

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
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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 multiemployer plan ☐ a multiple-employer plan (Filers checking this box must provide participating employer information in accordance with the form instructions.) ☒ a single-employer plan ☐ a DFE (specify) _____ ☐ the first return/report ☐ the final return/report ☐ an amended return/report ☐ a short plan year return/report (less than 12 months)
C	If the plan is a collectively-bargained plan, check here. ▶ ☐
D	Check box if filing under: ☒ Form 5558 ☐ automatic extension ☐ the DFVC program ☐ special extension (enter description)
E	If this is a retroactively adopted plan permitted by SECURE Act section 201, check here. ▶ ☐

Part II	Basic Plan Information—enter all requested information
1a	Name of plan VERSAR EMPLOYEE 401(K) PLAN
1b	Three-digit plan number (PN) ▶ 002
1c	Effective date of plan 01/01/1986
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) VERSAR, INC. 1025 VERMONT AVENUE NW SUITE 500 WASHINGTON, DC 20005
2b	Employer Identification Number (EIN) 54-0852979
2c	Plan Sponsor's telephone number 703-642-6736
2d	Business code (see instructions) 541330

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.	10/15/2024	NEMEXIS CARRASQUILLO VAZQUEZ
	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 ☒ Same as Plan Sponsor	3b Administrator's EIN 3c Administrator's telephone number
4 If the name and/or EIN of the plan sponsor or the plan name has changed since the last return/report filed for this plan, enter the plan sponsor's name, EIN, the plan name and the plan number from the last return/report: a Sponsor's name c Plan Name	4b EIN 4d PN
5 Total number of participants at the beginning of the plan year	5 1391
6 Number of participants as of the end of the plan year unless otherwise stated (welfare plans complete only lines 6a(1) , 6a(2) , 6b , 6c , and 6d). a(1) Total number of active participants at the beginning of the plan year a(2) Total number of active participants at the end of the plan year b Retired or separated participants receiving benefits c Other retired or separated participants entitled to future benefits d Subtotal. Add lines 6a(2) , 6b , and 6c e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits. f Total. Add lines 6d and 6e g(1) Number of participants with account balances as of the beginning of the plan year (only defined contribution plans complete this item) g(2) Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item) h Number of participants who terminated employment during the plan year with accrued benefits that were less than 100% vested	6a(1) 943 6a(2) 1095 6b 152 6c 414 6d 1661 6e 0 6f 1661 6g(1) 731 6g(2) 1555 6h 90
7 Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item)	7

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

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

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

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

a Pension Schedules

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

b General Schedules

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

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

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

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

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

11c Enter the Receipt Confirmation Code for the 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) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Service Provider Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA). ▶ File as an attachment to Form 5500.	OMB No. 1210-0110
		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 VERSAR EMPLOYEE 401(K) PLAN	B Three-digit plan number (PN) ▶ 002
C Plan sponsor's name as shown on line 2a of Form 5500 VERSAR, INC.	D Employer Identification Number (EIN) 54-0852979

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).....

No

Yes

☒
- 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

(b)

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

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

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)

EMPOWER ANNUITY INSURANCE COMPANY O

8515 EAST ORCHARD ROAD
GREENWOOD VILLAGE, CO 80111

(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?
64	RECORDKEEPER	67948	Yes ☒ No ☐	Yes ☒ No ☐	0	Yes ☒ No ☐

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

JANNEY MONTGOMERY SCOTT LLC

1717 ARCH ST
PHILADELPHIA, PA 19103

(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	INVESTMENT ADVISOR	59256	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

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

EMPOWER ADVISORY GROUP, LLC

8515 EAST ORCHARD ROAD
GREENWOOD VILLAGE, CO 80111

(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?
28	INVESTMENT MGMT	7160	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

Part I Service Provider Information (continued)

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

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

Part II Service Providers Who Fail or Refuse to Provide Information

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

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

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

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

Explanation:

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

Explanation:

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

Explanation:

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

Explanation:

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

Explanation:

SCHEDULE D (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration	DFE/Participating Plan Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA). ▶ File as an attachment to Form 5500.	OMB No. 1210-0110 2023 This Form is Open to Public Inspection.
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For calendar plan year 2023 or fiscal plan year beginning 01/01/2023 and ending 12/31/2023

A Name of plan <u>VERSAR EMPLOYEE 401(K) PLAN</u>	B Three-digit plan number (PN) ▶ <u>002</u>
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C Plan or DFE sponsor's name as shown on line 2a of Form 5500 <u>VERSAR, INC.</u>	D Employer Identification Number (EIN) <u>54-0852979</u>
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Part I	Information on interests in MTIAs, CCTs, PSAs, and 103-12 IEs (to be completed by plans and DFEs) (Complete as many entries as needed to report all interests in DFEs)
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a Name of MTIA, CCT, PSA, or 103-12 IE: PUTNAM LARGE CAP VALUE TRUST I

b Name of sponsor of entity listed in (a): PUTNAM INVESTMENTS CIT

c EIN-PN <u>82-3639536-275</u>	d Entity code <u>C</u>	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) <u>4574904</u>
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a Name of MTIA, CCT, PSA, or 103-12 IE: PUTNAM STABLE VALUE FUND

b Name of sponsor of entity listed in (a): PUTNAM INVESTMENTS

c EIN-PN <u>04-3159710-202</u>	d Entity code <u>C</u>	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) <u>3991038</u>
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a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

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

b Name of sponsor of entity listed in (a):

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

b Name of sponsor of entity listed in (a):

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

b Name of sponsor of entity listed in (a):

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

b Name of sponsor of entity listed in (a):

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

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

Part II Information on Participating Plans (to be completed by DFEs, other than DCGs)

(Complete as many entries as needed to report all participating plans. DCGs must report each participating plan using Schedule DCG.)

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

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 VERSAR EMPLOYEE 401(K) PLAN	B Three-digit plan number (PN) ►	002
C Plan sponsor's name as shown on line 2a of Form 5500 VERSAR, INC.	D Employer Identification Number (EIN) 54-0852979	

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

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)	0	0
(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)	198046	178808
(9) Value of interest in common/collective trusts	1c(9)	9121035	8565942
(10) Value of interest in pooled separate accounts	1c(10)		
(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)	38804595	45626844
(14) Value of funds held in insurance company general account (unallocated contracts)	1c(14)		
(15) Other	1c(15)	0	0

1d Employer-related investments:		(a) Beginning of Year	(b) End of Year
(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	48123676	54371594
Liabilities			
g Benefit claims payable	1g	0	0
h Operating payables	1h		
i Acquisition indebtedness	1i	0	0
j Other liabilities	1j	0	0
k Total liabilities (add all amounts in lines 1g through 1j)	1k	0	0
Net Assets			
l Net assets (subtract line 1k from line 1f)	1l	48123676	54371594

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)	639773	
(B) Participants	2a(1)(B)	2516285	
(C) Others (including rollovers)	2a(1)(C)	3178173	
(2) Noncash contributions	2a(2)	0	
(3) Total contributions. Add lines 2a(1)(A) , (B) , (C) , and line 2a(2)	2a(3)		6334231
b Earnings on investments:			
(1) Interest:			
(A) Interest-bearing cash (including money market accounts and certificates of deposit)	2b(1)(A)	0	
(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)	8804	
(F) Other	2b(1)(F)	0	
(G) Total interest. Add lines 2b(1)(A) through (F)	2b(1)(G)		8804
(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)	1196784	
(D) Total dividends. Add lines 2b(2)(A) , (B) , and (C)	2b(2)(D)		1196784
(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)		
(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)		

		(a) Amount	(b) Total
(6) Net investment gain (loss) from common/collective trusts.....	2b(6)		785047
(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)		6170051
c Other income	2c		0
d Total income. Add all income amounts in column (b) and enter total	2d		14494917

Expenses

e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	8067375	
(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)		8067375
f Corrective distributions (see instructions)	2f		0
g Certain deemed distributions of participant loans (see instructions)	2g		45260
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)	67948	
(4) IQPA audit fees.....	2i(4)	0	
(5) Investment advisory and investment management fees	2i(5)	66416	
(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)		134364
j Total expenses. Add all expense amounts in column (b) and enter total	2j		8246999

Net Income and Reconciliation

k Net income (loss). Subtract line 2j from line 2d	2k		6247918
l Transfers of assets:			
(1) To this plan	2l(1)		
(2) From this plan	2l(2)		

Part III Accountant's Opinion

3 Complete lines 3a through 3c if the opinion of an independent qualified public accountant is attached to this Form 5500. Complete line 3d if an opinion is not attached.

a The attached opinion of an independent qualified public accountant for this plan is (see instructions):

(1) ☒ Unmodified (2) ☐ Qualified (3) ☐ Disclaimer (4) ☐ Adverse

b Check the appropriate box(es) to indicate whether the IQPA performed an ERISA section 103(a)(3)(C) audit. Check both boxes (1) and (2) if the audit was performed pursuant to both 29 CFR 2520.103-8 and 29 CFR 2520.103-12(d). Check box (3) if pursuant to neither.

