# 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 12/31/2023

**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
- [ ] the final return/report
- [X] 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:
- [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
SAM HOLDING COMPANY, INC. & SUBSIDIARIES 401(K) PLAN

**1b** Three-digit plan number (PN) ▶ 001

**1c** Effective date of plan 01/01/1995

**2a** Plan sponsor's name (employer, if for a single-employer plan)
Mailing address (include room, apt., suite no. and street, or P.O. Box)
City or town, state or province, country, and ZIP or foreign postal code (if foreign, see instructions)
SURVEYING AND MAPPING, LLC

4801 SOUTHWEST PARKWAY
PARKWAY TWO, SUITE 100
AUSTIN, TX 78735

**2b** Employer Identification Number (EIN)
74-2704974

**2c** Plan Sponsor's telephone number
512-493-0209

**2d** Business code (see instructions)
541370

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

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

| | | | |
|---|---|---|---|
| **SIGN HERE** | Filed with authorized/valid electronic signature. | 10/14/2024 | JAMES HEFFRON |
| | **Signature of plan administrator** | Date | Enter name of individual signing as plan administrator |
| **SIGN HERE** | | | |
| | **Signature of employer/plan sponsor** | Date | Enter name of individual signing as employer or plan sponsor |
| **SIGN HERE** | | | |
| | **Signature of DFE** | Date | Enter name of individual signing as DFE |

**3a** Plan administrator's name and address [X] Same as Plan Sponsor

**3b** Administrator's EIN

**3c** Administrator's telephone number

**4** If the name and/or EIN of the plan sponsor or the plan name has changed since the last return/report filed for this plan, enter the plan sponsor's name, EIN, the plan name and the plan number from the last return/report:

**a** Sponsor's name

**4b** EIN

**c** Plan Name

**4d** PN

| | | | |
|---|---|---|---|
| **5** | Total number of participants at the beginning of the plan year | **5** | 1786 |
| **6** | Number of participants as of the end of the plan year unless otherwise stated (welfare plans complete only lines **6a(1), 6a(2), 6b, 6c,** and **6d**). | | |
| **a(1)** | Total number of active participants at the beginning of the plan year | **6a(1)** | 1464 |
| **a(2)** | Total number of active participants at the end of the plan year | **6a(2)** | 1539 |
| **b** | Retired or separated participants receiving benefits | **6b** | 2 |
| **c** | Other retired or separated participants entitled to future benefits | **6c** | 360 |
| **d** | Subtotal. Add lines **6a(2)**, **6b**, and **6c**. | **6d** | 1901 |
| **e** | Deceased participants whose beneficiaries are receiving or are entitled to receive benefits. | **6e** | 0 |
| **f** | Total. Add lines **6d** and **6e**. | **6f** | 1901 |
| **g(1)** | Number of participants with account balances as of the beginning of the plan year (only defined contribution plans complete this item) | **6g(1)** | 1253 |
| **g(2)** | Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item) | **6g(2)** | 1364 |
| **h** | Number of participants who terminated employment during the plan year with accrued benefits that were less than 100% vested | **6h** | 15 |
| **7** | Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item) | **7** | |

**8a** If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristics Codes in the instructions:

2F 2G 2J 2K 2T 3H 3D 2E

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

**9a** Plan funding arrangement (check all that apply)

- **(1)** [ ] Insurance
- **(2)** [ ] Code section 412(e)(3) insurance contracts
- **(3)** [X] Trust
- **(4)** [ ] General assets of the sponsor

**9b** Plan benefit arrangement (check all that apply)

- **(1)** [ ] Insurance
- **(2)** [ ] Code section 412(e)(3) insurance contracts
- **(3)** [X] Trust
- **(4)** [ ] General assets of the sponsor

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

**a Pension Schedules**

- **(1)** [X] **R** (Retirement Plan Information)
- **(2)** [ ] **MB** (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary
- **(3)** [ ] **SB** (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary
- **(4)** [ ] **DCG** (Individual Plan Information) – Number Attached _____
- **(5)** [ ] **MEP** (Multiple-Employer Retirement Plan Information)

**b General Schedules**

- **(1)** [X] **H** (Financial Information)
- **(2)** [ ] **I** (Financial Information – Small Plan)
- **(3)** [ ] **A** (Insurance Information) – Number Attached 0
- **(4)** [X] **C** (Service Provider Information)
- **(5)** [ ] **D** (DFE/Participating Plan Information)
- **(6)** [ ] **G** (Financial Transaction Schedules)

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

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

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

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

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

Receipt Confirmation Code_____

| SCHEDULE C (Form 5500) | Service Provider Information | OMB No. 1210-0110 |
|---|---|---|
| Department of the Treasury<br>Internal Revenue Service<br>Department of Labor<br>Employee Benefits Security Administration<br>Pension Benefit Guaranty Corporation | This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA).<br>▶ **File as an attachment to Form 5500.** | **2023**<br>**This Form is Open to Public Inspection.** |

For calendar plan year 2023 or fiscal plan year beginning 01/01/2023 and ending 12/31/2023

**A** Name of plan
SAM HOLDING COMPANY, INC. & SUBSIDIARIES 401(K) PLAN

**B** Three-digit plan number (PN) ▶ 001

**C** Plan sponsor's name as shown on line 2a of Form 5500
SURVEYING AND MAPPING, LLC

**D** Employer Identification Number (EIN)
74-2704974

## Part I Service Provider Information (see instructions)

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

### 1 Information on Persons Receiving Only Eligible Indirect Compensation

**a** Check "Yes" or "No" to indicate whether you are excluding a person from the remainder of this Part because they received only eligible indirect compensation for which the plan received the required disclosures (see instructions for definitions and conditions).. . . . . [X] Yes [ ] No

**b** If you answered line 1a "Yes," enter the name and EIN or address of each person providing the required disclosures for the service providers who received only eligible indirect compensation. Complete as many entries as needed (see instructions).

**(b)** Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

FIDELITY INVESTMENTS INSTITUTIONAL

04-2647786

**(b)** Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

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

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

STRATEGIC ADVISORS, INC.

04-2654524

| (b) Service Code(s) | (c) Relationship to employer, employee organization, or person known to be a party-in-interest | (d) Enter direct compensation paid by the plan. If none, enter -0-. | (e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor) | (f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures? | (g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-. | (h) Did the service provider give you a formula instead of an amount or estimated amount? |
|---|---|---|---|---|---|---|
| 27 | ADVISOR | 11710 | Yes [ ] No [X] | Yes [ ] No [ ] | | Yes [ ] No [ ] |

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

FIDELITY INVESTMENTS INSTITUTIONAL

04-2647786

| (b) Service Code(s) | (c) Relationship to employer, employee organization, or person known to be a party-in-interest | (d) Enter direct compensation paid by the plan. If none, enter -0-. | (e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor) | (f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures? | (g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-. | (h) Did the service provider give you a formula instead of an amount or estimated amount? |
|---|---|---|---|---|---|---|
| 37 60 64 65 | RECORDKEEPER | -26981 | Yes [X] No [ ] | Yes [X] No [ ] | 0 | Yes [X] No [ ] |

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

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

**Part I Service Provider Information (continued)**

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

| **(a)** Enter service provider name as it appears on line 2 | **(b)** Service Codes (see instructions) | **(c)** Enter amount of indirect compensation |
|---|---|---|
| FIDELITY INVESTMENTS INSTITUTIONAL | 60 | 0 |

| **(d)** Enter name and EIN (address) of source of indirect compensation | **(e)** Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation. |
|---|---|
| CONESTOGA SM CAP INV - ULTIMUS FUN<br><br>31-1663251 | 0.40% |

| **(a)** Enter service provider name as it appears on line 2 | **(b)** Service Codes (see instructions) | **(c)** Enter amount of indirect compensation |
|---|---|---|
| FIDELITY INVESTMENTS INSTITUTIONAL | 60 | 0 |

| **(d)** Enter name and EIN (address) of source of indirect compensation | **(e)** Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation. |
|---|---|
| JH DSCPL VAL MDCP A - JOHN HANCOCK<br><br>01-0233346 | 0.35% |

| **(a)** Enter service provider name as it appears on line 2 | **(b)** Service Codes (see instructions) | **(c)** Enter amount of indirect compensation |
|---|---|---|
| FIDELITY INVESTMENTS INSTITUTIONAL | 60 | 0 |

| **(d)** Enter name and EIN (address) of source of indirect compensation | **(e)** Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation. |
|---|---|
| NB MDCP GRTH TRUST - SS&C GLOBAL I 2000 CROWN COLONY DRIVE QUINCY, MA 02169 | 0.40% |

**Part I Service Provider Information (continued)**

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

| **(a)** Enter service provider name as it appears on line 2 | **(b)** Service Codes (see instructions) | **(c)** Enter amount of indirect compensation |
|---|---|---|
| FIDELITY INVESTMENTS INSTITUTIONAL | 60 | 0 |

| **(d)** Enter name and EIN (address) of source of indirect compensation | **(e)** Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation. |
|---|---|
| VRTS DP REAL EST I - VIRTUS FUND S<br>4400 COMPUTER DRIVE<br>WESTBOROUGH, MA 01581 | 0.25% |

| **(a)** Enter service provider name as it appears on line 2 | **(b)** Service Codes (see instructions) | **(c)** Enter amount of indirect compensation |
|---|---|---|
| | | |

| **(d)** Enter name and EIN (address) of source of indirect compensation | **(e)** Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation. |
|---|---|
| | |

| **(a)** Enter service provider name as it appears on line 2 | **(b)** Service Codes (see instructions) | **(c)** Enter amount of indirect compensation |
|---|---|---|
| | | |

| **(d)** Enter name and EIN (address) of source of indirect compensation | **(e)** Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation. |
|---|---|
| | |

## Part II Service Providers Who Fail or Refuse to Provide Information

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

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

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

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

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

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

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

## Part III Termination Information on Accountants and Enrolled Actuaries (see instructions)

(complete as many entries as needed)

**a** Name:

**b** EIN:

**c** Position:

**d** Address:

**e** Telephone:

Explanation:

**a** Name:

**b** EIN:

**c** Position:

**d** Address:

**e** Telephone:

Explanation:

**a** Name:

**b** EIN:

**c** Position:

**d** Address:

**e** Telephone:

Explanation:

**a** Name:

**b** EIN:

**c** Position:

**d** Address:

**e** Telephone:

Explanation:

