

Form 5500-SF Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Short Form Annual Return/Report of Small Employee Benefit Plan This form is required to be filed 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-SF.	OMB Nos. 1210-0110 1210-0089 2023 This Form is Open to Public Inspection
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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 single-employer plan ☐ a multiple-employer plan (not multiemployer) (Pension Plan filers checking this box must attach Schedule MEP. Other plans must attach a list of participating employer information in accordance with the form instructions.)
B	This return/report is ☐ the first return/report ☐ the final return/report ☐ an amended return/report ☐ a short plan year return/report (less than 12 months)
C	Check box if filing under: ☒ Form 5558 ☐ automatic extension ☐ DFVC program ☐ special extension (enter description)
D	If the plan is a collectively-bargained plan, check here ☒
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 LAREDO TRANSIT MANAGEMENT, INC. RETIREMENT PLAN	1b Three-digit plan number (PN) ▶ 001
		1c Effective date of plan 10/01/1997
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) LAREDO TRANSIT MANAGEMENT, INC. 1301 FARRAGUT ST. LAREDO, TX 78040	2b Employer Identification Number (EIN) 02-0668666
		2c Sponsor's telephone number 956-795-2250
		2d Business code (see instructions) 485990
3a	Plan administrator's name and address ☒ Same as Plan Sponsor.	3b Administrator's EIN
		3c Administrator's telephone number
4	If the name and/or EIN of the plan sponsor or the plan name has changed since the last return/report filed for this plan, enter the plan sponsor's name, EIN, the plan name and the plan number from the last return/report. a Sponsor's name c Plan Name	4b EIN
		4d PN
5a	Total number of participants at the beginning of the plan year	5a 187
b	Total number of participants at the end of the plan year.....	5b 177
c(1)	Number of participants with account balances as of the beginning of the plan year (only defined contribution plans complete this item)	5c(1) 75
c(2)	Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item)	5c(2) 72
d(1)	Total number of active participants at the beginning of the plan year.....	5d(1) 181
d(2)	Total number of active participants at the end of the plan year	5d(2) 171
e	Number of participants who terminated employment during the plan year with accrued benefits that were less than 100% vested.....	5e 0

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, if applicable, a Schedule SB or Schedule MB completed and signed by an enrolled actuary, 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.	10/15/2024	MONICA GARCIA
	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

- 6a** Were all of the plan's assets during the plan year invested in eligible assets? (See instructions.)..... ☒ Yes ☐ No
- b** Are you claiming a waiver of the annual examination and report of an independent qualified public accountant (IQPA) under 29 CFR 2520.104-46? (See instructions on waiver eligibility and conditions.)..... ☒ Yes ☐ No
- If you answered "No" to either line 6a or line 6b, the plan cannot use Form 5500-SF and must instead use Form 5500.**
- c** If the plan is a defined benefit plan, is it covered under the PBGC insurance program (see ERISA section 4021)? ☐ Yes ☐ No ☐ Not determined
- If "Yes" is checked, enter the My PAA confirmation number from the PBGC premium filing for this plan year..... (See instructions.)

Part III Financial Information

7 Plan Assets and Liabilities		(a) Beginning of Year	(b) End of Year
a Total plan assets.....	7a	1807210	2057682
b Total plan liabilities.....	7b	0	0
c Net plan assets (subtract line 7b from line 7a).....	7c	1807210	2057682
8 Income, Expenses, and Transfers for this Plan Year		(a) Amount	(b) Total
a Contributions received or receivable from:			
(1) Employers.....	8a(1)		
(2) Participants.....	8a(2)	138232	
(3) Others (including rollovers).....	8a(3)	0	
b Other income (loss).....	8b	282073	
c Total income (add lines 8a(1), 8a(2), 8a(3), and 8b).....	8c		420305
d Benefits paid (including direct rollovers and insurance premiums to provide benefits).....	8d	158632	
e Certain deemed and/or corrective distributions (see instructions).....	8e	-571	
f Administrative service providers (salaries, fees, commissions).....	8f	11772	
g Other expenses.....	8g	0	
h Total expenses (add lines 8d, 8e, 8f, and 8g).....	8h		169833
i Net income (loss) (subtract line 8h from line 8c).....	8i		250472
j Transfers to (from) the plan (see instructions).....	8j	0	