(1) ☒ DOL Regulation 2520.103-8 (2) ☐ DOL Regulation 2520.103-12(d) (3) ☐ neither DOL Regulation 2520.103-8 nor DOL Regulation 2520.103-12(d).

c Enter the name and EIN of the accountant (or accounting firm) below:

(1) Name: **URISH POPECK & CO., LLC**

(2) EIN: **25-1306171**

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.)		☒	
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.)		☒	
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.)		☒	
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.)		☒	
e Was this plan covered by a fidelity bond?	☒		1000000
f Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?		☒	
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?		☒	
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?		☒	
i Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.)	☒		
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.)		☒	
k Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?		☒	
l Has the plan failed to provide any benefit when due under the plan?		☒	
m If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.)		☒	
n If 4m was answered "Yes," check the "Yes" box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3.			

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

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 VERSAR EMPLOYEE 401(K) PLAN	B Three-digit plan number (PN) ▶	002
C Plan sponsor's name as shown on line 2a of Form 5500 VERSAR, INC.	D Employer Identification Number (EIN) 54-0852979	

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

1	Total value of distributions paid in property other than in cash or the forms of property specified in the instructions.....	1	0
2	Enter the EIN(s) of payor(s) who paid benefits on behalf of the plan to participants or beneficiaries during the year (if more than two, enter EINs of the two payors who paid the greatest dollar amounts of benefits): EIN(s): 84-1455663		
Profit-sharing plans, ESOPs, and stock bonus plans, skip line 3.			
3	Number of participants (living or deceased) whose benefits were distributed in a single sum, during the plan year	3	

Part II	Funding Information (If the plan is not subject to the minimum funding requirements of section 412 of the Internal Revenue Code or ERISA section 302, skip this Part.)
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4	Is the plan administrator making an election under Code section 412(d)(2) or ERISA section 302(d)(2)?	☐ 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
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9	If this is a defined benefit pension plan, were any amendments adopted during this plan year that increased or decreased the value of benefits? If yes, check the appropriate box. If no, check the "No" box.	☐ Increase	☐ Decrease	☐ Both	☐ No
---	--	-----------------------------------	-----------------------------------	-------------------------------	-----------------------------

Part IV	ESOPs (see instructions). If this is not a plan described under section 409(a) or 4975(e)(7) of the Internal Revenue Code, skip this Part.
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10	Were unallocated employer securities or proceeds from the sale of unallocated securities used to repay any exempt loan?	☐ 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
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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
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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 11 / 14 / 2022 (MM/DD/YYYY) and the Opinion Letter serial number Q702518A.



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Washington, DC 20005
202.541.1010
info@versar.com

October 15, 2024

Urish Popeck & Co., LLC
Three Gateway Center, Suite 2400
Pittsburgh, PA

Ladies and gentlemen:

We are providing this letter in connection with your audit of the financial statements of Versar Employee 401(k) Plan (the "Plan"), an employee benefit plan subject to the Employee Retirement Income Security Act of 1974 ("ERISA"), which comprise the statements of net assets available for benefits as of December 31, 2023, and the related statements of changes in net assets available for benefits for the year then ended, and the related notes to the financial statements.

We elected to have the audits 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's) Rules and Regulations for Reporting and Disclosure under ERISA. We acknowledge that the audits did 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), that prepared and certified the investment information in accordance with 29 CFR 2520.103-5 of the DOL's Rules and Regulations for Reporting and Disclosure under ERISA. We have determined that ERISA Section 103(a)(3)(C) audits are permissible under the circumstances. We have also determined that the investment information is prepared and certified by a qualified institution as described by 29 CFR 2520.103-8, that the certifications meet the requirements in 29 CFR 2520.103-5, and that the certified investment information is appropriately measured, presented, and disclosed in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP").

The purpose of an ERISA Section 103(a)(3)(C) audit is to express an opinion on whether the amounts and disclosures in the financial statements, other than those agreed to or derived from the certified investment information, are presented fairly, in all material respects, in accordance with U.S. GAAP and that the assets held by and certified to by a qualified institution agrees to, or is derived from, in all material respects, the certified investment information.

We confirm that we are responsible for the preparation and fair presentation in the Plan's financial statements of net assets available for benefits and changes in net assets available for benefits in conformity with U.S. GAAP.

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in the light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement.

We confirm, to the best of our knowledge and belief, as of the date of this representation letter, as entered on the first page, the following representations made to you during your audit:

- (1) We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated July 23, 2024, for the preparation and fair presentation of the Plan's financial statements (including disclosures) in accordance with U.S. GAAP. The notes to the Plan's financial statements include all disclosures required by laws and regulations to which the Plan is subject. The Plan's supplemental schedule is fairly presented in conformity with the DOL's Rules and Regulations for Reporting and Disclosure under ERISA.

- (2) We acknowledge our responsibility for administering the Plan and determining that the Plan's transactions that are presented and disclosed in the ERISA plan 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.
- (3) We have fulfilled our responsibility, as set out in the terms of the aforementioned audit engagement letter, 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.
- (4) We acknowledge our responsibility for the presentation of the ERISA-required supplemental schedule in accordance with the DOL's Rules and Regulations for Reporting and Disclosure under ERISA. We believe that the ERISA-required supplemental schedule, including their form and content, are presented in conformity with the DOL's Rules and Regulations for Reporting and Disclosure under ERISA.
- (5) We have made available to you all:
 - (a) Financial records and related data, including the names of all related parties and all relationships and transactions with related parties, as agreed upon in the terms of the aforementioned audit engagement letter.
 - (b) Additional information that you have requested from us for the purpose of the audit.
 - (c) Minutes of the meetings of the Board of Directors, Investment Committee, Administrative Committee or other meetings pertaining to the Plan that were held from January 1, 2023, to the date of this letter, or summaries of actions of recent meetings for which minutes have not yet been prepared.
 - (d) The most current Plan instrument for the audit period, including all Plan amendments made to the Plan instrument, the trust agreement, insurance or other relevant contracts during the year, including amendments to comply with applicable laws.
 - (e) A draft of the Form 5500 that is substantially complete.
 - (f) Unrestricted access to persons within the Plan from whom you determined it necessary to obtain audit evidence.
- (6) There have been no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices.
- (7) There have been no known instances of noncompliance or suspected noncompliance with laws and regulations whose effects should be considered when preparing financial statements.
- (8) There are no material transactions that have not been properly recorded in the accounting records underlying the financial statements.
- (9) We acknowledge our responsibility for the design, implementation and maintenance of internal control to prevent and detect fraud. We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud. We have no knowledge of any:
 - (a) Fraud or suspected fraud involving management or involving employees who have significant roles in the Plan's internal control, whether or not perceived to have a material effect on the financial statements.

