

Form 5500 Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Annual Return/Report of Employee Benefit Plan This form is required to be filed for employee benefit plans under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and sections 6057(b) and 6058(a) of the Internal Revenue Code (the Code). ▶ Complete all entries in accordance with the instructions to the Form 5500.	OMB Nos. 1210-0110 1210-0089 2023 This Form is Open to Public Inspection
--	---	---

Part I	Annual Report Identification Information
For calendar plan year 2023 or fiscal plan year beginning 01/01/2023 and ending 12/31/2023	
A	This return/report is for: ☐ a multiemployer plan ☐ a multiple-employer plan (Filers checking this box must provide participating employer information in accordance with the form instructions.) ☒ 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 VSE 401(K) PROFIT SHARING PLAN
1b	Three-digit plan number (PN) ▶ 001
1c	Effective date of plan 06/01/1993
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) VSE LLC 6190 SAN IGNACIO AVENUE SAN JOSE, CA 95119
2b	Employer Identification Number (EIN) 94-2508138
2c	Plan Sponsor's telephone number 408-284-7726
2d	Business code (see instructions) 334410

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.	05/08/2025	ELIZABETH KENDRICK
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE	Filed with authorized/valid electronic signature.	05/08/2025	ELIZABETH KENDRICK
	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 TRI-PHASE, INC. c Plan Name TRI-PHASE, INC. 401(K) PROFIT SHARING PLAN	4b EIN 94-2508138 4d PN 001
5 Total number of participants at the beginning of the plan year	5 216
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) 181 6a(2) 230 6b 0 6c 20 6d 250 6e 0 6f 250 6g(1) 216 6g(2) 206 6h
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 2H 2J 2K 2T 3D 3F

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
--	--

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 1
- (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 A (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Insurance 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. ▶ Insurance companies are required to provide the information pursuant to ERISA section 103(a)(2).	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 VSE 401(K) PROFIT SHARING PLAN		B Three-digit plan number (PN) ▶ 001
C Plan sponsor's name as shown on line 2a of Form 5500 VSE LLC		D Employer Identification Number (EIN) 94-2508138

Part I	Information Concerning Insurance Contract Coverage, Fees, and Commissions	Provide information for each contract on a separate Schedule A. Individual contracts grouped as a unit in Parts II and III can be reported on a single Schedule A.
--------	---	--

1 Coverage Information:

(a) Name of insurance carrier
EMPOWER ANNUITY INSURANCE COMPANY OF AMERICA

(b) EIN	(c) NAIC code	(d) Contract or identification number	(e) Approximate number of persons covered at end of policy or contract year	Policy or contract year	
				(f) From	(g) To
84-0467907	68322	519029-01	43	01/01/2023	12/31/2023

2 Insurance fee and commission information. Enter the total fees and total commissions paid. List in line 3 the agents, brokers, and other persons in descending order of the amount paid.

(a) Total amount of commissions paid 1545	(b) Total amount of fees paid 0
--	------------------------------------

3 Persons receiving commissions and fees. (Complete as many entries as needed to report all persons).

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

JESSE BLOUNT
MORGAN STANLEY SMITH BARNEY LLC
333 W SANTA CLARA ST STE 900
SAN JOSE, CA 95113

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	
1145			3

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

MORGAN STANLEY SMITH BARNEY LLC
MORGAN STANLEY SMITH BARNEY LLC
1 NEW YOR PLZ 12TH FLOOR ANNUITY AN
NEW YORK, NY 10004

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	
360			3

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

MORGAN STANLEY INSURANCE SERVICES I

MORGAN STANLEY INSURANCE SERVICES I
1 NEW YORK PLZ 12TH FL ANNUITY AND
YORK, NY 10004

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	
40			3

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	

Part II Investment and Annuity Contract Information

Where individual contracts are provided, the entire group of such individual contracts with each carrier may be treated as a unit for purposes of this report.

4 Current value of plan's interest under this contract in the general account at year end	4	929906
5 Current value of plan's interest under this contract in separate accounts at year end.....	5	0

6 Contracts With Allocated Funds:**a** State the basis of premium rates ▶**b** Premiums paid to carrier**6b****c** Premiums due but unpaid at the end of the year.....**6c****d** If the carrier, service, or other organization incurred any specific costs in connection with the acquisition or retention of the contract or policy, enter amount.**6d**

Specify nature of costs ▶

e Type of contract: (1) ☐ individual policies (2) ☐ group deferred annuity(3) ☐ other (specify) ▶**f** If contract purchased, in whole or in part, to distribute benefits from a terminating plan, check here ☐**7** Contracts With Unallocated Funds (Do not include portions of these contracts maintained in separate accounts)

a Type of contract: (1) ☐ deposit administration (2) ☐ immediate participation guarantee
 (3) ☐ guaranteed investment (4) ☒ other ▶ **GROUP ANNUITY CONTRACT**

b Balance at the end of the previous year**7b**

0

c Additions: (1) Contributions deposited during the year**7c(1)**

1340074

(2) Dividends and credits

7c(2)

0

(3) Interest credited during the year

7c(3)

12499

(4) Transferred from separate account.....

7c(4)

1315088

(5) Other (specify below)

7c(5)

514

(6) Total additions.....

7c(6)

2668175

d Total of balance and additions (add lines **7b** and **7c(6)**)**7d**

2668175

e Deductions:

(1) Disbursed from fund to pay benefits or purchase annuities during year

7e(1)

376

(2) Administration charge made by carrier

7e(2)

-2495

(3) Transferred to separate account.....

7e(3)

1740387

(4) Other (specify below)

7e(4)

0

(5) Total deductions.....

7e(5)

1738268

f Balance at the end of the current year (subtract line **7e(5)** from line **7d**)**7f**

929907

Part III Welfare Benefit Contract Information

If more than one contract covers the same group of employees of the same employer(s) or members of the same employee organizations(s), the information may be combined for reporting purposes if such contracts are experience-rated as a unit. Where contracts cover individual employees, the entire group of such individual contracts with each carrier may be treated as a unit for purposes of this report.

8 Benefit and contract type (check all applicable boxes)

- a** ☐ Health (other than dental or vision)
b ☐ Dental
c ☐ Vision
d ☐ Life insurance
e ☐ Temporary disability (accident and sickness)
f ☐ Long-term disability
g ☐ Supplemental unemployment
h ☐ Prescription drug
i ☐ Stop loss (large deductible)
j ☐ HMO contract
k ☐ PPO contract
l ☐ Indemnity contract
m ☐ Other (specify) ▶

9 Experience-rated contracts:

a Premiums: (1) Amount received	9a(1)		
(2) Increase (decrease) in amount due but unpaid.....	9a(2)		
(3) Increase (decrease) in unearned premium reserve	9a(3)		
(4) Earned ((1) + (2) - (3)).....		9a(4)	
b Benefit charges (1) Claims paid.....	9b(1)		
(2) Increase (decrease) in claim reserves	9b(2)		
(3) Incurred claims (add (1) and (2)).....		9b(3)	
(4) Claims charged		9b(4)	
c Remainder of premium: (1) Retention charges (on an accrual basis) --			
(A) Commissions	9c(1)(A)		
(B) Administrative service or other fees	9c(1)(B)		
(C) Other specific acquisition costs	9c(1)(C)		
(D) Other expenses	9c(1)(D)		
(E) Taxes	9c(1)(E)		
(F) Charges for risks or other contingencies.....	9c(1)(F)		
(G) Other retention charges	9c(1)(G)		
(H) Total retention		9c(1)(H)	
(2) Dividends or retroactive rate refunds. (These amounts were ☐ paid in cash, or ☐ credited.).....		9c(2)	
d Status of policyholder reserves at end of year: (1) Amount held to provide benefits after retirement		9d(1)	
(2) Claim reserves		9d(2)	
(3) Other reserves.....		9d(3)	
e Dividends or retroactive rate refunds due. (Do not include amount entered in line 9c(2).)		9e	

10 Nonexperience-rated contracts:

a Total premiums or subscription charges paid to carrier	10a	
b If the carrier, service, or other organization incurred any specific costs in connection with the acquisition or retention of the contract or policy, other than reported in Part I, line 2 above, report amount	10b	

Specify nature of costs.

Part IV Provision of Information

11 Did the insurance company fail to provide any information necessary to complete Schedule A?..... ☐ Yes ☐ No

12 If the answer to line 11 is "Yes," specify the information not provided. ▶

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 VSE 401(K) PROFIT SHARING PLAN	B Three-digit plan number (PN) ▶ 001
C Plan sponsor's name as shown on line 2a of Form 5500 VSE LLC	D Employer Identification Number (EIN) 94-2508138

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

(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

(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

(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

(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

(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

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 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	2105	Yes ☐ No ☒	Yes ☐ No ☒	0	Yes ☐ No ☒

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

EMPOWER ANNUITY INSURANCE COMPANY

OF AMERICA
85115 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	15337	Yes ☒ No ☐	Yes ☒ No ☐	0	Yes ☒ No ☐

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

HICKS PENSION SERVICES

3459 WEST SHAW AVE
FRESNO, CA 93711

(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?
13	CONTRACT ADMIN	7805	Yes ☐ No ☒	Yes ☐ No ☒	0	Yes ☐ No ☒

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)

MORGAN STANLEY SMITH BARNEY LLC

1 NEW YORK PLZ 12TH FL
ANNUITY AND INSURANCE OPERATIONS
NEW YORK, NY 10004

(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?
55	BROKER/ADVISOR	0	Yes ☒ No ☐	Yes ☐ No ☒	1809	Yes ☐ No ☒

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

MORGAN STANLEY SMITH BARNEY LLC

1 NEW YORK PLZ 12TH FL
ANNUITY AND INSURANCE OPERATIONS
NEW YORK, NY 10004

(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?
55	BROKER/ADVISOR	0	Yes ☒ No ☐	Yes ☐ No ☒	28757	Yes ☐ No ☒

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

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

Part I Service Provider Information (continued)

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

(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
MORGAN STANLEY INSURANCE SERVICES I	55	1809

(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.
EMPOWER ANNUITY INSURANCE COMPANY OF AMERICA 815 EAST ORCHARD ROAD GREENWOOD VILLAGE, CO 80111	OTHER COMMISSIONS

(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
MORGAN STANLEY INSURANCE SERVICES I	55	28757

(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.
EMPOWER ANNUITY INSURANCE COMPANY OF AMERICA 815 EAST ORCHARD ROAD GREENWOOD VILLAGE, CO 80111	OTHER COMMISSIONS

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

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

Part II Service Providers Who Fail or Refuse to Provide Information

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

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

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

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

Explanation:

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

Explanation:

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

Explanation:

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

Explanation:

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

Explanation:

SCHEDULE 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.
---	---	---

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

A Name of plan VSE 401(K) PROFIT SHARING PLAN	B Three-digit plan number (PN) ▶	001
--	---	----------------

C Plan or DFE sponsor's name as shown on line 2a of Form 5500 VSE LLC	D Employer Identification Number (EIN) 94-2508138
--	--

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)
--------	---

a Name of MTIA, CCT, PSA, or 103-12 IE: AMERICAN CENTURY RD HYBRID 2060 CLI

b Name of sponsor of entity listed in (a): BENEFITS PLAN ADMIN SERVICES COLLECTIVE TRUSTS

c EIN-PN 83-6699605-088	d Entity code C	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 28765
------------------------------------	----------------------------	---

a Name of MTIA, CCT, PSA, or 103-12 IE: AMERICAN CENTURY RD HYBRID INRETCI

b Name of sponsor of entity listed in (a): BENEFIT PLANS ADMIN SERVICES COLLECTIVE TRUSTS

c EIN-PN 83-6699605-079	d Entity code C	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 17197
------------------------------------	----------------------------	---

a Name of MTIA, CCT, PSA, or 103-12 IE: AMERICAN CENTURY RD HYBRID 2055CLI

b Name of sponsor of entity listed in (a): BENEFIT PLANS ADMIN SERVICES COLLECTIVE TRUSTS

c EIN-PN 83-6699605-087	d Entity code C	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 933
------------------------------------	----------------------------	---

a Name of MTIA, CCT, PSA, or 103-12 IE: AMERICAN CENTURY RD HYBRID 2030CLI

b Name of sponsor of entity listed in (a): BENEFIT PLANS ADMIN SERVICES COLLECTIVE TRUSTS

c EIN-PN 83-6699605-082	d Entity code C	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 513030
------------------------------------	----------------------------	--

a Name of MTIA, CCT, PSA, or 103-12 IE: AMERICAN CENTURY RD HYBRID 2025 CLI

b Name of sponsor of entity listed in (a): BENEFIT PLANS ADMIN SERVICES COLLECTI TRUSTS

c EIN-PN 83-6699605-081	d Entity code C	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 37534
------------------------------------	----------------------------	---

a Name of MTIA, CCT, PSA, or 103-12 IE: AMERICAN CENTURY RD HYBRID 2045 CLI

b Name of sponsor of entity listed in (a): BENEFIT PLANS ADMIN SERVICES COLLECTIVE TRUSTS

c EIN-PN 83-6699605-085	d Entity code C	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 37225
------------------------------------	----------------------------	---

a Name of MTIA, CCT, PSA, or 103-12 IE: AMERICAN CENTURY RD HYBRID 2050 CLI

b Name of sponsor of entity listed in (a): BENEFIT PLANS ADMIN SERVICES COLLECTIVE TRUSTS

c EIN-PN 83-6699605-086	d Entity code C	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 15648
------------------------------------	----------------------------	---

a Name of MTIA, CCT, PSA, or 103-12 IE: AMERICAN CENTURY RD HYBRID 2040 CLI

b Name of sponsor of entity listed in (a): BENEFIT PLANS ADMIN SERVICES COLLECTIVE TRUSTS

c EIN-PN 83-6699605-084	d Entity code C	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 42539
--------------------------------	------------------------	---

a Name of MTIA, CCT, PSA, or 103-12 IE: GALLIARD STABLE RETURN FUND M

b Name of sponsor of entity listed in (a): WELLS FARGO MUTUAL FUNDS

c EIN-PN 94-6751924-001	d Entity code C	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 4442751
--------------------------------	------------------------	---

a Name of MTIA, CCT, PSA, or 103-12 IE: AMERICAN CENTURY RD HYBRID 2035 CLI

b Name of sponsor of entity listed in (a): BENEFIT PLANS ADMIN SERVICES COLLECTIVE TRUSTS

c EIN-PN 83-6699605-083	d Entity code C	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 246993
--------------------------------	------------------------	--

a Name of MTIA, CCT, PSA, or 103-12 IE: AMERICAN CENTURY RD HYBRID 2065 CLI

b Name of sponsor of entity listed in (a): BENEFIT PLANS ADMIN SERVICES COLLECTIVE TRUSTS

c EIN-PN 83-6699605-089	d Entity code C	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 4609
--------------------------------	------------------------	--

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)
-----------------	----------------------	---

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)
-----------------	----------------------	---

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
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
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

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 VSE 401(K) PROFIT SHARING PLAN	B Three-digit plan number (PN) ►	001
C Plan sponsor's name as shown on line 2a of Form 5500 VSE LLC	D Employer Identification Number (EIN) 94-2508138	

Part I	Asset and Liability Statement
---------------	--------------------------------------

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

Assets		(a) Beginning of Year	(b) End of Year
a Total noninterest-bearing cash	1a	0	
b Receivables (less allowance for doubtful accounts):			
(1) Employer contributions	1b(1)	855890	715717
(2) Participant contributions	1b(2)	48505	22500
(3) Other	1b(3)		
c General investments:			
(1) Interest-bearing cash (include money market accounts & certificates of deposit)	1c(1)	842531	2208009
(2) U.S. Government securities	1c(2)		
(3) Corporate debt instruments (other than employer securities):			
(A) Preferred	1c(3)(A)		
(B) All other	1c(3)(B)	2194565	1219631
(4) Corporate stocks (other than employer securities):			
(A) Preferred	1c(4)(A)		
(B) Common	1c(4)(B)	172482	0
(5) Partnership/joint venture interests	1c(5)	0	903545
(6) Real estate (other than employer real property)	1c(6)		
(7) Loans (other than to participants)	1c(7)		
(8) Participant loans	1c(8)	170940	146538
(9) Value of interest in common/collective trusts	1c(9)	3977528	4925496
(10) Value of interest in pooled separate accounts	1c(10)	0	
(11) Value of interest in master trust investment accounts	1c(11)		
(12) Value of interest in 103-12 investment entities	1c(12)		0
(13) Value of interest in registered investment companies (e.g., mutual funds)	1c(13)	17411402	19855495
(14) Value of funds held in insurance company general account (unallocated contracts)	1c(14)		929913
(15) Other	1c(15)		

1d Employer-related investments:		(a) Beginning of Year	(b) End of Year
(1) Employer securities	1d(1)		
(2) Employer real property	1d(2)		
e Buildings and other property used in plan operation	1e		
f Total assets (add all amounts in lines 1a through 1e)	1f	25673843	30926844
Liabilities			
g Benefit claims payable	1g	33	6949
h Operating payables	1h		
i Acquisition indebtedness	1i		
j Other liabilities	1j		
k Total liabilities (add all amounts in lines 1g through 1j)	1k	33	6949
Net Assets			
l Net assets (subtract line 1k from line 1f)	1l	25673810	30919895

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)	1226545	
(B) Participants	2a(1)(B)	1150911	
(C) Others (including rollovers)	2a(1)(C)	202721	
(2) Noncash contributions	2a(2)		
(3) Total contributions. Add lines 2a(1)(A) , (B) , (C) , and line 2a(2)	2a(3)		2580177
b Earnings on investments:			
(1) Interest:			
(A) Interest-bearing cash (including money market accounts and certificates of deposit)	2b(1)(A)	19683	
(B) U.S. Government securities	2b(1)(B)	0	
(C) Corporate debt instruments	2b(1)(C)	86379	
(D) Loans (other than to participants)	2b(1)(D)		
(E) Participant loans	2b(1)(E)	7299	
(F) Other	2b(1)(F)	12537	
(G) Total interest. Add lines 2b(1)(A) through (F)	2b(1)(G)		125898
(2) Dividends: (A) Preferred stock	2b(2)(A)		
(B) Common stock	2b(2)(B)	2658	
(C) Registered investment company shares (e.g. mutual funds)	2b(2)(C)	253263	
(D) Total dividends. Add lines 2b(2)(A) , (B) , and (C)	2b(2)(D)		255921
(3) Rents	2b(3)		
(4) Net gain (loss) on sale of assets: (A) Aggregate proceeds	2b(4)(A)		
(B) Aggregate carrying amount (see instructions)	2b(4)(B)		
(C) Subtract line 2b(4)(B) from line 2b(4)(A) and enter result	2b(4)(C)		
(5) Unrealized appreciation (depreciation) of assets: (A) Real estate	2b(5)(A)		
(B) Other	2b(5)(B)		
(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)		388675
(7) Net investment gain (loss) from pooled separate accounts.....	2b(7)		
(8) Net investment gain (loss) from master trust investment accounts.....	2b(8)		
(9) Net investment gain (loss) from 103-12 investment entities.....	2b(9)		
(10) Net investment gain (loss) from registered investment companies (e.g., mutual funds)	2b(10)		3916627
c Other income	2c		219
d Total income. Add all income amounts in column (b) and enter total	2d		7267517

