

Form 5500

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security
Administration

Pension Benefit Guaranty Corporation

Annual Return/Report of Employee Benefit Plan

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

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

OMB Nos. 1210-0110
1210-0089

2023

This Form is Open to Public Inspection

Part I Annual Report Identification Information

For calendar plan year 2023 or fiscal plan year beginning 01/01/2023 and ending 11/30/2023

- A This return/report is for: [] a multiemployer plan [] a multiple-employer plan (Filers checking this box must provide participating employer information in accordance with the form instructions.) [X] a single-employer plan [] a DFE (specify) ____
B This return/report is: [] the first return/report [X] the final return/report [] an amended return/report [X] 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: [X] 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: SOUTHLAND MANUFACTURING, INC. EMPLOYEE STOCK OWNERSHIP PLAN
1b Three-digit plan number (PN): 001
1c Effective date of plan: 01/01/2002
2a Plan sponsor's name (employer, if for a single-employer plan): SOUTHLAND MANUFACTURING, INC.
2b Employer Identification Number (EIN): 61-1140989
2c Plan Sponsor's telephone number: 270-781-1444
2d Business code (see instructions): 321900

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

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

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

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

Form 5500 (2023) v. 230707

3a Plan administrator's name and address <input checked="" type="checkbox"/> Same as Plan Sponsor	3b Administrator's EIN 3c Administrator's telephone number <div style="background-color: #cccccc; height: 40px; width: 100%;"></div>																																																																																																														
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	<table border="1" style="width:100%; border-collapse: collapse;"> <tr> <td style="width:10%; text-align: center;">5</td> <td style="text-align: right;">133</td> </tr> </table>	5	133																																																																																																												
5	133																																																																																																														
6 Number of participants as of the end of the plan year unless otherwise stated (welfare plans complete only lines 6a(1) , 6a(2) , 6b , 6c , and 6d). a(1) Total number of active participants at the beginning of the plan year a(2) Total number of active participants at the end of the plan year b Retired or separated participants receiving benefits c Other retired or separated participants entitled to future benefits d Subtotal. Add lines 6a(2) , 6b , and 6c e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits f Total. Add lines 6d and 6e g(1) Number of participants with account balances as of the beginning of the plan year (only defined contribution plans complete this item) g(2) Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item) h Number of participants who terminated employment during the plan year with accrued benefits that were less than 100% vested.....	<table border="1" style="width:100%; border-collapse: collapse;"> <tr> <td style="width:10%;"></td> <td style="width:10%;"></td> <td style="width:10%;"></td> <td style="width:10%;"></td> <td style="width:10%;"></td> <td style="width:10%;"></td> <td style="width:10%;"></td> <td style="width:10%;"></td> <td style="width:10%;"></td> <td style="width:10%;"></td> </tr> <tr> <td style="text-align: center;">6a(1)</td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td style="text-align: right;">0</td> </tr> <tr> <td style="text-align: center;">6a(2)</td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td style="text-align: right;">0</td> </tr> <tr> <td style="text-align: center;">6b</td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td style="text-align: right;">0</td> </tr> <tr> <td style="text-align: center;">6c</td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td style="text-align: right;">0</td> </tr> <tr> <td style="text-align: center;">6d</td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td style="text-align: right;">0</td> </tr> <tr> <td style="text-align: center;">6e</td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td style="text-align: right;">0</td> </tr> <tr> <td style="text-align: center;">6f</td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td style="text-align: right;">0</td> </tr> <tr> <td style="text-align: center;">6g(1)</td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td style="text-align: right;">0</td> </tr> <tr> <td style="text-align: center;">6g(2)</td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td style="text-align: right;">0</td> </tr> <tr> <td style="text-align: center;">6h</td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td style="text-align: right;">0</td> </tr> </table>											6a(1)									0	6a(2)									0	6b									0	6c									0	6d									0	6e									0	6f									0	6g(1)									0	6g(2)									0	6h									0
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7 Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item).....	<table border="1" style="width:100%; border-collapse: collapse;"> <tr> <td style="width:10%; text-align: center;">7</td> <td></td> </tr> </table>	7																																																																																																													
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8a If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristics Codes in the instructions:
 2I 2Q 3I

b If the plan provides welfare benefits, enter the applicable welfare feature codes from the List of Plan Characteristics Codes in the instructions:

9a Plan funding arrangement (check all that apply) (1) <input type="checkbox"/> Insurance (2) <input type="checkbox"/> Code section 412(e)(3) insurance contracts (3) <input checked="" type="checkbox"/> Trust (4) <input type="checkbox"/> General assets of the sponsor	9b Plan benefit arrangement (check all that apply) (1) <input type="checkbox"/> Insurance (2) <input type="checkbox"/> Code section 412(e)(3) insurance contracts (3) <input checked="" type="checkbox"/> Trust (4) <input type="checkbox"/> General assets of the sponsor
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10 Check all applicable boxes in 10a and 10b to indicate which schedules are attached, and, where indicated, enter the number attached. (See instructions)