- (b) Fraud or suspected fraud involving others where the fraud could have a material effect on the financial statements.
 - (c) Allegations of fraud or suspected fraud affecting the Plan's financial statements received in communications from employees, former employees, participants, beneficiaries, regulatory agencies, service providers, third-party administrators, law firms, predecessor accounting firms, or other professionals.
- (10) We have no:
- (a) Plans or intentions that may materially affect the carrying value or classification of assets and liabilities.
 - (b) Intentions to terminate the Plan.
- (11) The following, where applicable and material, have been properly recorded or disclosed in the financial statements:
- (a) The identity of all related parties and all related party relationships and transactions of which we are aware, including party-in-interest transactions, as defined in ERISA section 3(14) and regulations thereunder, including sales, purchases, loans, transfers, leasing arrangements, and guarantees, (whether written or oral) and amounts receivable from or payable to related parties.
 - (b) All derivative instruments and any embedded derivative instruments that require bifurcation, in accordance with Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") 815, *Derivatives and Hedging*.
 - (c) Arrangements with financial institutions involving compensating balances or other arrangements involving restrictions on cash balances and line-of-credit or similar arrangements.
 - (d) Guarantees, whether written or oral, under which the Plan is contingently liable.
 - (e) Significant estimates and material concentrations known to management that are required to be disclosed in accordance with FASB ASC 275-10, *Risks and Uncertainties - Overall*. In that regard, all accounting estimates that could be material to the financial statements, including key factors and significant assumptions underlying those estimates, have been identified, and we believe the estimates are reasonable in the circumstances. The methods, significant assumptions, and the data used in making the accounting estimates and the related disclosures are appropriate to achieve recognition, measurement, and disclosure that is in accordance with U.S. GAAP. (Significant estimates are estimates at the date of the statement of net assets available for benefits that could change materially within the next year. Concentrations refer to the nature and type of investments held by the Plan, or markets for which events could occur that would significantly disrupt normal finances within the next year.).
 - (f) Amendments to the Plan instrument, if any.
 - (g) The effects of all known actual or possible litigation, claims, and other liabilities or gain or loss contingencies that are required to be accrued or disclosed by FASB ASC 450, *Contingencies*, including:
 - Pending or anticipated tax assessments or refunds, other potential or pending claims, lawsuits by or against any branch of government or others;

- Written or oral guarantees, endorsements, or unused letters of credits; or
- Labor claims or negotiations.

FASB ASC 450-20, *Loss Contingencies*, requires loss contingencies to be accrued if it is probable an asset has been impaired or a liability incurred at the date of the statement of net assets available for benefits and the amount of loss can be reasonably estimated. Such contingencies must be disclosed, but may not be accrued, if the loss is reasonably possible (but not probable) or the loss is probable but the amount of loss cannot be reasonably estimated.

- (h) Commitments, such as a pending sale or merger of all or a portion of the business or of an interest therein or acquisition of all or a portion of the business, assets, or securities of another entity, that would affect the Plan.
- (12) There are no:
- (a) Violations or possible violations of laws or regulations (including the failure to file reports required by regulatory bodies (e.g., DOL, IRS, Health and Human Services, state and municipal authorities) when the effects of failing to file could be material to the financial statements) whose effects should be considered for disclosure in the financial statements or as a basis for recording a loss contingency.
 - (b) Unasserted claims or assessments that our lawyer has advised us are probable of assertion and must be disclosed in accordance with FASB ASC 450.
 - (c) Side agreements or other arrangements (either written or oral) that have not been disclosed to you.
 - (d) Other matters (e.g., breach of fiduciary responsibilities, nonexempt transactions, loans or loans in default, or events that may jeopardize the tax status) that legal counsel have advised us that must be disclosed.
- (13) Receivables recorded in the financial statements represent valid claims against debtors for charges arising on or before the date of the statement of net assets available for benefits and have been appropriately reduced to their estimated net realizable value.
- (14) The Plan has complied with all aspects of contractual agreements, including debt covenants, that would have a material effect on the financial statements in the event of noncompliance.
- (15) We are responsible for the estimation methods and assumptions used in measuring assets and liabilities reported or disclosed at fair value, including information obtained from brokers, pricing services, or other third parties. Our valuation methodologies have been consistently applied from period to period. The fair value measurements reported or disclosed represent our best estimate of fair value as of the measurement date in accordance with the requirements of FASB ASC 820, *Fair Value Measurement*. In addition, our disclosures related to fair value measurements are consistent with the objectives outlined in FASB ASC 820.
- (16) Significant assumptions used by us in making accounting estimates, including those measured at fair value, are reasonable. For any financial instruments, including non-readily marketable securities, we concur with and accept responsibility for the methods and significant assumptions used to estimate fair value of financial instruments and/or the approach used by

the appraiser. The methods and significant assumptions used result in a measure of fair value appropriate for financial measurement and disclosure purposes.

- (17) All required filings of Plan and trust documents with the appropriate agencies have been made.
- (18) The Plan and the trust established under the Plan are qualified under the appropriate section of the Internal Revenue Code and intends to continue as a qualified plan and trust. The Plan sponsor has operated the Plan and trust in a manner that did not jeopardize this tax status.
- (19) We intend to formally amend the Plan to incorporate the provisions under which the Plan is currently operating, that were adopted to comply with new laws or regulations.
- (20) The Plan has complied with the DOL's regulations concerning the timely remittance of participants' contributions to trusts and/or custodial accounts containing assets for the Plan.
- (21) The Plan is responsible for the performance of the nondiscrimination tests and will assure that the Plan has passed such tests or will take appropriate action to rectify any areas of noncompliance.
- (22) The Plan has complied with the fidelity bonding requirements of ERISA.
- (23) The Plan has satisfactory title to all owned assets, which are recorded at fair value, and there are no liens, encumbrances, or security interest on such assets nor has any asset been pledged as collateral.
- (24) There are no:
 - (a) Nonexempt party-in-interest transactions (as defined in ERISA section 3(14) and regulations under that section) that were not disclosed in the supplemental schedule or financial statements.
 - (b) Investments in default or considered to be uncollectible that were not disclosed in the supplemental schedules.
 - (c) Reportable transactions (as defined in ERISA section 103(b)(3)(H) and regulations under that section) that were not disclosed in the supplemental schedules.
- (25) We have apprised you of all communications, whether written or oral, with regulatory agencies concerning the operation of the Plan.
- (26) No discussions have taken place with your firm's personnel regarding employment with the Plan or the Plan sponsor.
- (27) We have not engaged you to prepare or review the Plan's Form 5500 filing with the DOL and IRS; however, the audited financial statements and supplemental schedule of the Plan are required to be filed with the Form 5500. We acknowledge that professional standards require you to obtain and read a substantially complete draft of the Plan's Form 5500 prior to the dating of the auditor's report. The purpose of this procedure is for you to consider whether such information, or the manner of its presentation, is materially inconsistent with the information, or the manner of its presentation, appearing in the financial statements; and that these procedures are not sufficient nor are they intended for you to ensure that the Form 5500 is completely and accurately prepared.
- (28) **The version of the Plan's 2023 audited financial statements that we will file with the DOL using the EFAST2 system will be identical to the copy containing your manually-signed report provided to us.**

- (29) **On August 4, 2023, the Company acquired Louis Berger Services, Inc. In connection with the acquisition, employees of Louis Berger Services, Inc. became eligible to participate in the Plan and ceased eligibility and participation in the previous employer's sponsored plan. Participants were given the election to keep eligible assets in the former employer's sponsored plan or elect to rollover their eligible assets to the Versar Employee 401(K) Plan.**
- (30) In connection with any electronic presentation of the financial statements, supplemental schedule and your audit report thereon on our website or the DOL website related to the EFAST2 filing, we acknowledge that:
- We are responsible for the preparation, presentation, and content of the financial statements and supplemental schedule in the electronic format.
 - In connection with the presentation of your audit report on the DOL's website and if your audit report is presented on our website, the full financial statements and supplemental schedule upon which you reported and to which you appended your signed report will be presented.
 - We will clearly indicate in the electronic presentation on our website the financial information that is subject to your audit report. We will clearly differentiate any information that may also be presented by us on or in connection with our website that was contained in the published version of the financial statements and other supplementary information, but which is not part of the audited financial statements or other financial information covered by your audit report. No such changes will be made to the version filed with the Form 5500.
 - We have assessed the security over financial statement information and the audit report presented on our website, and are satisfied that procedures in place are adequate to ensure the integrity of the information provided. We understand the risk of potential misrepresentations inherent in publishing financial information on our website through internal failure or external manipulation.
 - If the electronic financial statements are generally made available to the public on our web site, we will include a notification to the reader that such financial statements are presented for convenience and information purposes only, and while reasonable efforts have been made to ensure the integrity of such information, they should not be relied on. A copy of the printed financial statements will be provided on request.
- (31) We have obtained a copy of the relevant SOC 1 reports that cover the year under audit, related to significant processes and transactions that have been outsourced to those service organizations. In connection with those SOC 1 reports, we have read the reports, evaluated the impact of the exceptions to relevant tests, identified the complementary controls listed under the user entity controls section of the report, and have determined that those user entity controls have been designed appropriately and have been implemented.

To the best of our knowledge and belief, no events have occurred subsequent to the date of the statement of net assets available for benefits and through the date of this representation letter, as entered on the first page, other than those events described in Notes to the Plan's financial statements, that would require adjustment to or disclosure in the aforementioned financial statements.