Expenses

e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	1993345	
(2) To insurance carriers for the provision of benefits.....	2e(2)		
(3) Other	2e(3)		
(4) Total benefit payments. Add lines 2e(1) through (3)	2e(4)		1993345
f Corrective distributions (see instructions)	2f		
g Certain deemed distributions of participant loans (see instructions)	2g		
h Interest expense	2h		
i Administrative expenses:			
(1) Salaries and allowances	2i(1)		
(2) Contract administrator fees.....	2i(2)		
(3) Recordkeeping fees.....	2i(3)	28087	
(4) IQPA audit fees.....	2i(4)		
(5) Investment advisory and investment management fees	2i(5)		
(6) Bank or trust company trustee/custodial fees	2i(6)		
(7) Actuarial fees	2i(7)		
(8) Legal fees	2i(8)		
(9) Valuation/appraisal fees	2i(9)		
(10) Other trustee fees and expenses	2i(10)		
(11) Other expenses	2i(11)		
(12) Total administrative expenses. Add lines 2i(1) through (11)	2i(12)		28087
j Total expenses. Add all expense amounts in column (b) and enter total	2j		2021432

Net Income and Reconciliation

k Net income (loss). Subtract line 2j from line 2d	2k		5246085
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: **APRIO LLP**

(2) EIN: **57-1157523**

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.)	☒	☐	23096
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?	☒	☐	500000
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 VSE 401(K) PROFIT SHARING PLAN		B Three-digit plan number (PN) ▶ 001
C Plan sponsor's name as shown on line 2a of Form 5500 VSE LLC		D Employer Identification Number (EIN) 94-2508138
Part I	Distributions	
All references to distributions relate only to payments of benefits during the plan year.		
1 Total value of distributions paid in property other than in cash or the forms of property specified in the instructions.....		1
2 Enter the EIN(s) of payor(s) who paid benefits on behalf of the plan to participants or beneficiaries during the year (if more than two, enter EINs of the two payors who paid the greatest dollar amounts of benefits): EIN(s): 94-2508138		
Profit-sharing plans, ESOPs, and stock bonus plans, skip line 3.		
3 Number of participants (living or deceased) whose benefits were distributed in a single sum, during the plan year		3
Part II	Funding Information (If the plan is not subject to the minimum funding requirements of section 412 of the Internal Revenue Code or ERISA section 302, skip this Part.)	
4 Is the plan administrator making an election under Code section 412(d)(2) or ERISA section 302(d)(2)? ☐ Yes ☐ No ☐ N/A		
If the plan is a defined benefit plan, go to line 8.		
5 If a waiver of the minimum funding standard for a prior year is being amortized in this plan year, see instructions and enter the date of the ruling letter granting the waiver. Date: Month _____ Day _____ Year _____		
If you completed line 5, complete lines 3, 9, and 10 of Schedule MB and do not complete the remainder of this schedule.		
6 a Enter the minimum required contribution for this plan year (include any prior year accumulated funding deficiency not waived)		6a
b Enter the amount contributed by the employer to the plan for this plan year		6b
c Subtract the amount in line 6b from the amount in line 6a. Enter the result (enter a minus sign to the left of a negative amount)		6c
If you completed line 6c, skip lines 8 and 9.		
7 Will the minimum funding amount reported on line 6c be met by the funding deadline? ☐ Yes ☐ No ☐ N/A		
8 If a change in actuarial cost method was made for this plan year pursuant to a revenue procedure or other authority providing automatic approval for the change or a class ruling letter, does the plan sponsor or plan administrator agree with the change? ☐ Yes ☐ No ☐ N/A		
Part III	Amendments	
9 If this is a defined benefit pension plan, were any amendments adopted during this plan year that increased or decreased the value of benefits? If yes, check the appropriate box. If no, check the "No" box. ☐ Increase ☐ Decrease ☐ Both ☐ No		
Part IV	ESOPs (see instructions). If this is not a plan described under section 409(a) or 4975(e)(7) of the Internal Revenue Code, skip this Part.	
10 Were unallocated employer securities or proceeds from the sale of unallocated securities used to repay any exempt loan?..... ☐ Yes ☐ No		
11 a Does the ESOP hold any preferred stock? ☐ Yes ☐ No		
b If the ESOP has an outstanding exempt loan with the employer as lender, is such loan part of a "back-to-back" loan? (See instructions for definition of "back-to-back" loan.) ☐ Yes ☐ No		
12 Does the ESOP hold any stock that is not readily tradable on an established securities market? ☐ Yes ☐ No		
For Paperwork Reduction Act Notice, see the Instructions for Form 5500.		
Schedule R (Form 5500) 2023 v. 230707		

Part V Additional Information for Multiemployer Defined Benefit Pension Plans

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

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

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

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

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

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

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

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

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

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

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

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

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

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

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

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

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

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

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

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

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

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

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

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

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

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

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

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

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

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

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

14 Enter the number of deferred vested and retired participants (inactive participants), as of the beginning of the plan year, whose contributing employer is no longer making contributions to the plan for:		
a The current plan year. Check the box to indicate the counting method used to determine the number of inactive participants: ☐ last contributing employer ☐ alternative ☐ reasonable approximation (see instructions for required attachment)	14a	
b The plan year immediately preceding the current plan year. ☐ Check the box if the number reported is a change from what was previously reported (see instructions for required attachment)	14b	
c The second preceding plan year. ☐ Check the box if the number reported is a change from what was previously reported (see instructions for required attachment)	14c	

15 Enter the ratio of the number of participants under the plan on whose behalf no employer had an obligation to make an employer contribution during the current plan year to:		
a The corresponding number for the plan year immediately preceding the current plan year	15a	
b The corresponding number for the second preceding plan year	15b	

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

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

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

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

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

a Enter the percentage of plan assets held as:

Public Equity: _____% Private Equity: _____% Investment-Grade Debt and Interest Rate Hedging Assets: _____%

High-Yield Debt: _____% Real Assets: _____% Cash or Cash Equivalents: _____% Other: _____%

b Provide the average duration of the Investment-Grade Debt and Interest Rate Hedging Assets:

☐ 0-5 years ☐ 5-10 years ☐ 10-15 years ☐ 15 years or more

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

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

b If line 20a is "Yes," has PBGC been notified as required by ERISA sections 4043(c)(5) and/or 303(k)(4)? Check the applicable box:

☐ Yes.

☐ No. Reporting was waived under 29 CFR 4043.25(c)(2) because contributions equal to or exceeding the unpaid minimum required contribution were made by the 30th day after the due date.

☐ No. The 30-day period referenced in 29 CFR 4043.25(c)(2) has not yet ended, and the sponsor intends to make a contribution equal to or exceeding the unpaid minimum required contribution by the 30th day after the due date.

☐ No. Other. Provide explanation. _____

Part VII	IRS Compliance Questions
-----------------	---------------------------------

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

21b If this is a Code section 401(k) plan, check all boxes that apply to indicate how the plan is intended to satisfy the nondiscrimination requirements for employee deferrals and employer matching contributions (as applicable) under Code sections 401(k)(3) and 401(m)(2).

☒ Design-based safe harbor method

☐ "Prior year" ADP test

☐ "Current year" ADP test

☐ N/A

22 If the plan sponsor is an adopter of a pre-approved plan that received a favorable IRS Opinion Letter, enter the date of the Opinion Letter 06 / 30 / 2020 (MM/DD/YYYY) and the Opinion Letter serial number Q703806A.

**VSE 401(K) PROFIT SHARING PLAN
(F/K/A TRI-PHASE, INC. 401(K) PROFIT SHARING PLAN)**

**FINANCIAL REPORT
DECEMBER 31, 2023 AND 2022**

VSE 401(K) PROFIT SHARING PLAN

TABLE OF CONTENTS

PAGE

INDEPENDENT AUDITORS' REPORT

1 - 3

FINANCIAL STATEMENTS:

Statements of Net Assets Available for Benefits

4

Statement of Changes in Net Assets Available for Benefits

5

Notes to Financial Statements

6 - 15

SUPPLEMENTAL INFORMATION

Schedule of Assets Held at End of Year

16 - 17

Schedule of Delinquent Participant Contributions

18



INDEPENDENT AUDITORS' REPORT

To the Administrative Committee
VSE 401(k) Profit Sharing Plan

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

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

Management, having determined it is permissible in the circumstances, has elected to have the audits of VSE 401(k) Profit Sharing 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 Rules and Regulations for Reporting and Disclosure under ERISA. As permitted by ERISA Section 103(a)(3)(C), our audits need not extend to any statements or information related to assets held for investment of the plan (investment information) by a bank or similar institution or insurance carrier that is regulated, supervised, and subject to periodic examination by a state or federal agency, provided that the statements or information regarding assets so held are prepared and certified to by the bank or similar institution or insurance carrier in accordance with 29 CFR 2520.103-5 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA (qualified institution).

Management has obtained certifications from Empower Trust Company, LLC and Empower Annuity Insurance Company of America as of December 31, 2023, and for the period from March 23, 2023 to December 31, 2023, Matrix Trust Company as of December 31, 2022 and for the period from January 1, 2023 to March 22, 2023, stating that the certified investment information, as described in Note F to the financial statements, is complete and accurate.

Opinion

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

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

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the VSE 401(k) Profit Sharing Plan and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our 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 accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error. Management's election of the ERISA Section 103(a)(3)(C) audit does not affect management's responsibility for the financial statements.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the VSE 401(k) Profit Sharing Plan's ability to continue as a going concern for one year after the date the financial statements are available to be issued.

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the VSE 401(k) Profit Sharing 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 VSE 401(k) Profit Sharing 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 accounting principles generally accepted in the United States of America.

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

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

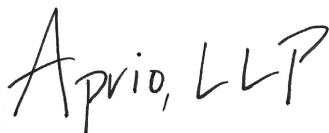
Other Matter - Supplemental Schedules Required by ERISA

The supplemental schedules of Assets Held at End of Year and Delinquent Participant Contributions as of or for the year ended December 31, 2023 are presented for purposes of additional analysis and are not a required part of the financial statements but are supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information included in the supplemental schedules, 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 generally accepted auditing standards. For information included in the supplemental schedules 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 schedules, we evaluated whether the supplemental schedules, other than the information agreed to or derived from the certified investment information, including their form and content, are presented in conformity with the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA.

In our opinion:

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

A handwritten signature in black ink that reads "Aprio, LLP". The signature is written in a cursive, flowing style.

Atlanta, Georgia
February 27, 2025

VSE 401(K) PROFIT SHARING PLAN
STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS
DECEMBER 31, 2023 AND 2022

	<u>2023</u>	<u>2022</u>
<u>ASSETS</u>		
<u>Investments</u>		
Investments, at fair value	\$ 29,112,176	\$ 24,598,508
Investments, at contract value	<u>929,913</u>	<u>-</u>
Total investments	<u>30,042,089</u>	<u>24,598,508</u>
<u>Receivables</u>		
Participant contributions	22,500	48,505
Notes receivable from participants	146,538	170,940
Employer contributions	<u>715,717</u>	<u>855,890</u>
Total receivables	<u>884,755</u>	<u>1,075,335</u>
Total assets	<u>30,926,844</u>	<u>25,673,843</u>
<u>LIABILITIES</u>		
Other payables	<u>6,950</u>	<u>33</u>
Total liabilities	<u>6,950</u>	<u>33</u>
NET ASSETS AVAILABLE FOR BENEFITS	<u>\$ 30,919,894</u>	<u>\$ 25,673,810</u>

See notes to financial statements

VSE 401(K) PROFIT SHARING PLAN
STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS
YEAR ENDED DECEMBER 31, 2023

ADDITIONS TO NET ASSETS ATTRIBUTED TO

Investment income

Net appreciation in fair value of investments	\$ 4,051,456
Interest and dividends	628,366
Other income	<u>219</u>

Net investment income	<u>4,680,041</u>
-----------------------	------------------

Interest income on notes receivable from participants	<u>7,299</u>
---	--------------

Contributions

Employer	1,226,545
Participants	1,150,911
Rollover	<u>202,720</u>

2,580,176

TOTAL ADDITIONS	<u>7,267,516</u>
------------------------	-------------------------

DEDUCTIONS FROM NET ASSETS ATTRIBUTED TO

Benefits paid	1,993,345
Administrative expenses	<u>28,087</u>

TOTAL DEDUCTIONS	<u>2,021,432</u>
-------------------------	-------------------------

NET INCREASE	5,246,084
---------------------	------------------

NET ASSETS AVAILABLE FOR BENEFITS

Beginning of year	<u>25,673,810</u>
-------------------	-------------------

End of year	<u><u>\$ 30,919,894</u></u>
-------------	------------------------------------

See notes to financial statements

VSE 401(K) PROFIT SHARING PLAN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022

Note A - Description of Plan

The following description of the VSE 401(k) Profit Sharing Plan (the "Plan") provides only general information. Participants should refer to the Plan agreement for a more complete description of the Plan's provisions.

General:

The Plan is a defined contribution profit sharing plan which was established on June 1, 1993. The plan provisions cover all employees of VSE, LLC (the "Company" or "Sponsor"), who are at least 18 years old and have completed one month of service, other than employees who are covered by a collective bargaining agreement and nonresident aliens as defined by the plan document. Eligible employees may enter the Plan on the first day of the month coinciding with or next following the date eligibility requirements are met. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA).

Plan Amendments:

Effective January 1, 2023, the Plan was amended and restated to adopt the Central Administrative Services, Inc. Defined Contribution Pre-Approved Base Plan Document. As part of this amendment and restatement effective January 1, 2023, the Plan was amended to change the name to VSE 401(k) Profit Sharing Plan and change the name of the sponsor to VSE, LLC (previously Tri-Phase, Inc. dba Valley Services Electronics). Additionally the plan made the following changes:

- to allow leased employees as eligible participants;
- to modify service for eligibility purposes to one month of credited service (previously three months of credited service);
- to remove the discretionary employer match provision;
- to modify the safe harbor matching contribution to 100% up to 5% of the participant's deferral contributions;
- to remove the 75% limit on participant deferral contributions.

During March 2023, the Plan changed trustees and transferred Plan assets from Matrix Trust Company to Empower Trust Company, LLC and Empower Annuity Insurance Company of America.

VSE 401(K) PROFIT SHARING PLAN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022

Note A - Description of Plan (Continued)

Contributions:

Participants may elect to defer up to 100% of their compensation, subject to the maximum amount allowed by the Internal Revenue Code, and make a contribution to the Plan. Catch-up contributions are also allowed by the Plan. Participants may also contribute amounts representing distributions from other qualified plans. Participants direct the investment of their contributions into various investment options offered by the Plan.

Effective January 1, 2023, the Company provides a safe harbor match of 100% of each participant's deferral contribution not exceeding 5% of the participant's compensation. Prior to January 1, 2023, the Company provided a safe harbor match of 100% of each participant's deferral contributions not exceeding 3% of the participant's compensation, plus 50% of each participant's deferral contributions in excess of 3% but not in excess of 5% of the participant's compensation. Additionally, the Company may also make an optional nonelective (profit sharing) contribution. For the year ended December 31, 2023, profit sharing contributions totaled \$641,500. The allocation of the discretionary profit sharing contribution is based on an integrated formula with an integration of the social security taxable wage base.

Investments held by the Plan on behalf of participants related to profit sharing contributions are nonparticipant-directed. In the nonparticipant-directed program, the Trustees, under the guidance of investment managers, directs the specific investments held by the Plan. See Note H for applicable disclosures. Investments held by the Plan on behalf of participants related to 401(k) and safe harbor match contributions are participant-directed. In the participant-directed program, the individual participant selects the investments for his or her individual account

Participant Accounts:

Separate individual 401(k) and profit sharing accounts are maintained for each participant. Each participant's 401(k) account is credited with the participant's contributions and rollovers, the Company's safe harbor matching contributions, Plan expenses and an allocation of the Plan's investment income or losses based upon the participant's election of investment options.

An eligible profit sharing participant is entitled to an annual allocation of the employer profit sharing contribution and former participant profit sharing forfeitures after restoration of previously forfeited accounts. Employer profit sharing contributions and former participant forfeitures are allocated in the proportion of the participant's annual compensation to compensation of all participants subject to the IRC Section 415 defined maximum limitations. Participants do not direct the investment of profit sharing contributions. Profit sharing investment income or losses and Plan expenses are allocated based on a ratio of each participant's profit sharing account balance to the total profit sharing account balances.

The total benefit to which a participant is entitled is the benefit that can be provided from the participant's vested 401(k) and profit sharing accounts.

VSE 401(K) PROFIT SHARING PLAN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022

Note A - Description of Plan (Continued)

Notes Receivable from Participants:

Participants may borrow against their investment account balances a minimum of \$1,000 up to a maximum of \$50,000 or 50% of their vested balance, whichever is less. Generally, loans can be made for a period not exceeding five years; however, in certain circumstances, terms can be extended beyond five years, as defined by the Plan. The loans are collateralized by the vested balance in the participant's account and bear interest at the Prime rate plus 1%. Principal and interest are paid ratably through payroll deductions.

Vesting:

Participants are immediately 100% vested in their salary deferral contributions and safe harbor matching contributions plus actual earnings thereon. Vesting in nonelective contributions is based on years of service with the Company. A participant is fully vested in nonelective contributions after six years of service.

