional fees .....	2i(1)		
(2) Contract administrator fees.....	2i(2)		
(3) Investment advisory and management fees .....	2i(3)		
(4) Other .....	2i(4)		
(5) Total administrative expenses. Add lines 2i(1) through (4).....	2i(5)		0
<b>j</b> Total expenses. Add all <b>expense</b> amounts in column (b) and enter total .....	2j		811768
<b>Net Income and Reconciliation</b>			
<b>k</b> Net income (loss). Subtract line 2j from line 2d.....	2k		1354266
<b>l</b> 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: MARCUM, LLP

(2) EIN: 11-1986323

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

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

**Part IV Compliance Questions**

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

During the plan year:

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

	Yes	No	Amount
4a		X	

		Yes	No	Amount
<b>b</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.).....	<b>4b</b>		X	
<b>c</b> 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.) .....	<b>4c</b>		X	
<b>d</b> 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.).....	<b>4d</b>		X	
<b>e</b> Was this plan covered by a fidelity bond?.....	<b>4e</b>	X		1000000
<b>f</b> Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty? .....	<b>4f</b>		X	
<b>g</b> 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? .....	<b>4g</b>		X	
<b>h</b> 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?.....	<b>4h</b>		X	
<b>i</b> Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.).....	<b>4i</b>	X		
<b>j</b> 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.).....	<b>4j</b>		X	
<b>k</b> Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC? .....	<b>4k</b>		X	
<b>l</b> Has the plan failed to provide any benefit when due under the plan? .....	<b>4l</b>		X	
<b>m</b> If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.) .....	<b>4m</b>		X	
<b>n</b> 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. ....	<b>4n</b>			

**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 \_\_\_\_\_.

<b>SCHEDULE R</b> <b>(Form 5500)</b>  <small>Department of the Treasury Internal Revenue Service</small>  <small>Department of Labor Employee Benefits Security Administration</small>  <small>Pension Benefit Guaranty Corporation</small>	<b>Retirement Plan Information</b>  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).  <b>▶ File as an attachment to Form 5500.</b>	<small>OMB No. 1210-0110</small>  <b>2022</b>  <b>This Form is Open to Public Inspection.</b>
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For calendar plan year 2022 or fiscal plan year beginning 01/01/2022 and ending 12/31/2022

<b>A</b> Name of plan <u>PRISONER TRANSPORTATION SERVICES, INC EMPLOYEE STOCK OWNERSHIP PLAN</u>	<b>B</b> Three-digit plan number (PN) ▶	<u>001</u>
<b>C</b> Plan sponsor's name as shown on line 2a of Form 5500 <u>PRISONER TRANSPORTATION SERVICES, INC</u>	<b>D</b> Employer Identification Number (EIN) <u>84-3939688</u>	

<b>Part I</b>	<b>Distributions</b>
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**All references to distributions relate only to payments of benefits during the plan year.**

**1** Total value of distributions paid in property other than in cash or the forms of property specified in the instructions..... 

1		0
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**2** Enter the EIN(s) of payor(s) who paid benefits on behalf of the plan to participants or beneficiaries during the year (if more than two, enter EINs of the two payors who paid the greatest dollar amounts of benefits):  
EIN(s): \_\_\_\_\_

**Profit-sharing plans, ESOPs, and stock bonus plans, skip line 3.**

**3** Number of participants (living or deceased) whose benefits were distributed in a single sum, during the plan year..... 

3	
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<b>Part II</b>	<b>Funding Information</b> (If the plan is not subject to the minimum funding requirements of section 412 of the Internal Revenue Code or ERISA section 302, skip this Part.)
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**4** Is the plan administrator making an election under Code section 412(d)(2) or ERISA section 302(d)(2)? .....  Yes  No  N/A  
**If the plan is a defined benefit plan, go to line 8.**

**5** If a waiver of the minimum funding standard for a prior year is being amortized in this plan year, see instructions and enter the date of the ruling letter granting the waiver. **Date:** Month \_\_\_\_\_ Day \_\_\_\_\_ Year \_\_\_\_\_  
**If you completed line 5, complete lines 3, 9, and 10 of Schedule MB and do not complete the remainder of this schedule.**

<b>6 a</b> Enter the minimum required contribution for this plan year (include any prior year accumulated funding deficiency not waived).....	<b>6a</b>	
<b>b</b> Enter the amount contributed by the employer to the plan for this plan year.....	<b>6b</b>	
<b>c</b> 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).....	<b>6c</b>	

**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

<b>Part III</b>	<b>Amendments</b>
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**9** If this is a defined benefit pension plan, were any amendments adopted during this plan year that increased or decreased the value of benefits? If yes, check the appropriate box. If no, check the "No" box.....  Increase  Decrease  Both  No