1025 Vermont Ave NW
Suite 500
Washington, DC 20005
202.541.1010
info@versar.com

Very truly yours,

A handwritten signature in black ink, appearing to read "C Phelps", written over a horizontal line.

Christopher Phelps, Chief Financial Officer

A handwritten signature in blue ink, appearing to read "Nemexis Carrasquillo Vazquez", written over a horizontal line.

Nemexis Carrasquillo Vazquez, Plan Administrator



REPORT TO THOSE CHARGED
WITH GOVERNANCE

VERSAR EMPLOYEE 401(K) PLAN

Audit Wrap Up:
Year Ended

December 31 2023

Contents

QUICK ACCESS TO THE FULL REPORT

INTRODUCTION	3
STATUS OF OUR AUDIT	4
RESULTS OF OUR AUDIT	7
REPORTABLE FINDINGS AND INTERNAL CONTROL OVER FINANCIAL REPORTING	10
ADDITIONAL REQUIRED COMMUNICATIONS	12
SIGNIFICANT REGULATORY, ACCOUNTING, AUDITING & REPORTING DISCUSSION MATTERS	14

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 15, 2024

Christopher Phelps, Chief Financial Officer

Amanda Carle, VP of Human Resources and Plan Administrator

Versar Employee 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. We presented an overview of our plan for the audit of the financial statements of the Versar Employee 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,



Urish Popeck & Co., LLC



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 Versar Employee 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.
- ▶ 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 Notes 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 the notes 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.

RESULTS OF OUR AUDIT

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.

There were no uncorrected misstatements, other than those that were clearly trivial, related to accounts and/or disclosures that we presented to management.

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: a. An identified instance of noncompliance or suspected noncompliance with laws or regulations 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 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 July 23, 2024, describes our responsibilities in accordance with professional standards and certain regulatory authorities with regard to 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. 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 as a result of our inquiry of those charged with governance.
If applicable, 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.
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.
Representations requested from management	Please refer to the management representation letter.



Significant Regulatory, Accounting, Auditing & Reporting Discussion Matters



REGULATORY MATTERS

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.
- Relief from having to recover retirement plan overpayments.

► EFFECTIVE IN 2023

- Increases required minimum distributions (RMD) to age 73.
- 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.
- ▶ **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.
- ▶ **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.

REGULATORY MATTERS

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, 2023. An exception is provided for employees with compensation of \$145,000 or less. 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.

REGULATORY MATTERS

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

Department of Labor (DOL) Guidance and Enforcement on Cybersecurity

CYBERSECURITY GUIDANCE FOR SPONSORS ISSUED

The Department of Labor (DOL) issued guidance for plan sponsors, plan fiduciaries, record-keepers and plan participants on April 14, 2021.

- ▶ Best practices for maintaining cybersecurity, including tips on how to protect retirement benefits
- ▶ Complements Employee Benefits Security Administration's (EBSA) regulations on electronic records and disclosures
 - Ensuring that electronic recordkeeping systems have reasonable controls, adequate records management practices are in place, and that electronic disclosure systems include measures calculated to protect Personally Identifiable Information (PII)

GUIDANCE LINKS

- ▶ [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



EMPLOYEE BENEFITS SECURITY ADMINISTRATION UNITED STATES DEPARTMENT OF LABOR

TIPS FOR HIRING A SERVICE PROVIDER WITH STRONG CYBERSECURITY PRACTICES

As sponsors of 401(k) and other types of pension plans, business owners often rely on other service providers to maintain plan records and keep participant data confidential and plan accounts secure. Plan sponsors should use service providers that follow strong cybersecurity practices.

To help business owners and fiduciaries meet their responsibilities under ERISA to prudently select and monitor such service providers, we prepared the following tips for plan sponsors of all sizes:

1. Ask about the service provider's information security standards, practices and policies, and audit results, and compare them to the industry standards adopted by other financial institutions.
 - Look for service providers that follow a recognized standard for information security and use an outside (third-party) auditor to review and validate cybersecurity. You can have much more confidence in the service provider if the security of its systems and practices are backed by annual audit reports that verify information security, system/data availability, processing integrity, and data confidentiality.



EMPLOYEE BENEFITS SECURITY ADMINISTRATION UNITED STATES DEPARTMENT OF LABOR

CYBERSECURITY PROGRAM BEST PRACTICES

ERISA-covered plans often hold millions of dollars or more in assets and maintain personal data on participants, which can make them tempting targets for cyber-criminals. Responsible plan fiduciaries have an obligation to ensure proper mitigation of cybersecurity risks.

The Employee Benefits Security Administration has prepared the following best practices for use by recordkeepers and other service providers responsible for plan-related IT systems and data, and for plan fiduciaries making prudent decisions on the service providers they should hire. Plans' service providers should:

1. Have a formal, well documented cybersecurity program.
2. Conduct prudent annual risk assessments.
3. Have a reliable annual third party audit of security controls.
4. Clearly define and assign information security roles and responsibilities.
5. Have strong access control procedures.
6. Ensure that any assets or data stored in a cloud or managed by a third party service provider are subject to appropriate security reviews and independent security assessments.
7. Conduct periodic cybersecurity awareness training.
8. Implement and manage a secure system development life cycle (SDLC) program.
9. Have an effective business resiliency program addressing business continuity, disaster recovery, and incident response.
10. Encrypt sensitive data, stored and in transit.
11. Implement strong technical controls in accordance with best security practices.
12. Appropriately respond to any past cybersecurity incidents.



EMPLOYEE BENEFITS SECURITY ADMINISTRATION UNITED STATES DEPARTMENT OF LABOR

ONLINE SECURITY TIPS

You can reduce the risk of fraud and loss to your retirement account by following these basic rules:

- **REGISTER, SET UP AND ROUTINELY MONITOR YOUR ONLINE ACCOUNT**
 - Maintaining online access to your retirement account allows you to protect and manage your investment.
 - Regularly checking your retirement account reduces the risk of fraudulent account access.
 - Failing to register for an online account may enable cybercriminals to assume your online identity.
- **USE STRONG AND UNIQUE PASSWORDS**
 - Don't use dictionary words.
 - Use letters (both upper and lower case), numbers, and special characters.
 - Don't use letters and numbers in sequence (no "abc", "567", etc.).
 - Use 14 or more characters.
 - Don't write passwords down.
 - Consider using a secure password manager to help create and track passwords.
 - Change passwords every 120 days, or if there's a security breach.
 - Don't share, reuse, or repeat passwords.

REGULATORY MATTERS

Department of Labor (DOL) Guidance and Enforcement on Cybersecurity

COMMENCEMENT OF ENFORCEMENT AUDITS

Based on information provided from several ERISA law firms, the DOL has already commenced enforcement audits regarding cybersecurity practices, which includes a request for certain information within a short time period (expected turnaround ranging from one week to 10 days). If any of the information cannot be provided, the DOL is asking for a reason on why the information is not available.

EXAMPLES OF TYPES OF DOCUMENTATION BEING REQUESTED

1. All policies, procedures, policies or guidelines relating to: a) data governance, classification and disposal, b) the implementation of access controls and identity management, including any use of multi-factor authentication, c) the processes for business continuity, disaster recovery, and incident response, d) the assessment of security risks, e) data privacy, f) management of vendors and third-party service providers, including notification protocols for cybersecurity events and the use of data for any purpose other than the direct performance of their duties, g) cybersecurity awareness training, and h) encryption to protect all sensitive information transmitted, stored, or in transit.
2. All documents and communications relating to any past cybersecurity incidents.
3. All security risk assessment reports.
4. All security control audit reports, audit files, penetration test reports and supporting documents, and any other third-party cybersecurity analyses.
5. All documents and communications describing security reviews and independent security assessments of the assets or data of the Plan stored in a cloud or managed by service providers.
6. All documents describing any secure system development life cycle (SDLC) program, including penetration testing, code review, and architecture analysis.
7. All documents describing security technical controls, including firewalls, antivirus software, and data backup.
8. All documents and communications from service providers relating to their cybersecurity capabilities and procedures.
9. All documents and communications from service providers regarding policies and procedures for collecting, storing, archiving, deleting, anonymizing, warehousing, and sharing data.
10. All documents and communications describing the permitted uses of data by the sponsor of the Plan or by any service providers of the Plan, including, but not limited to, all uses of data for the direct or indirect purpose of cross-selling or marketing products and services.