Payment of Benefits:

Participants may elect to receive a lump-sum amount equal to the value of their vested interest upon retirement, termination of service, death or disability. Partial withdrawals or installments are only permitted for participants or beneficiaries who must receive required minimum distributions under Code section 401(a)(9). A terminated employee with a balance of less than \$5,000 may be automatically paid out by the Plan upon termination. Distributions may be made at the participant's election prior to termination upon attainment of age 59 ½ or hardship as defined in the Plan document.

Forfeited Accounts:

At December 31, 2023 and 2022, forfeited nonvested accounts totaled \$27,411 and \$42, respectively. Forfeited accounts will be used to reduce Company contributions. During 2023, no forfeitures were used to reduce Company contributions.

Subsequent events:

Subsequent events have been evaluated through February 27, 2025, which is the date the financial statements were available to be issued.

Note B - Significant Accounting Policies

Basis of Accounting:

The financial statements of the Plan are prepared on the accrual basis of accounting.

Investment contracts held by a defined-contribution plan are required to be reported at fair value. However, contract value is the relevant measurement attribute for that portion of the net assets available for benefits of a defined-contribution plan attributable to fully benefit-responsive investment contracts because contract value is the amount participants would receive if they were to initiate permitted transactions under the terms of the Plan.

VSE 401(K) PROFIT SHARING PLAN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022

Note B - Significant Accounting Policies (Continued)

Investment Valuation and Income Recognition:

Investments are reported at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. See Note G for discussion of fair value measurements.

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

Plan Expenses:

Certain expenses of maintaining the Plan are paid directly by the Company and are excluded from these financial statements. Company personnel perform various administrative services for the Plan. The payroll and related overhead costs associated with these services are not included as plan expenses. Fees related to participant recordkeeping and specific participant transactions are charged directly to each participants' account and are included in administrative expenses.

Risk and Uncertainties:

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

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. Related fees are recorded as administrative expenses and are expensed when they are incurred. If a participant ceases to make loan repayments and the plan administrator deems the participant loan to be in default, the participant loan balance is reduced and benefit payment is recorded.

Contributions:

Participant contributions and the related Company safe harbor matching contributions are recognized in the period the participant contribution is withheld from compensation. Company profit sharing contributions are recognized in the period the eligible compensation is paid to the participant.

Payment of Benefits:

Benefit distributions, determined in accordance with provisions of the Plan, are recorded when paid.

VSE 401(K) PROFIT SHARING PLAN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022

Note B - Significant Accounting Policies (Continued)

Use of Estimates:

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires Plan management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Note C - 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 100% vested in their accounts.

Note D - Income Tax Status

On June 30, 2020, the Internal Revenue Service ("IRS") stated that the non-standardized profit-sharing plan with CODA adopted by the Plan, as then designated, qualifies under Section 401(a) of the IRC. The Plan administrator timely adopted the approved Plan. The Plan administrator believes that the Plan is currently being operated in accordance with the applicable requirements of the IRC. Therefore, no provision for income taxes has been included in the Plan's financial statements.

U.S. GAAP requires plan management to evaluate tax positions taken by the Plan and recognize a tax liability (or asset) for any uncertain position that more likely than not would not be sustained upon examination by the IRS. The Plan administrator has analyzed the tax positions taken by the Plan and has concluded that there are no uncertain positions taken or expected to be taken that would require recognition of a liability (or asset) or disclosure in the financial statements. The Plan is subject to routine audits by taxing jurisdictions, however, there are currently no audits in progress for any tax periods.

Note E - Related Party Activity

Certain plan investments are investments managed by Matrix Trust Company, Empower Trust Company, LLC and Empower Annuity Insurance Company of America, the trustees of the Plan, and Morgan Stanley Smith Barney, LLC, the custodian of the discretionary profit sharing source of the Plan (see Note H). The trustees and custodian invest certain Plan assets in certain investments managed by the trustees, custodian or their affiliates, and such transactions qualify as party-in-interest transactions, which are exempt from the prohibited transaction rules. The Plan paid certain expenses related to Plan operations and investment activity to various service providers. These transactions are party-in-interest transactions under ERISA.

VSE 401(K) PROFIT SHARING PLAN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022

Note F - Information Certified by the Trustee of the Plan

The following information included in the accompanying financial statements and supplemental schedules was obtained from data that has been prepared and certified to as complete and accurate by Matrix Trust Company, Empower Trust Company, LLC and Empower Annuity Insurance Company of America (trustees of the plan).

	<u>2023</u>	<u>2022</u>
Investments, at fair value:		
Mutual funds	\$ 12,833,562	\$ 11,009,556
Common collective trust	\$ 4,925,496	\$ 3,977,528
Investments, at contract value:		
Guaranteed income fund	\$ 929,913	\$ -
Net appreciation (depreciation) in fair value of investments	\$ 2,696,708	
Interest and dividends	\$ 439,101	

Note G - Fair Value Measurements

The framework for measuring fair value provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three Levels of the fair value hierarchy under FASB 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 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 principally from or corroborated by observable market data by correlation or other means. If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.
- Level 3 Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques are used 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.

Mutual funds: Valued at the daily closing price as quoted by the fund. Mutual funds held by the Plan are open-ended mutual funds that are registered with the Securities and Exchange Commission. These funds are required to publish their daily net assets value (NAV) and to transact at that price. The mutual funds held by the Plan are deemed to be actively traded.

VSE 401(K) PROFIT SHARING PLAN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022

Note G - Fair Value Measurements (Continued)

Common collective trusts: Valued at the NAV of units of the bank collective trust. The Galliard Stable Return Fund M (formerly Wells Fargo Stable Value Fund M) is a collective trust fund that is composed primarily of fully benefit-responsive investment contracts. The NAV is used as a practical expedient to estimate fair value. This 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. For the portion of the Plan invested in the Galliard Stable Return Fund M, if the Plan initiates a full redemption, the issuer reserves the right to require 12 months' notification in order to confirm that securities liquidations will be carried out in an orderly business manner. There are no other significant redemption restrictions.

Corporate bonds: The fair value of corporate bonds is valued using a market approach on yields currently available on comparable securities of issuers with similar credit ratings.

Money market funds: Valued at quoted market prices, which represent the NAV of shares held at year-end.

Common stock: The fair values of common stocks are based on the closing price reported in the active market where the individual securities are traded, when available.

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

VSE 401(K) PROFIT SHARING PLAN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022

Note G - Fair Value Measurements (Continued)

The following tables set forth, by level within the fair value hierarchy, the Plan's investments at fair value as of December 31, 2023 and 2022:

Description	Total	Quoted Prices In Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
<u>2023</u>				
Mutual funds	\$ 19,855,495	\$ 19,855,495	\$ -	\$ -
Common collective trusts (a)	4,925,496	-	-	-
Corporate bonds	1,219,631	-	1,219,631	-
Money market funds	2,208,009	2,208,009	-	-
Common stocks	<u>903,545</u>	<u>903,545</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 29,112,176</u>	<u>\$ 22,967,049</u>	<u>\$ 1,219,631</u>	<u>\$ -</u>

<u>2022</u>				
Mutual funds	\$ 17,411,402	\$ 17,411,402	\$ -	\$ -
Common collective trusts (a)	3,977,528	-	-	-
Corporate bonds	2,194,565	-	2,194,565	-
Money market funds	842,531	842,531	-	-
Common stocks	<u>172,482</u>	<u>172,482</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 24,598,508</u>	<u>\$ 18,426,415</u>	<u>\$ 2,194,565</u>	<u>\$ -</u>

(a) In accordance with ASC 820-10, certain investments that were measured at net asset value per share (or its equivalent) 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.

VSE 401(K) PROFIT SHARING PLAN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022

Note H - Nonparticipant Directed Investments

The Employer directs the investment of the discretionary profit sharing source within the Plan. Net assets relating to nonparticipant directed investments at December 31, 2023 and 2022 are as follows:

	<u>2023</u>	<u>2022</u>
Net assets:		
Mutual funds	\$ 7,021,933	\$ 6,401,846
Corporate bonds	1,219,631	2,194,565
Money market funds	2,208,009	842,531
Common stocks	<u>903,545</u>	<u>172,482</u>
Total	<u>\$ 11,353,118</u>	<u>\$ 9,611,424</u>

The significant components of the changes in net assets relating to nonparticipant directed investments for the year ended December 31, 2023, are as follows:

	<u>2023</u>
Changes in net assets:	
Contributions	\$ 815,913
Investment income (loss)	1,544,013
Benefits paid to participants	<u>(618,232)</u>
Total	<u>\$ 1,741,694</u>

Note I - Guaranteed Interest Accounts

During 2023, the Plan entered into a group annuity contract with Empower Annuity Insurance Company of America that invests contributions in the EI Fixed Account (the "Fund"). The Fund is a general account product. The methodology for calculating the interest crediting rate is based on the earnings of the underlying assets in the entire medium-long term new portfolio compared to the minimum interest crediting rate, as stated in the contract, and prevailing market conditions. The interest crediting rate is reset quarterly. Contract value is the relevant measurement attribute for that portion of the net assets available for benefits attributable to the group annuity contract since the contract was determined to be fully benefit-responsive. The account is credited with earnings on the underlying investments and charged for participant withdrawals and administrative expenses. Contract value represents contributions made under the contract, plus earnings, less participant withdrawals and administrative expenses.

Participants may transfer their account balance in the Fund to any other investment option offered under the Plan at any time with no restrictions or penalties, because the Fund is designed to be a Plan's only guaranteed/stable value/money market investment. In order to provide the participant with liquidity (100% for participant transfers), there cannot be any actively competing guaranteed/stable value/money market investments in the Plan. Bond funds of durations longer than three years are permitted. The guaranteed investment contract issuer is contractually obligated to repay the principal and a specified interest rate that is guaranteed to the Plan.

VSE 401(K) PROFIT SHARING PLAN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022

Note I - Guaranteed Interest Accounts (Continued)

There are no reserves against contract value for credit risk of the contract issuer or otherwise. The crediting interest is based on a formula agreed upon with the issuer but may not be less than zero percent. Such interest rates are reviewed on a quarterly basis for resetting. Certain events limit the ability of the Plan to transact at contract value with the issuer. Such events include the following:

- (a) amendments to the Plan document (including complete or partial Plan termination or merger with another plan),
- (b) changes to the Plan's prohibition on competing investment options or deletion of equity wash provisions,
- (c) bankruptcy of the Plan Sponsor or other Plan Sponsor events that cause a significant withdrawal from the Plan or
- (d) the failure of the trust to qualify for exemption from federal income taxes or any required prohibited transaction exemption under ERISA.

The Plan Administrator does not believe that any events which would limit the Plan's ability to transact at contract value with participants are probable of occurring. Upon termination of the group annuity contract, the employer may (a) receive the payoff of the fund in a lump sum with a market value adjustment, (b) receive the payout of the fund in a lump sum at book value, or (c) maintain participant accounts in the Fund.

Note J - Prohibited Transactions

During the year ended December 31, 2023, the Company failed to remit to the Plan's trustee certain participant contributions within the period prescribed by Department of Labor regulations. Consequently, the Plan is considered to have engaged in non-exempt transactions with a party-in-interest. The Company is required to rectify the matter by paying lost earnings on the participant contributions that were remitted late.

VSE 401(K) PROFIT SHARING PLAN
EIN: 94-2508138
PLAN NUMBER: 001
Form 5500, Schedule H, Part IV, Line 4i
SCHEDULE OF ASSETS HELD AT END OF YEAR
AS OF DECEMBER 31, 2023

(a)	(b) Identity of Issuer	(c) Description of Investment	(d) Cost	(e) Current Value
	Funds held by Empower Trust Company, LLC and Empower Annuity Insurance Company of America:			
	Alger Small Cap Focus Y	Mutual Fund	**	\$ 1,312,672
	American Century Emerging Markets R6	Mutual Fund	**	35,383
	American Century Mid Cap Value R6	Mutual Fund	**	10,836
	BlackRock Income Fund K	Mutual Fund	**	310
	BlackRock Inflation Protected Bond K	Mutual Fund	**	3,856
	DFA US Targeted Value I	Mutual Fund	**	15,366
	Empower T. Rowe Price Mid Cap Gr Inst	Mutual Fund	**	32,569
	Fidelity 500 Index	Mutual Fund	**	4,490,995
	Fidelity International Index	Mutual Fund	**	1,096,655
	Fidelity Mid Cap Index	Mutual Fund	**	148,276
	Fidelity Real Estate Index	Mutual Fund	**	54,570
	Fidelity Small Cap Index	Mutual Fund	**	79,002
	Fidelity US Bond Index	Mutual Fund	**	1,072,463
	Franklin DynaTech R6	Mutual Fund	**	3,517,196
	Invesco Core Plus Bond R6	Mutual Fund	**	36,556
	JPMorgan Global Allocation R6	Mutual Fund	**	31,726
	PGIM Global Total Return R6	Mutual Fund	**	3,178
	PGIM High-Yield R6	Mutual Fund	**	3,043
	Putnam Dynamic Asset Allocation Bal R6	Mutual Fund	**	591,532
	Putnam Large Cap Value R6	Mutual Fund	**	297,378
*	El Fixed Account - Series Class I	Guaranteed Investment Contract	**	929,913
	American Century RD Hybrid 2025 CL I	Collective Trust Fund	**	37,535
	American Century RD Hybrid 2030 CL I	Collective Trust Fund	**	51,303
	American Century RD Hybrid 2035 CL I	Collective Trust Fund	**	246,994
	American Century RD Hybrid 2040 CL I	Collective Trust Fund	**	42,540
	American Century RD Hybrid 2045 CL I	Collective Trust Fund	**	37,226
	American Century RD Hybrid 2050 CL I	Collective Trust Fund	**	15,648
	American Century RD Hybrid 2055 CL I	Collective Trust Fund	**	934
	American Century RD Hybrid 2060 CL I	Collective Trust Fund	**	28,765
	American Century RD Hybrid 2065 CL I	Collective Trust Fund	**	4,610
	American Century RD Hybrid In Ret CL 1	Collective Trust Fund	**	17,197
	Galliard Stable Return Fund M	Collective Trust Fund	**	4,442,744
	Total			<u>\$ 18,688,971</u>
	Funds held by Morgan Stanley Smith Barney, LLC:			
	American Express Co Coupon Rate 3.000%; Matures 10/30/2024	Corporate Bonds	48,648	49,357
	Apple Inc Coupon Rate 3.000%; Matures 02/09/2024	Corporate Bonds	93,206	93,852
	Arrow Electronics Inc Coupon Rate 3.250%; Matures 09/08/2024	Corporate Bonds	61,001	59,576
	AT&T Inc Coupon Rate 4.300%; Matures 02/15/2030	Corporate Bonds	54,700	54,769
	BlackRock TCP Capital Corp Coupon Rate 3.900%; Matures 08/23/2024	Corporate Bonds	49,267	49,906
	Capital One Financial Corp Coupon Rate 3.300%; Matures 10/30/2024	Corporate Bonds	48,907	49,455
	Cigna Holding Co Coupon Rate 3.250%; Matures 04/15/2025	Corporate Bonds	62,014	58,978
	Comcast Corp Coupon Rate 3.375%; Matures 08/15/2025	Corporate Bonds	39,868	39,634

See independent auditors' report

VSE 401(K) PROFIT SHARING PLAN
EIN: 94-2508138
PLAN NUMBER: 001
Form 5500, Schedule H, Part IV, Line 4i
SCHEDULE OF ASSETS HELD AT END OF YEAR
AS OF DECEMBER 31, 2023

(a)	(b) Identity of Issuer	(c) Description of Investment	(d) Cost	(e) Current Value
	Comerica Inc Coupon Rate 4.000%; Matures 02/01/2029	Corporate Bonds	54,398	52,928
	Deutsche Bank AG Coupon Rate 4.100%; Matures 01/13/2026	Corporate Bonds	50,488	50,074
	Deutsche Bank AG/New York NY Coupon Rate 4.100%; Matures 01/13/2026	Corporate Bonds	97,788	99,518
	Discover Financial Services Coupon Rate 4.100%; Matures 02/09/2027	Corporate Bonds	50,819	48,826
	General Motors Financial Co Inc Coupon Rate 4.000%; Matures 01/15/2025	Corporate Bonds	54,205	55,144
	Goldman Sachs Group Inc Coupon Rate 3.850%; Matures 01/26/2027	Corporate Bonds	153,064	153,411
	HP Inc Coupon Rate 4.750%; Matures 01/15/2028	Corporate Bonds	55,499	56,372
	Omega Healthcare Investors Inc Coupon Rate 5.250%; Matures 01/15/2026	Corporate Bonds	55,354	56,114
	Pacific Gas And Electric Co Coupon Rate 3.300%; Matures 12/01/2027	Corporate Bonds	93,860	93,755
	Pacific Gas And Electric Co Coupon Rate 3.500%; Matures 06/15/2025	Corporate Bonds	49,639	48,657
	Western Union Co Coupon Rate 2.850%; Matures 01/10/2025	Corporate Bonds	50,671	49,305
	Amazon Com Inc	Common Stock	16,193	18,233
	Apple Inc	Common Stock	66,481	86,639
	Costco Wholesale Corp New	Common Stock	46,668	66,008
	Eli Lilly & Co	Common Stock	88,721	87,438
	Johnson & Johnson	Common Stock	15,002	15,674
	J.P. Morgan Chase & Co	Common Stock	95,704	102,060
	KLA Corporation	Common Stock	95,320	101,727
	McKesson Corp	Common Stock	88,436	92,596
	Merck & Co Inc New Com	Common Stock	16,005	21,804
	Microsoft Corp	Common Stock	60,552	75,208
	Nvidia Corporation	Common Stock	87,451	99,044
	Palo Alto Networks Inc	Common Stock	81,046	88,464
	United States Steel Corp	Common Stock	10,672	48,650
	American Century Diversified Bond Fund A	Mutual Fund	193,130	174,311
	Invesco American Franchise Fund R	Mutual Fund	1,551,952	1,805,565
	Invesco American Franchise Fund A	Mutual Fund	321,226	337,596
	Invesco EQV International Equity R	Mutual Fund	1,557,711	1,273,216
	Invesco Multi-Asset Income A	Mutual Fund	310,145	250,756
	Invesco Small Cap Equity R	Mutual Fund	1,993,723	1,871,965
	Invesco Value Opportunities R	Mutual Fund	812,728	1,078,340
	MFS Corporate Bond A	Mutual Fund	251,775	230,184
*	Morgan Stanley Private Bank NA	Interest Bearing Cash	241,788	241,789
*	MSBNA Preferred Savings - QC	Interest Bearing Cash	599,522	599,523
*	MSPBNA Preferred Savings - QC	Interest Bearing Cash	1,366,697	1,366,697
	Total			<u>\$ 11,353,118</u>
*	Participant loans	Various maturities; interest at 4.25% - 9.50%	-	<u>146,538</u>
				<u>\$ 30,188,627</u>