<b>Part IV</b>	<b>ESOPs</b> (see instructions). If this is not a plan described under section 409(a) or 4975(e)(7) of the Internal Revenue Code, skip this Part.
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**10** Were unallocated employer securities or proceeds from the sale of unallocated securities used to repay any exempt loan?.....  Yes  No

**11 a** Does the ESOP hold any preferred stock?.....  Yes  No

**b** If the ESOP has an outstanding exempt loan with the employer as lender, is such loan part of a "back-to-back" loan? (See instructions for definition of "back-to-back" loan.).....  Yes  No

**12** Does the ESOP hold any stock that is not readily tradable on an established securities market?.....  Yes  No

**Part V Additional Information for Multiemployer Defined Benefit Pension Plans**

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

**a** Name of contributing employer \_\_\_\_\_

**b** EIN \_\_\_\_\_ **c** Dollar amount contributed by employer \_\_\_\_\_

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

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

(1) Contribution rate (in dollars and cents) \_\_\_\_\_

(2) Base unit measure:  Hourly  Weekly  Unit of production  Other (specify): \_\_\_\_\_

**a** Name of contributing employer \_\_\_\_\_

**b** EIN \_\_\_\_\_ **c** Dollar amount contributed by employer \_\_\_\_\_

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

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

(1) Contribution rate (in dollars and cents) \_\_\_\_\_

(2) Base unit measure:  Hourly  Weekly  Unit of production  Other (specify): \_\_\_\_\_

**a** Name of contributing employer \_\_\_\_\_

**b** EIN \_\_\_\_\_ **c** Dollar amount contributed by employer \_\_\_\_\_

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

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

(1) Contribution rate (in dollars and cents) \_\_\_\_\_

(2) Base unit measure:  Hourly  Weekly  Unit of production  Other (specify): \_\_\_\_\_

**a** Name of contributing employer \_\_\_\_\_

**b** EIN \_\_\_\_\_ **c** Dollar amount contributed by employer \_\_\_\_\_

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

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

(1) Contribution rate (in dollars and cents) \_\_\_\_\_

(2) Base unit measure:  Hourly  Weekly  Unit of production  Other (specify): \_\_\_\_\_

**a** Name of contributing employer \_\_\_\_\_

**b** EIN \_\_\_\_\_ **c** Dollar amount contributed by employer \_\_\_\_\_

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

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

(1) Contribution rate (in dollars and cents) \_\_\_\_\_

(2) Base unit measure:  Hourly  Weekly  Unit of production  Other (specify): \_\_\_\_\_

**a** Name of contributing employer \_\_\_\_\_

**b** EIN \_\_\_\_\_ **c** Dollar amount contributed by employer \_\_\_\_\_

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

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

(1) Contribution rate (in dollars and cents) \_\_\_\_\_

(2) Base unit measure:  Hourly  Weekly  Unit of production  Other (specify): \_\_\_\_\_

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

<b>a</b> The current plan year. Check the box to indicate the counting method used to determine the number of inactive participants: <input type="checkbox"/> last contributing employer <input type="checkbox"/> alternative <input type="checkbox"/> reasonable approximation (see instructions for required attachment).....	<b>14a</b>	
<b>b</b> The plan year immediately preceding the current plan year. <input type="checkbox"/> Check the box if the number reported is a change from what was previously reported (see instructions for required attachment) .....	<b>14b</b>	
<b>c</b> The second preceding plan year. <input type="checkbox"/> Check the box if the number reported is a change from what was previously reported (see instructions for required attachment).....	<b>14c</b>	

**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:

<b>a</b> The corresponding number for the plan year immediately preceding the current plan year.....	<b>15a</b>	
<b>b</b> The corresponding number for the second preceding plan year.....	<b>15b</b>	

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

<b>a</b> Enter the number of employers who withdrew during the preceding plan year .....	<b>16a</b>	
<b>b</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.....	<b>16b</b>	

**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 \_\_\_\_\_

**PRISONER TRANSPORTATION SERVICES, INC.  
EMPLOYEE STOCK OWNERSHIP PLAN**

**FINANCIAL STATEMENTS AND  
SUPPLEMENTAL SCHEDULE**

**DECEMBER 31, 2022 AND 2021  
AND FOR THE YEAR ENDED DECEMBER 31, 2022**

**PRISONER TRANSPORTATION SERVICES, INC.  
EMPLOYEE STOCK OWNERSHIP PLAN**

**CONTENTS**

---

**Independent Auditors' Report**.....1-3

**Financial Statements**

Statements of Net Assets Available for Benefits..... 4  
Statement of Changes in Net Assets (Deficit) Available for Benefits..... 5

**Notes to Financial Statements**.....6-17

**Supplemental Schedule**

Schedule H, Line 4i - Schedule of Assets (Held at End of Year)..... 18



## INDEPENDENT AUDITORS' REPORT

To the Plan Administrator and Participants of  
**Prisoner Transportation Services, Inc. Employee Stock Ownership Plan**