**a** Name:

**b** EIN:

**c** Position:

**d** Address:

**e** Telephone:

Explanation:

# SCHEDULE 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

**2023**

**This Form is Open to Public Inspection**

For calendar plan year 2023 or fiscal plan year beginning 01/01/2023 and ending 12/31/2023

**A** Name of plan
SAM HOLDING COMPANY, INC. & SUBSIDIARIES 401(K) PLAN

**B** Three-digit plan number (PN) ▶ 001

**C** Plan sponsor's name as shown on line 2a of Form 5500
SURVEYING AND MAPPING, LLC

**D** Employer Identification Number (EIN)
74-2704974

## Part I Asset and Liability Statement

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

| Assets | | (a) Beginning of Year | (b) End of Year |
|---|---|---|---|
| **a** Total noninterest-bearing cash | 1a | 0 | 0 |
| **b** Receivables (less allowance for doubtful accounts): | | | |
| **(1)** Employer contributions | 1b(1) | 0 | 0 |
| **(2)** Participant contributions | 1b(2) | 0 | 0 |
| **(3)** Other | 1b(3) | 0 | 0 |
| **c** General investments: | | | |
| **(1)** Interest-bearing cash (include money market accounts & certificates of deposit) | 1c(1) | 2175355 | 2423218 |
| **(2)** U.S. Government securities | 1c(2) | 0 | 0 |
| **(3)** Corporate debt instruments (other than employer securities): | | | |
| **(A)** Preferred | 1c(3)(A) | 0 | 0 |
| **(B)** All other | 1c(3)(B) | 0 | 0 |
| **(4)** Corporate stocks (other than employer securities): | | | |
| **(A)** Preferred | 1c(4)(A) | 0 | 0 |
| **(B)** Common | 1c(4)(B) | 0 | 0 |
| **(5)** Partnership/joint venture interests | 1c(5) | 0 | 0 |
| **(6)** Real estate (other than employer real property) | 1c(6) | 0 | 0 |
| **(7)** Loans (other than to participants) | 1c(7) | 0 | 0 |
| **(8)** Participant loans | 1c(8) | 1667832 | 1974424 |
| **(9)** Value of interest in common/collective trusts | 1c(9) | 0 | 0 |
| **(10)** Value of interest in pooled separate accounts | 1c(10) | 0 | 0 |
| **(11)** Value of interest in master trust investment accounts | 1c(11) | 0 | 0 |
| **(12)** Value of interest in 103-12 investment entities | 1c(12) | 0 | 0 |
| **(13)** Value of interest in registered investment companies (e.g., mutual funds) | 1c(13) | 68518629 | 91189465 |
| **(14)** Value of funds held in insurance company general account (unallocated contracts) | 1c(14) | 0 | 0 |
| **(15)** Other | 1c(15) | 0 | 0 |

| | | (a) Beginning of Year | (b) End of Year |
|---|---|---|---|
| **1d** Employer-related investments: | | | |
| **(1)** Employer securities | 1d(1) | 0 | 0 |
| **(2)** Employer real property | 1d(2) | 0 | 0 |
| **e** Buildings and other property used in plan operation | 1e | 0 | 0 |
| **f** Total assets (add all amounts in lines 1a through 1e) | 1f | 72361816 | 95587107 |
| **Liabilities** | | | |
| **g** Benefit claims payable | 1g | 0 | 0 |
| **h** Operating payables | 1h | 0 | 0 |
| **i** Acquisition indebtedness | 1i | 0 | 0 |
| **j** Other liabilities | 1j | 0 | 0 |
| **k** Total liabilities (add all amounts in lines 1g through1j) | 1k | 0 | 0 |
| **Net Assets** | | | |
| **l** Net assets (subtract line 1k from line 1f) | 1l | 72361816 | 95587107 |

## 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) | 4312266 | |
| **(B)** Participants | 2a(1)(B) | 8058087 | |
| **(C)** Others (including rollovers) | 2a(1)(C) | 1982208 | |
| **(2)** Noncash contributions | 2a(2) | 0 | |
| **(3)** Total contributions. Add lines **2a(1)(A), (B), (C),** and line **2a(2)** | 2a(3) | | 14352561 |
| **b Earnings on investments:** | | | |
| **(1)** Interest: | | | |
| **(A)** Interest-bearing cash (including money market accounts and certificates of deposit) | 2b(1)(A) | 113986 | |
| **(B)** U.S. Government securities | 2b(1)(B) | 0 | |
| **(C)** Corporate debt instruments | 2b(1)(C) | 0 | |
| **(D)** Loans (other than to participants) | 2b(1)(D) | 0 | |
| **(E)** Participant loans | 2b(1)(E) | 107407 | |
| **(F)** Other | 2b(1)(F) | 0 | |
| **(G)** Total interest. Add lines **2b(1)(A)** through **(F)** | 2b(1)(G) | | 221393 |
| **(2)** Dividends: **(A)** Preferred stock | 2b(2)(A) | 0 | |
| **(B)** Common stock | 2b(2)(B) | 0 | |
| **(C)** Registered investment company shares (e.g. mutual funds) | 2b(2)(C) | 2374669 | |
| **(D)** Total dividends. Add lines **2b(2)(A)**, **(B)**, and **(C)** | 2b(2)(D) | | 2374669 |
| **(3)** Rents | 2b(3) | | 0 |
| **(4)** Net gain (loss) on sale of assets: **(A)** Aggregate proceeds | 2b(4)(A) | 0 | |
| **(B)** Aggregate carrying amount (see instructions) | 2b(4)(B) | 0 | |
| **(C)** Subtract line **2b(4)(B)** from line **2b(4)(A)** and enter result | 2b(4)(C) | | 0 |
| **(5)** Unrealized appreciation (depreciation) of assets: **(A)** Real estate | 2b(5)(A) | 0 | |
| **(B)** Other | 2b(5)(B) | 0 | |
| **(C)** Total unrealized appreciation of assets. Add lines **2b(5)(A)** and **(B)** | 2b(5)(C) | | 0 |

| | | (a) Amount | (b) Total |
|---|---|---|---|
| **(6)** Net investment gain (loss) from common/collective trusts | 2b(6) | | 0 |
| **(7)** Net investment gain (loss) from pooled separate accounts | 2b(7) | | 0 |
| **(8)** Net investment gain (loss) from master trust investment accounts | 2b(8) | | 0 |
| **(9)** Net investment gain (loss) from 103-12 investment entities | 2b(9) | | 0 |
| **(10)** Net investment gain (loss) from registered investment companies (e.g., mutual funds) | 2b(10) | | 13472966 |
| **c** Other income | 2c | | 0 |
| **d** Total income. Add all **income** amounts in column (b) and enter total | 2d | | 30421589 |
| **Expenses** | | | |
| **e** Benefit payment and payments to provide benefits: | | | |
| **(1)** Directly to participants or beneficiaries, including direct rollovers | 2e(1) | 7202255 | |
| **(2)** To insurance carriers for the provision of benefits | 2e(2) | 0 | |
| **(3)** Other | 2e(3) | 0 | |
| **(4)** Total benefit payments. Add lines **2e(1)** through **(3)** | 2e(4) | | 7202255 |
| **f** Corrective distributions (see instructions) | 2f | | 9314 |
| **g** Certain deemed distributions of participant loans (see instructions) | 2g | | 0 |
| **h** Interest expense | 2h | | 0 |
| **i** Administrative expenses: | | | |
| **(1)** Salaries and allowances | 2i(1) | 0 | |
| **(2)** Contract administrator fees | 2i(2) | 0 | |
| **(3)** Recordkeeping fees | 2i(3) | -26981 | |
| **(4)** IQPA audit fees | 2i(4) | 0 | |
| **(5)** Investment advisory and investment management fees | 2i(5) | 11710 | |
| **(6)** Bank or trust company trustee/custodial fees | 2i(6) | 0 | |
| **(7)** Actuarial fees | 2i(7) | 0 | |
| **(8)** Legal fees | 2i(8) | 0 | |
| **(9)** Valuation/appraisal fees | 2i(9) | 0 | |
| **(10)** Other trustee fees and expenses | 2i(10) | 0 | |
| **(11)** Other expenses | 2i(11) | 0 | |
| **(12)** Total administrative expenses. Add lines **2i(1)** through **(11)** | 2i(12) | | -15271 |
| **j** Total expenses. Add all **expense** amounts in column (b) and enter total | 2j | | 7196298 |
| **Net Income and Reconciliation** | | | |
| **k** Net income (loss). Subtract line **2j** from line **2d** | 2k | | 23225291 |
| **l** Transfers of assets: | | | |
| **(1)** To this plan | 2l(1) | | 0 |
| **(2)** From this plan | 2l(2) | | 0 |

## 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)** [X] 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)** [X] 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: BDO USA, P.C. **(2)** EIN: 13-5381590

**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.) | **4a** | | 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.) | **4b** | | X | |
| **c** Were any leases to which the plan was a party in default or classified during the year as uncollectible? (Attach Schedule G (Form 5500) Part II if "Yes" is checked.) | **4c** | | X | |
| **d** Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 4a. Attach Schedule G (Form 5500) Part III if "Yes" is checked.) | **4d** | | X | |
| **e** Was this plan covered by a fidelity bond? | **4e** | X | | 5000000 |
| **f** Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty? | **4f** | | X | |
| **g** Did the plan hold any assets whose current value was neither readily determinable on an established market nor set by an independent third party appraiser? | **4g** | | X | |
| **h** Did the plan receive any noncash contributions whose value was neither readily determinable on an established market nor set by an independent third party appraiser? | **4h** | | X | |
| **i** Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.) | **4i** | X | | |
| **j** Were any plan transactions or series of transactions in excess of 5% of the current value of plan assets? (Attach schedule of transactions if "Yes" is checked and see instructions for format requirements.) | **4j** | | X | |
| **k** Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC? | **4k** | | X | |
| **l** Has the plan failed to provide any benefit when due under the plan? | **4l** | X | | 83 |
| **m** If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.) | **4m** | | X | |
| **n** If 4m was answered "Yes," check the "Yes" box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3. | **4n** | | X | |

**5a** Has a resolution to terminate the plan been adopted during the plan year or any prior plan year? [ ] Yes [X] No

If "Yes," enter the amount of any plan assets that reverted to the employer this year _____.

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

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

**5c** Was the plan a defined benefit plan covered under the PBGC insurance program at any time during this plan year? (See ERISA section 4021 and instructions.) ..... ☐ Yes ☐ No ☐ Not determined

If "Yes" is checked, enter the My PAA confirmation number from the PBGC premium filing for this plan year _____.