* Represents party-in-interest

** Cost omitted for participant directed investments

See independent auditors' report

VSE 401(K) PROFIT SHARING PLAN
 EIN: 94-2508138
 PLAN NUMBER: 001
 Form 5500, Schedule H, Part IV, Line 4a
 SCHEDULE OF DELINQUENT PARTICIPANT CONTRIBUTIONS
 YEAR ENDED DECEMBER 31, 2023

Participant Contributions Transferred Late to Plan	<u>Total that Constitute Nonexempt Prohibited Transactions</u>			Total Fully Corrected Under VFCP and PTE 2002-51
	<u>Contributions Not Corrected</u>	<u>Contributions Corrected Outside VFCP</u>	<u>Contributions Pending Correction in VFCP</u>	
Check here if late participant loan repayments are included: ☒				
\$ <u>23,096</u>	\$ <u>23,096</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>

See independent auditors' report

**VSE 401(K) PROFIT SHARING PLAN
(F/K/A TRI-PHASE, INC. 401(K) PROFIT SHARING PLAN)**

**FINANCIAL REPORT
DECEMBER 31, 2023 AND 2022**

VSE 401(K) PROFIT SHARING PLAN

TABLE OF CONTENTS

PAGE

INDEPENDENT AUDITORS' REPORT

1 - 3

FINANCIAL STATEMENTS:

Statements of Net Assets Available for Benefits

4

Statement of Changes in Net Assets Available for Benefits

5

Notes to Financial Statements

6 - 15

SUPPLEMENTAL INFORMATION

Schedule of Assets Held at End of Year

16 - 17

Schedule of Delinquent Participant Contributions

18



INDEPENDENT AUDITORS' REPORT

To the Administrative Committee
VSE 401(k) Profit Sharing Plan

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

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

Management, having determined it is permissible in the circumstances, has elected to have the audits of VSE 401(k) Profit Sharing 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 Rules and Regulations for Reporting and Disclosure under ERISA. As permitted by ERISA Section 103(a)(3)(C), our audits need not extend to any statements or information related to assets held for investment of the plan (investment information) by a bank or similar institution or insurance carrier that is regulated, supervised, and subject to periodic examination by a state or federal agency, provided that the statements or information regarding assets so held are prepared and certified to by the bank or similar institution or insurance carrier in accordance with 29 CFR 2520.103-5 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA (qualified institution).

Management has obtained certifications from Empower Trust Company, LLC and Empower Annuity Insurance Company of America as of December 31, 2023, and for the period from March 23, 2023 to December 31, 2023, Matrix Trust Company as of December 31, 2022 and for the period from January 1, 2023 to March 22, 2023, stating that the certified investment information, as described in Note F to the financial statements, is complete and accurate.

Opinion

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

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

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the VSE 401(k) Profit Sharing Plan and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our 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 accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error. Management's election of the ERISA Section 103(a)(3)(C) audit does not affect management's responsibility for the financial statements.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the VSE 401(k) Profit Sharing Plan's ability to continue as a going concern for one year after the date the financial statements are available to be issued.

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the VSE 401(k) Profit Sharing 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 VSE 401(k) Profit Sharing 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 accounting principles generally accepted in the United States of America.

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

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

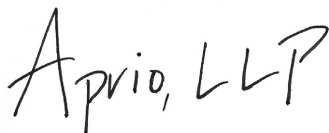
Other Matter - Supplemental Schedules Required by ERISA

The supplemental schedules of Assets Held at End of Year and Delinquent Participant Contributions as of or for the year ended December 31, 2023 are presented for purposes of additional analysis and are not a required part of the financial statements but are supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information included in the supplemental schedules, 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 generally accepted auditing standards. For information included in the supplemental schedules 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 schedules, we evaluated whether the supplemental schedules, other than the information agreed to or derived from the certified investment information, including their form and content, are presented in conformity with the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA.

In our opinion:

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



Atlanta, Georgia
February 27, 2025

VSE 401(K) PROFIT SHARING PLAN
STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS
DECEMBER 31, 2023 AND 2022

	<u>2023</u>	<u>2022</u>
<u>ASSETS</u>		
<u>Investments</u>		
Investments, at fair value	\$ 29,112,176	\$ 24,598,508
Investments, at contract value	<u>929,913</u>	<u>-</u>
Total investments	<u>30,042,089</u>	<u>24,598,508</u>
<u>Receivables</u>		
Participant contributions	22,500	48,505
Notes receivable from participants	146,538	170,940
Employer contributions	<u>715,717</u>	<u>855,890</u>
Total receivables	<u>884,755</u>	<u>1,075,335</u>
Total assets	<u>30,926,844</u>	<u>25,673,843</u>
<u>LIABILITIES</u>		
Other payables	<u>6,950</u>	<u>33</u>
Total liabilities	<u>6,950</u>	<u>33</u>
NET ASSETS AVAILABLE FOR BENEFITS	\$ <u>30,919,894</u>	\$ <u>25,673,810</u>

See notes to financial statements

VSE 401(K) PROFIT SHARING PLAN
STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS
YEAR ENDED DECEMBER 31, 2023

ADDITIONS TO NET ASSETS ATTRIBUTED TO

Investment income

Net appreciation in fair value of investments	\$ 4,051,456
Interest and dividends	628,366
Other income	<u>219</u>

Net investment income	<u>4,680,041</u>
-----------------------	------------------

Interest income on notes receivable from participants	<u>7,299</u>
---	--------------

Contributions

Employer	1,226,545
Participants	1,150,911
Rollover	<u>202,720</u>

2,580,176

TOTAL ADDITIONS	<u>7,267,516</u>
-----------------	------------------

DEDUCTIONS FROM NET ASSETS ATTRIBUTED TO

Benefits paid	1,993,345
Administrative expenses	<u>28,087</u>

TOTAL DEDUCTIONS	<u>2,021,432</u>
------------------	------------------

NET INCREASE	5,246,084
--------------	-----------

NET ASSETS AVAILABLE FOR BENEFITS

Beginning of year	<u>25,673,810</u>
-------------------	-------------------

End of year	<u>\$ 30,919,894</u>
-------------	----------------------

See notes to financial statements

VSE 401(K) PROFIT SHARING PLAN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022

Note A - Description of Plan

The following description of the VSE 401(k) Profit Sharing Plan (the "Plan") provides only general information. Participants should refer to the Plan agreement for a more complete description of the Plan's provisions.

General:

The Plan is a defined contribution profit sharing plan which was established on June 1, 1993. The plan provisions cover all employees of VSE, LLC (the "Company" or "Sponsor"), who are at least 18 years old and have completed one month of service, other than employees who are covered by a collective bargaining agreement and nonresident aliens as defined by the plan document. Eligible employees may enter the Plan on the first day of the month coinciding with or next following the date eligibility requirements are met. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA).

Plan Amendments:

Effective January 1, 2023, the Plan was amended and restated to adopt the Central Administrative Services, Inc. Defined Contribution Pre-Approved Base Plan Document. As part of this amendment and restatement effective January 1, 2023, the Plan was amended to change the name to VSE 401(k) Profit Sharing Plan and change the name of the sponsor to VSE, LLC (previously Tri-Phase, Inc. dba Valley Services Electronics). Additionally the plan made the following changes:

- to allow leased employees as eligible participants;
- to modify service for eligibility purposes to one month of credited service (previously three months of credited service);
- to remove the discretionary employer match provision;
- to modify the safe harbor matching contribution to 100% up to 5% of the participant's deferral contributions;
- to remove the 75% limit on participant deferral contributions.

During March 2023, the Plan changed trustees and transferred Plan assets from Matrix Trust Company to Empower Trust Company, LLC and Empower Annuity Insurance Company of America.

VSE 401(K) PROFIT SHARING PLAN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022

Note A - Description of Plan (Continued)

Contributions:

Participants may elect to defer up to 100% of their compensation, subject to the maximum amount allowed by the Internal Revenue Code, and make a contribution to the Plan. Catch-up contributions are also allowed by the Plan. Participants may also contribute amounts representing distributions from other qualified plans. Participants direct the investment of their contributions into various investment options offered by the Plan.

Effective January 1, 2023, the Company provides a safe harbor match of 100% of each participant's deferral contribution not exceeding 5% of the participant's compensation. Prior to January 1, 2023, the Company provided a safe harbor match of 100% of each participant's deferral contributions not exceeding 3% of the participant's compensation, plus 50% of each participant's deferral contributions in excess of 3% but not in excess of 5% of the participant's compensation. Additionally, the Company may also make an optional nonelective (profit sharing) contribution. For the year ended December 31, 2023, profit sharing contributions totaled \$641,500. The allocation of the discretionary profit sharing contribution is based on an integrated formula with an integration of the social security taxable wage base.

Investments held by the Plan on behalf of participants related to profit sharing contributions are nonparticipant-directed. In the nonparticipant-directed program, the Trustees, under the guidance of investment managers, directs the specific investments held by the Plan. See Note H for applicable disclosures. Investments held by the Plan on behalf of participants related to 401(k) and safe harbor match contributions are participant-directed. In the participant-directed program, the individual participant selects the investments for his or her individual account

Participant Accounts:

Separate individual 401(k) and profit sharing accounts are maintained for each participant. Each participant's 401(k) account is credited with the participant's contributions and rollovers, the Company's safe harbor matching contributions, Plan expenses and an allocation of the Plan's investment income or losses based upon the participant's election of investment options.

An eligible profit sharing participant is entitled to an annual allocation of the employer profit sharing contribution and former participant profit sharing forfeitures after restoration of previously forfeited accounts. Employer profit sharing contributions and former participant forfeitures are allocated in the proportion of the participant's annual compensation to compensation of all participants subject to the IRC Section 415 defined maximum limitations. Participants do not direct the investment of profit sharing contributions. Profit sharing investment income or losses and Plan expenses are allocated based on a ratio of each participant's profit sharing account balance to the total profit sharing account balances.

The total benefit to which a participant is entitled is the benefit that can be provided from the participant's vested 401(k) and profit sharing accounts.

VSE 401(K) PROFIT SHARING PLAN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022

Note A - Description of Plan (Continued)

Notes Receivable from Participants:

Participants may borrow against their investment account balances a minimum of \$1,000 up to a maximum of \$50,000 or 50% of their vested balance, whichever is less. Generally, loans can be made for a period not exceeding five years; however, in certain circumstances, terms can be extended beyond five years, as defined by the Plan. The loans are collateralized by the vested balance in the participant's account and bear interest at the Prime rate plus 1%. Principal and interest are paid ratably through payroll deductions.

Vesting:

Participants are immediately 100% vested in their salary deferral contributions and safe harbor matching contributions plus actual earnings thereon. Vesting in nonelective contributions is based on years of service with the Company. A participant is fully vested in nonelective contributions after six years of service.

Payment of Benefits:

Participants may elect to receive a lump-sum amount equal to the value of their vested interest upon retirement, termination of service, death or disability. Partial withdrawals or installments are only permitted for participants or beneficiaries who must receive required minimum distributions under Code section 401(a)(9). A terminated employee with a balance of less than \$5,000 may be automatically paid out by the Plan upon termination. Distributions may be made at the participant's election prior to termination upon attainment of age 59 ½ or hardship as defined in the Plan document.

Forfeited Accounts:

At December 31, 2023 and 2022, forfeited nonvested accounts totaled \$27,411 and \$42, respectively. Forfeited accounts will be used to reduce Company contributions. During 2023, no forfeitures were used to reduce Company contributions.

Subsequent events:

Subsequent events have been evaluated through February 27, 2025, which is the date the financial statements were available to be issued.

Note B - Significant Accounting Policies

Basis of Accounting:

The financial statements of the Plan are prepared on the accrual basis of accounting.

Investment contracts held by a defined-contribution plan are required to be reported at fair value. However, contract value is the relevant measurement attribute for that portion of the net assets available for benefits of a defined-contribution plan attributable to fully benefit-responsive investment contracts because contract value is the amount participants would receive if they were to initiate permitted transactions under the terms of the Plan.

VSE 401(K) PROFIT SHARING PLAN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022

Note B - Significant Accounting Policies (Continued)

Investment Valuation and Income Recognition:

Investments are reported at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. See Note G for discussion of fair value measurements.

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

Plan Expenses:

Certain expenses of maintaining the Plan are paid directly by the Company and are excluded from these financial statements. Company personnel perform various administrative services for the Plan. The payroll and related overhead costs associated with these services are not included as plan expenses. Fees related to participant recordkeeping and specific participant transactions are charged directly to each participants' account and are included in administrative expenses.

Risk and Uncertainties:

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

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. Related fees are recorded as administrative expenses and are expensed when they are incurred. If a participant ceases to make loan repayments and the plan administrator deems the participant loan to be in default, the participant loan balance is reduced and benefit payment is recorded.

Contributions:

Participant contributions and the related Company safe harbor matching contributions are recognized in the period the participant contribution is withheld from compensation. Company profit sharing contributions are recognized in the period the eligible compensation is paid to the participant.

Payment of Benefits:

Benefit distributions, determined in accordance with provisions of the Plan, are recorded when paid.

VSE 401(K) PROFIT SHARING PLAN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022

Note B - Significant Accounting Policies (Continued)

Use of Estimates:

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires Plan management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Note C - 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 100% vested in their accounts.

Note D - Income Tax Status

On June 30, 2020, the Internal Revenue Service ("IRS") stated that the non-standardized profit-sharing plan with CODA adopted by the Plan, as then designated, qualifies under Section 401(a) of the IRC. The Plan administrator timely adopted the approved Plan. The Plan administrator believes that the Plan is currently being operated in accordance with the applicable requirements of the IRC. Therefore, no provision for income taxes has been included in the Plan's financial statements.

U.S. GAAP requires plan management to evaluate tax positions taken by the Plan and recognize a tax liability (or asset) for any uncertain position that more likely than not would not be sustained upon examination by the IRS. The Plan administrator has analyzed the tax positions taken by the Plan and has concluded that there are no uncertain positions taken or expected to be taken that would require recognition of a liability (or asset) or disclosure in the financial statements. The Plan is subject to routine audits by taxing jurisdictions, however, there are currently no audits in progress for any tax periods.

Note E - Related Party Activity

Certain plan investments are investments managed by Matrix Trust Company, Empower Trust Company, LLC and Empower Annuity Insurance Company of America, the trustees of the Plan, and Morgan Stanley Smith Barney, LLC, the custodian of the discretionary profit sharing source of the Plan (see Note H). The trustees and custodian invest certain Plan assets in certain investments managed by the trustees, custodian or their affiliates, and such transactions qualify as party-in-interest transactions, which are exempt from the prohibited transaction rules. The Plan paid certain expenses related to Plan operations and investment activity to various service providers. These transactions are party-in-interest transactions under ERISA.

VSE 401(K) PROFIT SHARING PLAN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022

Note F - Information Certified by the Trustee of the Plan

The following information included in the accompanying financial statements and supplemental schedules was obtained from data that has been prepared and certified to as complete and accurate by Matrix Trust Company, Empower Trust Company, LLC and Empower Annuity Insurance Company of America (trustees of the plan).

	<u>2023</u>	<u>2022</u>
Investments, at fair value:		
Mutual funds	\$ 12,833,562	\$ 11,009,556
Common collective trust	\$ 4,925,496	\$ 3,977,528
Investments, at contract value:		
Guaranteed income fund	\$ 929,913	\$ -
Net appreciation (depreciation) in fair value of investments	\$ 2,696,708	
Interest and dividends	\$ 439,101	

Note G - Fair Value Measurements

The framework for measuring fair value provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three Levels of the fair value hierarchy under FASB 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 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 principally from or corroborated by observable market data by correlation or other means. If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.
- Level 3 Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques are used 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.

Mutual funds: Valued at the daily closing price as quoted by the fund. Mutual funds held by the Plan are open-ended mutual funds that are registered with the Securities and Exchange Commission. These funds are required to publish their daily net assets value (NAV) and to transact at that price. The mutual funds held by the Plan are deemed to be actively traded.

VSE 401(K) PROFIT SHARING PLAN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022

Note G - Fair Value Measurements (Continued)

Common collective trusts: Valued at the NAV of units of the bank collective trust. The Galliard Stable Return Fund M (formerly Wells Fargo Stable Value Fund M) is a collective trust fund that is composed primarily of fully benefit-responsive investment contracts. The NAV is used as a practical expedient to estimate fair value. This 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. For the portion of the Plan invested in the Galliard Stable Return Fund M, if the Plan initiates a full redemption, the issuer reserves the right to require 12 months' notification in order to confirm that securities liquidations will be carried out in an orderly business manner. There are no other significant redemption restrictions.

Corporate bonds: The fair value of corporate bonds is valued using a market approach on yields currently available on comparable securities of issuers with similar credit ratings.

Money market funds: Valued at quoted market prices, which represent the NAV of shares held at year-end.

Common stock: The fair values of common stocks are based on the closing price reported in the active market where the individual securities are traded, when available.

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

VSE 401(K) PROFIT SHARING PLAN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022

Note G - Fair Value Measurements (Continued)

The following tables set forth, by level within the fair value hierarchy, the Plan's investments at fair value as of December 31, 2023 and 2022:

Description	Total	Quoted Prices In Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
<u>2023</u>				
Mutual funds	\$ 19,855,495	\$ 19,855,495	\$ -	\$ -
Common collective trusts (a)	4,925,496	-	-	-
Corporate bonds	1,219,631	-	1,219,631	-
Money market funds	2,208,009	2,208,009	-	-
Common stocks	<u>903,545</u>	<u>903,545</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 29,112,176</u>	<u>\$ 22,967,049</u>	<u>\$ 1,219,631</u>	<u>\$ -</u>

<u>2022</u>				
Mutual funds	\$ 17,411,402	\$ 17,411,402	\$ -	\$ -
Common collective trusts (a)	3,977,528	-	-	-
Corporate bonds	2,194,565	-	2,194,565	-
Money market funds	842,531	842,531	-	-
Common stocks	<u>172,482</u>	<u>172,482</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 24,598,508</u>	<u>\$ 18,426,415</u>	<u>\$ 2,194,565</u>	<u>\$ -</u>

(a) In accordance with ASC 820-10, certain investments that were measured at net asset value per share (or its equivalent) 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.