### *Opinion*

We have audited the financial statements of Prisoner Transportation Services, Inc. Employee Stock Ownership Plan, an employee benefit plan subject to the Employee Retirement Income Security Act of 1974 (ERISA), which comprise the statement of net assets available for benefits as of December 31, 2022 and 2021, and the related statement of changes in net assets (deficit) available for benefits for the year then ended December 31, 2022, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the net assets available for benefits of Prisoner Transportation Services, Inc. Employee Stock Ownership Plan as of December 31, 2022 and 2021, and the changes in its net assets (deficit) available for benefits for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

### *Basis for Opinion*

We conducted our 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 Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Prisoner Transportation Services, Inc. Employee Stock Ownership Plan and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### *Responsibilities of Management for the Financial Statements*

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

### ***Auditors' Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users made on the basis of these 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 Prisoner Transportation Services, Inc. Employee Stock Ownership Plan's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Prisoner Transportation Services, Inc. Employee Stock Ownership Plan's ability to continue as a going concern for a reasonable period of time.

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

***Supplemental Schedule Required by ERISA***

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The supplemental schedule, Schedule H, Line 4i – Schedule of Assets (Held at End of Year), is presented for purposes of additional analysis and is not a required part of the financial statements but is supplementary information required by the Department of Labor’s Rules and Regulations for Reporting and Disclosure under ERISA. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audits of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with GAAS.

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

*Marcum LLP*

Providence, RI  
October 16, 2023

**PRISONER TRANSPORTATION SERVICES, INC.  
EMPLOYEE STOCK OWNERSHIP PLAN**

**STATEMENTS OF NET ASSETS (DEFICIT) AVAILABLE FOR BENEFITS**

**DECEMBER 31, 2022 AND 2021**

	2022			2021		
	Allocated	Unallocated	Total	Allocated	Unallocated	Total
<b>Assets</b>						
Prisoner Transportation Services, Inc. common stock, at fair value	\$ 1,370,398	\$ 14,769,602	\$ 16,140,000	\$ 956,145	\$ 14,433,855	\$ 15,390,000
<b>Total Assets</b>	<u>\$ 1,370,398</u>	<u>\$ 14,769,602</u>	<u>\$ 16,140,000</u>	<u>\$ 956,145</u>	<u>\$ 14,433,855</u>	<u>\$ 15,390,000</u>
<b>Liabilities</b>						
Loan payable	\$ --	\$ 38,236,318	\$ 38,236,318	\$ --	\$ 38,840,584	\$ 38,840,584
<b>Total Liabilities</b>	<u>--</u>	<u>38,236,318</u>	<u>38,236,318</u>	<u>--</u>	<u>38,840,584</u>	<u>38,840,584</u>
<b>Net Assets (Deficit)</b>						
<b>Available for Benefits</b>	<u>\$ 1,370,398</u>	<u>\$ (23,466,716)</u>	<u>\$ (22,096,318)</u>	<u>\$ 956,145</u>	<u>\$ (24,406,729)</u>	<u>\$ (23,450,584)</u>

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

**PRISONER TRANSPORTATION SERVICES, INC.  
EMPLOYEE STOCK OWNERSHIP PLAN**

**STATEMENT OF CHANGES IN NET ASSETS (DEFICIT)  
AVAILABLE FOR BENEFITS**

**FOR THE YEAR ENDED DECEMBER 31, 2022**

	Allocated	Unallocated	Total
<b>Additions</b>			
Additions to net assets attributed to:			
Investment Income			
Shareholder distribution/dividend	\$ --	\$ 486,787	\$ 486,787
Net unrealized appreciation in fair value of investments	46,596	703,404	750,000
Employer contribution	--	929,247	929,247
Allocation of 22,779 shares of common stock of sponsor, at fair value	<u>367,657</u>	<u>--</u>	<u>367,657</u>
<b>Total Additions</b>	<u>414,253</u>	<u>2,119,438</u>	<u>2,533,691</u>
<b>Deductions</b>			
Deductions from net assets attributed to:			
Interest expense	--	811,768	811,768
Allocation of 22,779 shares of common stock of sponsor, at fair value	<u>--</u>	<u>367,657</u>	<u>367,657</u>
<b>Total Deductions</b>	<u>--</u>	<u>1,179,425</u>	<u>1,179,425</u>
<b>Net Increase</b>	414,253	940,013	1,354,266
<b>Net Assets (Deficit) Available for Benefits - Beginning</b>	<u>956,145</u>	<u>(24,406,729)</u>	<u>(23,450,584)</u>
<b>Net Assets (Deficit) Available for Benefits - End</b>	<u>\$ 1,370,398</u>	<u>\$ (23,466,716)</u>	<u>\$ (22,096,318)</u>

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

**PRISONER TRANSPORTATION SERVICES, INC.**  
**EMPLOYEE STOCK OWNERSHIP PLAN**

**NOTES TO FINANCIAL STATEMENTS**

**DECEMBER 31, 2022 AND 2021 AND  
FOR THE YEAR ENDED DECEMBER 31, 2022**

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**NOTE 1 – DESCRIPTION OF PLAN**

The following description of Prisoner Transportation Services, Inc. Employee Stock Ownership Plan (the Plan) provides only general information. Participants should refer to the Plan agreement for a more complete description of the Plan's provisions.