<p>a Pension Schedules</p> (1) <input checked="" type="checkbox"/> R (Retirement Plan Information) (2) <input type="checkbox"/> MB (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary (3) <input type="checkbox"/> SB (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary (4) <input type="checkbox"/> DCG (Individual Plan Information) – Number Attached _____ (5) <input type="checkbox"/> MEP (Multiple-Employer Retirement Plan Information)	<p>b General Schedules</p> (1) <input checked="" type="checkbox"/> H (Financial Information) (2) <input type="checkbox"/> I (Financial Information – Small Plan) (3) <input type="checkbox"/> A (Insurance Information) – Number Attached _____ (4) <input type="checkbox"/> C (Service Provider Information) (5) <input type="checkbox"/> D (DFE/Participating Plan Information) (6) <input type="checkbox"/> G (Financial Transaction Schedules)
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Part III Form M-1 Compliance Information (to be completed by welfare benefit plans)

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

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

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

11c Enter the Receipt Confirmation Code for the 2023 Form M-1 annual report. If the plan was not required to file the 2023 Form M-1 annual report, enter the Receipt Confirmation Code for the most recent Form M-1 that was required to be filed under the Form M-1 filing requirements. (Failure to enter a valid Receipt Confirmation Code will subject the Form 5500 filing to rejection as incomplete.)

Receipt Confirmation Code _____

SCHEDULE H (Form 5500) <small>Department of the Treasury Internal Revenue Service</small> <small>Department of Labor Employee Benefits Security Administration</small> <small>Pension Benefit Guaranty Corporation</small>	Financial Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA), and section 6058(a) of the Internal Revenue Code (the Code). ▶ File as an attachment to Form 5500.	OMB No. 1210-0110 2023 This Form is Open to Public Inspection
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For calendar plan year 2023 or fiscal plan year beginning 01/01/2023 and ending 11/30/2023	
A Name of plan SOUTHLAND MANUFACTURING, INC. EMPLOYEE STOCK OWNERSHIP PLAN	B Three-digit plan number (PN) ▶ 001
C Plan sponsor's name as shown on line 2a of Form 5500 SOUTHLAND MANUFACTURING, INC.	D Employer Identification Number (EIN) 61-1140989

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

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

1d Employer-related investments:		(a) Beginning of Year	(b) End of Year
(1) Employer securities	1d(1)	547569	
(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	586690	0
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		
Net Assets			
l Net assets (subtract line 1k from line 1f)	1l	586690	0

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)		
(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)		
b Earnings on investments:			
(1) Interest:			
(A) Interest-bearing cash (including money market accounts and certificates of deposit)	2b(1)(A)		
(B) U.S. Government securities	2b(1)(B)		
(C) Corporate debt instruments	2b(1)(C)		
(D) Loans (other than to participants)	2b(1)(D)		
(E) Participant loans	2b(1)(E)		
(F) Other	2b(1)(F)		
(G) Total interest. Add lines 2b(1)(A) through (F)	2b(1)(G)		
(2) Dividends: (A) Preferred stock	2b(2)(A)	530657	
(B) Common stock	2b(2)(B)		
(C) Registered investment company shares (e.g. mutual funds)	2b(2)(C)		
(D) Total dividends. Add lines 2b(2)(A), (B), and (C)	2b(2)(D)		
(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)	-547569	
(C) Total unrealized appreciation of assets. Add lines 2b(5)(A) and (B)	2b(5)(C)		

		(a) Amount	(b) Total
(6) Net investment gain (loss) from common/collective trusts.....	2b(6)		
(7) Net investment gain (loss) from pooled separate accounts.....	2b(7)		
(8) Net investment gain (loss) from master trust investment accounts.....	2b(8)		
(9) Net investment gain (loss) from 103-12 investment entities.....	2b(9)		
(10) Net investment gain (loss) from registered investment companies (e.g., mutual funds)	2b(10)		
c Other income	2c		
d Total income. Add all income amounts in column (b) and enter total	2d		-16912