# SCHEDULE R (Form 5500)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

## Retirement Plan Information

This schedule is required to be filed under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6058(a) of the Internal Revenue Code (the Code).

▶ **File as an attachment to Form 5500.**

OMB No. 1210-0110

**2023**

**This Form is Open to Public Inspection.**

For calendar plan year 2023 or fiscal plan year beginning 01/01/2023 and ending 12/31/2023

**A** Name of plan
SAM HOLDING COMPANY, INC. & SUBSIDIARIES 401(K) PLAN

**B** Three-digit plan number (PN) ▶ 001

**C** Plan sponsor's name as shown on line 2a of Form 5500
SURVEYING AND MAPPING, LLC

**D** Employer Identification Number (EIN)
74-2704974

## Part I Distributions

**All references to distributions relate only to payments of benefits during the plan year.**

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

**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): 04-6568107

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

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

## Part II Funding Information (If the plan is not subject to the minimum funding requirements of section 412 of the Internal Revenue Code or ERISA section 302, skip this Part.)

**4** Is the plan administrator making an election under Code section 412(d)(2) or ERISA section 302(d)(2)? ..... ☐ **Yes** ☐ **No** ☐ **N/A**

**If the plan is a defined benefit plan, go to line 8.**

**5** If a waiver of the minimum funding standard for a prior year is being amortized in this plan year, see instructions and enter the date of the ruling letter granting the waiver. **Date:** Month _____ Day _____ Year _____

**If you completed line 5, complete lines 3, 9, and 10 of Schedule MB and do not complete the remainder of this schedule.**

**6 a** Enter the minimum required contribution for this plan year (include any prior year accumulated funding deficiency not waived) ..... | **6a** |

**b** Enter the amount contributed by the employer to the plan for this plan year ..... | **6b** |

**c** Subtract the amount in line 6b from the amount in line 6a. Enter the result (enter a minus sign to the left of a negative amount) ..... | **6c** |

**If you completed line 6c, skip lines 8 and 9.**

**7** Will the minimum funding amount reported on line 6c be met by the funding deadline? ..... ☐ **Yes** ☐ **No** ☐ **N/A**

**8** If a change in actuarial cost method was made for this plan year pursuant to a revenue procedure or other authority providing automatic approval for the change or a class ruling letter, does the plan sponsor or plan administrator agree with the change? ..... ☐ **Yes** ☐ **No** ☐ **N/A**

## Part III Amendments

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

## Part IV ESOPs (see instructions). If this is not a plan described under section 409(a) or 4975(e)(7) of the Internal Revenue Code, skip this Part.

**10** Were unallocated employer securities or proceeds from the sale of unallocated securities used to repay any exempt loan? ..... ☐ **Yes** ☐ **No**

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

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

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

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

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

**a** Name of contributing employer

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

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

**e** Contribution rate information *(If more than one rate applies, check this box* ☐ *and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify):

---

**a** Name of contributing employer

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

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

**e** Contribution rate information *(If more than one rate applies, check this box* ☐ *and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

---

**a** Name of contributing employer

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

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

**e** Contribution rate information *(If more than one rate applies, check this box* ☐ *and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

---

**a** Name of contributing employer

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

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

**e** Contribution rate information *(If more than one rate applies, check this box* ☐ *and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

---

**a** Name of contributing employer

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

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

**e** Contribution rate information *(If more than one rate applies, check this box* ☐ *and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

---

**a** Name of contributing employer

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

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

**e** Contribution rate information *(If more than one rate applies, check this box* ☐ *and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

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

| | | |
|---|---|---|
| **a** The current plan year. Check the box to indicate the counting method used to determine the number of inactive participants: ☐ last contributing employer ☐ alternative ☐ reasonable approximation (see instructions for required attachment) | **14a** | |
| **b** The plan year immediately preceding the current plan year. ☐ Check the box if the number reported is a change from what was previously reported (see instructions for required attachment) | **14b** | |
| **c** The second preceding plan year. ☐ Check the box if the number reported is a change from what was previously reported (see instructions for required attachment) | **14c** | |

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

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

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

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

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

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

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

**19** If the total number of participants is 1,000 or more, complete lines (a) 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 06 / 30 / 2020 (MM/DD/YYYY) and the Opinion Letter serial number Q702438A .

REPORT TO THOSE CHARGED WITH GOVERNANCE

# SURVEYING AND MAPPING LLC, 401(K) PLAN

**Audit Wrap Up: Year Ended December 31, 2023**

# Contents

## QUICK ACCESS TO THE FULL REPORT


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The following communication was prepared as part of our audit, has consequential limitations, and is intended solely for the information and use of those charged with governance (e.g., Board of Directors and audit committee) and, if appropriate, management of the Company and is not intended and should not be used by anyone other than these specified parties.

# Welcome

October 8, 2024

Susan Ball, Chief Financial Officer
Surveying and Mapping 401(k) Plan

Professional standards require us to communicate with you regarding matters related to the plan audit that are, in our professional judgment, significant and relevant to your responsibilities in overseeing the financial reporting process. On June 21, 2024, we presented an overview of our plan for the audit of the financial statements of the Survey and Mapping LLC, 401(k) Plan (the Plan) as of and for the year ended December 31, 2023, including a summary of our overall objectives for the audit, and the nature, scope, and timing of the planned audit work.

This communication is intended to elaborate on the significant findings from our audit, including our views on the qualitative aspects of the Plan's accounting practices and policies, Plan management's judgments and estimates, financial statement disclosures, and other required matters.

We are pleased to be of service to the Plan and look forward to meeting with you to discuss our audit findings, as well as other matters that may be of interest to you, and to answer any questions you might have.

Respectfully,

BDO USA, P.C.

BDO USA, P.C., a Virginia professional corporation, is the U.S. member of BDO International Limited, a UK company limited by guarantee, and forms part of the international BDO network of independent member firms. BDO is the brand name for the BDO network and for each of the BDO Member Firms.

# Status of our Audit

# Status of Our Audit

We have completed our audit of the financial statements, including procedures applied to the supplemental schedule, of Surveying and Mapping LLC 401(k) Plan, (the Plan) as of and for the year ended December 31, 2023. Our audit was conducted in accordance with auditing standards generally accepted in the United States of America (GAAS). This audit of the financial statements does not relieve Plan management or those charged with governance of their responsibilities. The term “those charged with governance” encompasses the term Board of Directors or Audit Committee or other formally designated body that has financial oversight responsibilities.



# Status of Our Audit

- The objective of our financial statement audit was to obtain reasonable - not absolute - assurance about whether the financial statements are free from material misstatements.
- The scope of the work performed was substantially the same as that described to you in our earlier Audit Planning communications.
- As permitted by ERISA Section 103(a)(3)(C) pursuant to 29 CFR 2520.103-8 of the Department of Labor's (DOL) Rules and Regulations for Reporting and Disclosure under ERISA and as instructed by you, we have conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and have obtained sufficient and appropriate audit evidence to provide a basis for our ERISA Section 103(a)(3)(C) audit opinion. The audit did not extend to the certified investment information, except for obtaining and reading the certification, comparing the certified information with the related information presented and disclosed in the financial statements, and reading the disclosures relating to the certified investment information to assess whether they are in accordance with the presentation and disclosure requirements of accounting principles generally accepted in the United States of America ("GAAP"). Accordingly, the objective of the ERISA Section 103(a)(3)(C) audit is not to express an opinion about whether the financial statements as a whole are presented fairly, in all material respects, in accordance with GAAP.
- In accordance with professional standards, we have obtained a substantially complete Form 5500 and considered whether such information, or the manner of its presentation, was materially inconsistent with its presentation in the financial statements. Our responsibility also includes calling to management's attention any information that we believe is a material misstatement of fact. We have not identified any material inconsistencies or concluded there are any material misstatements of facts in the other information. As we are performing only limited procedures on this other information, we cannot and do not offer an opinion or any other form of assurance on such information.

# Results of our Audit

RESULTS OF OUR AUDIT

# Accounting Practices, Policies, and Estimates

The following summarizes the more significant required communications related to our audit concerning the Plan's accounting practices, policies, and estimates :

The Plan's significant accounting practices and policies are those included in the notes to the financial statements. These accounting practices and policies are appropriate, comply with the applicable financial reporting framework and industry practice, were consistently applied, and are adequately described within the notes to the financial statements.

- A summary of recently issued accounting pronouncements is included in Note 2 to the Plan's financial statements.
- There were no changes in significant accounting policies and practices during 2023 .

Significant estimates are those that require management's most difficult, subjective, or complex judgments, often as a result of the need to make estimates about the effects of matters that are inherently uncertain. The Plan's significant accounting estimates, including a description of management's processes and significant assumptions used in development of the estimates, are disclosed in Note 2 of the financial statements.

- Plan management did not make any significant changes to the processes or significant assumptions used to develop the critical accounting estimates in 2023.

# Corrected and Uncorrected Misstatements and Quality of the Plan's Financial Reporting

## CORRECTED AND UNCORRECTED MISSTATEMENTS

There were no corrected misstatements, other than those that were clearly trivial, related to accounts and/or disclosures that we brought to the attention of Plan management.

Please refer to the uncorrected misstatements below:

| Account Name and Adjustment Description | Debit | Credit |
|---|---|---|
| Employee contribution receivable | 271,133 | |
| Employer match receivable | 155,253 | |
| Employee contribution | | 271,133 |
| Employer match | | 155,253 |
| To record the estimated amount of employee contribution and employer match receivable for the year end. | | |

## QUALITY OF THE PLAN'S FINANCIAL REPORTING

A discussion was held regarding the quality of the Plan's financial reporting, which included the following:

- Qualitative aspects of significant accounting policies and practices
- Our conclusions regarding significant accounting estimates
- Financial statement presentation and disclosure

# Reportable Findings and Internal Control Over Financial Reporting

# Reportable Findings and Internal Control Over Financial Reporting

We are required to communicate, in writing and in a timely manner, to those charged with governance all reportable findings and all material weaknesses and significant deficiencies that have been identified in the Plan's internal control over financial reporting. The definitions of a reportable finding, control deficiency, significant deficiency and material weakness are as follows:

| Category | Definition |
|---|---|
| Reportable Finding | Matters that are one or more of the following:<br>a. An identified instance of noncompliance or suspected noncompliance with laws or regulations<br>b. A finding arising from the audit that is, in the auditor's professional judgment, significant and relevant to those charged with governance regarding their responsibility to oversee the financial reporting process<br>c. An indication of deficiencies in internal control identified during the audit that have not been communicated to management by other parties and that, in the auditor's professional judgment, are of sufficient importance to merit management's attention |
| Deficiency in Internal Control | A deficiency in internal control over financial reporting exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. |
| Significant Deficiency | A deficiency or a combination of deficiencies in internal control over financial reporting that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. |
| Material Weakness | A deficiency or a combination of deficiencies in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of the financial statements will not be prevented or detected on a timely basis. |

A reportable finding may also be considered a deficiency in internal control, a significant deficiency or a material weakness.