***GENERAL***

Prisoner Transportation Services, Inc. (the Company or Employer) established the Employee Stock Ownership Plan as of January 1, 2019. The Plan operates as a leveraged Employee Stock Ownership Plan (the ESOP) and is designed to comply with Section 4975(e)(7) and the regulations thereunder of the Internal Revenue Code (IRC) of 1986, as amended (the Code), and is subject to the applicable provisions of the Employee Retirement Income Security Act of 1974, as amended (ERISA). An Administrator, appointed by the Company's Board of Directors, administers the Plan. The Plan's trustee is SCJ Consulting Services, LLC (the Trustee).

On December 13, 2019, pursuant to the Stock Purchase Agreement, the ESOP purchased 100% of the Company's issued and outstanding common stock from the sellers for \$41,000,000, of which \$15,000,000 was payable to the sellers on the effective date and \$26,000,000 was financed through seller notes payable. In addition, each seller was entitled to receive fully vested warrants to purchase shares of common stock of the Company.

Simultaneously with the financing of the ESOP stock purchase, the Company agreed to refinance the \$15,000,000 payment at closing with proceeds through a term loan with Pinnacle Bank and assume the \$26,000,000 seller notes payable pursuant to the Amended ESOP Credit Agreement (the "Internal Note Payable") dated December 13, 2019. The Company will repay the \$15,000,000 term loan monthly over five years at an annual interest rate of 4.5% and the \$26,000,000 seller notes payable quarterly over twenty years with interest only payments at an annual interest rate of 6.5% with outstanding principal and interest due at maturity. As further discussed in Note 5, the ESOP Internal Note Payable is to be repaid over forty-five years by fully deductible Company contributions to the Plan, at an annual interest rate of 2.09% (the long-term Applicable Federal Rate as of the date of refinance). The Plan purchased Company common stock shares described above using the proceeds of seller debt (see Note 5) guaranteed by the Company and holds the stock in a trust established under the Plan. As the Plan makes each payment of principal and interest, an appropriate percentage of stock will be allocated to eligible employees' accounts in accordance with applicable regulations under the Code. Shares vest according to the vesting schedule.

**PRISONER TRANSPORTATION SERVICES, INC.**  
**EMPLOYEE STOCK OWNERSHIP PLAN**

**NOTES TO FINANCIAL STATEMENTS**

**DECEMBER 31, 2022 AND 2021 AND  
FOR THE YEAR ENDED DECEMBER 31, 2022**

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**NOTE 1 – DESCRIPTION OF PLAN (CONTINUED)**

***GENERAL (CONTINUED)***

The borrowing is collateralized by the unallocated shares of stock and is guaranteed by the Company. The lender has no rights against shares once they are allocated under the ESOP. Accordingly, the financial statements of the Plan, as of December 31, 2022 and 2021, and for the year ended December 31, 2022, present separately the assets, liabilities, and changes therein pertaining to:

1. The accounts of employees with vested rights in allocated stock (Allocated), and
2. Stock not yet allocated to employees (Unallocated).

***ADMINISTRATION OF PLAN ASSETS***

The Trustee of the Plan holds the Plan's assets, which consist principally of Company common shares. Company contributions are held and managed by the Trustee who also administers the payment of interest and principal on the loan, which is reimbursed to the Trustee through contributions as determined by the Company. The Trustee makes distributions to participants.

Officers or employees of the Company perform certain administrative functions. No such officer or employee receives compensation from the Plan. Administrative expenses for the Trustee's fees are paid directly by the Company.

***ELIGIBILITY***

Employees of the Company are generally eligible to participate in the Plan provided they have attained age twenty-one and completed 1,000 hours of service during the first full twelve months of employment or during the subsequent Plan year (“Participants”). Participants who do not have at least 1,000 hours of service during such Plan year or are not employed on the last working day of a Plan year are generally not eligible for an allocation of Company contributions for such year. If a participant retires after the Plan’s normal retirement date, dies or becomes disabled during the Plan year, the participant does not have to be employed on the last day of the respective Plan year to receive an allocation of the Company contribution for such year.