Expenses

e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	569778	
(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)		569778
f Corrective distributions (see instructions).....	2f		
g Certain deemed distributions of participant loans (see instructions)	2g		
h Interest expense	2h		
i Administrative expenses:			
(1) Salaries and allowances.....	2i(1)		
(2) Contract administrator fees.....	2i(2)		
(3) Recordkeeping fees.....	2i(3)		
(4) IQPA audit fees.....	2i(4)		
(5) Investment advisory and investment management fees	2i(5)		
(6) Bank or trust company trustee/custodial fees	2i(6)		
(7) Actuarial fees	2i(7)		
(8) Legal fees	2i(8)		
(9) Valuation/appraisal fees	2i(9)		
(10) Other trustee fees and expenses	2i(10)		
(11) Other expenses	2i(11)		
(12) Total administrative expenses. Add lines 2i(1) through (11)	2i(12)		
j Total expenses. Add all expense amounts in column (b) and enter total	2j		569778

Net Income and Reconciliation

k Net income (loss). Subtract line 2j from line 2d	2k		-586690
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: **KIRBY & MOORE, LLP**

(2) EIN: **47-5648183**

d The opinion of an independent qualified public accountant is **not attached** as part of Schedule H because:

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

Part IV Compliance Questions

4 CCTs and PSAs do not complete Part IV. MTIAs, 103-12 IEs, and GIAs do not complete lines 4a, 4e, 4f, 4g, 4h, 4k, 4m, 4n, or 5. 103-12 IEs also do not complete lines 4j and 4l. MTIAs also do not complete line 4l. DCGs do not complete lines 4e, 4f, 4k, 4l, and 5, and DCGs generally complete the rest of Part IV collectively for all plans in the DCG, except as otherwise provided (see instructions).

During the plan year:

	Yes	No	Amount
a Was there a failure to transmit to the plan any participant contributions within the time period described in 29 CFR 2510.3-102? Continue to answer "Yes" for any prior year failures until fully corrected. (See instructions and DOL's Voluntary Fiduciary Correction Program.)		X	
b Were any loans by the plan or fixed income obligations due the plan in default as of the close of the plan year or classified during the year as uncollectible? Disregard participant loans secured by participant's account balance. (Attach Schedule G (Form 5500) Part I if "Yes" is checked.)		X	
c Were any leases to which the plan was a party in default or classified during the year as uncollectible? (Attach Schedule G (Form 5500) Part II if "Yes" is checked.)		X	
d Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 4a. Attach Schedule G (Form 5500) Part III if "Yes" is checked.)		X	
e Was this plan covered by a fidelity bond?	X		200000
f Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?		X	
g Did the plan hold any assets whose current value was neither readily determinable on an established market nor set by an independent third party appraiser?		X	
h Did the plan receive any noncash contributions whose value was neither readily determinable on an established market nor set by an independent third party appraiser?		X	
i Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.)	X		
j Were any plan transactions or series of transactions in excess of 5% of the current value of plan assets? (Attach schedule of transactions if "Yes" is checked and see instructions for format requirements.)		X	
k Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?	X		
l Has the plan failed to provide any benefit when due under the plan?		X	
m If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.)		X	
n If 4m was answered "Yes," check the "Yes" box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3.			

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

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

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

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

SCHEDULE R (Form 5500) <small>Department of the Treasury Internal Revenue Service</small> <small>Department of Labor Employee Benefits Security Administration</small> <small>Pension Benefit Guaranty Corporation</small>	Retirement Plan Information This schedule is required to be filed under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6058(a) of the Internal Revenue Code (the Code). ▶ File as an attachment to Form 5500.	<small>OMB No. 1210-0110</small> 2023 This Form is Open to Public Inspection.
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For calendar plan year 2023 or fiscal plan year beginning 01/01/2023 and ending 11/30/2023

A Name of plan <u>SOUTHLAND MANUFACTURING, INC. EMPLOYEE STOCK OWNERSHIP 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>SOUTHLAND MANUFACTURING, INC.</u>	D Employer Identification Number (EIN) <u>61-1140989</u>	

Part I	Distributions
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All references to distributions relate only to payments of benefits during the plan year.

1 Total value of distributions paid in property other than in cash or the forms of property specified in the instructions.....	1	
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): <u>61-1140989</u>		
Profit-sharing plans, ESOPs, and stock bonus plans, skip line 3.		
3 Number of participants (living or deceased) whose benefits were distributed in a single sum, during the plan year	3	

Part II	Funding Information (If the plan is not subject to the minimum funding requirements of section 412 of the Internal Revenue Code or ERISA section 302, skip this Part.)
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4 Is the plan administrator making an election under Code section 412(d)(2) or ERISA section 302(d)(2)?	<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> 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?	<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> 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?	<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> N/A