We considered the Plan's internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Plan's internal control. Accordingly, we do not express an opinion on the effectiveness of the Plan's internal control.

Our consideration was for the limited purpose described above and was not designed to identify all deficiencies in internal control that might be significant deficiencies or material weaknesses and/or all reportable findings.

In conjunction with our audit of the Plan financial statements, we noted no material weaknesses.

# Additional Required Communications

# Additional Required Communications

Following is a summary of those required items, along with specific discussion points as they pertain to the Plan.

| Requirement | Discussion Point |
|---|---|
| **Independence** | Our engagement letter to you dated May 23,2024 describes our responsibilities in accordance with professional standards and certain regulatory authorities regarding independence and the performance of our services. This letter also stipulates the responsibilities of the Plan with respect to independence as agreed to by the Plan Sponsor. Please refer to that letter for further information. |
| **Significant changes to planned audit strategy or significant risks initially identified** | There were no significant changes to the planned audit strategy or significant risks initially identified and previously communicated to those charged with governance as part of our Audit Planning communications. |
| **Obtain information from those charged with governance relevant to the audit** | There were no matters noted relevant to the audit, including, but not limited to: violations or possible violations of laws or regulations; risk of material misstatements, including fraud risks; or tips or complaints regarding the Plan's financial reporting that we were made aware of because of our inquiry of those charged with governance. |
| **Nature and extent of specialized skills or knowledge needed related to significant risks** | There were no specialized skills or knowledge needed, outside of the core engagement team, to perform the planned audit procedures or evaluate audit results related to significant risks. |
| **Consultations with other accountants** | We are not aware of any consultations about accounting or auditing matters between management and other independent public accountants. Nor are we aware of opinions obtained by management from other independent public accountants on the application of generally accepted accounting principles. |
| **Significant findings and issues arising during the audit in connection with the Plan's related parties*** | We have evaluated whether the identified related party relationships and transactions have been appropriately identified, accounted for, and disclosed and whether the effects of the related party relationships and transactions, based on the audit evidence obtained, prevent the financial statements from achieving fair presentation. |

# Additional Required Communications

Following is a summary of those required items, along with specific discussion points as they pertain to the Plan.

| Requirement | Discussion Point |
|---|---|
| **Disagreements with Plan management** | There were no disagreements with Plan management about matters, whether or not satisfactorily resolved, that individually or in aggregate could be significant to the Plan's financial statements or to our auditor's report. |
| **Significant difficulties encountered during the audit** | There were no significant difficulties encountered during the audit. |
| **Other matters significant to the oversight of the Plan's financial reporting process, including complaints or concerns regarding accounting or auditing matters** | There are no other matters that we consider significant to the oversight of the Plan's financial reporting process that have not been previously communicated. |
| **Representations requested from management** | Please refer to the management representation letter. |

# Use of Persons Not Employed by BDO USA

**BDO RISE India**

**Bengaluru, Ahmedabad, Bangalore, Gurgaon, Hyderabad, India**

BDO Rise Private Limited (BDO RISE India) is a subsidiary of BDO USA, P.C. Professionals performed various audit related procedures including:

- Perform initial sample selection procedures
- Perform substantive audit testing in areas such as contributions, distributions and loans

*The use of persons not employed by BDO USA, outside the core engagement team, are under the direct supervision of the core engagement team and engagement team principal in accordance with applicable auditing standards, as outlined in our engagement letter.*

# Significant Regulatory, Accounting, Auditing & Reporting Discussion Matters

# SECURE 2.0 Act Deadline Extended for Roth Catch-Up Contributions

On August 25, 2023, the Internal Revenue Service (IRS) Notice 2023-62 announced a two-year administrative extension window for plan sponsors to delay their implementation for processing catch-up contributions as after-tax Roth contributions.

- Notice 2023-62 extends the deadline to January 1, 2026. Section 603 of the SECURE 2.0 Act of 2022 ("Secure 2.0", "the Act") originally required catch-up contributions made to a qualified retirement plan by higher income employees (who earned $145,000 or more in the prior year) to be made on a Roth basis beginning January 1, 2024.
- The Notice also clarified that catch-up contributions are allowed to continue under pre-SECURE 2.0 law for plan years starting in 2024. This temporarily addresses a drafting error in the Act that accidentally deleted the IRC Section that permits catch-up contributions (issue is to be permanently addressed via a future technical correction).

The retirement plan community had raised concerns that the Act did not allow sufficient time to make the necessary system updates to implement the provision. In particular, the Act imposed a new $145,000 income limit on Roth catch-up contributions. Since it was not already built into existing qualified plan rules or requirements, implementation would require significant updates to provider systems and processes.



# DOL Announces Significant Changes to 2023 Form 5500

In February 2023, the Department of Labor (DOL) announced new final regulations on the Form 5500 requirements, which includes significant changes to the methodology for identifying small plans for reporting purposes. The final rule changes how a plan counts participants for determining whether it is eligible for the small plan simplified Form 5500 reporting. (If determined to be a large plan, the plan must obtain an audit in order to file the Form 5500 with an attached report from an independent qualified public accountant.)

The previous methodology counted all employees who were either eligible to participate in the plan or have an account balance whereas the final rule will count only the number of participants and beneficiaries with account balances at the beginning of the year. The so-called “80-120” rule (under which the participant count may rise as high as 120 before an audit is required) is still in effect, but only those participants with account balances will need to be considered under the new methodology.

This revision is expected to significantly reduce the number of plans that must file as large plans (the DOL estimates as many as 19,500 plans may be impacted). However, there is also the potential for the SECURE 2.0 Act to increase plan participation across all retirement plans over the next few years, which may ultimately result in more plans that meet the large plan threshold going forward.

The change is effective for plan years beginning on or after January 1, 2023. Audit requirements for the 2022 plan year reporting will still be determined based on the prior methodology.

Additionally, the revisions announced also include:

- A consolidated Form 5500 option for certain defined contribution plans.
- Improved reporting for pooled employer plans and multiple employer plans.
- Improvements in reporting by PBGC-covered defined benefit plans on Schedules R and SB.
- Addition of Internal Revenue Code compliance questions to improve tax compliance.
- Technical adjustments to address SECURE 2.0 Act of 2022.
- Additional break-out of Administrative Expenses on Schedule H for enhanced fee and expense transparency.



REGULATORY MATTERS

# "Division T" of the Consolidated Appropriations Act, 2023 (SECURE 2.0 Act)

The SECURE 2.0 Act was part of an omnibus spending package signed into law by President Biden on December 29, 2022, which contains over 90 provisions impacting all types of retirement vehicles. The effective dates range from immediately upon enactment up through 2033.

- EFFECTIVE IMMEDIATELY (UPON ENACTMENT)
  - Permits natural disaster distributions.
  - Allows a three-year limit on repayment of qualified birth/adoption-related distributions.
  - Expands EPCRS.
  - Provides for optional Roth treatment of employer contributions.
  - Changes pension mortality.
  - Relief from having to recover retirement plan overpayments.
- EFFECTIVE IN 2023
  - Increases required minimum distributions (RMD) to age 73.
  - Modifies cash balance accrual rule testing.
  - Reduces disclosures for unenrolled employees.
  - Permits de minimis financial incentives to join 401(k) and 403(b) plans.
  - Allows self-certification for hardship withdrawals.



- Title I - Expanding Coverage and Increasing Retirement Savings
- Title II - Preservation of Income
- Title III - Simplification and Clarification of Retirement Plan Rules
- Title IV – Technical Amendments
- Title V – Administrative Provisions
- Title VI – Revenue Provisions
- Title VII – Tax Court Retirement Provisions

REGULATORY MATTERS

# Key Provisions of SECURE 2.0 Act – Effective Immediately

- NATURAL DISASTER DISTRIBUTIONS – This is effective for distributions (up to $22,000) and loans made with respect to disasters for which the incident period begins on or after January 26, 2021. In recent years, Congress has (on a case-by-case basis) made available various forms of distribution and loan relief to retirement plan participants and IRA owners who have been affected by federally declared disasters. The Act automatically makes this disaster-related distribution and loan relief available upon the issuance of a federal disaster declaration. SECURE 2.0's distribution relief, including the waiver of the 10 percent.
- 3-YEAR LIMIT ON REPAYMENT OF QUALIFIED BIRTH/ADOPTION-RELATED DISTRIBUTION - The SECURE Act includes a provision that allows individuals to receive distributions from their retirement plan in the case of birth or adoption without paying the 10 percent additional tax under Code section 72(t) .The distributions can be recontributed to a retirement plan at any time and are treated as rollovers. SECURE 2.0 limits the repayment to 3 years.
- EPCRS – The Act expands the Employee Plans Compliance Resolution System ("EPCRS") to: 1) allow more types of errors to be corrected internally through self-correction, 2) apply to inadvertent IRA errors, and 3) exempt certain failures to make required minimum distributions from the otherwise applicable excise tax.
- EMPLOYER CONTRIBUTIONS (OPTIONAL ROTH TREATMENT) - Currently, plan sponsors are not permitted to provide employer matching contributions in their 401(k), 403(b), and governmental 457(b) plans on a Roth basis. Matching contributions must be on a pre-tax basis only. Section 604 allows defined contribution plans to provide participants with the option of receiving matching contributions on a Roth basis, effective on the date of enactment of this Act.
- CHANGE TO PENSION MORTALITY – This change is effective as of the date of enactment without regard to the timing of the regulatory changes but is only applicable to valuation dates after 2023. The Act requires the Treasury Secretary to amend the regulation relating to "Mortality Tables for Determining Present Value Under Defined Benefit Pension Plans", which was issued in October 2017. Under the amended regulations, mortality improvement rates shall not assume for years beyond the valuation date future mortality improvements at any age which are greater than 0.78%.
- RECOVERY OF RETIREMENT PLAN OVERPAYMENTS – The Act allows retirement plan fiduciaries latitude to decide whether or not to recoup overpayments that were mistakenly made to retirees (the fiduciary's decision should be documented). If plan fiduciaries choose to recoup overpayments, limitations and protections apply to safeguard innocent retirees. The intent is to protect both the benefits of future retirees and the benefits of current retirees.