**PRISONER TRANSPORTATION SERVICES, INC.**  
**EMPLOYEE STOCK OWNERSHIP PLAN**

**NOTES TO FINANCIAL STATEMENTS**

**DECEMBER 31, 2022 AND 2021 AND  
FOR THE YEAR ENDED DECEMBER 31, 2022**

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**NOTE 1 – DESCRIPTION OF PLAN (CONTINUED)**

*COMPENSATION*

A participant's compensation for a Plan year is defined as gross salary or wages paid to the participant in a Plan year for personal services performed for the Employer. In no event shall the amount of a participant's compensation, taken into account for purposes of the Plan, for any Plan year, exceed limitations set forth under the IRC.

*PAYMENT OF BENEFITS*

No distributions from the Plan will be made until a participant retires, dies (in which case, payment shall be made to his or her beneficiary up to the value of the participant's account at the time of the distribution or, if none, his or her legal representatives), or otherwise terminates employment with the Company. Distributions shall be made as soon as administratively feasible following the end of the Plan year that includes the date the participant retires, dies, or terminates employment.

The Administrator will direct the Trustee to pay out benefits in equal annual installments over a period of five years. Each installment is equal to the value of the participants account at the time of the distribution divided by the remaining number of installments to be paid; provided that, in the case of a participant with an account having a fair market value in excess of \$1,150,000, distribution of the participants account will be made in annual installments over five years plus one additional year for each \$230,000 or fraction thereof by which such account balance exceeds \$1,150,000. These thresholds are subject to adjustment for increases in the cost of living pursuant to Section 409(o)(2) of the IRC. If a participant has a vested balance of \$5,000 or less, distribution will be made in a lump sum by the end of the Plan year following termination.

Distributions are made in cash. Under the provisions of the Plan, the Company is obligated to repurchase participant shares, which have been distributed under the terms of the Plan, as long as the shares are not publicly traded or if the shares are subject to trading limitations. As of December 31, 2022 and 2021, the Company did not have a repurchase obligation.

**PRISONER TRANSPORTATION SERVICES, INC.**  
**EMPLOYEE STOCK OWNERSHIP PLAN**

**NOTES TO FINANCIAL STATEMENTS**

**DECEMBER 31, 2022 AND 2021 AND  
FOR THE YEAR ENDED DECEMBER 31, 2022**

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**NOTE 1 – DESCRIPTION OF PLAN (CONTINUED)**

***VOTING RIGHTS***

The Trustee of the Plan will vote all Company stock held by the Plan at the direction of the administrator. However, a participant or their beneficiary will be entitled to direct the Trustee how to vote shares of Company stock allocated to their account with respect to the approval or disapproval of any corporate merger or consolidation, recapitalization, liquidation, dissolution, sale of substantially all assets of a trade or business, or such similar transaction involving the Company.

***PARTICIPANT ACCOUNTS***

The Plan is a defined contribution plan under which a separate individual account is established for each participant. Each participant's account is credited as of the last day of each plan year with an allocation of shares of the Company's common stock released by the Trustee from the unallocated account and forfeitures of terminated participants' non-vested accounts. Only those participants who are eligible employees of the Company as of the last day of the Plan year will receive an allocation. Allocations are based on a participant's eligible compensation, relative to total eligible compensation.

***VESTING***

If a participant's employment with the Company ends for any reason other than retirement, permanent disability or death, he or she will vest in the balances in his or her account based on total years of service with the Company subsequent to January 1, 2019. Participants vest 100% after the first three years of service. Upon death, disability, or normal retirement age, the participant will become fully vested in their account balance.

***PUT OPTION***

Under Federal income tax regulations, the Employer stock, which is held by the Plan and its participants and is not readily tradable on an established market or is subject to trading limitations, includes a put option. The put option is a right to demand that the Company buy any shares of its stock distributed to participants for which there is no market. The put price is representative of the fair market value of the stock as of the last valuation date. The purpose of the put option is to ensure that the participant has the ability ultimately to obtain cash.

**PRISONER TRANSPORTATION SERVICES, INC.**  
**EMPLOYEE STOCK OWNERSHIP PLAN**

**NOTES TO FINANCIAL STATEMENTS**

**DECEMBER 31, 2022 AND 2021 AND  
FOR THE YEAR ENDED DECEMBER 31, 2022**

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**NOTE 1 – DESCRIPTION OF PLAN (CONTINUED)**

***DIVERSIFICATION***

Diversification is offered to participants close to retirement so that they may have the opportunity to move part of the value of their investment in Company common stock into investments which are more diversified. Participants who are at least age 55, with at least ten years of participation in the Plan, may elect to diversify a portion of their account. Diversification is offered to each eligible participant over a six-year period. In each of the first five years, a participant may diversify up to 25% of the number of shares allocated to his or her account, less any shares previously diversified. In the sixth year, the percentage changes to 50%. Participants who elect to diversify will receive a cash distribution. As this plan was adopted in 2019, diversification is not available until 2029.