Part IV Plan Characteristics

- 9a** If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristic Codes in the instructions:
2E 2F 2G 2J 2K 2T 3D
- b** If the plan provides welfare benefits, enter the applicable welfare feature codes from the List of Plan Characteristic Codes in the instructions:

Part V Compliance Questions

10 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).....	10a	X		259
b Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 10a.).....	10b		X	0
c Was the plan covered by a fidelity bond?.....	10c	X		2000000
d Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?.....	10d		X	
e Were any fees or commissions paid to any brokers, agents, or other persons by an insurance carrier, insurance service, or other organization that provides some or all of the benefits under the plan? (See instructions.).....	10e		X	
f Has the plan failed to provide any benefit when due under the plan?.....	10f		X	
g Did the plan have any participant loans? (If "Yes," enter amount as of year-end.).....	10g	X		209684
h If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.).....	10h		X	
i If 10h was answered "Yes," check the box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3.....	10i			

Part VI Pension Funding Compliance

11	Is this a defined benefit plan subject to minimum funding requirements? (If "Yes," see instructions and complete Schedule SB (Form 5500) and lines 11a and b below.) If this is a defined contribution pension plan, leave line 11 blank and complete line 12 below.....	☐ Yes ☐ No
a	Enter the unpaid minimum required contributions for all years from Schedule SB (Form 5500) line 40	11a
b	PBGC missed contribution reporting requirements. If the plan is covered by PBGC and the amount reported on line 11a is greater than \$0, 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 _____	

12	Is this a defined contribution plan subject to the minimum funding requirements of section 412 of the Code or section 302 of ERISA? (If "Yes," complete line 12a or lines 12b, 12c, 12d, and 12e below, as applicable.) If this is a defined benefit pension plan, leave line 12 blank and complete line 11 above.	☐ Yes ☒ No
a	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 letter ruling granting the waiver. Month Day Year	
If you completed line 12a, complete lines 3, 9, and 10 of Schedule MB (Form 5500), and skip to line 13.		
b	Enter the minimum required contribution for this plan year	12b
c	Enter the amount contributed by the employer to the plan for this plan year	12c
d	Subtract the amount in line 12c from the amount in line 12b. Enter the result (enter a minus sign to the left of a negative amount)	12d
e	Will the minimum funding amount reported on line 12d be met by the funding deadline?	☐ Yes ☐ No ☐ N/A

Part VII Plan Terminations and Transfers of Assets

13a	Has a resolution to terminate the plan been adopted in any plan year?	☐ Yes ☒ No
a	If "Yes," enter the amount of any plan assets that reverted to the employer this year.....	13a
b	Were all the plan assets distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?	
	☐ Yes ☒ No	
c	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.)	
13c(1)	13c(2)	13c(3)
Name of plan(s):	EIN(s)	PN(s)

Part VIII IRS Compliance Questions

14a	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	
14b	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	
15	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 <u>06 / 30 / 2020</u> (MM/DD/YYYY) and the Opinion Letter serial number <u>Q702477A</u> .	

Laredo Transit Management, Inc.

Retirement Plan

Financial Statements

For the Years Ended December 31, 2023 and 2022

Laredo Transit Management, Inc.
Retirement Plan
Table of Contents
December 31, 2023 and 2022

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 CERTIFIED PUBLIC ACCOUNTANT
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INDEPENDENT AUDITOR'S REPORT

To the Administrative Committee of
 the Laredo Transit Management, Inc. Retirement Plan

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

We have performed an audit of the accompanying financial statements of Laredo Transit Management, Inc. Retirement Plan, an employee benefit plan subject to the Employee Retirement Income Security Act of 1974 (ERISA), as permitted by ERISA Section 103(a)(3)(C) [ERISA Section 103(a)(3)(C) audit]. The financial statements comprise the statements of net assets available for benefits as of December 31, 2023 and 2022, and the related statement of changes in net assets available for benefits for the year then 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 audits of the financial statements performed in accordance with ERISA Section 103(a)(3)(C) pursuant to 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA. As permitted by ERISA Section 103(a)(3)(C), our audit need not extend to any statements or information related to assets held for investment of the plan (investment information) by a bank or similar institution or insurance carrier that is regulated, supervised, and subject to periodic examination by a state or federal agency, provided that the statements or information regarding assets so held are prepared and certified to by the bank or similar institution or insurance carrier in accordance with 29 CFR 2520.103-5 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA (qualified institution).

Management has obtained a certification from a Principal Trust Company, trustee, as of and for the years ended December 31, 2023 and 2022, and for the year ended December 31, 2023, stating that the certified investment information, as described in Note D to the financial statements, is complete and accurate.