REGULATORY MATTERS

# Key Provisions of SECURE 2.0 Act – Effective 2023

- INCREASE OF RMD TO AGE 73 - The SECURE Act increased the required minimum distribution age from 70 ½ to 72 for 2020. SECURE 2.0 further increases the required minimum distribution age further to 73 starting on January 1, 2023 (and increases the age further to 75 starting on January 1, 2033). SECURE 2.0 does not address age 74.
- MODIFICATION OF CASH BALANCE ACCRUAL RULE TESTING – Effective for plan years beginning after the date of enactment. SECURE 2.0 provides that, solely for purposes of the backloading rules, the interest crediting rate that is treated as in effect and as the projected interest crediting rate must be a reasonable projection of such variable interest rate, subject to a maximum of 6%.
- UNENROLLED PARTICIPANT DISCLOSURES - Currently, employees eligible to participate in a retirement plan are required to receive a broad array of notices that are intended to inform them of their various options and rights under the plan. In the case of eligible employees who have not elected to participate in the plan ("unenrolled participants"), these notices – such as notices regarding the different investment options available under the plan – are generally unnecessary. SECURE 2.0 no longer requires employers provide certain intermittent ERISA or Code notices to unenrolled participants who have not elected to participate in defined contribution plans. However, to further encourage participation of unenrolled participants, the plan is required to send (1) an annual reminder notice of the participant's eligibility to participate in the plan and any applicable election deadlines, and (2) any otherwise required document requested at any time by the participant. This rule applies only with respect to an unenrolled participant who received the summary plan description, in connection with initial eligibility under the plan, and any other notices related to eligibility under the plan required to be furnished. It is effective for plan years beginning after December 31, 2022. SECURE 2.0 is silent to who is responsible for tracking unenrolled participants. Plans or plan sponsors may see a reduction in costs if the notices are handled by the trustee/custodian and are charged a fee per head count.
- PERMITTED DE MINIMIS FINANCIAL INCENTIVES - Currently, employers may provide matching contributions as a long-term incentive for employees to contribute to a 401(k) plan. However, immediate financial incentives (like gift cards in small amounts) are prohibited even though individuals may be especially motivated by them to join their employers' retirement plans. SECURE 2.0 enables employers to offer de minimis financial incentives, not paid for with plan assets, such as low-dollar gift cards, to boost employee participation in workplace retirement plans by exempting de minimis financial incentives from section 401(k)(4)(A) and from the corresponding rule under section 403(b). Effective for plan years beginning after the date of enactment of this Act.
- SELF-CERTIFICATION FOR HARDSHIP WITHDRAWALS - Effective for plan years beginning after the date of enactment. Under SECURE 2.0, employees may be permitted to self-certify that they have had an event that constitutes a deemed hardship for purposes of taking a hardship withdrawal from a 401(k) plan or a 403(b) plan. A similar rule applies for purposes of unforeseeable emergency distributions from governmental section 457(b) plans. (SECURE 2.0 also codifies the current law rule permitting self-certification that the amount of the distribution is not in excess of the need.) The Treasury is authorized to issue regulations overriding this rule where the plan administrator has actual knowledge to the contrary. If elected by a plan, thorough discussion with the service provider is recommended.

# Additional Key Provisions of the SECURE 2.0 Act

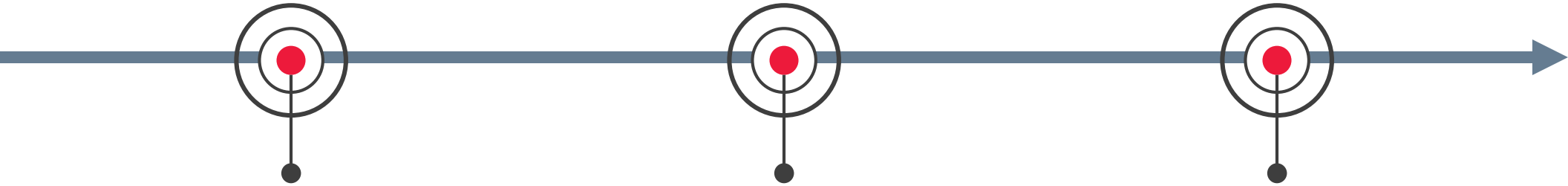
- LONG-TERM PART-TIME (LTPT) EMPLOYEES - The Act updates the 2019 SECURE Act's plan participation rules for Long-Term Part-Time (LTPT) employees. Under SECURE 2.0 Act, LTPT employees are allowed to participate in employer's 401(k) and 403(b) plans after two years of service (instead of the original SECURE Act's three years of service) with no change to the dual eligibility requirement. The entry date is January 1, 2025, for plan years beginning after December 31, 2024.
- EMERGENCY FUNDS AND SPECIAL SITUATIONS RELIEF - The Act also provides for emergency funds and special situations relief:
  - Section 115: Up to $1,000 distribution permitted from retirement account for unforeseeable/immediate financial need for personal or family emergency with no early withdrawal penalty; effective for distributions made after December 31, 2023.
  - Section 314: Up to $10,000 distribution (or 50% of vested account balance) permitted with no early withdrawal penalty for domestic abuse survivors; effective for distributions made after December 31, 2023.
  - Section 326: Early distribution permitted (no dollar cap and no early withdrawal penalty) for terminally ill individuals; effective for distributions made after December 29, 2022.
  - Section 331: Provides for hardship distributions for federally declared disasters for natural disaster victims with up to $22,000 distribution from retirement plan/IRA with no early withdrawal penalty. The distribution and repayment can be spread over three-year period. Eligible disasters include those that occurred on or after January 26, 2021.
- CATCH-UP CONTRIBUTIONS - SECURE 2.0 provides all catch-up contributions to qualified retirement plans are subject to Roth tax treatment, effective for taxable years beginning after December 31, 2025 (as extended by IRS Notice 2023-62). An exception is provided for employees with compensation of $145,000 or less. Plan sponsors will need to work with payroll provider and trustee/custodian for implementation. This provision is not applicable to special 457(b) and 403(b) catch-up contributions.
- AUTO-ENROLLMENT AND ESCALATION - New 401(k) and 403(b) plans would have to start enrolling participants with a salary deferral of at least 3% of salary, no higher than 10%, and escalate at 1% per year of service up to a minimum of 10% and maximum of 15%. An employee can opt out of the auto-enrollment and escalation. Small businesses, new businesses and church and government plans are exempted from this provision.
- AUTO-PORTABILITY - A plan provider may transfer a participant's retirement savings from a previous employer to their new one, unless the participant elects otherwise.

# Additional Key Provisions of the SECURE 2.0 Act (continued)

- STUDENT LOAN REPAYMENTS MATCHING CONTRIBUTIONS - Effective for contributions made for plan years beginning after December 31, 2023, employers may treat an employee's qualified student loan payments as employee contributions to a 401(k) plan, 403(b) plan, governmental 457(b) plan or SIMPLE IRA that is entitled to an employer matching contribution. For nondiscrimination testing of elective contributions, plans may separately test the employees who receive matching contributions on student loan repayments. Eligible student loan repayments include any indebtedness incurred by the employee solely to pay his or her qualified higher education expenses (in other words, student loan debt for an employee's children is not eligible).
- ELIMINATION OF RMDS FOR ROTH 401(K) AND 403(B) PLANS - Currently, Roth IRAs are not subject to RMDs before the account owner's death, but RMDs from Roth 401(k) and 403(b) plans generally must begin at age 72. Effective for taxable years beginning after December 31, 2023, SECURE 2.0 eliminates the pre-death RMD requirement for Roth 401(k) and 403(b) plans. However, this change does not apply to distributions that are required with respect to years beginning before January 1, 2024, but are permitted to be paid on or after that date.
- HIGHER FORCED ROLLOVER LIMIT - The involuntary IRA rollover limit is increased from $5,000 to $7,000 for distributions made after December 31, 2023. Thus, workplace retirement plans can force a tax-free rollover distribution without the participant's consent if the participant's account is over $1,000 but less than $7,000, when the participant is otherwise eligible to receive a distribution from the plan.
- RETROACTIVELY AMENDING PLAN TO INCREASE BENEFITS - Effective for plan years beginning after December 31, 2023, employers can retroactively amend a workplace retirement plan to increase participants' benefits for the prior plan year, so long as the amendment is adopted no later than the extended due date of the employer's federal income tax return for such prior year.

REGULATORY MATTERS

# IRS Required Amendments for Recent Law Changes



## SECURE 2.0

- SECURE 2.0 moved all SECURE 1.0 deadlines to the last day of the first plan year starting on or after January 1, 2025 (with exception of governmental and union plans, which moved to 2027)

## LAST DAY OF 2025 PLAN YEAR

- For all plans except governmental and union plans for SECURE 1.0, CARES Act and SECURE 2.0 changes in the law

## LAST DAY OF 2027 PLAN YEAR

- For governmental plans and union plans

# IRS Required Amendment Lists (RAL) for Individually Designed Plans (IDPS)

With the elimination by the Internal Revenue Service (IRS) of the staggered five-year determination letter amendment cycles for IDPs, the IDP determination letter program is limited to initial plan qualification, qualification upon plan termination and special exceptions. As a result of changes, the IRS now publishes an annual RAL that contains two parts. Part A addresses changes in qualification requirements that generally would require an amendment to most plans. Part B addresses changes in qualification requirements that may not require an amendment for most plans. IDPs must be amended for each item on the RAL, as applicable, to retain qualified tax status by the end of the second calendar year following the year the RAL is published.

## 2022 RAL

This list contained no qualification changes requiring plan amendments. The IRS will not add the immediately effective SECURE 2.0 required amendments for individually designed plan until the next RAL (which should come out in October or November 2023). Items listed on the RAL must be adopted by the end of the 2nd plan year after the item appeared on the RAL, unless a different remedial amendment period applies. For both the original 2019 and the 2.0 SECURE Acts, generally the amendments are needed by the last day of the 2025 plan year.