***EMPLOYER CONTRIBUTIONS***

The Company is obligated to make contributions in cash to the Plan, which equal the amount necessary to enable the Plan to make its regularly scheduled payments of principal and interest due on its' Internal Note Payable. Employer contributions are allocated to each participant's account based upon the relationship of the participant's eligible compensation to total eligible compensation of all Plan participants eligible to receive an allocation during the Plan year.

Each participant with an account at the date of record for cash dividends or shareholder distributions from an S corporation, payable with respect to the Employer's stock held in the participant's account, shall be eligible for the allocation of cash dividends or shareholder distributions on that Employer stock as of the valuation date that coincides with or immediately follows the records date of such dividends. All such cash dividends or shareholder distributions from an S corporation may be used to pay current obligations with respect to the exempt loan.

***FORFEITURES***

Any portion of the final balances in a participant's accounts which is not vested will become a forfeiture as of the allocation date of the Plan year in which occurs the earlier of 1) the distribution of the participant's entire vested account balance upon his termination of employment or 2) the participant incurs a one-year break in service. Non vested participants are deemed to have received a distribution of their vested account upon termination of employment. In the case of a participant who is not an employee of the Employer at the time of his/her death, the non-vested portion of the deceased Participant's Account will be deemed forfeited and available for the allocation for the Plan year of the Participant's death.

**PRISONER TRANSPORTATION SERVICES, INC.**  
**EMPLOYEE STOCK OWNERSHIP PLAN**

**NOTES TO FINANCIAL STATEMENTS**

**DECEMBER 31, 2022 AND 2021 AND  
FOR THE YEAR ENDED DECEMBER 31, 2022**

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**NOTE 1 – DESCRIPTION OF PLAN (CONTINUED)**

***FORFEITURES (CONTINUED)***

Forfeitures are allocated to each participant's account based upon the relationship of the participant's eligible compensation to total eligible compensation of all Plan participants eligible to receive an allocation during the Plan year. Forfeitures of terminated non-vested account balances allocated to remaining participants at December 31, 2022 and 2021 totaled \$21,505 and \$47,151, respectively.

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

***BASIS OF PRESENTATION***

The financial statements of the Plan are prepared using the accrual basis of accounting in conformity with generally accepted accounting principles in the United States of America (GAAP).

***USE OF ESTIMATES***

The preparation of financial statements in conformity with GAAP requires the Plan administrator to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results may differ from those estimates.

***INVESTMENT VALUATION AND INCOME RECOGNITION***

The shares of Company common stock are valued at the estimated fair value as of December 31, 2022 and 2021. See Note 4 for discussion of fair value measurements. Dividend income is accrued on the ex-dividend date.

Purchases and sales of securities are recorded on a trade-date basis. Net unrealized depreciation includes the Plan's gains and losses on investments held during the year.

**PRISONER TRANSPORTATION SERVICES, INC.  
EMPLOYEE STOCK OWNERSHIP PLAN**

**NOTES TO FINANCIAL STATEMENTS**

**DECEMBER 31, 2022 AND 2021 AND  
FOR THE YEAR ENDED DECEMBER 31, 2022**

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**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

***ALLOCATIONS***

The financial statements of the Plan present separately the assets and liabilities and changes pertaining to (a) the accounts of employees with rights in allocated stock (“allocated”) and (b) stock not yet allocated to employees (“unallocated”), including shares that are committed to be released. Shares are released from collateral and become allocated generally in the period in which debt service is actually paid.

***PAYMENT OF BENEFITS***

Benefits are recorded when paid.

***SUBSEQUENT EVENTS***

Subsequent events were evaluated through October 16, 2023, which is the date the financial statements were available to be issued. There are no events that have been identified that should be recorded or disclosed.

The Secure 2.0 Act of 2022 was signed into law on December 29, 2022. The legislation includes a vast array of provisional changes to retirement plans, becoming effective in 2023 and beyond. Plan management is evaluating the impact of the adoption and implementation of this legislation on the Plan.

**NOTE 3 – INVESTMENTS**

The Plan's investment in Company common stock, as of December 31, 2022 and 2021 is as follows:

	2022		2021	
	Allocated	Unallocated	Allocated	Unallocated
Number of Common stock shares	<u>84,907</u>	<u>915,093</u>	<u>62,127</u>	<u>937,873</u>
Cost	<u>\$ 1,370,398</u>	<u>\$ 39,629,602</u>	<u>\$ 956,145</u>	<u>\$ 40,043,855</u>
Estimated fair value	<u>\$ 1,370,398</u>	<u>\$ 14,769,602</u>	<u>\$ 956,145</u>	<u>\$ 14,433,855</u>

**PRISONER TRANSPORTATION SERVICES, INC.**  
**EMPLOYEE STOCK OWNERSHIP PLAN**

**NOTES TO FINANCIAL STATEMENTS**

**DECEMBER 31, 2022 AND 2021 AND  
FOR THE YEAR ENDED DECEMBER 31, 2022**

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**NOTE 4 – FAIR VALUE MEASUREMENTS**

The framework for measuring fair value provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). Valuation techniques used need to maximize the use of relevant observable inputs and minimize the use of unobservable inputs. The Plan also considers nonperformance risk in the overall assessment of fair value.