Opinion

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

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

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Laredo Transit Management, Inc. Retirement 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 these financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error. Management's election of the ERISA Section 103(a)(3)(C) audit does not affect management's responsibility for the financial statements.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Laredo Transit Management, Inc. Retirement 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 Laredo Transit Management, Inc. Retirement Plan's ability to continue as a going concern for a reasonable period of time.

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

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

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

Supplemental Schedule Required by ERISA

The supplemental schedule of assets held for investment purposes at end of year is presented for purposes of additional analysis and is not a required part of the financial statements but is supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information 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 generally accepted auditing standards. For information included in the supplemental schedule that agreed to or is derived from the certified investment information, we compared such information to the related certified investment information.

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

In our opinion:

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

George Martinez CPA PLLC
Laredo, TX
October 15, 2024

LAREDO TRANSIT MANAGEMENT, INC.
RETIREMENT PLAN
STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS
December 31, 2023 and 2022

	<u>2023</u>	<u>2022</u>
ASSETS		
Investments at fair value:		
Investments in common/collective trusts	\$ 463,318	\$ 415,141
Mutual funds	<u>1,384,680</u>	<u>1,154,186</u>
	1,847,998	1,569,327
Receivables:		
Note Receivable from Participants	<u>208,698</u>	<u>237,434</u>
TOTAL ASSETS	2,056,696	1,806,761
LIABILITIES		
Liabilities		
Accrued Expenses	<u>16,325</u>	<u>12,712</u>
NET ASSETS AVAILABLE FOR BENEFITS	\$ <u><u>2,040,371</u></u>	\$ <u><u>1,794,049</u></u>

See Accompanying Notes

LAREDO TRANSIT MANAGEMENT, INC.
RETIREMENT PLAN
STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS
Years Ended December 31, 2023 and 2022

	<u>2023</u>	<u>2022</u>
ADDITIONS		
Additions to Net Assets Attributed to:		
Investment Income:		
Net appreciation (depreciation) in fair value of investments	\$ 246,386	(379,175)
Dividends	<u>19,592</u>	<u>16,182</u>
	265,978	(362,993)
Interest income on note receivable to participants	15,688	11,539
Contributions:		
Participants'	<u>138,232</u>	<u>116,080</u>
TOTAL ADDITIONS	419,898	(235,374)
DEDUCTIONS		
Deductions from Net Assets Attributed to:		
Benefits paid to participants	160,224	96,951
Defaulted Loans	(1,583)	(747)
Administrative Expenses	<u>14,935</u>	<u>6,489</u>
TOTAL DEDUCTIONS	<u>173,576</u>	<u>102,693</u>
NET INCREASE (DECREASE)	246,322	(338,067)
Net Assets Available for Benefits:		
Beginning of Year	<u>1,794,049</u>	<u>2,132,116</u>
END OF YEAR	\$ <u><u>2,040,371</u></u>	\$ <u><u>1,794,049</u></u>

See Accompanying Notes

LAREDO TRANSIT MANAGEMENT, INC.
RETIREMENT PLAN
NOTES TO FINANCIAL STATEMENTS

NOTE A—DESCRIPTION OF PLAN

The following description of the Laredo Transit Management, Inc. Retirement Plan (“Plan”) provides only general information. Participants should refer to the Plan agreement for a more complete description of the Plan’s provisions.

General

The Plan is a defined contribution plan covering all full-time employees who had at least one year of service and are age 21 or older. It is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA). The Board of Trustees oversees governance of the Plan. The Plan’s Investment Committee determines the appropriateness of the Plan’s investment offerings, monitors investment performance, and reports to the Plan’s Board of Trustees.

Administration of Plan Net Assets

The Plan’s assets are held by the Trustee of the Plan. Company contributions are held and managed by the Trustee, which invests cash received, interest, and dividend income and makes distributions to participants (if applicable). Certain administrative functions are performed by employees of the Company. No such employee receives compensation from the Plan.

Contributions

Each year, participants may contribute pretax annual compensation, as defined in the Plan. Participants who have attained age 50 before the end of the Plan year are eligible to make catch-up contributions. Participants may also contribute amounts representing distributions of other qualified defined benefit or contribution plans. Participants direct the investment of their contributions into various investment options offered by the Plan. The Plan currently offers various mutual funds and a collective investment trust as investment options for participants. The Company may make up to \$1,200 in discretionary contributions to eligible employees.