## 2021 RAL

The IRS Notice 2021-64 announced one Part A item, which only included provisions for troubled union defined benefit plans participating in the special American Rescue Plan Act Of 2021 (ARPA) bail-out funding program. There were no Part B items. Amendments are due by December 31, 2023.

## 2020 RAL

IRS Notice 2020-83 announced two Part B items, which involve a) increasing 415(c) annual addition limits for “difficulty of care payments” created under the SECURE Act (plans that are maintained by employers that have provided difficulty of care payments during plan years beginning after December 31, 2015, and before January 1, 2021, generally must be amended by December 31, 2022) and b) revisions to cooperative and small employer charity (CSEC) defined benefit plans made by section 3609 of the CARES Act. Amendments are due by December 31, 2022, with the exception of SECURE Act amendments, which IRS Notice 2022-33 has extended to December 31, 2025.

# Employee Plans Compliance Resolution System (EPCRS)

## UPDATES TO EPCRS

The IRS made updates to the EPCRS system used for plan corrections that were effective July 16, 2021 (see Rev. Proc. 2021-30).

The SECURE 2.0 Act also made additional updates to EPCRS.

## REV PROC 2021-30 - KEY CHANGES

- Overpayment Corrections – Allows well-funded DB plans to fix overpayment failures (i.e., when participants receive more than what the plan permits) without having to ask participants to repay the overpayment amounts received and, in some cases, removes the need for the plan sponsor to reimburse the plan.
- Expanded Self Correction
  - For Significant Operational Failures – The correction period of significant operational failures was extended from two to three years.
  - For Retroactive Plan Amendments – IRS has removed requirement that all participants in the plan must benefit from the retroactive amendment, which will make it easier for sponsors to use retroactive plan amendments to correct operational failures.
- Increased Amount for De Minimis Corrections – The threshold for certain de minimis amounts for which a plan sponsor is not required to make corrections was raised to $250.
- Anonymous Voluntary Correction Program (VCP) submissions – As of January 1, 2022, anonymous VCP submissions were no longer allowed, but anonymous written requests for pre-submission conferences to discuss a potential VCP submission at no cost to the plan sponsor are permitted. (Anonymity is lost if sponsor choses to submit a VCP request following the pre-submission conference.)
- Extended Sunset for Automatic Enrollment Failures – The IRS is extending the sunset of the safe harbor correction method to correct missed elective deferrals for eligible employees subject to an automatic contribution feature in Section 401(k) or 403(b) plans. It is a three-year extension, from December 31, 2020, to December 31, 2023.

## SECURE 2.0 – SELECTED KEY CHANGES TO EPCRS EFFECTIVE IMMEDIATELY

- Self-Correction Program (SCP) can be used for most errors (no IRS filing needed), regardless of when they occurred, if fixed before IRS identifies the failure (even if the plan is under IRS exam), with no deadline for correcting “significant” failures. SCP now applies to SEPs and SIMPLE IRAs
- Relief from having to recoup most overpayments made to plan participants
- Reduced excise taxes for failure to take required minimum distributions (RMDs)
- Easier corrections for participant plan loan failures, deemed distribution relief (no 1099-R needed)
- Allows corrections for auto-enrollment failures

REGULATORY MATTERS

# Department of Labor's Final Rule on Environmental, Social and Governance (ESG)



The Department of Labor's (DOL) Final Rule *Prudence and Loyalty in Selecting Plan Investments and Exercising Shareholder Rights* became effective January 30, 2023. This final rule loosens the Trump-era rule and clarified:

- The final rule allows, but does not mandate, consideration of ESG factors.
- ERISA plan fiduciaries "*cannot sacrifice return or increase risk for the purpose of promoting collateral goals unrelated to the economic interests of plan participants in their benefits.*"
- 25 states filed a lawsuit in Texas federal court seeking to block implementation of the final rule

REGULATORY MATTERS

# Cybersecurity Guidance and Enforcement

## SECURITIES AND EXCHANGE COMMISSION (SEC) ISSUES FINAL CYBERSECURITY RULE

In July 2023, the SEC adopted a final cybersecurity rule requiring a registrant to disclose material cybersecurity incidents within four business days of determining the event to be material. Effective September 5, 2023, the rule also requires disclosure of the cybersecurity risk management process, management's role in the process and the board's oversight of these risks. The annual disclosure is required for fiscal years beginning on or after December 15, 2023. The SEC's original proposal was made in March 2022 with a reopened comment period that closed May 2023.

## DEPARTMENT OF LABOR (DOL) CYBERSECURITY GUIDANCE FOR SPONSORS AND ENFORCEMENT

In April 2021, the DOL issued guidance for plan sponsors, plan fiduciaries, record-keepers and plan participants. The guidance covers best practices for maintaining cybersecurity, including tips on how to protect retirement benefits and complements the Employee Benefits Security Administration's (EBSA) regulations on electronic records and disclosures.

Guidance consists of the following:

- Tips for Hiring a Service Provider
  - Helps plan sponsors and fiduciaries prudently select a service provider with strong cybersecurity practices and monitor their activities, as ERISA requires
- Cybersecurity Program Best Practices
  - Assists plan fiduciaries and record-keepers in their responsibilities to manage cybersecurity risks
- Online Security Tips
  - Offers plan participants and beneficiaries who check their retirement accounts online basic tips to reduce the risk of fraud and loss

Following the release of DOL cybersecurity guidance, the Department began enforcement regarding cybersecurity practices. The enforcement actions include updated audit inquiries that request plan sponsors to produce all documents pertaining to cybersecurity (or information security) programs that apply to the data of the plan.

REGULATORY MATTERS

# CAA Expanded Disclosures for Health Plans and Prescription Drug

The Consolidated Appropriations Act, 2021 (CAA) was a year-end stimulus bill passed on December 21, 2020, that provided for federal funding as well as additional COVID-19 pandemic relief. The CAA also included amendments to ERISA, the Public Health Service Act (PHSA) and Internal Revenue Code (IRC) that are intended to increase group health benefit plan transparency.

Group health, dental or vision coverage offered by a company are considered to be a group health plan. Company employees responsible for selecting the coverage offered are considered ERISA fiduciaries and are responsible for compliance with the CCA's provisions.

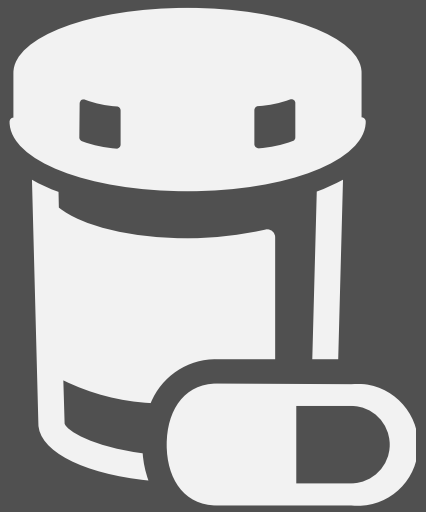
Key amendments include:

## REQUIRED ACCESS TO COST AND QUALITY OF CARE INFORMATION FOR EMPLOYER-SPONSORED HEALTH PLANS

- Health plans are not permitted to agree to provider network contract gag clauses that would prevent the plan from accessing such information or providing that information to plan participants.
- Health plans must be able to show they have access to claims data supporting the costs related to claims (however, providers and provider networks may prohibit public disclosure of the claims data information provided).
- This amendment was effective when enacted.

## SECTION 408(b)(2) BROKER AND CONSULTANT-RELATED DISCLOSURE AMENDMENTS

- Amends Section 408(b)(2) to require compensation disclosure for any broker or consultant paid $1,000 or more.
- Section 408(b)(2) requires only "reasonable" compensation be paid to plan service providers. In order for broker/consultant contracts to be deemed "reasonable" under ERISA, the broker or consultant must disclose to the plan fiduciary a description of services provided and direct and indirect covered compensation (among other disclosures).



REGULATORY MATTERS

# CAA Expanded Disclosures for Health Plans and Prescription Drugs

## SECTION 408(b)(2) BROKER AND CONSULTANT-RELATED DISCLOSURE AMENDMENTS (continued)

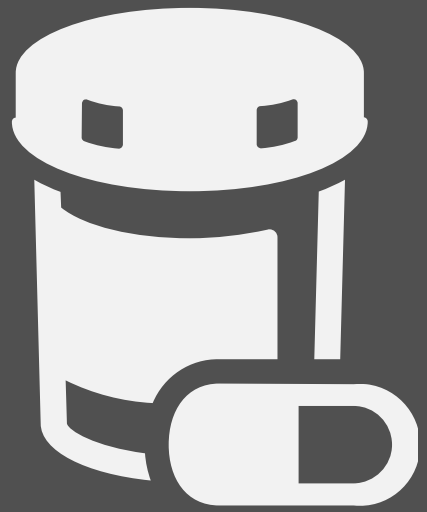
- This amendment was effective for new contacts executed on or after December 27, 2021, or for any contract renewed/extended following that date.
- DOL Field Assistance Bulletin 2021-03 provides guidance on the new disclosure.

## MENTAL HEALTH PARITY AND ADDICTION EQUITY ACT (MHPAEA) COMPLIANCE

- Under MHPAEA, group health plans must provide benefits for mental health and substance use disorders that are proportionate to medical and surgical care. The Act requires group health plans to formally analyze compliance with MHPAEA requirements.
- The analysis must be documented and provided, upon request, to the DOL, the Department of Health and Human Services (HHS) and the Treasury Department (collectively "the Departments"). Documentation can be requested by the Departments for plan participant complaints or suspected violations.
- In April 2021, the Departments issued an FAQ to provide explanatory guidance on the Act's amendments pertaining to the MHPAEA.

## DOL, HHS AND TREASURY DEPARTMENT MANDATED REPORTING

- Group health plans are required to report certain prescription drug information, including the top 50 brand and top 50 most expensive prescription drugs paid for by the plan, average monthly premiums paid by employers and participants, etc.
- First report was due December 27, 2021, with subsequent annual reporting due by June 1.
- On December 23, 2022, the agencies issued FAQs confirming that for 2020 and 2021 data submissions that were due by December 27, 2022, enforcement will not be taken for any plan or issuer that uses a good faith, reasonable interpretation of the interim final rules and instructions in submitting its data and also announced a submission grace period through January 31, 2023.