The three levels of the fair value hierarchy under this framework are described below:

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 as a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

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

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

The following tables sets forth by level, within the fair value hierarchy, the Plan's investments at fair value as of December 31, 2022 and 2021:

**PRISONER TRANSPORTATION SERVICES, INC.  
EMPLOYEE STOCK OWNERSHIP PLAN**

**NOTES TO FINANCIAL STATEMENTS**

**DECEMBER 31, 2022 AND 2021 AND  
FOR THE YEAR ENDED DECEMBER 31, 2022**

**NOTE 4 – FAIR VALUE MEASUREMENTS (CONTINUED)**

Asset Category	December 31, 2021			Total
	Level 1	Level 2	Level 3	
Prisoner Transportation Services, Inc. - common stock	\$ --	\$ --	\$ 16,140,000	\$ 16,140,000
	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 16,140,000</u>	<u>\$ 16,140,000</u>

Asset Category	December 31, 2021			Total
	Level 1	Level 2	Level 3	
Prisoner Transportation Services, Inc. - common stock	\$ --	\$ --	\$ 15,390,000	\$ 15,390,000
	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 15,390,000</u>	<u>\$ 15,390,000</u>

The fair value of the Company common stock is determined by an annual independent appraisal. This appraisal was based on two valuation approaches; the income approach and the market approach. The income approach utilizes the discounted cash flows methodology, and the market approach utilizes the transaction methodology. The appraiser took into account historical and projected cash flow and net earnings, weighted average cost of capital, applicable discounts and premiums, and market transactions for reasonably comparable companies.

The Administrator, under the supervision of the Company's Board of Directors, determines the fair value measurement policies and procedures. Those policies and procedures are reassessed at least annually to determine if the current valuation techniques are still appropriate. At that time, the unobservable inputs used in the fair value measurements are evaluated and adjusted, as necessary, based on current market conditions and other third-party information.

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.

**PRISONER TRANSPORTATION SERVICES, INC.  
EMPLOYEE STOCK OWNERSHIP PLAN**

**NOTES TO FINANCIAL STATEMENTS**

**DECEMBER 31, 2022 AND 2021 AND  
FOR THE YEAR ENDED DECEMBER 31, 2022**

**NOTE 4 – FAIR VALUE MEASUREMENTS (CONTINUED)**

The following table provides further details of this Level 3 fair value measurement at December 31, 2022.

	<u>Quantitative Information about Level 3 Fair Value Measurements</u>		
	<u>Valuation Techniques</u>	<u>Unobservable Input</u>	<u>December 31, 2022 Established Rates</u>
Prisoner Transportation Services, Inc. - common stock	Discounted cash flow - 50% Weighted	Weighted - average cost of capital	17.00%
		Capitalization rate	15.00%
		Discount for lack of marketability	5.00%
		ESOP Tax Shield	24.70%
	Transaction - 50% Weighted	Revenue multiple	1.1x - 2.3x
		EBITDA multiple	6.0x - 6.5x

The following table provides further details of this Level 3 fair value measurement at December 31, 2021.

	<u>Quantitative Information about Level 3 Fair Value Measurements</u>		
	<u>Valuation Techniques</u>	<u>Unobservable Input</u>	<u>December 31, 2021 Established Rates</u>
Prisoner Transportation Services, Inc. - common stock	Discounted cash flow - 50% Weighted	Weighted - average cost of capital	15.00%
		Capitalization rate	13.00%
		Discount for lack of marketability	5.00%
		ESOP Tax Shield	24.70%
	Transaction - 50% Weighted	Revenue multiple	1.00x - 1.25x
		EBITDA multiple	6.00x - 7.00x

**PRISONER TRANSPORTATION SERVICES, INC.**  
**EMPLOYEE STOCK OWNERSHIP PLAN**

**NOTES TO FINANCIAL STATEMENTS**

**DECEMBER 31, 2022 AND 2021 AND  
FOR THE YEAR ENDED DECEMBER 31, 2022**

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**NOTE 5 – LOAN PAYABLE**

The total Internal Note Payable amounted to \$41,000,000 bearing interest at 2.09% per annum and requires forty-five equal annual installments, including interest, of \$1,416,034 through December 31, 2063, the maturity date. The Internal Note Payable balance as of December 31, 2022 and 2021, was \$38,236,318 and \$38,840,584, respectively. The issued and outstanding shares of common stock are pledged as collateral for the Internal Note Payable. As principal and interest payments are made, shares will be released from collateral, as defined. Scheduled principal and interest payments will be funded with contributions from the Company. Released shares will be allocated to participant's accounts based on total compensation and length of service. This resulted in 22,779 shares being released and allocated for both years ended December 31, 2022 and 2021.