VSE 401(K) PROFIT SHARING PLAN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022

Note H - Nonparticipant Directed Investments

The Employer directs the investment of the discretionary profit sharing source within the Plan. Net assets relating to nonparticipant directed investments at December 31, 2023 and 2022 are as follows:

	<u>2023</u>	<u>2022</u>
Net assets:		
Mutual funds	\$ 7,021,933	\$ 6,401,846
Corporate bonds	1,219,631	2,194,565
Money market funds	2,208,009	842,531
Common stocks	<u>903,545</u>	<u>172,482</u>
Total	<u>\$ 11,353,118</u>	<u>\$ 9,611,424</u>

The significant components of the changes in net assets relating to nonparticipant directed investments for the year ended December 31, 2023, are as follows:

	<u>2023</u>
Changes in net assets:	
Contributions	\$ 815,913
Investment income (loss)	1,544,013
Benefits paid to participants	<u>(618,232)</u>
Total	<u>\$ 1,741,694</u>

Note I - Guaranteed Interest Accounts

During 2023, the Plan entered into a group annuity contract with Empower Annuity Insurance Company of America that invests contributions in the EI Fixed Account (the "Fund"). The Fund is a general account product. The methodology for calculating the interest crediting rate is based on the earnings of the underlying assets in the entire medium-long term new portfolio compared to the minimum interest crediting rate, as stated in the contract, and prevailing market conditions. The interest crediting rate is reset quarterly. Contract value is the relevant measurement attribute for that portion of the net assets available for benefits attributable to the group annuity contract since the contract was determined to be fully benefit-responsive. The account is credited with earnings on the underlying investments and charged for participant withdrawals and administrative expenses. Contract value represents contributions made under the contract, plus earnings, less participant withdrawals and administrative expenses.

Participants may transfer their account balance in the Fund to any other investment option offered under the Plan at any time with no restrictions or penalties, because the Fund is designed to be a Plan's only guaranteed/stable value/money market investment. In order to provide the participant with liquidity (100% for participant transfers), there cannot be any actively competing guaranteed/stable value/money market investments in the Plan. Bond funds of durations longer than three years are permitted. The guaranteed investment contract issuer is contractually obligated to repay the principal and a specified interest rate that is guaranteed to the Plan.

VSE 401(K) PROFIT SHARING PLAN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022

Note I - Guaranteed Interest Accounts (Continued)

There are no reserves against contract value for credit risk of the contract issuer or otherwise. The crediting interest is based on a formula agreed upon with the issuer but may not be less than zero percent. Such interest rates are reviewed on a quarterly basis for resetting. Certain events limit the ability of the Plan to transact at contract value with the issuer. Such events include the following:

- (a) amendments to the Plan document (including complete or partial Plan termination or merger with another plan),
- (b) changes to the Plan's prohibition on competing investment options or deletion of equity wash provisions,
- (c) bankruptcy of the Plan Sponsor or other Plan Sponsor events that cause a significant withdrawal from the Plan or
- (d) the failure of the trust to qualify for exemption from federal income taxes or any required prohibited transaction exemption under ERISA.

The Plan Administrator does not believe that any events which would limit the Plan's ability to transact at contract value with participants are probable of occurring. Upon termination of the group annuity contract, the employer may (a) receive the payoff of the fund in a lump sum with a market value adjustment, (b) receive the payout of the fund in a lump sum at book value, or (c) maintain participant accounts in the Fund.

Note J - Prohibited Transactions

During the year ended December 31, 2023, the Company failed to remit to the Plan's trustee certain participant contributions within the period prescribed by Department of Labor regulations. Consequently, the Plan is considered to have engaged in non-exempt transactions with a party-in-interest. The Company is required to rectify the matter by paying lost earnings on the participant contributions that were remitted late.

VSE 401(K) PROFIT SHARING PLAN
EIN: 94-2508138
PLAN NUMBER: 001
Form 5500, Schedule H, Part IV, Line 4i
SCHEDULE OF ASSETS HELD AT END OF YEAR
AS OF DECEMBER 31, 2023

(a)	(b) Identity of Issuer	(c) Description of Investment	(d) Cost	(e) Current Value
	Funds held by Empower Trust Company, LLC and Empower Annuity Insurance Company of America:			
	Alger Small Cap Focus Y	Mutual Fund	**	\$ 1,312,672
	American Century Emerging Markets R6	Mutual Fund	**	35,383
	American Century Mid Cap Value R6	Mutual Fund	**	10,836
	BlackRock Income Fund K	Mutual Fund	**	310
	BlackRock Inflation Protected Bond K	Mutual Fund	**	3,856
	DFA US Targeted Value I	Mutual Fund	**	15,366
	Empower T. Rowe Price Mid Cap Gr Inst	Mutual Fund	**	32,569
	Fidelity 500 Index	Mutual Fund	**	4,490,995
	Fidelity International Index	Mutual Fund	**	1,096,655
	Fidelity Mid Cap Index	Mutual Fund	**	148,276
	Fidelity Real Estate Index	Mutual Fund	**	54,570
	Fidelity Small Cap Index	Mutual Fund	**	79,002
	Fidelity US Bond Index	Mutual Fund	**	1,072,463
	Franklin DynaTech R6	Mutual Fund	**	3,517,196
	Invesco Core Plus Bond R6	Mutual Fund	**	36,556
	JPMorgan Global Allocation R6	Mutual Fund	**	31,726
	PGIM Global Total Return R6	Mutual Fund	**	3,178
	PGIM High-Yield R6	Mutual Fund	**	3,043
	Putnam Dynamic Asset Allocation Bal R6	Mutual Fund	**	591,532
	Putnam Large Cap Value R6	Mutual Fund	**	297,378
*	El Fixed Account - Series Class I	Guaranteed Investment Contract	**	929,913
	American Century RD Hybrid 2025 CL I	Collective Trust Fund	**	37,535
	American Century RD Hybrid 2030 CL I	Collective Trust Fund	**	51,303
	American Century RD Hybrid 2035 CL I	Collective Trust Fund	**	246,994
	American Century RD Hybrid 2040 CL I	Collective Trust Fund	**	42,540
	American Century RD Hybrid 2045 CL I	Collective Trust Fund	**	37,226
	American Century RD Hybrid 2050 CL I	Collective Trust Fund	**	15,648
	American Century RD Hybrid 2055 CL I	Collective Trust Fund	**	934
	American Century RD Hybrid 2060 CL I	Collective Trust Fund	**	28,765
	American Century RD Hybrid 2065 CL I	Collective Trust Fund	**	4,610
	American Century RD Hybrid In Ret CL 1	Collective Trust Fund	**	17,197
	Galliard Stable Return Fund M	Collective Trust Fund	**	4,442,744
	Total			<u>\$ 18,688,971</u>
	Funds held by Morgan Stanley Smith Barney, LLC:			
	American Express Co Coupon Rate 3.000%; Matures 10/30/2024	Corporate Bonds	48,648	49,357
	Apple Inc Coupon Rate 3.000%; Matures 02/09/2024	Corporate Bonds	93,206	93,852
	Arrow Electronics Inc Coupon Rate 3.250%; Matures 09/08/2024	Corporate Bonds	61,001	59,576
	AT&T Inc Coupon Rate 4.300%; Matures 02/15/2030	Corporate Bonds	54,700	54,769
	BlackRock TCP Capital Corp Coupon Rate 3.900%; Matures 08/23/2024	Corporate Bonds	49,267	49,906
	Capital One Financial Corp Coupon Rate 3.300%; Matures 10/30/2024	Corporate Bonds	48,907	49,455
	Cigna Holding Co Coupon Rate 3.250%; Matures 04/15/2025	Corporate Bonds	62,014	58,978
	Comcast Corp Coupon Rate 3.375%; Matures 08/15/2025	Corporate Bonds	39,868	39,634

See independent auditors' report

VSE 401(K) PROFIT SHARING PLAN
EIN: 94-2508138
PLAN NUMBER: 001
Form 5500, Schedule H, Part IV, Line 4i
SCHEDULE OF ASSETS HELD AT END OF YEAR
AS OF DECEMBER 31, 2023

(a)	(b) Identity of Issuer	(c) Description of Investment	(d) Cost	(e) Current Value
	Comerica Inc Coupon Rate 4.000%; Matures 02/01/2029	Corporate Bonds	54,398	52,928
	Deutsche Bank AG Coupon Rate 4.100%; Matures 01/13/2026	Corporate Bonds	50,488	50,074
	Deutsche Bank AG/New York NY Coupon Rate 4.100%; Matures 01/13/2026	Corporate Bonds	97,788	99,518
	Discover Financial Services Coupon Rate 4.100%; Matures 02/09/2027	Corporate Bonds	50,819	48,826
	General Motors Financial Co Inc Coupon Rate 4.000%; Matures 01/15/2025	Corporate Bonds	54,205	55,144
	Goldman Sachs Group Inc Coupon Rate 3.850%; Matures 01/26/2027	Corporate Bonds	153,064	153,411
	HP Inc Coupon Rate 4.750%; Matures 01/15/2028	Corporate Bonds	55,499	56,372
	Omega Healthcare Investors Inc Coupon Rate 5.250%; Matures 01/15/2026	Corporate Bonds	55,354	56,114
	Pacific Gas And Electric Co Coupon Rate 3.300%; Matures 12/01/2027	Corporate Bonds	93,860	93,755
	Pacific Gas And Electric Co Coupon Rate 3.500%; Matures 06/15/2025	Corporate Bonds	49,639	48,657
	Western Union Co Coupon Rate 2.850%; Matures 01/10/2025	Corporate Bonds	50,671	49,305
	Amazon Com Inc	Common Stock	16,193	18,233
	Apple Inc	Common Stock	66,481	86,639
	Costco Wholesale Corp New	Common Stock	46,668	66,008
	Eli Lilly & Co	Common Stock	88,721	87,438
	Johnson & Johnson	Common Stock	15,002	15,674
	J.P. Morgan Chase & Co	Common Stock	95,704	102,060
	KLA Corporation	Common Stock	95,320	101,727
	McKesson Corp	Common Stock	88,436	92,596
	Merck & Co Inc New Com	Common Stock	16,005	21,804
	Microsoft Corp	Common Stock	60,552	75,208
	Nvidia Corporation	Common Stock	87,451	99,044
	Palo Alto Networks Inc	Common Stock	81,046	88,464
	United States Steel Corp	Common Stock	10,672	48,650
	American Century Diversified Bond Fund A	Mutual Fund	193,130	174,311
	Invesco American Franchise Fund R	Mutual Fund	1,551,952	1,805,565
	Invesco American Franchise Fund A	Mutual Fund	321,226	337,596
	Invesco EQV International Equity R	Mutual Fund	1,557,711	1,273,216
	Invesco Multi-Asset Income A	Mutual Fund	310,145	250,756
	Invesco Small Cap Equity R	Mutual Fund	1,993,723	1,871,965
	Invesco Value Opportunities R	Mutual Fund	812,728	1,078,340
	MFS Corporate Bond A	Mutual Fund	251,775	230,184
*	Morgan Stanley Private Bank NA	Interest Bearing Cash	241,788	241,789
*	MSBNA Preferred Savings - QC	Interest Bearing Cash	599,522	599,523
*	MSPBNA Preferred Savings - QC	Interest Bearing Cash	1,366,697	1,366,697
	Total			<u>\$ 11,353,118</u>
*	Participant loans	Various maturities; interest at 4.25% - 9.50%	-	<u>146,538</u>
				<u>\$ 30,188,627</u>

* Represents party-in-interest

** Cost omitted for participant directed investments

See independent auditors' report

VSE 401(K) PROFIT SHARING PLAN
EIN: 94-2508138
PLAN NUMBER: 001
Form 5500, Schedule H, Part IV, Line 4a
SCHEDULE OF DELINQUENT PARTICIPANT CONTRIBUTIONS
YEAR ENDED DECEMBER 31, 2023

Participant Contributions Transferred Late to Plan	<u>Total that Constitute Nonexempt Prohibited Transactions</u>			Total Fully Corrected Under VFCP and PTE 2002-51
	<u>Contributions Not Corrected</u>	<u>Contributions Corrected Outside VFCP</u>	<u>Contributions Pending Correction in VFCP</u>	
Check here if late participant loan repayments are included: ☒				
\$ <u>23,096</u>	\$ <u>23,096</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>

See independent auditors' report

Form 5500 Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Annual Return/Report of Employee Benefit Plan This form is required to be filed for employee benefit plans under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and sections 6057(b), and 6058(a) of the Internal Revenue Code (the Code). ▶ Complete all entries in accordance with the Instructions to the Form 5500.	OMB Nos. 1210-0110 1210-0089 2023 This Form is Open to Public Inspection
---	---	---

Part I Annual Report Identification Information		
For calendar plan year 2023 or fiscal plan year beginning 01/01/2023 and ending 12/31/2023		
A This return/report is for:	☐ a multiemployer plan;	☐ a multiple-employer plan (Filers checking this box must provide participating employer information in accordance with the form instructions.)
	☒ a single-employer plan;	☐ a DFE (specify) _____
B This return/report is:	☐ the first return/report;	☐ the final return/report;
	☒ an amended return/report;	☐ a short plan year return/report (less than 12 months).
C If the plan is a collectively-bargained plan, check here	☐	
D Check box if filing under:	☒ Form 5558;	☐ automatic extension;
	☐ special extension (enter description)	☐ the DFVC program;
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 VSE 401(k) Profit Sharing Plan	1b Three-digit plan number (PN) ▶	001
	1c Effective date of plan	06/01/1993
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) VSE LLC 6190 San Ignacio Avenue US San Jose CA 95119	2b Employer Identification Number (EIN) 94-2508138	2c Plan Sponsor's telephone number (408) 284-7726
	2d Business code (see instructions) 334410	

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	<i>Elizabeth Kendrick</i> Elizabeth Kendrick (May 8, 2025 14:34 PDT)	May 8, 2025	Elizabeth Kendrick
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE	<i>Elizabeth Kendrick</i> Elizabeth Kendrick (May 8, 2025 14:34 PDT)	May 8, 2025	Elizabeth Kendrick
	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 and the plan name and the plan number from the last return/report: a Sponsor's name TRI-PHASE, INC. c Plan name TRI-PHASE, INC. 401 (k) PROFIT SHARING PLAN	4b EIN 94-2508138 4d PN 001
5 Total number of participants at the beginning of the plan year	5 216
6 Number of participants as of the end of the plan year unless otherwise stated (welfare plans complete only lines 6a(1) , 6a(2) , 6b , 6c , and 6d).	
a(1) Total number of active participants at the beginning of the plan year	6a(1) 181
a(2) Total number of active participants at the end of the plan year	6a(2) 230
b Retired or separated participants receiving benefits	6b 0
c Other retired or separated participants entitled to future benefits	6c 20
d Subtotal. Add lines 6a(2) , 6b , and 6c	6d 250
e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits	6e 0
f Total. Add lines 6d and 6e	6f 250
g(1) Number of participants with account balances as of the beginning of the plan year (only defined contribution plans complete this item)	6g(1) 216
g(2) Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item)	6g(2) 206
h Number of participants who terminated employment during the plan year with accrued benefits that were less than 100% vested	6h
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 2H 2J 2K 2T 3D 3F	
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)	9b Plan benefit arrangement (check all that apply)
(1) ☒ Insurance	(1) ☒ Insurance
(2) ☐ Code section 412(e)(3) insurance contracts	(2) ☐ Code section 412(e)(3) insurance contracts
(3) ☒ Trust	(3) ☒ Trust
(4) ☐ General assets of the sponsor	(4) ☐ General assets of the sponsor

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

a Pension Schedules

- (1)** ☒ **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 1
- (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 A (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Insurance 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. ► Insurance companies are required to provide the information pursuant to ERISA section 103(a)(2).	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 VSE 401(k) Profit Sharing Plan	B Three-digit plan number (PN) 001
C Plan sponsor's name as shown on line 2a of Form 5500 VSE LLC	
D Employer Identification Number (EIN) 94-2508138	

Part I	Information Concerning Insurance Contract Coverage, Fees, and Commissions Provide information for each contract on a separate Schedule A. Individual contracts grouped as a unit in Parts II and III can be reported on a single Schedule A.
---------------	---

1	Coverage Information:
----------	------------------------------

(a) Name of insurance carrier EMPOWER ANNUITY INSURANCE COMPANY OF AMERICA					
(b) EIN	(c) NAIC code	(d) Contract or identification number	(e) Approximate number of persons covered at end of policy or contract year	Policy or contract year	
				(f) From	(g) To
84-0467907	68322	519029-01	43	01/01/2023	12/31/2023

2	Insurance fee and commission information. Enter the total fees and total commissions paid. List in line 3 the agents, brokers, and other persons in descending order of the amount paid.
(a) Total amount of commissions paid	(b) Total amount of fees paid
1,545	0

3	Persons receiving commissions and fees. (Complete as many entries as needed to report all persons).
----------	---

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid JESSE BLOUNT MORGAN STANLEY SMITH BARNEY LLC 333 W SANTA CLARA ST STE 900 US SAN JOSE CA 95113			
(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	
1,145			3

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid MORGAN STANLEY SMITH BARNEY LLC MORGAN STANLEY SMITH BARNEY LLC 1 NEW YOR PLZ 12TH FLOOR ANNUITY AN US NEW YORK NY 10004			
(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	
360			3

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

MORGAN STANLEY INSURANCE SERVICES I
MORGAN STANLEY INSURANCE SERVICES I
1 NEW YORK PLZ 12TH FL ANNUITY AND
US YORK NY 10004

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	
40			3

(a) Name and address of the agent, broker or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	

(a) Name and address of the agent, broker or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	

(a) Name and address of the agent, broker or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	

(a) Name and address of the agent, broker or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	

Part II Investment and Annuity Contract Information

Where individual contracts are provided, the entire group of such individual contracts with each carrier may be treated as a unit for purposes of this report.