ACCOUNTING MATTERS

# New Accounting Standards Update (ASU) 2022-03

In June 2022, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2022-03, *Fair Value Measurement of Equity Securities Subject to Contractual Sale Restrictions*, to clarify that a contractual restriction on the sale of an equity security is not considered part of the unit of account of the equity security and is not considered in measuring the fair value of the equity security in accordance with ASC 820, Fair Value Measurements. ASU No. 2022-03 also adds certain disclosures for equity securities subject to contractual sales restrictions. It is effective and applied prospectively for public business entities for fiscal years beginning after December 15, 2023, and for all other entities is effective and applied prospectively for fiscal years beginning after December 15, 2024.



# Working with BDO

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# BDO's ERISA Center of Excellence

## THOUGHT LEADERSHIP

**The Q1 2023 ROUNDUP INCLUDES THE FOLLOWING ARTICLES:**

- 2023 Deadlines and Important Dates
- SECURE 2.0 Act of 2022 Introduces Key Changes for Workplace Retirement Plans
- Multiemployer Plan Update: PBGC Aims to Clarify Withdrawal Liability Rules
- DOL Update Guidance on Benefit Plan Auditor Independence Could Lead to Improved Quality of Audits
- Department of Labor Unveils Regulatory Agenda for 2023
- Planning for the End of the COVID-19 Public Health Emergency and Outbreak Period
- Collective Investment Trust – What Plan Sponsors Need to Know
- What to Know About Service Provider Consolidation
- BDO Series on Digital Assets, Part 5 White House Plan to Fight Illicit Financing Risks of Digital Assets
- BDO Series on Digital Assets, Part 6 Reinforcing U.S. Leadership and Competitiveness in Digital Assets
- BDO Series on Digital Assets, Part 7 Potential U.S. Central Bank Digital Currency System – What Plan Sponsors Should Know

READ ROUNDUP FOR Q1 2023



# BDO's ERISA Center of Excellence

## THOUGHT LEADERSHIP

**The Q2 2023 ROUNDUP INCLUDES THE FOLLOWING ARTICLES:**

- 2023 Deadlines and Important Dates
- Consider Lump Sum Payouts Amid Higher Interest Rates
- DOL Enforcement Activity Expected to Increase in 2023
- Changes to the 2023 Form 5500
- Option to Treat Employer Contributions as ROTH Contributions Under SECURE 2.0
- IRS Drastically Expands Electronic Filing Requirement for 2023 Tax and Information Returns

READ ROUNDUP FOR Q2 2023



# BDO's ERISA Center of Excellence

## WEBINARS

Webinar - ERISA: Developments Impacting Benefit Plans

Webinar - ERISA: Exploring and Understanding SECURE 2.0



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# SAM Holding Company, Inc. & Subsidiaries 401(k) Plan

Financial Statements and
ERISA-Required Supplemental Schedule
As of December 31, 2023 and 2022 and
for the Year Ended December 31, 2023

The report accompanying these financial statements was issued by BDO USA, P.C., a Virginia professional corporation and the U.S. member of BDO International Limited a UK company limited by guarantee.

# SAM Holding Company, Inc. & Subsidiaries 401(k) Plan

Financial Statements and ERISA-Required Supplemental Schedule
As of December 31, 2023 and 2022 and for the Year Ended December 31, 2023

# SAM Holding Company, Inc. & Subsidiaries 401(k) Plan

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Note: Other schedules required by Section 2520.103.10 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA have been omitted because they are not applicable.

Tel: 210-342-8000
Fax: 210-342-0866
www.bdo.com

9901 W IH 10, Suite 500
San Antonio, TX 78230

## Independent Auditor's Report

The Plan Administrator
SAM Holding Company, Inc. & Subsidiaries 401(k) Plan
Austin, Texas

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

We have performed audits of the financial statements of SAM Holding Company, Inc. & Subsidiaries 401(k) Plan (the Plan), an employee benefit plan subject to the Employee Retirement Income Security Act of 1974 (ERISA), as permitted by ERISA Section 103(a)(3)(C). The financial statements comprise the statements of net assets available for benefits as of December 31, 2023 and 2022, and the related statement of changes in net assets available for benefits for the year ended December 31, 2023, and the related notes to the financial statements.

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

Management has obtained a certification from a qualified institution as of December 31, 2023 and 2022, and for the year ended December 31, 2023, stating that the certified investment information, as described in Note 3 to the financial statements, is complete and accurate.

### *Opinion*

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

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

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*Basis for Opinion*

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Plan and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our ERISA Section 103(a)(3)(C) audit opinion.

*Responsibilities of Management for the Financial Statements*

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

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

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

*Auditor's Responsibilities for the Audit of the Financial Statements*

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

In performing an audit in accordance with GAAS, we:

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

Our audits did not extend to the certified investment information, except for obtaining and reading the certification, comparing the certified investment information with the related information presented and disclosed in the financial statements, and reading the disclosures relating to the certified investment information to assess whether they are in accordance with the presentation and disclosure requirements of GAAP.

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

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

***Other Matter - Supplemental Schedule Required by ERISA***

The supplemental Schedule H, Line 4i – Schedule of Assets (Held at End of Year), as of December 31, 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 DOL's Rules and Regulations for Reporting and Disclosure under ERISA. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information included in the supplemental schedule, other than that agreed to or derived from the certified investment information, has been subjected to auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with GAAS. For

information included in the supplemental schedule that agrees to or is derived from the certified investment information, we compared such information to the related certified investment information.

In forming our opinion on the supplemental schedule, we evaluated whether the supplemental schedule, other than the information agreed to or derived from the certified investment information, including its form and content, is presented in conformity with the DOL's Rules and Regulations for Reporting and Disclosure under ERISA.

In our opinion:

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

BDO USA, P.C.

October 8, 2024

# Financial Statements

# SAM Holding Company, Inc. & Subsidiaries 401(k) Plan

## Statements of Net Assets Available for Benefits

| *December 31,* | **2023** | 2022 |
|---|---|---|
| **Assets** | | |
| Investments, at fair value | **$ 93,612,683** | $ 70,693,984 |
| **Total Investments** | **93,612,683** | 70,693,984 |
| Receivables: | | |
| Notes receivable from participants | **1,974,424** | 1,667,832 |
| **Total Receivables** | **1,974,424** | 1,667,832 |
| **Net Assets Available for Benefits** | **$ 95,587,107** | $ 72,361,816 |

*See accompanying notes to financial statements.*

# SAM Holding Company, Inc. & Subsidiaries 401(k) Plan

## Statement of Changes in Net Assets Available for Benefits

*Year ended December 31, 2023*

| | | |
|---|---|---|
| **Additions** | | |
| Investment income: | | |
| Net appreciation in fair value of investments | $ | 13,472,967 |
| Interest and dividends | | 2,488,655 |
| **Total Investment Income** | | 15,961,622 |
| Interest on notes receivable from participants | | 108,900 |
| Other income | | 110,567 |
| Contributions: | | |
| Participant contributions | | 8,058,087 |
| Employer contributions | | 4,312,266 |
| Rollover contributions | | 1,982,208 |
| **Total Contributions** | | 14,352,561 |
| **Total Additions** | | 30,533,650 |
| **Deductions** | | |
| Benefits paid to or on behalf of participants | | 7,213,064 |
| Administrative expenses | | 95,295 |
| **Total Deductions** | | 7,308,359 |
| **Net Increase** | | 23,225,291 |
| **Net Assets Available for Benefits,** beginning of year | | 72,361,816 |
| **Net Assets Available for Benefits,** end of year | $ | 95,587,107 |

*See accompanying notes to financial statements.*

## 1. Description of the Plan

The following description of the SAM Holding Company, Inc. & Subsidiaries 401(k) Plan (the Plan), formally known as Surveying and Mapping, LLC 401(k) Plan, provides only general information. Therefore, participants should refer to the Plan agreement or Summary Plan Description for a more complete description of the Plan's provisions.

### *General*

The Plan is sponsored by Surveying and Mapping, LLC (the Company, Employer, or Plan Sponsor) for its employees. The Plan is designed to comply with the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 (ERISA), and the Internal Revenue Code (IRC). The Plan's management has contracted with Frost Wealth Advisors to counsel management in the selections of investments offered by the Plan.

### *Trustee and Administration of the Plan*

The trustee and recordkeeper of the Plan is Fidelity Management Trust Company (the Trustee). The administrator of the Plan is the Company. The trustee holds all assets of the Plan in accordance with the service provider contract with the Company. The Investment Committee determines the appropriateness of the Plan's investment offerings and monitors investment.

### *Eligibility*

Substantially all employees of the Company who have completed at least 90 days of service and who are age 18 or older are eligible to participate in the Plan.

### *Participant Contributions*

Participants may elect to contribute up to 90% of their annual compensation, as defined by the Plan, up to the maximum percentage allowable, not to exceed the limits as determined by the IRC, through payroll deductions. Participants may also contribute amounts representing distributions from other qualified plans (rollover contributions). Participants who have attained age 50 before the end of the Plan year may also contribute catch-up contributions not to exceed IRC limits.

### *Employer Contributions*

Effective January 1, 2023, the Company elected to make Safe Harbor matching contributions of 100% of salary deferrals up to 5% of eligible compensation. The Company may elect to make additional discretionary matching contributions subject to IRC limitations, as determined by the Company.

The Company may make a discretionary profit-sharing contribution to participants based on their eligible compensation during the year. During 2023, the Company made no profit-sharing contribution. Contributions are allocated to the accounts of the eligible participants on the basis of the ratio that each eligible participant's compensation bears to the total compensation of all eligible participants for the Plan year.

***Participant Accounts***

Each participant's account is credited with the participant's contributions, Employer's contributions, and earnings or losses, and may be charged with certain administrative expenses. Plan earnings or losses are applied to a participant's account balance based on the investment experience of the funds held and the number of shares owned in each fund by the participant.

***Vesting***

Participants are immediately vested in their contributions and safe harbor contributions and actual earnings or losses thereon. Vesting in the Company's contributions that are not covered by the safe harbor provisions, including discretionary matching and profit-sharing contributions, if any, plus actual earnings or losses thereon, is based on years of service, as follows:

| Years of Service | Vested (%) |
|---|---|
| Less than 2 | - |
| 2 | 20 |
| 3 | 40 |
| 4 | 60 |
| 5 | 80 |
| 6 | 100 |

Upon death or disability, the participant (or their beneficiary in case of their death) becomes 100% vested in the Plan. Upon reaching normal retirement age or after six years in the Plan, the participant becomes 100% vested in the Plan.