Part III	Amendments
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9 If this is a defined benefit pension plan, were any amendments adopted during this plan year that increased or decreased the value of benefits? If yes, check the appropriate box. If no, check the "No" box.	<input type="checkbox"/> Increase	<input type="checkbox"/> Decrease	<input type="checkbox"/> Both	<input type="checkbox"/> No
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Part IV	ESOPs (see instructions). If this is not a plan described under section 409(a) or 4975(e)(7) of the Internal Revenue Code, skip this Part.
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10 Were unallocated employer securities or proceeds from the sale of unallocated securities used to repay any exempt loan?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
11 a Does the ESOP hold any preferred stock?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> 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.)	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
12 Does the ESOP hold any stock that is not readily tradable on an established securities market?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No

Part V Additional Information for Multiemployer Defined Benefit Pension Plans

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

a Name of contributing employer _____

b EIN _____ **c** Dollar amount contributed by employer _____

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

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

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

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

a Name of contributing employer _____

b EIN _____ **c** Dollar amount contributed by employer _____

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

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

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

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

a Name of contributing employer _____

b EIN _____ **c** Dollar amount contributed by employer _____

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

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

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

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

a Name of contributing employer _____

b EIN _____ **c** Dollar amount contributed by employer _____

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

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

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

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

a Name of contributing employer _____

b EIN _____ **c** Dollar amount contributed by employer _____

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

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

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

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

a Name of contributing employer _____

b EIN _____ **c** Dollar amount contributed by employer _____

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

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

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

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

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

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

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

a The corresponding number for the plan year immediately preceding the current plan year	15a	
b The corresponding number for the second preceding plan year	15b	

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

a Enter the number of employers who withdrew during the preceding plan year	16a	
b If line 16a is greater than 0, enter the aggregate amount of withdrawal liability assessed or estimated to be assessed against such withdrawn employers	16b	

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

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

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

19 If the total number of participants is 1,000 or more, complete lines (a) and (b):

a Enter the percentage of plan assets held as:
 Public Equity: _____% Private Equity: _____% Investment-Grade Debt and Interest Rate Hedging Assets: _____%
 High-Yield Debt: _____% Real Assets: _____% Cash or Cash Equivalents: _____% Other: _____%

b Provide the average duration of the Investment-Grade Debt and Interest Rate Hedging Assets:
 0-5 years 5-10 years 10-15 years 15 years or more

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

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

b If line 20a is "Yes," has PBGC been notified as required by ERISA sections 4043(c)(5) and/or 303(k)(4)? Check the applicable box:
 Yes.
 No. Reporting was waived under 29 CFR 4043.25(c)(2) because contributions equal to or exceeding the unpaid minimum required contribution were made by the 30th day after the due date.
 No. The 30-day period referenced in 29 CFR 4043.25(c)(2) has not yet ended, and the sponsor intends to make a contribution equal to or exceeding the unpaid minimum required contribution by the 30th day after the due date.
 No. Other. Provide explanation.....

Part VII IRS Compliance Questions

21a Does the plan satisfy the coverage and nondiscrimination tests of Code sections 410(b) and 401(a)(4) by combining this plan with any other plans under the permissive aggregation rules? Yes No

21b If this is a Code section 401(k) plan, check all boxes that apply to indicate how the plan is intended to satisfy the nondiscrimination requirements for employee deferrals and employer matching contributions (as applicable) under Code sections 401(k)(3) and 401(m)(2).
 Design-based safe harbor method
 "Prior year" ADP test
 "Current year" ADP test
 N/A

22 If the plan sponsor is an adopter of a pre-approved plan that received a favorable IRS Opinion Letter, enter the date of the Opinion Letter ___/___/___ (MM/DD/YYYY) and the Opinion Letter serial number _____.

**SOUTHLAND MANUFACTURING, INC.
EMPLOYEE STOCK OWNERSHIP PLAN
EIN 61-1140989 PN 001**

**AUDITOR'S REPORT AND
FINANCIAL STATEMENTS**

NOVEMBER 30, 2023 AND DECEMBER 31, 2022

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INDEPENDENT AUDITOR'S REPORT

Board of Trustees
Southland Manufacturing, Inc. Employee Stock Ownership Plan
Bowling Green, Kentucky

Opinion

We have audited the accompanying financial statements of the Southland Manufacturing, 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 in liquidation as of November 30, 2023 and December 31, 2022, and the related statements of changes in net assets available for benefits in liquidation for the eleven months period ended November 30, 2023 and the year ended December 31, 2022, and the related notes to the financial statements.

In our opinion, the financial statements referred to in the first paragraph present fairly, in all material respects, the net assets available for benefits in liquidation of the Southland Manufacturing, Inc. Employee Stock Ownership Plan as of November 30, 2023 and December 31, 2022, and the changes in its net assets available for benefits in liquidation for the eleven months period ended November 30, 2023 and the year ended December 31, 2022, 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. 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 Southland Manufacturing, 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.