REGULATORY MATTERS

Department of Labor (DOL)

GUIDANCE REGARDING MISSING PARTICIPANTS

The DOL provides best practices guidance to plan fiduciaries for locating missing or non-responsive plan participants and a Field Assistance Bulletin (FAB 2021-01) that discusses use of the PBGC missing participant program for terminating defined contribution plans. Plan fiduciary procedures to locate deferred vested missing participants has been an enforcement focus of the DOL in recent years.

DOL FIDUCIARY RULE

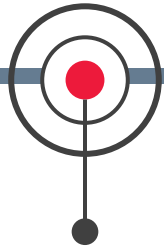
The Fiduciary Rule includes a prohibited transaction class exemption (PTE) for investment advice fiduciaries for work related to retirement plan assets. The rule's 2020 technical amendment reinstates the 1975 five-part test to determine fiduciary status and [DOL Bulletin 96-1](#) pertaining to participant investment education. The rule and the PTE were effective February 16, 2021.

[DOL Field Assistance Bulletin 2021-02](#) clarified the DOL would not pursue prohibited transactions (PTs) against investment advice fiduciaries who were working in good faith to comply with the impartial conduct standards exempted in PTE 2020-02 through January 31, 2022. The DOL will not enforce the documentation and disclosure requirements for rollovers in PTE 2020-02 through June 30, 2022. PTE 2020-02's other requirements were subject to full enforcement as of February 1, 2022.

The rule aligns with the SEC's Regulation Best Interest (Reg BI), which went into effect June 30, 2020. Reg BI sets a higher standard for broker-dealers, registered investment advisers and other advisers. It also bans brokers from putting their firm's interests before the needs of clients and requires them to disclose key facts about recommendations, exercise reasonable care when making decisions on behalf of clients, establish and enforce written policies to address conflicts of interest, and establish and enforce written policies to comply with the regulation.

REGULATORY MATTERS

IRS Required Amendments for Recent Law Changes



DECEMBER 31, 2021

- ▶ Deadline for 401(k) and 403(b) plan amendments for new hardship distribution rules enacted by Tax Cut and Jobs Act (TCJA) and 2018 Bipartisan Budget Act (BBA)
- ▶ Elimination of the 6-month suspension of deferrals was mandatory change
- ▶ Optional change to expand criteria for what qualifies as a hardship, sources for hardship distributions, requirement to take a loan before taking a hardship
- ▶ Deadline for amendments for cafeteria plans/health & dependent care FSAs for employers who adopted the available COVID relief for 2020 and 2021



JULY 31, 2022

- ▶ Deadline to adopt restated pre-approved defined contribution plans (regardless of the Plan's year end date)



DECEMBER 31, 2022*

- ▶ Deadline to adopt the SECURE Act, CARES Act and CAA retirement plan amendments is December 31, 2022*
- ▶ *For SECURE Act amendments and one of the CARES Act amendments, IRS Notice 2022-33 (issued August 2022) extends the deadline to **December 31, 2025**
 - Extension applies to non-governmental qualified plans and IRAs only
 - Only extended the CARES Act amendment pertaining to the waiver of required minimum distributions (RMDs)
- ▶ Generally needed by the end of the first plan year beginning on or after January 1, 2022
- ▶ This includes required minimum distributions (RMDs) starting at age 72 instead of 70 1/2, LTPT employees must be allowed to join the plan starting January 1, 2024, as well as optional CARES Act distributions and participant loans, if elected during 2020

REGULATORY MATTERS

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.

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.

2019 RAL

IRS Notice 2019-64 announced two Part A items, which pertain to hardship withdrawals and cash balance/hybrid DB plans maintained pursuant to collective bargaining agreements ratified on or before November 13, 2015. The hardship provisions suspend employees’ elective deferrals after obtaining a hardship distribution and now require a representation from an employee who requests a hardship distribution made on or after January 1, 2020. Cash balance/hybrid DB plans must be amended regarding market rate of return and other requirements by certain dates. There were no Part B items. The 2019 RAL due date was December 31, 2021.

REGULATORY MATTERS

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](#)).

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 chooses 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.

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

Setting Every Community Up for Retirement Enhancement Act of 2019 (SECURE ACT)

The SECURE Act (the Act), which was signed into law on December 20, 2019, was intended to address Americans' difficulty in saving for retirement. The Act was part of the Further Consolidated Appropriations Act (a federal spending bill) and included a variety of provisions impacting retirement programs, both employee benefit plans and individual retirement accounts (IRAs).

Below are reminders on some key provisions for 2021 and 2022:

- ▶ Requires 401(k) Plans to allow long-term, part-time (LTPT) employees to make salary deferrals starting January 1, 2024.
 - To determine eligibility for these LTPT employees the employer will need to track hours of service starting January 1, 2021, to determine eligibility for this new rule
 - Part-time employees who have at least 500 hours of service in each of 3 consecutive 12-month periods must be allowed to enroll in the employer's 401(k) plan and make salary deferrals
 - No employer contributions are required for LTPT employees
- ▶ Created a new type of plan called a Pooled Employer Plan (PEP)
 - PEPs allowed to start effective January 1, 2021
 - Considered an "open" Multiple Employer Plan (MEP) that allows unrelated employers to participate in the PEP
 - Sponsor role is outsourced to professional third-party pooled plan provider (PPP)

REGULATORY MATTERS

New IRS Pre-Examination Pilot Program

The IRS previously announced in its monthly [newsletter](#) a new 90-day pre-examination pilot program and has now notified selected plans that they are being given the opportunity to inspect and potentially self-correct any compliance issues through the pilot program. The IRS indicated the goal of the program is to reduce taxpayer burden by lowering the number of full-scope examinations.

The program provides plan sponsors 90 days to review their plan's document and operations to determine whether the plan complies with current tax law requirements. The IRS indicated it will inform the letter recipient about specific issues to focus on and may offer reduced fines for completing the request.

Plan sponsors are urged to read the letter carefully and as soon as possible to start their review. This request is considered to be an examination and should generally be handled by the sponsor in a similar manner to a traditional IRS exam. Non-responses within the 90-day period will trigger an automatic examination by the agency.



Versar Employee 401(k) Plan

Financial Statements
As of December 31, 2023 and 2022
and for the years then ended
Supplemental Schedule
As of December 31, 2023

Versar Employee 401(k) Plan

Contents

Independent Auditors' Report	1-4
Financial Statements	
Statements of Net Assets Available for Benefits	5
Statements of Changes in Net Assets Available for Benefits	6
Notes to Financial Statements	7-17
Supplemental Schedule	
Schedule H, Line 4i – Schedule of Assets (Held at End of Year)	18

Independent Auditors' Report

To the Participants and Plan Administrator of the
Versar Employee 401(k) Plan
Washington, DC

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

We have performed audits of the financial statements of Versar Employee 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 statement 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, 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 (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 then ended, 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 audit 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); and
- 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).

Basis for Opinion

We conducted our audit 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 Audits 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 audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Other Matter — Supplemental Schedule Required by ERISA

The 2023 supplemental schedule, 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 2023 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 audits of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with GAAS. 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 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 agreed 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).

Urish Popeck + Co., LLC

October 15, 2024
Pittsburgh, Pennsylvania

Versar Employee 401(k) Plan

Statements of Net Assets Available for Benefits

<i>December 31,</i>	2023	2022
Assets		
Investments, at fair value		
Mutual Funds	\$ 45,626,844	\$ 38,804,595
Collective trust fund	4,574,904	4,180,814
Stable value fund	3,991,038	4,940,221
Total investments	54,192,786	47,925,630
Receivables		
Notes receivable from participants	178,808	198,046
Net assets available for benefits	\$ 54,371,594	\$ 48,123,676

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

Versar Employee 401(k) Plan

Statements of Changes in Net Assets Available for Benefits

<i>Years ended December 31,</i>	2023	2022
Additions		
Investment income/(loss):		
Interest and dividends	\$ 1,196,784	\$ 1,280,321
Net appreciation/(depreciation) in fair value of investments	6,955,098	(12,102,790)
Total investment income/(loss)	8,151,882	(10,822,469)
Contributions		
Participants	2,516,285	1,857,703
Employer	639,773	302,232
Rollovers	3,178,173	230,722
Total contributions	6,334,231	2,390,657
Interest income from notes receivable from participants	8,804	8,965
Total additions/(deductions)	14,494,917	(8,422,847)
Deductions		
Benefits paid to participants	8,067,375	5,737,201
Loan defaults	45,260	-
Administrative expenses	134,364	139,474
Total deductions	8,246,999	5,876,675
Net increase/(decrease)	6,247,918	(14,299,522)
Plan assets transfers-in	-	8,296,693
Net assets available for benefits, beginning of year	48,123,676	54,126,505
Net assets available for benefits, end of year	\$ 54,371,594	\$ 48,123,676

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

Versar Employee 401(k) Plan

Notes to Financial Statements Years Ended December 31, 2023 and 2022

1. Plan Description

The following description of the Versar Employee 401(k) Plan (the "Plan") provides only general information. Participants should refer to the Plan document for a more complete description of the Plan's provisions.