***Forfeitures***

At December 31, 2023 and 2022, forfeited non-vested accounts totaled $4,121 and $7,473, respectively. These accounts may be used to pay administrative expenses and reduce future employer contributions. Approximately $24,923 of the forfeited funds were used to pay administrative expenses and/or fund employer contributions in 2023.

***Payment of Benefits***

A participant's entire interest in the Plan is payable upon death, attainment of normal retirement age, becoming disabled, as defined, or termination of service. A participant may elect to receive a lump-sum amount equal to the vested portion of the participant's account, or annual installments. Participants may elect to rollover their vested balance to another qualified retirement plan or IRA.

Withdrawals from the Plan may also be made upon circumstances of financial hardship, in accordance with provisions specified in the Plan. Account balances that are under $5,000 may be automatically paid out at the discretion of the Company.

***Investment Options***

Participants direct the investment of their contributions into various investment options offered by the Plan. The Plan currently offers a menu of mutual fund options for investment.

***Notes Receivable from Participants***

Participants are permitted to borrow a minimum of $1,000 of their vested benefits under the Plan. Participants may borrow up to a maximum equal to the lesser of 50% of their vested account balance or $50,000, reduced by the highest outstanding loan balance in their account during the prior 12-month period. Loans are secured by the participant's account and bear an interest rate at the prime rate plus 1% or at local prevailing rates as determined by the Plan Administrator, which would be made under similar circumstances and is fixed for the term of the loan. The notes are repaid ratably through payroll deductions over a period of five years or less, unless used to purchase a principal residence up to five years. These loans are subject to certain restrictions as defined by the Plan Document and applicable restrictions under the IRC.

Also, each participant may not have more than two loans outstanding at any time.

## 2. Summary of Significant Accounting Policies

***Basis of Accounting***

The accompanying financial statements of the Plan have been prepared under the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (GAAP).

***Use of Estimates***

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of changes in net assets during the reporting period. Actual results could differ from those estimates. Significant items subject to such estimates and assumptions include the fair value of investments.

***Investment Valuation and Income Recognition***

Investments are reported at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Plan Sponsor determines the Plan's valuation policies utilizing information provided by the trustee. The Plan Sponsor determines the Plan's valuation policies utilizing information provided by the trustee. See Note 3 for a discussion of fair value measurements.

Purchases and sales of investments are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date. Net appreciation includes the Plan's gains and losses for investments bought and sold, as well as held during the year.

***Payment of Benefits***

Benefits are recorded when paid.

***Notes Receivable from Participants***

Notes receivable from participants are measured at their unpaid principal balance plus accrued unpaid interest. If a participant ceases to make loan repayments and the Plan Administrator deems the participant loan to be in default, the participant loan balance is reduced, and a benefit payment is recorded.

***Administrative Expenses***

Certain expenses of maintaining the Plan are paid by the Plan, unless otherwise paid by the Company. Expenses that are paid by the Company are excluded from these financial statements. Fees related to participant-initiated transactions are charged directly to the participant's account and are included in administrative expenses. Investment-related expenses are included in net appreciation in fair value of investments.

***Revenue Credits***

The Plan's trust agreement with Fidelity Management Trust Company provides for a participant revenue credit arrangement, whereby the trustee allocates quarterly deposits into the accounts of eligible participants who are invested in certain funds. There were not any unallocated revenue credits at December 31, 2023 and 2022. During 2023, the Plan received credits of $110,567, which was used to pay administrative expenses. Revenue credits are presented in other income in the statement of changes in net assets available for benefits.

## 3. Certified Information

Certain information related to investments and notes receivable from participants disclosed in the accompanying financial statements and ERISA-required supplemental schedule, including investments and notes receivable from participants held at December 31, 2023 and 2022, and net depreciation in fair value of investments, interest and dividends, and interest income on notes receivable from participants for the year ended December 31, 2023, was obtained by management and agreed to or derived from information certified as complete and accurate by Fidelity Management Trust Company, the trustee of the Plan.

At the request of the Plan Administrator, the Plan's independent auditors did not perform audit procedures with respect to this certified investment information, except for comparing such certified investment information to the related investment information in the financial statements, including reading the disclosures related to the investment information to assess whether they are in accordance with the presentation and disclosure requirements of GAAP, and the required supplemental schedule, including assessing whether the supplemental schedule is in conformity with the DOL's Rules and Regulations for Reporting and Disclosure under ERISA.

## 4. Fair Value Measurements

Accounting Standards Codification (ASC) 820, *Fair Value Measurement*, provides for 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). The three levels of the fair value hierarchy under ASC 820 are described as follows:

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

*Level 2* - Inputs to the valuation methodology include:

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

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

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

A financial instrument's 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 maximize the use of relevant observable inputs and minimize the use of unobservable inputs.

There have been no changes in the methodologies used at December 31, 2023 or 2022. The following is a description of the valuation methodology used for assets measured at fair value:

*Mutual Funds* – Mutual funds are valued at the daily closing price as reported by the fund. Mutual funds held by the Plan are open-end mutual funds that are registered with the Securities and Exchange Commission. These funds are required to publish their daily net asset value and to transact at that price. The mutual funds held by the Plan are deemed to be actively traded. These funds are classified as Level 1.

The following tables present the Plan's fair value hierarchy by asset class for those assets measured at fair value:

***December 31, 2023***

| | Level 1 | Level 2 | Level 3 | Total |
|---|---|---|---|---|
| Mutual funds | $ 93,612,683 | $ - | $ - | $ 93,612,683 |

*December 31, 2022*

| | Level 1 | Level 2 | Level 3 | Total |
|---|---|---|---|---|
| Mutual funds | $ 70,693,984 | $ - | $ - | $ 70,693,984 |

## 5. Related Party and Party-in-Interest Transactions

Certain Plan investments are in funds and accounts that are managed by the trustee. Participant loan and distribution processing fees are paid to trustee by participants. The Plan also issues loans

to participants which are secured by the vested balance of the participants' accounts. As described in Note 2, the Plan paid certain expenses related to plan operations and investment activity to various service providers. These transactions are party-in-interest transactions, which are exempt from prohibited transaction rules.

## 6. Risk and Uncertainties

The Plan holds various investment securities. Investment securities, in general, are exposed to various risks, such as interest rate risk, credit risk and overall market volatility. Due to the level of risk associated with certain investment securities, it is reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the financial statements and participant account balances.

## 7. Plan Termination

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

## 8. Income Tax Status

The Company adopted a prototype plan document sponsored by Fidelity Management and Research Company (Fidelity). Fidelity received an opinion letter from the Internal Revenue Service (IRS) dated June 30, 2020, which states that the pre-approved plan document, as then designed, satisfies the applicable provisions of the IRC. Although the Plan has been amended since the date of the opinion letter, Plan management believes that the Plan is currently designed and being operated in compliance with the applicable requirements of the IRC.

GAAP requires Plan management to evaluate tax provisions taken by the Plan and recognize a tax liability if the Plan has taken an uncertain tax position that more likely than not would not be substantiated by the taxing authorities. The Plan is subject to routine audits by the taxing jurisdiction; however, there are currently no audits for any tax periods in progress.

## 9. Subsequent Events

The Plan administrator evaluated events or transactions that occurred after December 31, 2023, and through October 8, 2024, the date the financial statements were available to be issued.

# Supplemental Schedule

# SAM Holding Company, Inc. & Subsidiaries 401(k) Plan

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

**EIN: 74-2704974** **Plan Number: 001**

*December 31, 2023*

| (a) | (b) Identity of Issuer, 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 |
|---|---|---|---|---|
| | **Investments** | | | |
| * | Fidelity | Growth Company Fund-Class K | ** | $ 13,444,768 |
| * | Fidelity | Freedom 2035 Fund-Class K | ** | 7,739,578 |
| * | Fidelity | Freedom 2045 Fund-Class K | ** | 7,610,503 |
| * | Fidelity | Freedom 2040 Fund-Class K | ** | 7,388,949 |
| * | Fidelity | Freedom 2030 Fund-Class K | ** | 6,400,117 |
| * | Fidelity | Freedom 2050 Fund-Class K | ** | 5,908,200 |
| * | Fidelity | 500 Index | ** | 5,430,757 |
| * | Fidelity | Freedom 2055 Fund-Class K | ** | 5,313,043 |
| * | Fidelity | Freedom 2025 Fund-Class K | ** | 4,872,364 |
| * | Fidelity | Contrafund-Class K | ** | 4,004,847 |
| * | Fidelity | Balanced Fund | ** | 2,558,506 |
| * | Fidelity | Government Money Market | ** | 2,423,218 |
| * | Fidelity | Freedom 2060 Fund-Class K | ** | 2,382,436 |
| * | Fidelity | Total Bond Fund | ** | 2,217,085 |
| | John Hancock | Disciplined Value MidCap Class A | ** | 2,178,251 |
| * | Fidelity | International Index | ** | 2,108,445 |
| | MFS | Value Fund Class R6 | ** | 1,803,755 |
| * | Fidelity | Freedom 2020 Fund-Class K | ** | 1,754,240 |
| | Vanguard | International Growth Admiral | ** | 1,265,988 |
| * | Fidelity | Freedom 2015 Fund-Class K | ** | 1,229,873 |
| | Neuberger Berman | Mid Cap Growth Trust | ** | 1,158,528 |
| | Vanguard | Small Cap Index Admiral | ** | 1,090,535 |
| | Conestoga | Small Cap Fund | ** | 1,057,385 |
| | Vanguard | High Yield Corporate Fund Admiral | ** | 863,788 |
| * | Fidelity | Freedom 2065 Fund-Class K | ** | 549,674 |
| | Vanguard | Short-Term Investment Grade Admiral | ** | 253,805 |
| * | Fidelity | Inflation Protected Bond Index Fund | ** | 248,081 |
| | Virtus Opportunities Trust | Real Estate Fund Class I | ** | 203,326 |
| * | Fidelity | Freedom 2005 Fund-Class K | ** | 100,211 |
| * | Fidelity | Freedom Income-Class K | ** | 38,203 |
| * | Fidelity | Freedom 2010 Fund-Class K | ** | 14,224 |
| | **Total Investments,** per financial statements | | | 93,612,683 |
| * | **Participant Loans** | Interest rate on loans range from 4.25% to 9.50%. | | 1,974,424 |
| | **Total** | | | $ 95,587,107 |

* A party-in-interest, as defined by ERISA.

** Cost is not required since all investments are participant-directed.