The scheduled amortization of the loan for the next five years and thereafter is as follows:

2023	\$ 616,895
2024	629,788
2025	642,951
2026	656,389
Thereafter	<u>35,690,295</u>
	<u>\$ 38,236,318</u>

**NOTE 6 – RISKS AND UNCERTAINTIES**

***INVESTMENTS***

The Plan's primary investment is in the Company's common stock. The common stock is exposed to various risks, such as interest rate, market, and credit risks. Due to the level of risk associated with common stock and the level of uncertainty related to the changes in the value of common stock, it is at least reasonably possible that changes in the values of common stock in the near term could materially affect participants' account balances and the amounts reported in the accompanying statements of net assets available for benefits and the statement of changes in net assets (deficit) available for benefits.

**PRISONER TRANSPORTATION SERVICES, INC.**  
**EMPLOYEE STOCK OWNERSHIP PLAN**

**NOTES TO FINANCIAL STATEMENTS**

**DECEMBER 31, 2022 AND 2021 AND  
FOR THE YEAR ENDED DECEMBER 31, 2022**

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**NOTE 7 – TAX STATUS**

The Internal Revenue Service (IRS) has determined and informed the Company by a letter dated June 22, 2020, that the Plan is qualified and the related trust established under the Plan is tax-exempt, under the appropriate sections of the IRC. The letter applies to the Plan adopted December 31, 2019. There have been no amendments to the Plan since inception. The determination was made on the condition the Plan adopts the proposed amendments submitted with the letter dated June 22, 2020. The Plan administrator has submitted to adopt the proposed amendments and therefore the Plan is currently designed and being operated in compliance. Management believes that the Plan was qualified and the related trust was tax-exempt as of the financial statement date and, accordingly, no provision for income taxes has been included in the Plan's financial statements

GAAP required Plan Management to evaluate tax positions taken by the Plan and recognize a tax liability (or asset) if the Plan has taken an uncertain position that more likely than not would not be sustained upon examination by the IRS. The Plan Administrator has analyzed the tax positions taken by the Plan, and has concluded that as of December 31, 2022 and 2021, there are no uncertain positions taken or expected to be taken that would require recognition of a liability (or asset) or disclosure in the financial statements. The Plan is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods pending or in progress.

**NOTE 8 – RELATED-PARTY AND PARTY-IN-INTEREST TRANSACTIONS**

All expenses of maintaining the Plan are paid by the Company. The Company pays Plan administration, Trustee, appraiser, and audit fees. Also, the Plan invests in Company common stock and has indebtedness guaranteed by the Company. These are related party and party-in-interest transactions. The Plan has a number of service providers. Such parties are parties-in-interest under ERISA. All of these party-in-interest transactions are exempt from the prohibited transaction rules of ERISA.

**NOTE 9 – PLAN TERMINATION**

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

**PRISONER TRANSPORTATION SERVICES, INC.  
EMPLOYEE STOCK OWNERSHIP PLAN**

**SCHEDULE H, LINE 4i – SCHEDULE OF ASSETS (HELD AT END OF YEAR)**

**DECEMBER 31, 2022**

EIN: 84-3939688

P/N: 001

(a)	(b) Identity of issue, borrower, lessor, or similar party	(c) Description of investment, including maturity date, rate of interest, collateral, par, or maturity value	(d) Cost	(e) Current value
*	Prisoner Transportation Services, Inc.	1,000,000 common stock shares **	<u>\$ 41,000,000</u>	<u>\$ 16,140,000</u>
	Total Investments		<u>\$ 41,000,000</u>	<u>\$ 16,140,000</u>

\* Denotes party-in-interest

\*\* Amount represents total allocated and unallocated shares

*See independent auditors' report*

**Schedule H, Line 4i**  
**Schedule of Assets (Held At End of Year)**

Name of Employer: ▶	Prisoner Transportation Services, Inc Employee Stock Ownership Plan		
Employer Identification Number (EIN): ▶	84-3939688	Three-digit plan number: ▶	001
For the plan year beginning/ending: ▶	01/01/2022 - 12/31/2022		

	(b) Identity of issue, borrower, lessor, or similar party	(c) Description of investment including maturity date, rate of interest, collateral, par or maturity value	(d) Cost	(e) Current value
*	Prisoner Transportation Services	Common Stock, 1,000,000 Shares	41,000,000	16,140,000
*	Recognized as a party-in-interest to the Plan.			