Emphasis of Matter- Basis of Accounting

As discussed in Note 8 to the financial statements, the governing body of Southland Manufacturing, Inc. Employee Stock Ownership Plan approved a plan of liquidation on August 31, 2021, and management determined liquidation is imminent. As a result, in 2021, the Plan changed its basis of accounting from the going concern basis to the liquidation basis. Our opinion is not modified with respect to that matter.

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.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgement 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 Southland Manufacturing, 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.

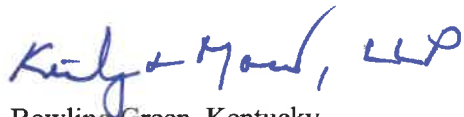
We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Supplemental Schedules Required by ERISA

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The supplemental schedule of assets held at end of year in liquidation as of November 30, 2023, 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 generally accepted auditing standards.

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

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



Bowling Green, Kentucky
September 13, 2024

FINANCIAL STATEMENTS

**SOUTHLAND MANUFACTURING, INC.
EMPLOYEE STOCK OWNERSHIP PLAN**

**STATEMENTS OF NET ASSETS AVAILABLE FOR
BENEFITS IN LIQUIDATION
November 30, 2023 and December 31, 2022**

	2023	2022
ASSETS		
Cash	\$ —	\$ 39,121
Investments		
Southland Manufacturing Company, Inc. common stock	<u>—</u>	<u>547,569</u>
Total assets	<u>—</u>	<u>586,690</u>
LIABILITIES		
Benefit claims payable	<u>—</u>	<u>—</u>
NET ASSETS AVAILABLE FOR BENEFITS IN LIQUIDATION	<u>\$ —</u>	<u>\$ 586,690</u>

See Notes to Financial Statements

**SOUTHLAND MANUFACTURING, INC.
EMPLOYEE STOCK OWNERSHIP PLAN**

**STATEMENTS OF CHANGES IN NET ASSETS AVAILABLE
FOR BENEFITS IN LIQUIDATION**

Eleven Months Period Ended November 30, 2023 and Year Ended December 31, 2022

	2023	2022
ADDITIONS TO NET ASSETS		
Investment income		
Net unrealized depreciation		
in estimated fair value of investments	(\$ 547,569)	(\$ 700,431)
Liquidating dividends	<u>530,657</u>	<u>486,451</u>
Total additions to net assets	(16,912)	(213,980)
DEDUCTIONS FROM NET ASSETS		
Benefits paid to participants	<u>569,778</u>	<u>477,970</u>
Total deductions from net assets	<u>569,778</u>	<u>477,970</u>
Net decrease	(586,690)	(691,950)
NET ASSETS AVAILABLE FOR BENEFITS IN LIQUIDATION		
Beginning of year	<u>586,690</u>	<u>1,278,640</u>
End of year	<u>\$ —</u>	<u>\$ 586,690</u>

See Notes to Financial Statements

**SOUTHLAND MANUFACTURING, INC.
EMPLOYEE STOCK OWNERSHIP PLAN**

**NOTES TO FINANCIAL STATEMENTS
November 30, 2023 and December 31, 2022**

NOTE 1. DESCRIPTION OF THE PLAN

The following description of the Southland Manufacturing, Inc. Employee Stock Ownership Plan (Plan) provides only general information. Employees should refer to the Plan for a more complete description. Copies of the Plan are available from the Plan's administrator, Southland Manufacturing Company, Inc. (Company).

The Company originally established the Plan effective as of January 1, 2002. The Company subsequently amended and restated the Plan effective as of January 1, 2013, to comply with all applicable statutes. The Plan is designed to comply with Section 4975(e)(7) and the regulations thereunder of the Internal Revenue Code of 1986, as amended (Code), and is subject to the applicable provisions of the Employee Retirement Income Security Act of 1974, as amended (ERISA). The Plan is administered by the Company's board of directors. Glenn Atkinson, the Company's President, is the Plan's trustee.

The Plan purchased 100% of the outstanding common stock of the Company in a leveraged buyout and holds the stock in a trust established under the Plan.

Cash to purchase the stock was borrowed from a commercial lender and the selling stockholders via direct loans to the Company, with a loan from the Company to the Plan (Security Acquisition Loan). The loan used to facilitate the purchase transaction was reflected in the accompanying financial statements of the Plan and collateralized by the unallocated shares of Company stock. The loan from the Company to the Plan was repaid by fully deductible Company contributions to the Plan consisting of scheduled and prepaid debt service. As the loan was repaid, shares held as collateral were released from suspense and allocated to individual participants who completed 1 hour of service during the plan year, based on the ratio of their compensation to the total compensation of all participants. Additionally, the Company may, at its discretion, make an additional contribution to the Plan, not to exceed the deductible limits under Code Section 404, to be allocated in the same manner. Shares are also realized when dividends are declared by the Company on all outstanding common stock and allocated to participants in proportion to the levels of stock previously credited to their accounts.