General

The Plan is a defined contribution plan covering substantially all employees of Versar, Inc., (the "Company") who were at least 18 years old, except for leased employees, nonresident aliens, employees covered by a collective bargaining agreement, Davis Bacon Act employees, and part-time employees who work less than 1,000 hours in a Plan year.

Effective May 1, 2020, the Plan adopted a 401(k) prototype plan document of Empower Trust Company, LLC ("Empower").

Plan Merger

On August 4, 2023, the Company acquired Louis Berger Services, Inc. In connection with the acquisition, employees of Louis Berger Services, Inc. became eligible to participate in the Plan and ceased eligibility and participation in the previous employer's sponsored plan. Participants were given the election to keep eligible assets in the former employer's sponsored plan or elect to rollover their eligible assets to the Versar Inc. plan.

On June 2, 2021, the Company acquired BayFirst Solutions, LLC. In connection with the acquisition the Company authorized a plan of merger in which the BayFirst Solutions 401(k) Plan was merged into the Plan effective January 1, 2022.

Contributions

Each year, participants may contribute from one percent up to 50 percent of pretax annual compensation, as defined in the Plan. Roth contributions are also permitted. Participants who have attained age 50 before the end of the Plan year are eligible to make catch-up contributions. Participants may also contribute amounts representing distributions from other qualified plans (rollovers). The Plan provides for automatic enrollment. Any newly eligible employee who has not affirmatively elected to contribute to the Plan or has not affirmatively declined to participate in the Plan will be automatically enrolled in the Plan with a three percent withholding of pretax annual compensation. This withholding will increase by one percent each subsequent year until the automatic election reaches a withholding contribution of six percent of compensation. The Plan allows for additional Company discretionary matching contributions. Participants must be active on the last day of the Plan year to receive a Company discretionary matching contribution.

Versar Employee 401(k) Plan

Notes to Financial Statements Years Ended December 31, 2023 and 2022

1. Plan Description (cont.)

Contributions (cont.)

During the years ended December 31, 2023 and 2022, the Company made contributions of \$639,773 and \$302,232 of which \$618,557 and \$267,052, respectively were discretionary. The Plan provides for Company prevailing wage contributions on behalf of participants who perform services subject to the Service Contract Act. The amount of the contribution shall be equal to the balance of the fringe benefit payment for each eligible employee based on the employment classification hourly contribution rate, reduced by the amount of the benefit provided by the Company. Contributions are subject to certain limitations.

Investment Options

Upon enrollment, participants may direct their elective contributions in any one of the allowable investment funds offered by the Plan. Participants may make changes in their investment elections at any time.

Participant Accounts

Each participant's account is credited with the participant's contributions, the Company's matching contributions, prevailing wage contributions, as applicable, the Company's discretionary matching contributions, if any, Plan earnings and expenses. Investment earnings and losses are allocated based upon the investment performance of each investment in the participant's account. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account.

Payment of Benefits

Benefits are payable upon normal retirement at age 65, early retirement at the later of attaining age 62 or the tenth anniversary of the participant's entry date, disability, death, or termination of employment. Hardship withdrawals and in-service withdrawals at age 59 1/2 are also permitted, subject to provisions described in the Plan document. Benefits are payable in lump sum payments.

Versar Employee 401(k) Plan

Notes to Financial Statements Years Ended December 31, 2023 and 2022

1. Plan Description (cont.)

Vesting

Participants are vested immediately in all contributions, plus actual earnings thereon. Different vesting schedules may apply to account balances of participants due to prior Plan provisions as described in the Plan document.

<i>December 31,</i>	<i>Percent Vested</i>
Less than 1 year	0%
Less than 2 years	25%
Less than 3 years	50%
Less than 4 years	75%
Four or more years	100%

Forfeited Accounts

At December 31, 2023 and 2022, forfeited non-vested accounts totaled \$0 and \$25,198, respectively. These accounts will be used to reduce future Company contributions or to pay Plan expenses. During 2023, \$25,198 of forfeitures were used to offset accrued employer contributions. During 2022, there were no forfeitures used to offset accrued employer contributions.

Notes Receivable From Participants

Participants may borrow from their fund accounts a minimum of \$500 up to a maximum of the lesser of \$50,000 or 50% of their vested account balance. Loan terms range from one to five years or up to ten years for the purchase of a primary residence. The loans are secured by the balance in the participant's account and bear interest at the prime rate plus one percent. The loans are secured by the balance in the participant's account and bear interest at 4.25% through 9.50%, which is commensurate with local prevailing rates. Principal and interest are paid through payroll deductions.

Administrative Expenses and Related Party Transactions

Certain expenses of maintaining the Plan are paid by the Company. The Plan pays investment expenses based on stated basis points for the respective investments and transactional expenses for loans and distributions.

Versar Employee 401(k) Plan

Notes to Financial Statements Years Ended December 31, 2023 and 2022

1. Plan Description (cont.)

Cares Act and Plan Provisions

On March 27, 2020, the "Coronavirus Aid, Relief, and Economic Security (CARES) Act" was signed into law. The CARES Act, among other things, includes several relief provisions available to tax-qualified retirement plans and their participants. Plan management has evaluated the relief provisions available to plan participants under the CARES Act and has implemented the following provisions:

- Special coronavirus distributions up to \$100,000;
- Increase the available loan amount to the lesser of \$100,000 or 100% of the participant's vested account balance;
- Permit COVID-19 impacted participants to take out loans while on furlough;
- Extend the period for loan repayments, if applicable, up to one year; and
- Required minimum distributions related to the 2020 calendar year were waived, including those scheduled to be paid after December 31, 2020 but before April 1, 2021

The Plan formally adopted the provisions above by amendment in April 2022.

2. Summary of Significant Accounting Policies

Basis of Accounting

The financial statements of the Plan are prepared under the accrual basis of accounting generally accepted in the United States of America.

Investment Valuation and Income Recognition

The investments of the Plan are reported at fair value, including the collective trust fund and stable value fund. The fair value of a financial instrument is the amount 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 the investments within the Plan are reflected on a trade date basis. Dividend income is recorded on the ex-dividend date. Interest income is recorded on the accrual basis.

Versar Employee 401(k) Plan

Notes to Financial Statements Years Ended December 31, 2023 and 2022

2. Summary of Significant Accounting Policies (cont.)

Notes Receivable from Participants

Notes receivable from participants are measured at their unpaid principal balance plus any accrued but unpaid interest. Interest income is recorded on the accrual basis. Delinquent loans are reclassified as distributions based upon the terms of the Plan document.

Payment of Benefits

Benefits are recorded when paid.

Use of Estimates

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

3. Investments Certified by the Plan's Trustees

The Plan administrator has elected the method of compliance as permitted by 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. Accordingly, Empower Trust Company, LLC, the trustee, have certified as to the completeness and accuracy of all investment balances, related investment activity, notes receivable from participants, and related interest income from notes receivable from participants reflected in the accompanying financial statements and supplemental schedule, summarized as follows:

<i>December 31,</i>	2023	2022
Investments, at fair value	\$ 54,192,786	\$ 47,925,630
Notes receivable from participants	\$ 178,808	\$ 198,046
<i>Years ended December 31,</i>	2023	2022
Interest and dividends	\$ 1,196,784	\$ 1,280,321
Net appreciation in fair value of investments	6,955,098	(12,102,790)
Total investment income	\$ 8,151,882	\$ (10,822,469)
Interest income from notes receivable from participants	\$ 8,804	\$ 8,965

Versar Employee 401(k) Plan

Notes to Financial Statements Years Ended December 31, 2023 and 2022

3. Investments Certified by the Plan's Trustees (cont.)

At the request of the plan administrator, the Plan's independent auditors did not perform auditing procedures with respect to this certified investment information, except for comparing such certified investment information to the related investment information included in the financial statements and ERISA-required supplemental schedule.