4 Current value of plan's interest under this contract in the general account at year end	4	929,906
5 Current value of plan's interest under this contract in separate accounts at year end	5	0

6 Contracts With Allocated Funds:**a** State the basis of premium rates ▶

b Premiums paid to carrier	6b	
c Premiums due but unpaid at the end of the year	6c	
d If the carrier, service, or other organization incurred any specific costs in connection with the acquisition or retention of the contract or policy, enter amount Specify nature of costs ▶	6d	

e Type of contract (1) ☐ individual policies (2) ☐ group deferred annuity
(3) ☐ other (specify) ▶

f If contract purchased, in whole or in part, to distribute benefits from a terminating plan check here ▶ ☐**7** Contracts With Unallocated Funds (Do not include portions of these contracts maintained in separate accounts)

a Type on contract (1) ☐ deposit administration (2) ☐ immediate participation guarantee
(3) ☐ guaranteed investment (4) ☒ other ▶

GROUP ANNUITY CONTRACT

b Balance at the end of the previous year	7b	0
--	-----------	---

c Additions: (1) Contributions deposited during the year	7c(1)	1,340,074
(2) Dividends and credits	7c(2)	0
(3) Interest credited during the year	7c(3)	12,499
(4) Transferred from separate account	7c(4)	1,315,088
(5) Other (specify below)	7c(5)	514

(6) Total additions	7c(6)	2,668,175
-------------------------------	--------------	-----------

d Total of balance and additions (add lines 7b and 7c(6)).	7d	2,668,175
--	-----------	-----------

e Deductions:

(1) Disbursed from fund to pay benefits or purchase annuities during year	7e(1)	376
(2) Administration charge made by carrier	7e(2)	(2,495)
(3) Transferred to separate account	7e(3)	1,740,387
(4) Other (specify below)	7e(4)	0

(5) Total deductions	7e(5)	1,738,268
--------------------------------	--------------	-----------

f Balance at the end of the current year (subtract line 7e(5) from line 7d)	7f	929,907
---	-----------	---------

Part III Welfare Benefit Contract Information

If more than one contract covers the same group of employees of the same employer(s) or members of the same employee organization(s), the information may be combined for reporting purposes if such contracts are experience-rated as a unit. Where contracts cover individual employees, the entire group of such individual contracts with each carrier may be treated as a unit for purposes of this report.

8 Benefit and contract type (check all applicable boxes)

- a** ☐ Health (other than dental or vision)
 b ☐ Dental
 c ☐ Vision
 d ☐ Life insurance
e ☐ Temporary disability (accident and sickness)
 f ☐ Long-term disability
 g ☐ Supplemental unemployment
 h ☐ Prescription drug
i ☐ Stop loss (large deductible)
 j ☐ HMO contract
 k ☐ PPO contract
 l ☐ Indemnity contract
m ☐ Other (specify) ►

9 Experience-rated contracts:

a Premiums: (1) Amount received	9a(1)		
(2) Increase (decrease) in amount due but unpaid	9a(2)		
(3) Increase (decrease) in unearned premium reserve	9a(3)		
(4) Earned ((1) + (2) - (3))		9a(4)	
b Benefit charges (1) Claims paid	9b(1)		
(2) Increase (decrease) in claim reserves	9b(2)		
(3) Incurred claims (add (1) and (2))		9b(3)	
(4) Claims charged		9b(4)	
c Remainder of premium: (1) Retention charges (on an accrual basis) --			
(A) Commissions.	9c(1)(A)		
(B) Administrative service or other fees	9c(1)(B)		
(C) Other specific acquisition costs	9c(1)(C)		
(D) Other expenses	9c(1)(D)		
(E) Taxes	9c(1)(E)		
(F) Charges for risks or other contingencies	9c(1)(F)		
(G) Other retention charges	9c(1)(G)		
(H) Total retention		9c(1)(H)	
(2) Dividends or retroactive rate refunds. (These amounts were ☐ paid in cash, or ☐ credited.)		9c(2)	
d Status of policyholder reserves at end of year: (1) Amount held to provide benefits after retirement		9d(1)	
(2) Claim reserves		9d(2)	
(3) Other reserves		9d(3)	
e Dividends or retroactive rate refunds due. (Do not include amount entered in line 9c(2) .)		9e	

10 Nonexperience-rated contracts:

a Total premiums or subscription charges paid to carrier	10a	
b If the carrier, service, or other organization incurred any specific costs in connection with the acquisition or retention of the contract or policy, other than reported in Part I, line 2 above, report amount	10b	
Specify nature of costs		

Part IV Provision of Information

11 Did the insurance company fail to provide any information necessary to complete Schedule A? . . . ☐ Yes ☐ No

12 If the answer to line 11 is "Yes," specify the information not provided. ►

SCHEDULE C (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefit 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 VSE 401(k) Profit Sharing Plan		B Three-digit plan number (PN) ▶ 001
C Plan sponsor's name as shown on line 2a of Form 5500 VSE LLC		D Employer Identification Number (EIN) 94-2508138

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) ☐ Yes ☒ No
- b If you answered line 1a "Yes," enter the name and EIN or address of each person providing the required disclosures for the service providers who received only eligible indirect compensation. Complete as many entries as needed (see instructions).

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

(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

(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 disclosure on eligible indirect compensation

(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

(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

(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

(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 ADVISORY GROUP LLC
8515 EAST ORCHARD ROAD

US 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	2,105	Yes ☐ No ☒	Yes ☐ No ☒	0	Yes ☐ No ☒

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

EMPOWER ANNUITY INSURANCE COMPANY OF AMERICA
85115 EAST ORCHARD ROAD

US 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	15,337	Yes ☒ No ☐	Yes ☒ No ☐	0	Yes ☒ No ☐

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

HICKS PENSION SERVICES
3459 WEST SHAW AVE

US FRESNO CA 93711

(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?
13	CONTRACT ADMIN	7,805	Yes ☐ No ☒	Yes ☐ No ☒	0	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
MORGAN STANLEY INSURANCE SERVICES I	55	1,809
(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.	
EMPOWER ANNUITY INSURANCE COMPANY OF AMERICA 815 EAST ORCHARD ROAD US GREENWOOD VILLAGE CO 80111	OTHER COMMISSIONS	
(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
MORGAN STANLEY INSURANCE SERVICES I	55	28,757
(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.	
EMPOWER ANNUITY INSURANCE COMPANY OF AMERICA 815 EAST ORCHARD ROAD US GREENWOOD VILLAGE CO 80111	OTHER COMMISSIONS	
(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.	

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

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

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

(complete as many entries as needed)

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

Explanation:

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

Explanation:

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

Explanation:

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

Explanation:

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

Explanation:

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)

MORGAN STANLEY SMITH BARNEY LLC
1 NEW YORK PLZ 12TH FL
ANNUITY AND INSURANCE OPERATIONS
US NEW YORK NY 10004

(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?
55	BROKER/ADVISOR	0	Yes ☒ No ☐	Yes ☐ No ☒	1,809	Yes ☐ No ☒

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

MORGAN STANLEY SMITH BARNEY LLC
1 NEW YORK PLZ 12TH FL
ANNUITY AND INSURANCE OPERATIONS
US NEW YORK NY 10004

(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?
55	BROKER/ADVISOR	0	Yes ☒ No ☐	Yes ☐ No ☒	28,757	Yes ☐ No ☒

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

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

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

A Name of plan VSE 401(k) Profit Sharing Plan	B Three-digit plan number (PN) ► 001
C Plan or DFE sponsor's name as shown on line 2a of Form 5500. VSE LLC	D Employer Identification Number (EIN) 94-2508138

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)
---------------	--

a Name of MTIA, CCT, PSA, or 103-12 IE: AMERICAN CENTURY RD HYBRID 2060 CLI		
b Name of sponsor of entity listed in (a): BENEFITS PLAN ADMIN SERVICES COLLECTIVE TRUSTS		
c EIN-PN 83-6699605-088	d Entity code C	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 28,765
a Name of MTIA, CCT, PSA, or 103-12 IE: AMERICAN CENTURY RD HYBRID INRETCLI		
b Name of sponsor of entity listed in (a): BENEFIT PLANS ADMIN SERVICES COLLECTIVE TRUSTS		
c EIN-PN 83-6699605-079	d Entity code C	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 17,197
a Name of MTIA, CCT, PSA, or 103-12 IE: AMERICAN CENTURY RD HYBRID 2055CLI		
b Name of sponsor of entity listed in (a): BENEFIT PLANS ADMIN SERVICES COLLECTIVE TRUSTS		
c EIN-PN 83-6699605-087	d Entity code C	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 933
a Name of MTIA, CCT, PSA, or 103-12 IE: AMERICAN CENTURY RD HYBRID 2030CLI		
b Name of sponsor of entity listed in (a): BENEFIT PLANS ADMIN SERVICES COLLECTIVE TRUSTS		
c EIN-PN 83-6699605-082	d Entity code C	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 513,030
a Name of MTIA, CCT, PSA, or 103-12 IE: AMERICAN CENTURY RD HYBRID 2025 CLI		
b Name of sponsor of entity listed in (a): BENEFIT PLANS ADMIN SERVICES COLLECTI TRUSTS		
c EIN-PN 83-6699605-081	d Entity code C	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 37,534
a Name of MTIA, CCT, PSA, or 103-12 IE: AMERICAN CENTURY RD HYBRID 2045 CLI		
b Name of sponsor of entity listed in (a): BENEFIT PLANS ADMIN SERVICES COLLECTIVE TRUSTS		
c EIN-PN 83-6699605-085	d Entity code C	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 37,225
a Name of MTIA, CCT, PSA, or 103-12 IE: AMERICAN CENTURY RD HYBRID 2050 CLI		
b Name of sponsor of entity listed in (a): BENEFIT PLANS ADMIN SERVICES COLLECTIVE TRUSTS		
c EIN-PN 83-6699605-086	d Entity code C	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 15,648

a Name of MTIA, CCT, PSA, or 103-12 IE: AMERICAN CENTURY RD HYBRID 2040 CLI		
b Name of sponsor of entity listed in (a): BENEFIT PLANS ADMIN SERVICES COLLECTIVE TRUSTS		
c EIN-PN 83-6699605-084	d Entity code C	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 42,539

a Name of MTIA, CCT, PSA, or 103-12 IE: GALLIARD STABLE RETURN FUND M		
b Name of sponsor of entity listed in (a): WELLS FARGO MUTUAL FUNDS		
c EIN-PN 94-6751924-001	d Entity code C	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 4,442,751

a Name of MTIA, CCT, PSA, or 103-12 IE: AMERICAN CENTURY RD HYBRID 2035 CLI		
b Name of sponsor of entity listed in (a): BENEFIT PLANS ADMIN SERVICES COLLECTIVE TRUSTS		
c EIN-PN 83-6699605-083	d Entity code C	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 246,993

a Name of MTIA, CCT, PSA, or 103-12 IE: AMERICAN CENTURY RD HYBRID 2065 CLI		
b Name of sponsor of entity listed in (a): BENEFIT PLANS ADMIN SERVICES COLLECTIVE TRUSTS		
c EIN-PN 83-6699605-089	d Entity code C	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 4,609

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)

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)

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
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
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

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 VSE 401(k) Profit Sharing Plan	B Three-digit plan number (PN) ► 001	
C Plan sponsor's name as shown on line 2a of Form 5500 VSE LLC	D Employer Identification Number (EIN) 94-2508138	

Part I Asset and Liability Statement			
1 Current value of plan assets and liabilities at the beginning and end of the plan year. Combine the value of plan assets held in more than one trust. Report the value of the plan's interest in a commingled fund containing the assets of more than one plan on a line-by-line basis unless the value is reportable on lines 1c(9) through 1c(14). Do not enter the value of that portion of an insurance contract which guarantees, during this plan year, to pay a specific dollar benefit at a future date. Round off amounts to the nearest dollar. MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 1b(1), 1b(2), 1c(8), 1g, 1h, and 1i. CCTs, PSAs, and 103-12 IEs also do not complete lines 1d and 1e. See instructions.			
Assets		(a) Beginning of Year	(b) End of Year
a Total noninterest-bearing cash	1a	0	
b Receivables (less allowance for doubtful accounts):			
(1) Employer contributions	1b(1)	855,890	715,717
(2) Participant contributions	1b(2)	48,505	22,500
(3) Other	1b(3)		
c General investments:			
(1) Interest-bearing cash (include money market accounts & certificates of deposit)	1c(1)	842,531	2,208,009
(2) U.S. Government securities	1c(2)		
(3) Corporate debt instruments (other than employer securities):			
(A) Preferred	1c(3)(A)		
(B) All other	1c(3)(B)	2,194,565	1,219,631
(4) Corporate stocks (other than employer securities):			
(A) Preferred	1c(4)(A)		
(B) Common	1c(4)(B)	172,482	0
(5) Partnership/joint venture interests	1c(5)	0	903,545
(6) Real estate (other than employer real property)	1c(6)		
(7) Loans (other than to participants)	1c(7)		
(8) Participant loans	1c(8)	170,940	146,538
(9) Value of interest in common/collective trusts	1c(9)	3,977,528	4,925,496
(10) Value of interest in pooled separate accounts	1c(10)	0	
(11) Value of interest in master trust investment accounts	1c(11)		
(12) Value of interest in 103-12 investment entities	1c(12)		0
(13) Value of interest in registered investment companies (e.g., mutual funds)	1c(13)	17,411,402	19,855,495
(14) Value of funds held in insurance company general account (unallocated contracts)	1c(14)		929,913
(15) Other	1c(15)		

1d Employer-related investments:

		(a) Beginning of Year	(b) End of Year
(1) Employer securities	1d(1)		
(2) Employer real property	1d(2)		
e Buildings and other property used in plan operation	1e		
f Total assets (add all amounts in lines 1a through 1e)	1f	25,673,843	30,926,844

Liabilities

g Benefit claims payable	1g	33	6,949
h Operating payables	1h		
i Acquisition indebtedness	1i		
j Other liabilities	1j		
k Total liabilities (add all amounts in lines 1g through 1j)	1k	33	6,949

Net Assets

l Net assets (subtract line 1k from line 1f)	1l	25,673,810	30,919,895
---	----	------------	------------

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)	1,226,545	
(B) Participants	2a(1)(B)	1,150,911	
(C) Others (including rollovers)	2a(1)(C)	202,721	
(2) Noncash contributions	2a(2)		
(3) Total contributions. Add lines 2a(1)(A), (B), (C), and line 2a(2)	2a(3)		2,580,177
b Earnings on investments:			
(1) Interest:			
(A) Interest-bearing cash (including money market accounts and certificates of deposit)	2b(1)(A)	19,683	
(B) U.S. Government securities	2b(1)(B)	0	
(C) Corporate debt instruments	2b(1)(C)	86,379	
(D) Loans (other than to participants)	2b(1)(D)		
(E) Participant loans	2b(1)(E)	7,299	
(F) Other	2b(1)(F)	12,537	
(G) Total interest. Add lines 2b(1)(A) through (F)	2b(1)(G)		125,898
(2) Dividends: (A) Preferred stock	2b(2)(A)		
(B) Common stock	2b(2)(B)	2,658	
(C) Registered investment company shares (e.g. mutual funds)	2b(2)(C)	253,263	
(D) Total dividends. Add lines 2b(2)(A), (B), and (C)	2b(2)(D)		255,921
(3) Rents	2b(3)		
(4) Net gain (loss) on sale of assets: (A) Aggregate proceeds	2b(4)(A)		
(B) Aggregate carrying amount (see instructions)	2b(4)(B)		
(C) Subtract line 2b(4)(B) from line 2b(4)(A) and enter result	2b(4)(C)		
(5) Unrealized appreciation (depreciation) of assets: (A) Real estate	2b(5)(A)		
(B) Other	2b(5)(B)		
(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)		388,675
(7) Net investment gain (loss) from pooled separate accounts	2b(7)		
(8) Net investment gain (loss) from master trust investment accounts	2b(8)		
(9) Net investment gain (loss) from 103-12 investment entities	2b(9)		
(10) Net investment gain (loss) from registered investment companies (e.g., mutual funds)	2b(10)		3,916,627
c Other income	2c		219
d Total income. Add all income amounts in column (b) and enter total	2d		7,267,517

Expenses

e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	1,993,345	
(2) To insurance carriers for the provision of benefits	2e(2)		
(3) Other	2e(3)		
(4) Total benefit payments. Add lines 2e(1) through (3)	2e(4)		1,993,345
f Corrective distributions (see instructions)	2f		
g Certain deemed distributions of participant loans (see instructions)	2g		
h Interest expense	2h		
i Administrative expenses:			
(1) Salaries and allowances	2i(1)		
(2) Contract administrator fees	2i(2)		
(3) Recordkeeping fees	2i(3)	28,087	
(4) IQPA audit fees	2i(4)		
(5) Investment advisory and investment management fees	2i(5)		
(6) Bank or trust company trustee/custodial fees	2i(6)		
(7) Actuarial fees	2i(7)		
(8) Legal fees	2i(8)		
(9) Valuation/appraisal fees	2i(9)		
(10) Other trustee fees and expenses	2i(10)		
(11) Other expenses	2i(11)		
(12) Total administrative expenses. Add lines 2i(1) through (11)	2i(12)		28,087
j Total expenses. Add all expense amounts in column (b) and enter total	2j		2,021,432

Net Income and Reconciliation

k Net income (loss). Subtract line 2j from line 2d	2k		5,246,085
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: **APRIO LLP**

(2) EIN: **57-1157523**

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, 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:

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

	Yes	No	Amount
4a	☒	☐	23,096

b Were any loans by the plan or fixed income obligations due the plan in default as of the close of plan year or classified during the year as uncollectible? Disregard participant loans secured by participant's account balance. (Attach Schedule G (Form 5500) Part I if "Yes" is checked.)

4b	☐	☒	
-----------	--------------------------	-------------------------------------	--

c Were any leases to which the plan was a party in default or classified during the year as uncollectible? (Attach Schedule G (Form 5500) Part II if "Yes" is checked.)

4c	☐	☒	
-----------	--------------------------	-------------------------------------	--

d Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 4a. Attach Schedule G (Form 5500) Part III if "Yes" is checked.)