The lender has no rights against shares once they are allocated under the Plan. As of December 7, 2016, the Security Acquisition Loan was repaid in full and all shares have been allocated to Plan participants.

**SOUTHLAND MANUFACTURING, INC.
EMPLOYEE STOCK OWNERSHIP PLAN**

**NOTES TO FINANCIAL STATEMENTS
November 30, 2023 and December 31, 2022**

NOTE 1. DESCRIPTION OF THE PLAN (Continued)

The Plan covers substantially all employees of the Company. Employees of the Company are generally eligible to participate in the Plan on the date of completion of an hour of service. Plan participants receive a year of vesting service for completion of at least 1,000 hours of service in a plan year. A participant with five years of vesting service on December 31, 2016 shall be 100% vested in their accounts. Effective December 31, 2016, the portion of a participant's account vested shall be according to the following vesting schedule:

<u>Years of Vesting Service</u>	<u>Percentage Vested</u>
Less than 3	0%
3 or more	100%

Participants are also 100% vested in their accounts upon (a) employment by the Company on or after satisfying the age requirement for normal retirement; (b) incurring a disability while employed by the Company; or (c) death while employed by the Company. Employer contributions and Plan forfeitures are allocated to each participant's account who have completed 1 hour of service during the plan year. Allocations are based on a participant's eligible compensation relative to total eligible compensation. Forfeitures of terminated participants are reallocated to the accounts of remaining Plan participants after the employee incurs five consecutive one-year breaks in service (failure of an employee to complete more than 500 hours of service in any plan year). At November 30, 2023 and December 31, 2022, there were no forfeited non-vested accounts reallocated to the remaining Plan participants.

No distributions from the Plan will be made until a participant retires, becomes disabled, dies (in which case payment shall be made to his or her beneficiary or, if none, his or her legal representatives) or otherwise terminates employment with the Company.

For participants who terminate in the event of death, disability or retirement, distributions are made in cash or, if a participant elects, in the form of Company stock. These participants have the right to require repurchase of their shares at the then fair value. Such shares are first offered to the Plan and, if the Plan chooses not to purchase, they must be acquired by the Company.

**SOUTHLAND MANUFACTURING, INC.
EMPLOYEE STOCK OWNERSHIP PLAN**

**NOTES TO FINANCIAL STATEMENTS
November 30, 2023 and December 31, 2022**

NOTE 1. DESCRIPTION OF THE PLAN (Continued)

For participants who terminate for reasons other than death, disability or retirement, account balances will remain in the participant's account until one year after the close of the Plan year which is the fifth Plan year following the Plan year in which the participant terminates employment. In addition, no payments to terminated participants are made until the end of the Plan year following the Plan year in which the Securities Acquisition Loan is repaid; however, payment of a participant's vested ESOP account balance shall not begin later than 180 days after the end of the Plan year in which occurs the later of the participant's termination of employment or attainment of normal retirement age. Additionally, a participant may defer payment of his vested ESOP account until his required beginning date. At that time, the account will be distributed as Company stock in either a lump sum or in five annual installments, plus one year for each \$160,000 or fraction thereof, by which the participant account exceeds \$800,000, unless the participant elects installment payments over a longer period, except for those account balances less than \$1,000, which will be distributed in a single lump sum of stock or if the Company is an S corporation, a lump sum in cash. Upon receipt of the stock, these participants then have the right to require repurchase of their shares at the then fair value. Such shares are first offered to the Plan and, if the Plan chooses not to purchase, they must be acquired by the Company.

Diversification is offered to Plan 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 10 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 total number of shares of Company stock contributed to the Plan that have ever been 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 receive a cash distribution.

In matters involving major Company transactions, each participant is entitled to exercise voting rights attributable to the shares allocated to his or her account and is notified by the trustee prior to the time such rights are to be exercised. Other corporate matters are voted by the trustee in accordance with instructions from the Plan's investment committee.

**SOUTHLAND MANUFACTURING, INC.
EMPLOYEE STOCK OWNERSHIP PLAN**

**NOTES TO FINANCIAL STATEMENTS
November 30, 2023 and December 31, 2022**

NOTE 1. DESCRIPTION OF THE PLAN (Continued)

The Company reserves the right to terminate the Plan at any time, subject to the Plan provisions. Upon such termination of the Plan, 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 Plan terms and ERISA.

The Company adopted a Termination Amendment to the Plan as of August 31, 2021 pursuant to sale of the Company (see Note 8).

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The financial statements of the Plan are prepared on the liquidation basis of accounting in accordance with FASB ASC 205-30.