4. Fair Value Measurements

The Plan reports its assets at fair value based on a 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 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy under the Financial Accounting Standards Board's ("FASB") Accounting Standards Codification ("ASC") 820 are described below:

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

Level 2. Inputs to the valuation methodology include quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in inactive markets, inputs other than quoted prices that are observable for the asset or liability, and inputs that are derived from or corroborated by observable market data by correlation or other means. If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.

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

The asset or liability's 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.

Versar Employee 401(k) Plan

Notes to Financial Statements Years Ended December 31, 2023 and 2022

4. Fair Value Measurements (cont.)

The fair value of assets is as follows:

	Investment Assets, at Fair Value as of December 31, 2023			
	Level 1	Level 2	Level 3	Total
Mutual funds	\$ 45,626,844	\$ -	\$ -	\$ 45,626,844
Collective trust fund*	-	-	-	4,574,904
Stable value fund*	-	-	-	3,991,038
Total investments, at fair value	\$ 45,626,844	\$ -	\$ -	\$ 54,192,786

	Investment Assets, at Fair Value as of December 31, 2022			
	Level 1	Level 2	Level 3	Total
Mutual funds	\$ 38,804,595	\$ -	\$ -	\$ 38,804,595
Collective trust fund*	-	-	-	4,180,814
Stable value fund*	-	-	-	4,940,221
Total investments, at fair value	\$ 38,804,595	\$ -	\$ -	\$ 47,925,630

*In accordance with ASC 820, certain investments that were measured at net asset value per share (or its equivalent) as of December 31, 2023 and 2022 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 items presented in the statements of net assets available for benefits.

The methods described above may provide a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. While the Plan believes its valuation methods are appropriate and consistent with other market participants, it is possible that different fair value measurements may arise due to the use of different methodologies or assumptions in determining the fair value measurement at the reporting date.

Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at December 31, 2023 and 2022.

Versar Employee 401(k) Plan

Notes to Financial Statements Years Ended December 31, 2023 and 2022

4. Fair Value Measurements (cont.)

Mutual Funds

Mutual funds represent investments with various investment managers. The fair value of these investments are determined by reference to the fund's underlying assets, which are principally marketable equity and fixed income securities. Shares held in mutual funds traded on national securities exchanges are valued at the net asset value as of December 31, 2023 and 2022.

Stable Value Fund

The Putnam Stable Value Fund ("Stable Value Fund") is a stable value collective trust fund available as an investment to the Plan. The Stable Value Fund is comprised of investment contracts including traditional guaranteed investment contracts and synthetic guaranteed investment contracts issued by insurance companies and other financial institutions. The investment contracts help to stabilize the value and returns of the fund. These contracts are backed by a portfolio of fixed income securities.

Collective Trust Fund

The Putnam Large Cap Value Trust Fund ("Collective Trust Fund") is a collective trust fund that seeks capital growth and current income by investing mainly in common stocks of midsize and large U.S. companies with a focus on value stocks that offer the potential for capital growth, current income or both. The fund may use derivatives such as futures, options, warrants and swap contracts, although they do not represent a primary focus of the fund.

The Plan uses the net asset value ("NAV") per share of the Stable Value Fund and Collective Trust Fund provided by the trustee as a practical expedient to estimate fair value. The practical expedient would not be used if it is determined to be probable that the fund will sell the investment for an amount different from the reported NAV. Participant transactions (purchases and sales) may occur daily. If the Plan initiates a full redemption of the funds, the trustee reserves the right to require 12 months' notification in order to ensure that securities liquidations will be carried out in an orderly business manner. The funds' units are issued and redeemed daily at the constant NAV of \$1 per unit. The funds' investment objective is stability of principal and high current income.

The valuation methods described above may provide a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. While the Plan believes its valuation methods are appropriate and consistent with other market participants, it is possible that different fair value measurements may arise due to the use of different methodologies or assumptions in determining the fair value measurement at the reporting date.

There were no unfunded commitments related to the Stable Value Fund or the Collective Trust Fund at December 31, 2023 and 2022.

Versar Employee 401(k) Plan

Notes to Financial Statements Years Ended December 31, 2023 and 2022

4. Fair Value Measurements (cont.)

The fair value of common collective trust funds is based on the NAV on the last business day of the Plan year provided by the entity holding the trust funds. The NAV of the common collective trusts is used as a practical expedient to estimate fair value and is determined by Wells Fargo based on the fair value of underlying assets in the trusts, less the liabilities.

5. Risks and Uncertainties

The Plan provides for investments in various securities that are exposed to both Company specific and general economic 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 the amounts reported in future statements of net assets available for benefits.

6. 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 will become fully vested in their accounts.

7. Terminated Participants

When participants terminate employment with the Plan sponsor, they may choose to leave their investments in the Plan, as long as their balance is greater than \$1,000. As of December 31, 2023 and 2022, there were 460 and 439 terminated participants who had not withdrawn their account balances of \$29,246,728 and \$27,800,343, respectively.

8. Income Tax Status

As described in Note 1, the Plan adopted a 401(k) prototype plan document of Empower. The Internal Revenue Service (IRS) issued an opinion letter on the Plan document dated November 14, 2022 stating that the form of the prototype plan was acceptable under Section 401 of the Internal Revenue Code for use by adopting employers, and that an employer adopting the Plan could rely on the opinion letter with respect to the qualification of the Plan under Section 401(a) of the Internal Revenue Code. The Plan administrator believes that the Plan is designed, and is currently being operated, in compliance with the applicable requirements of the Internal Revenue Code and, therefore, believes that the Plan is qualified and the related trust is tax exempt.

Versar Employee 401(k) Plan

Notes to Financial Statements Years Ended December 31, 2023 and 2022

8. Income Tax Status (cont.)

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

9. Party-in-Interest Transactions

Certain Plan investments are managed by Empower. Empower is the trustee and recordkeeper as defined by the Plan. Fees paid to Empower amounted to \$67,948 and \$70,270 for the years ended December 31, 2023 and 2022. These transactions qualify as exempt party-in-interest transactions. Additionally, certain participants incur distribution fees, loan fees, sub-transfer agent fees and fees to participate in an investment management platform. Fees paid for distributions, loans, sub-transfer agency and participation in the investment management platform amounted to \$10,988 and \$6,251 for the years ended December 31, 2023 and 2022, respectively.

Contemporaneously, with the transfer of assets and trustee services to Empower, a revenue sharing arrangement was entered into with Empower. Revenue sharing amounts are placed in an "ERISA Account" which is invested in the Putnam Stable Value Fund and included in participant-directed investments in the accompanying Statements of Net Assets Available for Benefits. Total revenue sharing, including interest, was \$66,416 and \$69,204 in 2023 and 2022, respectively. Revenue sharing was used to pay the fees of the investment advisor and its affiliates aggregating \$66,416 and \$69,204 in 2023 and 2022, respectively. There was no balance in the ERISA account as of December 31, 2023 and 2022.

The Plan also allows for the calculated excess in the ERISA Account, as determined by the Plan Sponsor, to be allocated to participant accounts pro rata in proportion to their account balances. No amounts were used from the ERISA Account and allocated to participant accounts during the year ended December 31, 2023.

10. Investment Concentration

The following table presents an investment that represents 10% or more of the Plan's net assets at December 31, 2023 and 2022.