4d	☐	☒	
-----------	--------------------------	-------------------------------------	--

e Was this plan covered by a fidelity bond?

4e	☒	☐	500,000
-----------	-------------------------------------	--------------------------	---------

f Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?

4f	☐	☒	
-----------	--------------------------	-------------------------------------	--

g Did the plan hold any assets whose current value was neither readily determinable on an established market nor set by an independent third party appraiser?

4g	☐	☒	
-----------	--------------------------	-------------------------------------	--

h Did the plan receive any noncash contributions whose value was neither readily determinable on an established market nor set by an independent third party appraiser?

4h	☐	☒	
-----------	--------------------------	-------------------------------------	--

i Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.)

4i	☒	☐	
-----------	-------------------------------------	--------------------------	--

j Were any plan transactions or series of transactions in excess of 5% of the current value of plan assets? (Attach schedule of transactions if "Yes" is checked, and see instructions for format requirements.)

4j	☐	☒	
-----------	--------------------------	-------------------------------------	--

k Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?

4k	☐	☒	
-----------	--------------------------	-------------------------------------	--

l Has the plan failed to provide any benefit when due under the plan?

4l	☐	☒	
-----------	--------------------------	-------------------------------------	--

m If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.)

4m	☐	☒	
-----------	--------------------------	-------------------------------------	--

n If 4m was answered "Yes," check the "Yes" box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3.

4n	☐	☐	
-----------	--------------------------	--------------------------	--

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 VSE 401(k) Profit Sharing Plan		B Three-digit plan number (PN) 001
C Plan sponsor's name as shown on line 2a of Form 5500 VSE LLC		D Employer Identification Number (EIN) 94-2508138
Part I Distributions		
All references to distributions relate only to payments of benefits during the plan year.		
1 Total value of distributions paid in property other than in cash or the forms of property specified in the instructions		1
2 Enter the EIN(s) of payor(s) who paid benefits on behalf of the plan to participants or beneficiaries during the year (if more than two, enter EINs of the two payors who paid the greatest dollar amounts of benefits): EIN(s): 94-2508138		
Profit-sharing plans, ESOPs, and stock bonus plans, skip line 3.		
3 Number of participants (living or deceased) whose benefits were distributed in a single sum, during the plan year		3
Part II Funding Information (If the plan is not subject to the minimum funding requirements of section 412 of the Internal Revenue Code or ERISA section 302, skip this Part)		
4 Is the plan administrator making an election under Code section 412(d)(2) or ERISA section 302(d)(2)? ☐ Yes ☐ No ☐ N/A		
If the plan is a defined benefit plan, go to line 8.		
5 If a waiver of the minimum funding standard for a prior year is being amortized in this plan year, see instructions and enter the date of the ruling letter granting the waiver. Date: Month _____ Day _____ Year _____		
If you completed line 5, complete lines 3, 9, and 10 of Schedule MB and do not complete the remainder of this schedule.		
6 a Enter the minimum required contribution for this plan year (include any prior year accumulated funding deficiency not waived)		6a
b Enter the amount contributed by the employer to the plan for this plan year		6b
c Subtract the amount in line 6b from the amount in line 6a. Enter the result (enter a minus sign to the left of a negative amount)		6c
If you completed line 6c, skip lines 8 and 9.		
7 Will the minimum funding amount reported on line 6c be met by the funding deadline? ☐ Yes ☐ No ☐ N/A		
8 If a change in actuarial cost method was made for this plan year pursuant to a revenue procedure or other authority providing automatic approval for the change or a class ruling letter, does the plan sponsor or plan administrator agree with the change? ☐ Yes ☐ No ☐ N/A		
Part III Amendments		
9 If this is a defined benefit pension plan, were any amendments adopted during this plan year that increased or decreased the value of benefits? If yes, check the appropriate box. If no, check the "No" box ☐ Increase ☐ Decrease ☐ Both ☐ No		
Part IV ESOPs (see instructions). If this is not a plan described under section 409(a) or 4975(e)(7) of the Internal Revenue Code, skip this Part.		
10 Were unallocated employer securities or proceeds from the sale of unallocated securities used to repay any exempt loan? ... ☐ Yes ☐ No		
11 a Does the ESOP hold any preferred stock?		☐ Yes ☐ No
b If the ESOP has an outstanding exempt loan with the employer as lender, is such loan part of a "back-to-back" loan? (See instructions for definition of "back-to-back" loan.)		☐ Yes ☐ No
12 Does the ESOP hold any stock that is not readily tradable on an established securities market? ☐ Yes ☐ No		
For Paperwork Reduction Act Notice, see the Instructions for Form 5500.		
Schedule R (Form 5500) 2023 v. 230728		

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 attachment)

14a

b The plan year immediately preceding the current plan year. ☐ Check the box if the number reported is a change from what was previously reported (see instructions for required attachment)

14b

c The second preceding plan year. ☐ Check the box if the number reported is a change from what was previously reported (see instructions for required attachment)

14c

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

a The corresponding number for the plan year immediately preceding the current plan year

15a

b The corresponding number for the second preceding plan year

15b

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

a Enter the number of employers who withdrew during the preceding plan year

16a

b If line 16a is greater than 0, enter the aggregate amount of withdrawal liability assessed or estimated to be assessed against such withdrawn employers

16b

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

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

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

☐

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

a Enter the percentage of plan assets held as:

Public Equity: _____ % Private Equity: _____ % Investment-Grade Debt and Interest Rate Hedging Assets: _____ %

High-Yield Debt: _____ % Real Assets: _____ % Cash or Cash Equivalents: _____ % Other: _____ %

b Provide the average duration of the Investment-Grade Debt and Interest Rate Hedging Assets:

☐ 0-5 years ☐ 5-10 years ☐ 10-15 years ☐ 15 years or more

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

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

b If line 20a is "Yes," has PBGC been notified as required by ERISA sections 4043(c)(5) and/or 303(k)(4)? Check the applicable box:

☐ Yes.

☐ No. Reporting was waived under 29 CFR 4043.25(c)(2) because contributions equal to or exceeding the unpaid minimum required contribution were made by the 30th day after the due date.

☐ No. The 30-day period referenced in 29 CFR 4043.25(c)(2) has not yet ended, and the sponsor intends to make a contribution equal to or exceeding the unpaid minimum required contribution by the 30th day after the due date.

☐ No. Other. Provide explanation

Part VII IRS Compliance Questions

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

21b If this is a Code section 401(k) plan, check all boxes that apply to indicate how the plan is intended to satisfy the nondiscrimination requirements for employee deferrals and employer matching contributions (as applicable) under Code sections 401(k)(3) and 401(m)(2).

☒ Design-based safe harbor method

☐ "Prior year" ADP test

☐ "Current year" ADP test

☐ N/A

22 If the plan sponsor is an adopter of a pre-approved plan that received a favorable IRS Opinion Letter, enter the date of the Opinion Letter 06/30/2020 (MM/DD/YYYY) and the Opinion Letter serial number Q703806a.

**VSE 401(K) PROFIT SHARING PLAN
(F/K/A TRI-PHASE, INC. 401(K) PROFIT SHARING PLAN)**

**FINANCIAL REPORT
DECEMBER 31, 2023 AND 2022**

VSE 401(K) PROFIT SHARING PLAN

TABLE OF CONTENTS

PAGE

INDEPENDENT AUDITORS' REPORT

1 - 3

FINANCIAL STATEMENTS:

Statements of Net Assets Available for Benefits

4

Statement of Changes in Net Assets Available for Benefits

5

Notes to Financial Statements

6 - 15

SUPPLEMENTAL INFORMATION

Schedule of Assets Held at End of Year

16 - 17

Schedule of Delinquent Participant Contributions

18



INDEPENDENT AUDITORS' REPORT

To the Administrative Committee
VSE 401(k) Profit Sharing Plan

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

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

Management, having determined it is permissible in the circumstances, has elected to have the audits of VSE 401(k) Profit Sharing 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 Rules and Regulations for Reporting and Disclosure under ERISA. As permitted by ERISA Section 103(a)(3)(C), our audits need not extend to any statements or information related to assets held for investment of the plan (investment information) by a bank or similar institution or insurance carrier that is regulated, supervised, and subject to periodic examination by a state or federal agency, provided that the statements or information regarding assets so held are prepared and certified to by the bank or similar institution or insurance carrier in accordance with 29 CFR 2520.103-5 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA (qualified institution).

Management has obtained certifications from Empower Trust Company, LLC and Empower Annuity Insurance Company of America as of December 31, 2023, and for the period from March 23, 2023 to December 31, 2023, Matrix Trust Company as of December 31, 2022 and for the period from January 1, 2023 to March 22, 2023, stating that the certified investment information, as described in Note F to the financial statements, is complete and accurate.

Opinion

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

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

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the VSE 401(k) Profit Sharing Plan and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our 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 accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error. Management's election of the ERISA Section 103(a)(3)(C) audit does not affect management's responsibility for the financial statements.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the VSE 401(k) Profit Sharing Plan's ability to continue as a going concern for one year after the date the financial statements are available to be issued.

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the VSE 401(k) Profit Sharing 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 VSE 401(k) Profit Sharing 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 accounting principles generally accepted in the United States of America.

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

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

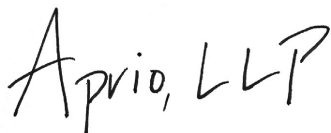
Other Matter - Supplemental Schedules Required by ERISA

The supplemental schedules of Assets Held at End of Year and Delinquent Participant Contributions as of or for the year ended December 31, 2023 are presented for purposes of additional analysis and are not a required part of the financial statements but are supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information included in the supplemental schedules, 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 generally accepted auditing standards. For information included in the supplemental schedules 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 schedules, we evaluated whether the supplemental schedules, other than the information agreed to or derived from the certified investment information, including their form and content, are presented in conformity with the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA.

In our opinion:

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

A handwritten signature in black ink that reads "Aprio, LLP". The signature is written in a cursive, flowing style.

Atlanta, Georgia
February 27, 2025

VSE 401(K) PROFIT SHARING PLAN
STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS
DECEMBER 31, 2023 AND 2022

	<u>2023</u>	<u>2022</u>
<u>ASSETS</u>		
<u>Investments</u>		
Investments, at fair value	\$ 29,112,176	\$ 24,598,508
Investments, at contract value	<u>929,913</u>	<u>-</u>
Total investments	<u>30,042,089</u>	<u>24,598,508</u>
<u>Receivables</u>		
Participant contributions	22,500	48,505
Notes receivable from participants	146,538	170,940
Employer contributions	<u>715,717</u>	<u>855,890</u>
Total receivables	<u>884,755</u>	<u>1,075,335</u>
Total assets	<u>30,926,844</u>	<u>25,673,843</u>
<u>LIABILITIES</u>		
Other payables	<u>6,950</u>	<u>33</u>
Total liabilities	<u>6,950</u>	<u>33</u>
NET ASSETS AVAILABLE FOR BENEFITS	\$ <u>30,919,894</u>	\$ <u>25,673,810</u>

See notes to financial statements

VSE 401(K) PROFIT SHARING PLAN
STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS
YEAR ENDED DECEMBER 31, 2023

ADDITIONS TO NET ASSETS ATTRIBUTED TO

Investment income

Net appreciation in fair value of investments	\$ 4,051,456
Interest and dividends	628,366
Other income	<u>219</u>

Net investment income	<u>4,680,041</u>
-----------------------	------------------

Interest income on notes receivable from participants	<u>7,299</u>
---	--------------

Contributions

Employer	1,226,545
Participants	1,150,911
Rollover	<u>202,720</u>

2,580,176

TOTAL ADDITIONS	<u>7,267,516</u>
-----------------	------------------

DEDUCTIONS FROM NET ASSETS ATTRIBUTED TO

Benefits paid	1,993,345
Administrative expenses	<u>28,087</u>

TOTAL DEDUCTIONS	<u>2,021,432</u>
------------------	------------------

NET INCREASE	5,246,084
--------------	-----------

NET ASSETS AVAILABLE FOR BENEFITS

Beginning of year	<u>25,673,810</u>
-------------------	-------------------

End of year	<u>\$ 30,919,894</u>
-------------	----------------------

See notes to financial statements

VSE 401(K) PROFIT SHARING PLAN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022

Note A - Description of Plan

The following description of the VSE 401(k) Profit Sharing Plan (the "Plan") provides only general information. Participants should refer to the Plan agreement for a more complete description of the Plan's provisions.

General:

The Plan is a defined contribution profit sharing plan which was established on June 1, 1993. The plan provisions cover all employees of VSE, LLC (the "Company" or "Sponsor"), who are at least 18 years old and have completed one month of service, other than employees who are covered by a collective bargaining agreement and nonresident aliens as defined by the plan document. Eligible employees may enter the Plan on the first day of the month coinciding with or next following the date eligibility requirements are met. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA).

Plan Amendments:

Effective January 1, 2023, the Plan was amended and restated to adopt the Central Administrative Services, Inc. Defined Contribution Pre-Approved Base Plan Document. As part of this amendment and restatement effective January 1, 2023, the Plan was amended to change the name to VSE 401(k) Profit Sharing Plan and change the name of the sponsor to VSE, LLC (previously Tri-Phase, Inc. dba Valley Services Electronics). Additionally the plan made the following changes:

- to allow leased employees as eligible participants;
- to modify service for eligibility purposes to one month of credited service (previously three months of credited service);
- to remove the discretionary employer match provision;
- to modify the safe harbor matching contribution to 100% up to 5% of the participant's deferral contributions;
- to remove the 75% limit on participant deferral contributions.

During March 2023, the Plan changed trustees and transferred Plan assets from Matrix Trust Company to Empower Trust Company, LLC and Empower Annuity Insurance Company of America.

VSE 401(K) PROFIT SHARING PLAN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022

Note A - Description of Plan (Continued)

Contributions:

Participants may elect to defer up to 100% of their compensation, subject to the maximum amount allowed by the Internal Revenue Code, and make a contribution to the Plan. Catch-up contributions are also allowed by the Plan. Participants may also contribute amounts representing distributions from other qualified plans. Participants direct the investment of their contributions into various investment options offered by the Plan.

Effective January 1, 2023, the Company provides a safe harbor match of 100% of each participant's deferral contribution not exceeding 5% of the participant's compensation. Prior to January 1, 2023, the Company provided a safe harbor match of 100% of each participant's deferral contributions not exceeding 3% of the participant's compensation, plus 50% of each participant's deferral contributions in excess of 3% but not in excess of 5% of the participant's compensation. Additionally, the Company may also make an optional nonelective (profit sharing) contribution. For the year ended December 31, 2023, profit sharing contributions totaled \$641,500. The allocation of the discretionary profit sharing contribution is based on an integrated formula with an integration of the social security taxable wage base.

Investments held by the Plan on behalf of participants related to profit sharing contributions are nonparticipant-directed. In the nonparticipant-directed program, the Trustees, under the guidance of investment managers, directs the specific investments held by the Plan. See Note H for applicable disclosures. Investments held by the Plan on behalf of participants related to 401(k) and safe harbor match contributions are participant-directed. In the participant-directed program, the individual participant selects the investments for his or her individual account

Participant Accounts:

Separate individual 401(k) and profit sharing accounts are maintained for each participant. Each participant's 401(k) account is credited with the participant's contributions and rollovers, the Company's safe harbor matching contributions, Plan expenses and an allocation of the Plan's investment income or losses based upon the participant's election of investment options.

An eligible profit sharing participant is entitled to an annual allocation of the employer profit sharing contribution and former participant profit sharing forfeitures after restoration of previously forfeited accounts. Employer profit sharing contributions and former participant forfeitures are allocated in the proportion of the participant's annual compensation to compensation of all participants subject to the IRC Section 415 defined maximum limitations. Participants do not direct the investment of profit sharing contributions. Profit sharing investment income or losses and Plan expenses are allocated based on a ratio of each participant's profit sharing account balance to the total profit sharing account balances.

The total benefit to which a participant is entitled is the benefit that can be provided from the participant's vested 401(k) and profit sharing accounts.

VSE 401(K) PROFIT SHARING PLAN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022

Note A - Description of Plan (Continued)

Notes Receivable from Participants:

Participants may borrow against their investment account balances a minimum of \$1,000 up to a maximum of \$50,000 or 50% of their vested balance, whichever is less. Generally, loans can be made for a period not exceeding five years; however, in certain circumstances, terms can be extended beyond five years, as defined by the Plan. The loans are collateralized by the vested balance in the participant's account and bear interest at the Prime rate plus 1%. Principal and interest are paid ratably through payroll deductions.

Vesting:

Participants are immediately 100% vested in their salary deferral contributions and safe harbor matching contributions plus actual earnings thereon. Vesting in nonelective contributions is based on years of service with the Company. A participant is fully vested in nonelective contributions after six years of service.

Payment of Benefits:

Participants may elect to receive a lump-sum amount equal to the value of their vested interest upon retirement, termination of service, death or disability. Partial withdrawals or installments are only permitted for participants or beneficiaries who must receive required minimum distributions under Code section 401(a)(9). A terminated employee with a balance of less than \$5,000 may be automatically paid out by the Plan upon termination. Distributions may be made at the participant's election prior to termination upon attainment of age 59 ½ or hardship as defined in the Plan document.

Forfeited Accounts:

At December 31, 2023 and 2022, forfeited nonvested accounts totaled \$27,411 and \$42, respectively. Forfeited accounts will be used to reduce Company contributions. During 2023, no forfeitures were used to reduce Company contributions.

Subsequent events:

Subsequent events have been evaluated through February 27, 2025, which is the date the financial statements were available to be issued.

Note B - Significant Accounting Policies

Basis of Accounting:

The financial statements of the Plan are prepared on the accrual basis of accounting.

Investment contracts held by a defined-contribution plan are required to be reported at fair value. However, contract value is the relevant measurement attribute for that portion of the net assets available for benefits of a defined-contribution plan attributable to fully benefit-responsive investment contracts because contract value is the amount participants would receive if they were to initiate permitted transactions under the terms of the Plan.

VSE 401(K) PROFIT SHARING PLAN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022

Note B - Significant Accounting Policies (Continued)

Investment Valuation and Income Recognition:

Investments are reported at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. See Note G for discussion of fair value measurements.