Investment Valuation

The common shares of the Company are valued at fair value on November 30, 2023 and December 31, 2022. Fair value is determined by an annual independent appraisal. See Note 3 for discussion of fair value measurements.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and changes therein and disclosure of contingent assets and liabilities. Actual results could differ from those estimates.

Risks and Uncertainties

The Plan investments consist primarily of the Company's common stock, which is exposed to various risks such as interest rate, market, and credit risks, as well as valuation assumptions based on earnings, cash flows and/or other such techniques. Due to the level of risk associated with the investment in the common stock and to uncertainties inherent in the estimations and assumptions process, it is at least reasonably possible that changes in the value of the common stock will occur in the near term and that such changes could materially affect the amounts reported in the statement of net assets available for benefits.

**SOUTHLAND MANUFACTURING, INC.
EMPLOYEE STOCK OWNERSHIP PLAN**

**NOTES TO FINANCIAL STATEMENTS
November 30, 2023 and December 31, 2022**

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Plan Tax Status

The Plan obtained its latest determination letter on June 17, 2015, in which the Internal Revenue Service (IRS) stated that the Plan and related trust, as then designed, were in compliance with the applicable requirements of the Internal Revenue Code and therefore not subject to tax. The Plan has not been amended since receiving the determination letter. The Plan Administrator and tax counsel believe that the Plan is currently designed and being operated in compliance with the applicable requirements of the IRC and, therefore, believe that the Plan is qualified and the related trust is tax exempt as of the financial statement date.

Accounting principles generally accepted in the United States of America require plan management to evaluate tax positions taken by the Plan and recognize a tax liability if the organization has taken a significant uncertain position that more likely than not would not be sustained upon examination by the IRS. The Plan is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. The Plan administrator believes it is no longer subject to income tax examinations for years prior to 2018.

Company's Tax Status

Effective January 1, 2007, the Company made an election to be taxed as a Subchapter S Corporation. As of November 30, 2023 and December 31, 2022, this election was still in effect.

Payment of Benefits

Benefit payments to participants are recorded upon distribution.

Subsequent Events

The Plan's management has evaluated subsequent events through September 13, 2024, which is the date the financial statements were available to be issued.

**SOUTHLAND MANUFACTURING, INC.
EMPLOYEE STOCK OWNERSHIP PLAN**

**NOTES TO FINANCIAL STATEMENTS
November 30, 2023 and December 31, 2022**

NOTE 3. FAIR VALUE MEASUREMENTS

The Plan's investments are reported at fair value in the accompanying statement of net assets available for benefits in liquidation. The methods used to measure fair value may produce an amount 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 measure the fair value of certain financial instruments could result in a different fair value at the reporting date.

The following tables present fair value measurement information for the Plan's investments in Company common stock:

	Fair Value Measurements at the End of the Reporting Period Using:			
	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
November 30, 2023				
Southland Manufacturing Company, Inc. common stock	\$ —	\$ —	\$ —	\$ —
December 31, 2022				
Southland Manufacturing Company, Inc. common stock	\$ 547,569	\$ —	\$ —	\$ 547,569

The fair value measurements accounting literature establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. This hierarchy consists of three broad levels: Level 1 inputs consist of unadjusted quoted prices in active markets for identical assets and have the highest priority, Level 2 inputs consist of observable inputs other than quoted prices for identical assets, and Level 3 inputs are unobservable and have the lowest priority. The Plan uses appropriate valuation techniques based on the available inputs to measure the fair value of its investments. Level 3 inputs were used only when Level 1 or Level 2 inputs were not available.

**SOUTHLAND MANUFACTURING, INC.
EMPLOYEE STOCK OWNERSHIP PLAN**

**NOTES TO FINANCIAL STATEMENTS
November 30, 2023 and December 31, 2022**

NOTE 3. FAIR VALUE MEASUREMENTS (Continued)

Level 3 Fair Value Measurements

On May 13, 2021, the Company was sold (see Note 8). As a result, the method used to value the Company's common stock as of November 30, 2023 and December 31, 2022 was the adjusted net book value method. Under the adjusted net book value method, each category of the assets and liabilities of a business is valued separately. The adjusted values are added, and the business' adjusted liabilities are then subtracted to derive the total value of the enterprise. The appraiser estimates value as the sum of the values of the individual assets, less the sum of the values of the individual liabilities of the business.

The Company's Board of Directors determines the fair value measurement policies and procedures in consultation with the Company's chief financial officer. 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 following tables provide further details of this Level 3 fair value measurement.