Participant Accounts

Each participant’s account is credited with the participant’s contribution and allocations of (a) the Company’s contribution if any, (b) Plan earnings (losses), and charged with an allocation of administrative expenses. Allocations are based on participant earnings or account balances, as defined. The benefit to which a participant is entitled is the benefit that can be provided from the participant’s vested account.

LAREDO TRANSIT MANAGEMENT, INC.
RETIREMENT PLAN
NOTES TO FINANCIAL STATEMENTS

Vesting

Participants are immediately vested in their voluntary contributions plus actual earnings thereon. Vesting in the Company contributions portion of their accounts plus earnings thereon is based on years of continuous service. A participant is 100% vested after four years of credited service.

Investment Options

Upon enrollment into the Plan, participants may direct their account balances in any investment alternatives approved by the trustee, including but not limited to mutual funds and the common and collective fund. All earnings and losses on the directed investments are credited directly to the participants' accounts.

Participants may change their investment options at any time.

Notes Receivable from Participants

Participants may borrow from their fund accounts a minimum of \$1,000 up to a maximum equal to the lesser of \$50,000 or 50% of their vested account balance. Loan transactions are treated as a transfer to (from) the investment fund from (to) the Participant Notes fund. Loan terms range from 1-5 years. The notes are secured by the balance in the participant's account and bear interest at a rate at Wall Street Prime Lending Rate plus 2%, which are commensurate with local prevailing rates as determined quarterly by the Plan administrator. Principal and interest is paid ratably through payroll deductions.

Payment of Benefits

On termination of service due to death, disability or retirement, a participant will receive a lump sum distribution if the vested account balance does not exceed \$5,000. If the vested balance exceeds \$5,000, the plan gives the participant specific options regarding when elections to receive distributions from the Plan can be made. For termination of service due to other reasons, a participant may receive the value of the vested interest in his or her account as a lump-sum distribution.

Forfeited Accounts

At December 31, 2023 and 2022, forfeited non vested accounts totaled \$0 and \$0 respectively. These accounts will be used to reduce future employer contributions in the plan year following the plan year in which the designated forfeiture occurs.

LAREDO TRANSIT MANAGEMENT, INC.
RETIREMENT PLAN
NOTES TO FINANCIAL STATEMENTS

NOTE B—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Date of Management's Review of Subsequent Events

Subsequent events were evaluated through October 15, 2024 which is the date the financial statements were available to be issued.

Use of Estimates

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America ("GAAP") requires the plan administrator to make estimates and assumptions that affect the reported amounts of assets and liabilities and changes therein, and disclosures of contingent assets and liabilities. Accordingly, actual results may differ from those estimates.

Basis of Accounting

The financial statements of the Plan are prepared using the accrual basis of accounting. Investments held by a defined contribution plan are required to be reported at fair value, except for fully benefit-responsive investment contracts. Contract value is the relevant measure for that portion of the net assets available for benefits of a defined contribution plan attributable to fully benefit-responsive investment contracts because contract value is the amount participants normally would receive if they were to initiate permitted transactions under the terms of the plan.

Notes Receivable from Participants

Notes receivable from participants are measured at their unpaid balance plus any accrued but unpaid interest. Interest income is recorded on the accrual basis. Related fees are charged directly to the borrowing participant's account and are included in administrative expenses when incurred. As of December 31, 2023 and 2022, no allowance for credit losses has been recorded. If a participant does not make loan repayments and the plan administrator considers the participant loan to be in default, the loan balance is reduced, and the delinquent participant note receivable is recorded as a benefit payment based on the terms of the Plan document.

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

LAREDO TRANSIT MANAGEMENT, INC.
RETIREMENT PLAN
NOTES TO FINANCIAL STATEMENTS

the collective trust fund is based on the fair value of the Fund's underlying investments as reported by the trustee using the audited financial statements of the Fund at year-end. See Note C for discussion of fair value measurements.

Excess Contributions Payable

Amounts payable to participants in excess of amounts allowed by the IRS are recorded as accounts payable, with a corresponding reduction to 2023 contributions. The plan did not distribute any excess contribution for the year.

Payment of Benefits

Benefits are recorded when paid.

Expenses

Certain expenses of maintaining the plan are paid by the Plan, unless otherwise paid by the Plan Sponsor. Expenses that are paid by the Plan Sponsor are excluded from these financial statements.