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

Plan Expenses:

Certain expenses of maintaining the Plan are paid directly by the Company and are excluded from these financial statements. Company personnel perform various administrative services for the Plan. The payroll and related overhead costs associated with these services are not included as plan expenses. Fees related to participant recordkeeping and specific participant transactions are charged directly to each participants' account and are included in administrative expenses.

Risk and Uncertainties:

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

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. Related fees are recorded as administrative expenses and are expensed when they are incurred. If a participant ceases to make loan repayments and the plan administrator deems the participant loan to be in default, the participant loan balance is reduced and benefit payment is recorded.

Contributions:

Participant contributions and the related Company safe harbor matching contributions are recognized in the period the participant contribution is withheld from compensation. Company profit sharing contributions are recognized in the period the eligible compensation is paid to the participant.

Payment of Benefits:

Benefit distributions, determined in accordance with provisions of the Plan, are recorded when paid.

VSE 401(K) PROFIT SHARING PLAN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022

Note B - Significant Accounting Policies (Continued)

Use of Estimates:

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires Plan management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Note C - 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 100% vested in their accounts.

Note D - Income Tax Status

On June 30, 2020, the Internal Revenue Service ("IRS") stated that the non-standardized profit-sharing plan with CODA adopted by the Plan, as then designated, qualifies under Section 401(a) of the IRC. The Plan administrator timely adopted the approved Plan. The Plan administrator believes that the Plan is currently being operated in accordance with the applicable requirements of the IRC. Therefore, no provision for income taxes has been included in the Plan's financial statements.

U.S. GAAP requires plan management to evaluate tax positions taken by the Plan and recognize a tax liability (or asset) for any uncertain position that more likely than not would not be sustained upon examination by the IRS. The Plan administrator has analyzed the tax positions taken by the Plan and has concluded that there are no uncertain positions taken or expected to be taken that would require recognition of a liability (or asset) or disclosure in the financial statements. The Plan is subject to routine audits by taxing jurisdictions, however, there are currently no audits in progress for any tax periods.

Note E - Related Party Activity

Certain plan investments are investments managed by Matrix Trust Company, Empower Trust Company, LLC and Empower Annuity Insurance Company of America, the trustees of the Plan, and Morgan Stanley Smith Barney, LLC, the custodian of the discretionary profit sharing source of the Plan (see Note H). The trustees and custodian invest certain Plan assets in certain investments managed by the trustees, custodian or their affiliates, and such transactions qualify as party-in-interest transactions, which are exempt from the prohibited transaction rules. The Plan paid certain expenses related to Plan operations and investment activity to various service providers. These transactions are party-in-interest transactions under ERISA.

VSE 401(K) PROFIT SHARING PLAN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022

Note F - Information Certified by the Trustee of the Plan

The following information included in the accompanying financial statements and supplemental schedules was obtained from data that has been prepared and certified to as complete and accurate by Matrix Trust Company, Empower Trust Company, LLC and Empower Annuity Insurance Company of America (trustees of the plan).

	<u>2023</u>	<u>2022</u>
Investments, at fair value:		
Mutual funds	\$ 12,833,562	\$ 11,009,556
Common collective trust	\$ 4,925,496	\$ 3,977,528
Investments, at contract value:		
Guaranteed income fund	\$ 929,913	\$ -
Net appreciation (depreciation) in fair value of investments	\$ 2,696,708	
Interest and dividends	\$ 439,101	

Note G - Fair Value Measurements

The framework for measuring fair value provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three Levels of the fair value hierarchy under FASB 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 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 principally from or corroborated by observable market data by correlation or other means. If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.
- Level 3 Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques are used 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.

Mutual funds: Valued at the daily closing price as quoted by the fund. Mutual funds held by the Plan are open-ended mutual funds that are registered with the Securities and Exchange Commission. These funds are required to publish their daily net assets value (NAV) and to transact at that price. The mutual funds held by the Plan are deemed to be actively traded.

VSE 401(K) PROFIT SHARING PLAN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022

Note G - Fair Value Measurements (Continued)

Common collective trusts: Valued at the NAV of units of the bank collective trust. The Galliard Stable Return Fund M (formerly Wells Fargo Stable Value Fund M) is a collective trust fund that is composed primarily of fully benefit-responsive investment contracts. The NAV is used as a practical expedient to estimate fair value. This 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. For the portion of the Plan invested in the Galliard Stable Return Fund M, if the Plan initiates a full redemption, the issuer reserves the right to require 12 months' notification in order to confirm that securities liquidations will be carried out in an orderly business manner. There are no other significant redemption restrictions.

Corporate bonds: The fair value of corporate bonds is valued using a market approach on yields currently available on comparable securities of issuers with similar credit ratings.

Money market funds: Valued at quoted market prices, which represent the NAV of shares held at year-end.

Common stock: The fair values of common stocks are based on the closing price reported in the active market where the individual securities are traded, when available.

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

VSE 401(K) PROFIT SHARING PLAN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022

Note G - Fair Value Measurements (Continued)

The following tables set forth, by level within the fair value hierarchy, the Plan's investments at fair value as of December 31, 2023 and 2022:

Description	Total	Quoted Prices In Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
<u>2023</u>				
Mutual funds	\$ 19,855,495	\$ 19,855,495	\$ -	\$ -
Common collective trusts (a)	4,925,496	-	-	-
Corporate bonds	1,219,631	-	1,219,631	-
Money market funds	2,208,009	2,208,009	-	-
Common stocks	<u>903,545</u>	<u>903,545</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 29,112,176</u>	<u>\$ 22,967,049</u>	<u>\$ 1,219,631</u>	<u>\$ -</u>

<u>2022</u>				
Mutual funds	\$ 17,411,402	\$ 17,411,402	\$ -	\$ -
Common collective trusts (a)	3,977,528	-	-	-
Corporate bonds	2,194,565	-	2,194,565	-
Money market funds	842,531	842,531	-	-
Common stocks	<u>172,482</u>	<u>172,482</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 24,598,508</u>	<u>\$ 18,426,415</u>	<u>\$ 2,194,565</u>	<u>\$ -</u>

(a) In accordance with ASC 820-10, certain investments that were measured at net asset value per share (or its equivalent) 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.

VSE 401(K) PROFIT SHARING PLAN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022

Note H - Nonparticipant Directed Investments

The Employer directs the investment of the discretionary profit sharing source within the Plan. Net assets relating to nonparticipant directed investments at December 31, 2023 and 2022 are as follows:

	<u>2023</u>	<u>2022</u>
Net assets:		
Mutual funds	\$ 7,021,933	\$ 6,401,846
Corporate bonds	1,219,631	2,194,565
Money market funds	2,208,009	842,531
Common stocks	<u>903,545</u>	<u>172,482</u>
Total	<u>\$ 11,353,118</u>	<u>\$ 9,611,424</u>

The significant components of the changes in net assets relating to nonparticipant directed investments for the year ended December 31, 2023, are as follows:

	<u>2023</u>
Changes in net assets:	
Contributions	\$ 815,913
Investment income (loss)	1,544,013
Benefits paid to participants	<u>(618,232)</u>
Total	<u>\$ 1,741,694</u>

Note I - Guaranteed Interest Accounts

During 2023, the Plan entered into a group annuity contract with Empower Annuity Insurance Company of America that invests contributions in the EI Fixed Account (the "Fund"). The Fund is a general account product. The methodology for calculating the interest crediting rate is based on the earnings of the underlying assets in the entire medium-long term new portfolio compared to the minimum interest crediting rate, as stated in the contract, and prevailing market conditions. The interest crediting rate is reset quarterly. Contract value is the relevant measurement attribute for that portion of the net assets available for benefits attributable to the group annuity contract since the contract was determined to be fully benefit-responsive. The account is credited with earnings on the underlying investments and charged for participant withdrawals and administrative expenses. Contract value represents contributions made under the contract, plus earnings, less participant withdrawals and administrative expenses.

Participants may transfer their account balance in the Fund to any other investment option offered under the Plan at any time with no restrictions or penalties, because the Fund is designed to be a Plan's only guaranteed/stable value/money market investment. In order to provide the participant with liquidity (100% for participant transfers), there cannot be any actively competing guaranteed/stable value/money market investments in the Plan. Bond funds of durations longer than three years are permitted. The guaranteed investment contract issuer is contractually obligated to repay the principal and a specified interest rate that is guaranteed to the Plan.

VSE 401(K) PROFIT SHARING PLAN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022

Note I - Guaranteed Interest Accounts (Continued)

There are no reserves against contract value for credit risk of the contract issuer or otherwise. The crediting interest is based on a formula agreed upon with the issuer but may not be less than zero percent. Such interest rates are reviewed on a quarterly basis for resetting. Certain events limit the ability of the Plan to transact at contract value with the issuer. Such events include the following:

- (a) amendments to the Plan document (including complete or partial Plan termination or merger with another plan),
- (b) changes to the Plan's prohibition on competing investment options or deletion of equity wash provisions,
- (c) bankruptcy of the Plan Sponsor or other Plan Sponsor events that cause a significant withdrawal from the Plan or
- (d) the failure of the trust to qualify for exemption from federal income taxes or any required prohibited transaction exemption under ERISA.

The Plan Administrator does not believe that any events which would limit the Plan's ability to transact at contract value with participants are probable of occurring. Upon termination of the group annuity contract, the employer may (a) receive the payoff of the fund in a lump sum with a market value adjustment, (b) receive the payout of the fund in a lump sum at book value, or (c) maintain participant accounts in the Fund.

Note J - Prohibited Transactions

During the year ended December 31, 2023, the Company failed to remit to the Plan's trustee certain participant contributions within the period prescribed by Department of Labor regulations. Consequently, the Plan is considered to have engaged in non-exempt transactions with a party-in-interest. The Company is required to rectify the matter by paying lost earnings on the participant contributions that were remitted late.

VSE 401(K) PROFIT SHARING PLAN
EIN: 94-2508138
PLAN NUMBER: 001
Form 5500, Schedule H, Part IV, Line 4i
SCHEDULE OF ASSETS HELD AT END OF YEAR
AS OF DECEMBER 31, 2023

(a)	(b) Identity of Issuer	(c) Description of Investment	(d) Cost	(e) Current Value
	Funds held by Empower Trust Company, LLC and Empower Annuity Insurance Company of America:			
	Alger Small Cap Focus Y	Mutual Fund	**	\$ 1,312,672
	American Century Emerging Markets R6	Mutual Fund	**	35,383
	American Century Mid Cap Value R6	Mutual Fund	**	10,836
	BlackRock Income Fund K	Mutual Fund	**	310
	BlackRock Inflation Protected Bond K	Mutual Fund	**	3,856
	DFA US Targeted Value I	Mutual Fund	**	15,366
	Empower T. Rowe Price Mid Cap Gr Inst	Mutual Fund	**	32,569
	Fidelity 500 Index	Mutual Fund	**	4,490,995
	Fidelity International Index	Mutual Fund	**	1,096,655
	Fidelity Mid Cap Index	Mutual Fund	**	148,276
	Fidelity Real Estate Index	Mutual Fund	**	54,570
	Fidelity Small Cap Index	Mutual Fund	**	79,002
	Fidelity US Bond Index	Mutual Fund	**	1,072,463
	Franklin DynaTech R6	Mutual Fund	**	3,517,196
	Invesco Core Plus Bond R6	Mutual Fund	**	36,556
	JPMorgan Global Allocation R6	Mutual Fund	**	31,726
	PGIM Global Total Return R6	Mutual Fund	**	3,178
	PGIM High-Yield R6	Mutual Fund	**	3,043
	Putnam Dynamic Asset Allocation Bal R6	Mutual Fund	**	591,532
	Putnam Large Cap Value R6	Mutual Fund	**	297,378
*	El Fixed Account - Series Class I	Guaranteed Investment Contract	**	929,913
	American Century RD Hybrid 2025 CL I	Collective Trust Fund	**	37,535
	American Century RD Hybrid 2030 CL I	Collective Trust Fund	**	51,303
	American Century RD Hybrid 2035 CL I	Collective Trust Fund	**	246,994
	American Century RD Hybrid 2040 CL I	Collective Trust Fund	**	42,540
	American Century RD Hybrid 2045 CL I	Collective Trust Fund	**	37,226
	American Century RD Hybrid 2050 CL I	Collective Trust Fund	**	15,648
	American Century RD Hybrid 2055 CL I	Collective Trust Fund	**	934
	American Century RD Hybrid 2060 CL I	Collective Trust Fund	**	28,765
	American Century RD Hybrid 2065 CL I	Collective Trust Fund	**	4,610
	American Century RD Hybrid In Ret CL 1	Collective Trust Fund	**	17,197
	Galliard Stable Return Fund M	Collective Trust Fund	**	4,442,744
	Total			<u>\$ 18,688,971</u>
	Funds held by Morgan Stanley Smith Barney, LLC:			
	American Express Co Coupon Rate 3.000%; Matures 10/30/2024	Corporate Bonds	48,648	49,357
	Apple Inc Coupon Rate 3.000%; Matures 02/09/2024	Corporate Bonds	93,206	93,852
	Arrow Electronics Inc Coupon Rate 3.250%; Matures 09/08/2024	Corporate Bonds	61,001	59,576
	AT&T Inc Coupon Rate 4.300%; Matures 02/15/2030	Corporate Bonds	54,700	54,769
	BlackRock TCP Capital Corp Coupon Rate 3.900%; Matures 08/23/2024	Corporate Bonds	49,267	49,906
	Capital One Financial Corp Coupon Rate 3.300%; Matures 10/30/2024	Corporate Bonds	48,907	49,455
	Cigna Holding Co Coupon Rate 3.250%; Matures 04/15/2025	Corporate Bonds	62,014	58,978
	Comcast Corp Coupon Rate 3.375%; Matures 08/15/2025	Corporate Bonds	39,868	39,634

See independent auditors' report

VSE 401(K) PROFIT SHARING PLAN
EIN: 94-2508138
PLAN NUMBER: 001
Form 5500, Schedule H, Part IV, Line 4i
SCHEDULE OF ASSETS HELD AT END OF YEAR
AS OF DECEMBER 31, 2023

(a)	(b) Identity of Issuer	(c) Description of Investment	(d) Cost	(e) Current Value
	Comerica Inc Coupon Rate 4.000%; Matures 02/01/2029	Corporate Bonds	54,398	52,928
	Deutsche Bank AG Coupon Rate 4.100%; Matures 01/13/2026	Corporate Bonds	50,488	50,074
	Deutsche Bank AG/New York NY Coupon Rate 4.100%; Matures 01/13/2026	Corporate Bonds	97,788	99,518
	Discover Financial Services Coupon Rate 4.100%; Matures 02/09/2027	Corporate Bonds	50,819	48,826
	General Motors Financial Co Inc Coupon Rate 4.000%; Matures 01/15/2025	Corporate Bonds	54,205	55,144
	Goldman Sachs Group Inc Coupon Rate 3.850%; Matures 01/26/2027	Corporate Bonds	153,064	153,411
	HP Inc Coupon Rate 4.750%; Matures 01/15/2028	Corporate Bonds	55,499	56,372
	Omega Healthcare Investors Inc Coupon Rate 5.250%; Matures 01/15/2026	Corporate Bonds	55,354	56,114
	Pacific Gas And Electric Co Coupon Rate 3.300%; Matures 12/01/2027	Corporate Bonds	93,860	93,755
	Pacific Gas And Electric Co Coupon Rate 3.500%; Matures 06/15/2025	Corporate Bonds	49,639	48,657
	Western Union Co Coupon Rate 2.850%; Matures 01/10/2025	Corporate Bonds	50,671	49,305
	Amazon Com Inc	Common Stock	16,193	18,233
	Apple Inc	Common Stock	66,481	86,639
	Costco Wholesale Corp New	Common Stock	46,668	66,008
	Eli Lilly & Co	Common Stock	88,721	87,438
	Johnson & Johnson	Common Stock	15,002	15,674
	J.P. Morgan Chase & Co	Common Stock	95,704	102,060
	KLA Corporation	Common Stock	95,320	101,727
	McKesson Corp	Common Stock	88,436	92,596
	Merck & Co Inc New Com	Common Stock	16,005	21,804
	Microsoft Corp	Common Stock	60,552	75,208
	Nvidia Corporation	Common Stock	87,451	99,044
	Palo Alto Networks Inc	Common Stock	81,046	88,464
	United States Steel Corp	Common Stock	10,672	48,650
	American Century Diversified Bond Fund A	Mutual Fund	193,130	174,311
	Invesco American Franchise Fund R	Mutual Fund	1,551,952	1,805,565
	Invesco American Franchise Fund A	Mutual Fund	321,226	337,596
	Invesco EQV International Equity R	Mutual Fund	1,557,711	1,273,216
	Invesco Multi-Asset Income A	Mutual Fund	310,145	250,756
	Invesco Small Cap Equity R	Mutual Fund	1,993,723	1,871,965
	Invesco Value Opportunities R	Mutual Fund	812,728	1,078,340
	MFS Corporate Bond A	Mutual Fund	251,775	230,184
*	Morgan Stanley Private Bank NA	Interest Bearing Cash	241,788	241,789
*	MSBNA Preferred Savings - QC	Interest Bearing Cash	599,522	599,523
*	MSPBNA Preferred Savings - QC	Interest Bearing Cash	1,366,697	1,366,697
	Total			<u>\$ 11,353,118</u>
*	Participant loans	Various maturities; interest at 4.25% - 9.50%	-	<u>146,538</u>
				<u>\$ 30,188,627</u>

* Represents party-in-interest

** Cost omitted for participant directed investments

See independent auditors' report

VSE 401(K) PROFIT SHARING PLAN
 EIN: 94-2508138
 PLAN NUMBER: 001
 Form 5500, Schedule H, Part IV, Line 4a
 SCHEDULE OF DELINQUENT PARTICIPANT CONTRIBUTIONS
 YEAR ENDED DECEMBER 31, 2023

Participant Contributions Transferred Late to Plan	<u>Total that Constitute Nonexempt Prohibited Transactions</u>			Total Fully Corrected Under VFCP and PTE 2002-51
	<u>Contributions Not Corrected</u>	<u>Contributions Corrected Outside VFCP</u>	<u>Contributions Pending Correction in VFCP</u>	
Check here if late participant loan repayments are included: ☒				
\$ <u>23,096</u>	\$ <u>23,096</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>

See independent auditors' report