	<u>Valuation Techniques</u>	<u>Unobservable Input</u>
Southland Manufacturing Company, Inc. common stock	Adjusted net book value	Adjusted assets and liabilities

Southland Manufacturing Company, Inc. Common Stock

	2023	2022
Beginning balance	\$ 547,569	\$ 1,248,000
Total gains or losses for the period included in changes in net assets available for benefits	(547,569)	(700,431)
Ending balance	<u>\$ —</u>	<u>\$ 547,569</u>
Change in unrealized gains or losses for the period included in changes in net assets available for benefits for assets held at the end of the reporting period	(\$ 547,569)	(\$ 700,431)

**SOUTHLAND MANUFACTURING, INC.
EMPLOYEE STOCK OWNERSHIP PLAN**

**NOTES TO FINANCIAL STATEMENTS
November 30, 2023 and December 31, 2022**

NOTE 3. FAIR VALUE MEASUREMENTS (Continued)

Gains and losses included in changes in net assets available for benefits for the eleven months period ended November 30, 2023 and year ended December 31, 2022 are reported in net unrealized appreciation (depreciation) in fair value of investments.

The Plan's policy is to recognize transfers into and out of Level 3 as of the date of the event or change in circumstances that caused the transfer. For the eleven months period ended November 30, 2023 and year ended December 31, 2022, there were no significant transfers into or out of Level 3.

NOTE 4. ADMINISTRATION OF PLAN ASSETS

The Plan's assets, which consist principally of Company common stock, are held by the trustee of the Plan.

Company contributions are held and managed by the Plan trustee, who invests cash received, interest and dividend income and makes distributions, if any, to participants.

Certain administrative functions are performed by officers or employees of the Company. No such officer or employee receives compensation from the Plan. Administrative expenses are paid directly by the Company.

NOTE 5. INVESTMENTS

The Plan's investments in Company common stock at November 30, 2023 and December 31, 2022 are as follows:

	<u>Allocated</u>	
	<u>2023</u>	<u>2022</u>
Number of shares of Southland Manufacturing Company, Inc. common stock	<u>800,000</u>	<u>800,000</u>
Cost	<u>\$ 2,938,253</u>	<u>\$ 3,784,207</u>
Estimated fair value	<u>\$ —</u>	<u>\$ 547,569</u>

**SOUTHLAND MANUFACTURING, INC.
EMPLOYEE STOCK OWNERSHIP PLAN**

**NOTES TO FINANCIAL STATEMENTS
November 30, 2023 and December 31, 2022**

NOTE 6. EMPLOYER CONTRIBUTIONS

The Company, at its discretion, may make contributions in any amount the Company determines in the form of cash, Qualified Employer Securities, or other property.

NOTE 7. RELATED PARTY AND PARTY-IN-INTEREST TRANSACTIONS

The Plan invests in Company common stock, a related party and party-in-interest (ERISA). As described in Note 4, the Company pays the administrative expenses of the Plan. The Plan has a number of service providers. Such parties are parties-in-interest under ERISA.

NOTE 8. SALE OF SOUTHLAND MANUFACTURING COMPANY

On May 13, 2021, the Company entered into an asset purchase agreement with Chibuzo, Inc., dba General Pallets & Crates of AR, an Arkansas corporation. The agreement provides that Chibuzo, Inc., will purchase substantially all of the right, title and interest in and to all of the Company's assets and operations. As a result of the sale, the Company has ceased all operations and started the process of liquidating corporate assets. The Company has also adopted a Termination Amendment to the Plan, which effectively terminates the Plan as of August 31, 2021. The liquidation of the Company's assets was completed on November 30, 2024, and all remaining cash has been distributed.

SUPPLEMENTAL SCHEDULE

**SOUTHLAND MANUFACTURING, INC.
EMPLOYEE STOCK OWNERSHIP PLAN
EIN 61-1140989 PN 001**

**SCHEDULE H, LINE 4i – SCHEDULE OF
ASSETS HELD AT END OF YEAR IN LIQUIDATION
November 30, 2023**

<u>Issuer</u>	<u>Description</u>	<u>Cost</u>	<u>Current Value</u>
Southland, Manufacturing Company, Inc.	Common stock; no par value	<u>\$ 2,938,253</u>	<u>\$ —</u>

**SOUTHLAND MANUFACTURING, INC.
EMPLOYEE STOCK OWNERSHIP PLAN
EIN 61-1140989 PN 001**

**SCHEDULE H, LINE 4i – SCHEDULE OF
ASSETS HELD AT END OF YEAR IN LIQUIDATION
November 30, 2023**

<u>Issuer</u>	<u>Description</u>	<u>Cost</u>	<u>Current Value</u>
Southland, Manufacturing Company, Inc.	Common stock; no par value	<u>\$ 2,938,253</u>	<u>\$ —</u>