NOTE C—FAIR VALUE MEASUREMENTS

In accordance with U.S. generally accepted accounting principles, the Plan utilizes a fair value hierarchy that prioritizes the inputs to valuation technique used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1) and the lowest priority to unobservable inputs (level 3). The three levels of the fair value hierarchy are as follows:

Level 1 Fair Value Measurements

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 Fair Value Measurements

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

LAREDO TRANSIT MANAGEMENT, INC.
RETIREMENT PLAN
NOTES TO FINANCIAL STATEMENTS

Level 3 Fair Value Measurements

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

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

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

		Fair Value Measurements Using		
	Total	Level 1	Level 2	Level 3
<u>December 31, 2023</u>				
Mutual Funds	\$ 1,384,680	\$ 1,384,680	\$ -	\$ -
Collective Trust Fund	463,318	463,318		
Total Investments in Fair Value hierarchy	1,847,998	\$ 1,847,998	\$ -	\$ -
Investments measured at NAV*	22,124			
Total Investments measured in Fair Value	<u>1,870,122</u>			
	Total	Level 1	Level 2	Level 3
<u>December 31, 2022</u>				
Mutual Funds	\$ 1,154,186	\$ 1,154,186	\$ -	\$ -
Collective Trust Fund	415,141	415,141		
Total Investments in Fair Value hierarchy	\$ 1,569,327	\$ 1,569,327	\$ -	\$ -
Investments measured at NAV*	26,111			
Total Investments measured in Fair Value	<u>1,595,438</u>			

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

There have been no changes in the methodologies used to measure fair value, nor transfers between levels. The following is a description of the valuation methodology used for assets measured:

Money market fund and mutual funds: Valued at the daily closing price reported on the active market on which the individual funds are traded.

Investments measured at NAV: The Galliard Stable Return Fund C, held in a collective trust, is valued at the net asset value (NAV) of units of the collective trust fund. The NAV, as provided by the Trustee, is used as a practical expedient

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RETIREMENT PLAN
NOTES TO FINANCIAL STATEMENTS

to estimate fair value. The NAV is based on the fair value of the underlying investments held by the fund less its liabilities. This practical expedient is not used when it is determined to be probable that the fund will sell the investment for an amount different than the reported NAV.

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

NOTE D—INFORMATION PREPARED AND CERTIFIED BY TRUSTEE

The plan administrator has elected the alternative method of compliance permitted by 29 CFR 2520.103.-8 of the Department of Labor Rules and Regulations for Reporting and Disclosure under ERISA. Accordingly, as permitted under such election, the Trustees, Principal Life Insurance Company for the year end December 31, 2023 and 2022 has certified that the following data included in the accompanying financials statements and supplemental schedule is complete and accurate.

	<u>2023</u>	<u>2022</u>
Investments, at fair value:		
Mutual Funds	\$ 1,384,680	\$ 1,154,186
Collective Trust Fund	463,318	415,141
Loans to Participants	208,698	237,883
Investment Income	265,978	(362,993)
Interest on Participant Notes	15,688	11,539

The Plan's independent auditor did not perform auditing procedures with respect to this information, except for comparing such information to the related information included in the accompanying financial statements and supplemental schedule.

NOTE E—PLAN TERMINATION

Although it has not expressed any intent to do so, the Company 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 employer contributions.

LAREDO TRANSIT MANAGEMENT, INC.
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NOTE F—RECONCILIATION OF FINANCIAL STATEMENTS TO FORM 5500

The following is a reconciliation of net assets available for benefits and the changes in net assets available for benefits per the financial statements at December 31, 2023 and 2022 to Form 5500:

	<u>2023</u>	<u>2022</u>
Net assets available for benefits per the financial statements	\$ 2,040,371	\$ 1,794,498
Adjustments to agree with Form 5500:		
Accrued Expenses paid after year end	16,325	12,712
Accrued Interest on Participant Loans	<u>986</u>	<u>-</u>
	<u>17,311</u>	<u>12,712</u>
Net assets available for benefits per the Form 5500	\$ <u><u>2,057,682</u></u>	\$ <u><u>1,807,210</u></u>
	<u>2023</u>	<u>2022</u>
Changes in Net assets available for benefits per the financial statements	\$ 246,322	\$ (337,618)
Adjustments to agree with Form 5500:		
Accrued Interest on Participant Loans	407	50
Accrued Administrative Expenses	4,755	(4,496)
Deemed Distribution Adjustment	<u>(1,012)</u>	<u>(176)</u>
	<u>4,150</u>	<u>(4,622)</u>
Changes in Net assets available for benefits per the Form 5500	\$ <u><u>250,472</u></u>	\$ <u><u>(342,240)</u></u>

Amounts allocated to withdrawing participants are recorded on the Schedule H of Form 5500 for benefit claims that have been processed and approved for payment prior to December 31, 2023 but not yet paid as of that date.