<i>Investment at December 31, 2023</i>	<i>Fair Value</i>
Fidelity 500 Index Fund	\$ 8,068,973
<i>Investment at December 31, 2022</i>	<i>Fair Value</i>
Fidelity 500 Index Fund	\$ 7,008,598
Putnam Stable Value Fund (Stable Value Fund)	\$ 4,940,221

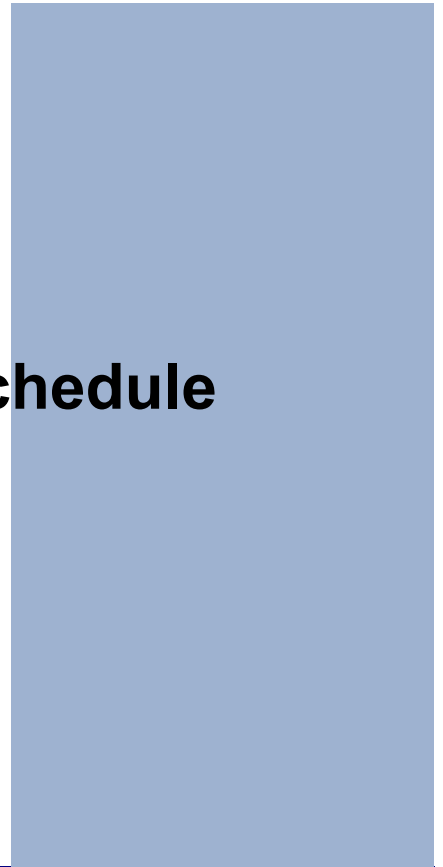
Versar Employee 401(k) Plan

Notes to Financial Statements Years Ended December 31, 2023 and 2022

11. Subsequent Events

Subsequent events have been evaluated through October 15, 2024, the date financial statements were available to be released. Management did not identify any events requiring recording in or disclosure to the financial statements as of and for the year ended December 31, 2023.

Supplemental Schedule



Versar Employee 401(k) Plan

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

December 31, 2023

EIN: 54-0852979

Plan Number: 002

		(c) Description of Investment, including Maturity Date, Rate of Interest, Collateral, Par or Maturity			
(a)	(b) Identity of Issue, Borrower, Lessor or Similar Party	Value	(d) Cost	(e) Current Value	
	Alger Small Cap Focus Y	Mutual Fund	a	969,252	
	American Century Mid Cap Value R6	Mutual Fund	a	915,706	
	American Funds 2010 TRGT Date Retire R6	Mutual Fund	a	1,044	
	American Funds 2015 TRGT Date Retire R6	Mutual Fund	a	219,916	
	American Funds 2020 TRGT Date Retire R6	Mutual Fund	a	97,071	
	American Funds 2025 TRGT Date Retire R6	Mutual Fund	a	1,379,969	
	American Funds 2030 TRGT Date Retire R6	Mutual Fund	a	955,112	
	American Funds 2035 TRGT Date Retire R6	Mutual Fund	a	1,100,672	
	American Funds 2040 TRGT Date Retire R6	Mutual Fund	a	895,367	
	American Funds 2045 TRGT Date Retire R6	Mutual Fund	a	1,207,698	
	American Funds 2050 TRGT Date Retire R6	Mutual Fund	a	763,077	
	American Funds 2055 TRGT Date Retire R6	Mutual Fund	a	356,214	
	American Funds 2060 TRGT Date Retire R6	Mutual Fund	a	272,236	
	American Funds American Balanced R6	Mutual Fund	a	898,388	
	American Funds Europacific GR R6	Mutual Fund	a	1,540,803	
	American Funds New World R6	Mutual Fund	a	1,235,406	
*	Empower International Value Instl	Mutual Fund	a	1,374,982	
	Fidelity 500 Index	Mutual Fund	a	8,068,973	
	Fidelity Inflation Protected Bond Index	Mutual Fund	a	1,354,867	
	Fidelity International Index	Mutual Fund	a	2,341,312	
	Fidelity Mid Cap Index	Mutual Fund	a	2,578,923	
	Fidelity Real Estate Index	Mutual Fund	a	718,890	
	Fidelity Small Cap Index	Mutual Fund	a	1,199,582	
	Fidelity US Bond Index	Mutual Fund	a	2,609,413	
	Franklin Small Cap Value R6	Mutual Fund	a	592,008	
	MFS Mid Cap Growth R6	Mutual Fund	a	3,009,537	
	T. Rowe Price Blue Chip Growth I	Mutual Fund	a	5,160,456	
	VANGUARD MARKET NEUTRAL INV	Mutual Fund	a	139,599	
*	Western Asset Core Plus Bons IS	Mutual Fund	a	3,670,371	
	Putnam Large Cap Value Trust I	Collective Trust Fund	a	4,574,904	
	Putnam Stable Value Fund	Stable Value Fund	a	3,991,038	
Subtotal				54,192,786	
	* Participant loans	Various, bearing interest from 4.25% - 9.50%	-	178,808	
Total Assets Held				\$ 54,371,594	

* - Represents a party-in-interest to the Plan

See the accompanying Independent Auditors' Report.

INVESTMENT OPTION	MATURITY DATE	INTEREST RATE	COST OF ASSETS	CURRENT VALUE
IRFTTX			1,023.33	1,044.41
IRFJTX			220,978.61	219,915.73
IRRCTX			97,619.97	97,071.30
IRFDTX			1,474,908.61	1,379,968.81
IRFETX			976,738.35	955,112.27
IRFFTX			1,122,412.73	1,100,672.33
IRFGTX			894,637.76	895,367.46
IRFHTX			1,243,878.04	1,207,698.47
IRFITX			782,061.51	763,077.27
IRFKTX			344,432.11	356,213.85
IRFUTX			255,737.30	272,235.61
IRERGX			1,393,219.61	1,540,803.32
IRNWGX			1,127,260.74	1,235,406.22
IFSPSX			1,955,415.64	2,341,312.22
IMXJNX			1,223,452.41	1,374,982.11
IFSRNX			630,486.20	718,890.39
IVMNFY			128,990.76	139,598.78
IAOFYX			1,178,895.17	969,252.42
IFSSNX			939,085.18	1,199,582.27
IFRCSX			544,583.54	592,007.85
IAMDVX			897,420.10	915,705.97
IFSM DX			1,992,544.98	2,578,923.19
IOTCKX			2,266,959.60	3,009,537.23
IFXAIX			5,489,618.83	8,068,973.42
IPLCVTI			2,840,877.20	4,574,904.47
ITBCIX			4,508,242.33	5,160,452.63
IRLBGX			809,581.54	898,388.20
IFIPDX			1,521,953.82	1,354,866.85
IFXNAX			2,930,023.23	2,609,412.73
IWAPSX			4,433,020.33	3,670,370.95
IPCSV25			3,780,652.32	3,780,652.32
			48,006,711.85	53,982,401.05
PARTICIPANT LOANS				
	VARIOUS	4.250-9.500	178,604.36	178,807.58
FORFEITURES				
			210,385.56	210,385.56

INVESTMENT OPTION	MATURITY DATE	INTEREST RATE	COST OF ASSETS	CURRENT VALUE
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LEGEND

INVESTMENT OPTION:

IRFTTX	American Funds 2010 Trgt Date Retire R6	IRFJTX	American Funds 2015 Trgt Date Retire R6
IRRCTX	American Funds 2020 Trgt Date Retire R6	IRFDTX	American Funds 2025 Trgt Date Retire R6
IRFETX	American Funds 2030 Trgt Date Retire R6	IRFFTX	American Funds 2035 Trgt Date Retire R6
IRFGTX	American Funds 2040 Trgt Date Retire R6	IRFHTX	American Funds 2045 Trgt Date Retire R6
IRFITX	American Funds 2050 Trgt Date Retire R6	IRFKTX	American Funds 2055 Trgt Date Retire R6
IRFUTX	American Funds 2060 Trgt Date Retire R6	IRERGX	American Funds EuroPacific Gr R6
IRNWGX	American Funds New World R6	IFSPSX	Fidelity International Index
IMXJXX	Empower International Value Instl	IFSRNX	Fidelity Real Estate Index
IVMNFY	Vanguard Market Neutral Inv	IAOFYX	Alger Small Cap Focus Y
IFSSNX	Fidelity Small Cap Index	IFRCSX	Franklin Small Cap Value R6
IAMDVX	American Century Mid Cap Value R6	IFSMDX	Fidelity Mid Cap Index
IOTCKX	MFS Mid Cap Growth R6	IFXAIX	Fidelity 500 Index
IPLCVTI	Putnam Large Cap Value Trust I	ITBCIX	T. Rowe Price Blue Chip Growth I
IRLBGX	American Funds American Balanced R6	IFIPDX	Fidelity Inflation Protected Bond Index
IFXNAX	Fidelity US Bond Index	1WAPSX	Western Asset Core Plus Bond IS
IPCSV25	Putnam Stable Value Fund		

COST OF ASSETS: The original cost of the assets in each investment option as of the last day of the plan year
CURRENT VALUE: The value of all assets in each investment option as of the last day of the plan year