NOTE G—RELATED PARTY TRANSACTIONS

Certain Plan investments are shares of mutual funds managed by the Trustee as defined by the Plan and, therefore, these transactions qualify as party-in-interest transactions. This party-in-interest transaction is exempt from prohibited transaction rules of ERISA.

NOTE H—TAX STATUS

The Internal Revenue Service (IRS) has determined and informed the Company by letter that the Plan and related trust are designed in accordance with applicable sections of the Internal Revenue Code (IRC). Although the Plan has been amended since receiving the determination letter, the Plan administrator and the Plan's tax counsel

LAREDO TRANSIT MANAGEMENT, INC.
RETIREMENT PLAN
NOTES TO FINANCIAL STATEMENTS

believe that the Plan is designed and is currently being operated in compliance with the applicable requirements of the IRC and therefore believe that the Plan is qualified and the related trust is tax exempt.

Accounting principles generally accepted in the United States of America require that the plan administrator to evaluate tax positions taken by the Plan and recognize a tax liability for any uncertain position that more likely than not would be sustained upon examination by the IRS. The Plan is subject to routine audits by tax authorities; however, there are currently no audits for any tax periods in progress. The Plan's tax returns are subject to audit for the next four years.

NOTE I—RISKS AND UNCERTAINTIES

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

NOTE J—SUBSEQUENT EVENTS

The Plan has evaluated the need for disclosures and/or adjustments resulting from subsequent events through October 15, 2024, the date the financial statements are available to be issued. This evaluation did not result in any subsequent events that necessitated adjustments.

Laredo Transit Management, Inc. Retirement Plan

Required Supplemental Information

**Schedule of Assets Held for Investment
Purposes at End of Year**

December 31, 2023

LAREDO TRANSIT MANAGEMENT, INC. DEFINED CONTRIBUTION RETIREMENT PLAN
SCHEDULE H, LINE 4i - SCHEDULE OF ASSETS (HELD AT END OF YEAR)

EIN: 02-0668666

PLAN NUMBER: 001

PLAN YEAR: 1/1/2023 TO 12/31/2023

(a)	(b)	(c)	(d)
	Identity of Issue, Borrower, Lesser or Similar Party	Description of Investment including Maturity Date, Rate of Interest, Collateral, Par, or Maturity Value	Current Value
*	SEI TRUST COMPANY	Collective Trust Fund / Galliard Stable Return PN60	\$ 485,442
*	SEI TRUST COMPANY	Registered Investment Company / Allspring Disciplined Small Cap Admin Fund	73,375
*	Wells Fargo	Registered Investment Company / Allspring Dynamic Target Date 2020 Admin Fund	75,443
*	Wells Fargo	Registered Investment Company / Allspring Dynamic Target Date 2030 Admin Fund	137,674
*	Wells Fargo	Registered Investment Company / Allspring Dynamic Target Date 2040 Admin Fund	2,534
*	Wells Fargo	Registered Investment Company / Allspring Dynamic Target Date 2050 Admin Fund	3,337
*	Wells Fargo	Registered Investment Company / Allspring Dynamic Target Date Today Admin Fund	39,602
*	SEI TRUST COMPANY	Registered Investment Company / Allspring Government Securities Admin Fund	215,288
*	SEI TRUST COMPANY	Registered Investment Company / Allspring Index Administrator Fund	453,159
*	Scout Funds	Registered Investment Company / Carillon Scout Mid Cap Fund	10,972
*	Invesco Funds Group, Inc.	Registered Investment Company / Invesco Comstock A Fund	5,738
*	MFS Investment Mangement	Registered Investment Company / MFS Research International R3 Fund	62,621
*	T. Rowe Price Funds	Registered Investment Company / T. Rowe Price Blue Chip Growth Adv Fund	304,936
	Plan Total		\$ <u>1,870,121</u>
*	Participant Loans		\$ <u>208,698</u>

* Parties in Interest