

Form 5500

Annual Return/Report of Employee Benefit Plan

OMB Nos. 1210-0110 1210-0089

2023

This Form is Open to Public Inspection

Department of the Treasury Internal Revenue Service

Department of Labor Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

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.

Part I Annual Report Identification Information

For calendar plan year 2023 or fiscal plan year beginning 10/01/2023 and ending 09/30/2024

- A This return/report is for: [] a multiemployer plan [] a multiple-employer plan... [X] a single-employer plan [] a DFE... B This return/report is: [] the first return/report [] the final return/report... C If the plan is a collectively-bargained plan, check here... D Check box if filing under: [X] Form 5558 [] automatic extension... 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 THE LEVY COMPANY, INC. EMPLOYEE STOCK OWNERSHIP PLAN 1b Three-digit plan number (PN) 002 1c Effective date of plan 10/01/2016 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) THE LEVY COMPANY, INC. 16294 IH-35 NORTH SELMA, TX 78154-1212 2b Employer Identification Number (EIN) 74-2942371 2c Plan Sponsor's telephone number 210-497-4500 2d Business code (see instructions) 238300

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

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

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

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

Form 5500 (2023) v. 230707

3a Plan administrator's name and address <input checked="" type="checkbox"/> Same as Plan Sponsor	3b Administrator's EIN	
	3c Administrator's telephone number	
4 If the name and/or EIN of the plan sponsor or the plan name has changed since the last return/report filed for this plan, enter the plan sponsor's name, EIN, the plan name and the plan number from the last return/report: a Sponsor's name c Plan Name	4b EIN	
	4d PN	
5 Total number of participants at the beginning of the plan year	5	224
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)	143
	6a(2)	165
	6b	16
	6c	61
	6d	242
	6e	1
	6f	243
	6g(1)	224
6g(2)	241	
6h	8	
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:
2I 2K 2P 2Q 3I

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

9a Plan funding arrangement (check all that apply)	9b Plan benefit arrangement (check all that apply)
(1) <input type="checkbox"/> Insurance	(1) <input type="checkbox"/> Insurance
(2) <input type="checkbox"/> Code section 412(e)(3) insurance contracts	(2) <input type="checkbox"/> Code section 412(e)(3) insurance contracts
(3) <input checked="" type="checkbox"/> Trust	(3) <input checked="" type="checkbox"/> Trust
(4) <input type="checkbox"/> General assets of the sponsor	(4) <input type="checkbox"/> 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	b General Schedules
(1) <input checked="" type="checkbox"/> R (Retirement Plan Information)	(1) <input checked="" type="checkbox"/> H (Financial Information)
(2) <input type="checkbox"/> MB (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary	(2) <input type="checkbox"/> I (Financial Information – Small Plan)
(3) <input type="checkbox"/> SB (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary	(3) <input type="checkbox"/> A (Insurance Information) – Number Attached <u>0</u>
(4) <input type="checkbox"/> DCG (Individual Plan Information) – Number Attached _____	(4) <input type="checkbox"/> C (Service Provider Information)
(5) <input type="checkbox"/> MEP (Multiple-Employer Retirement Plan Information)	(5) <input type="checkbox"/> D (DFE/Participating Plan Information)
	(6) <input type="checkbox"/> 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 H (Form 5500) <small>Department of the Treasury Internal Revenue Service</small> <small>Department of Labor Employee Benefits Security Administration</small> <small>Pension Benefit Guaranty Corporation</small>	Financial Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA), and section 6058(a) of the Internal Revenue Code (the Code). ▶ File as an attachment to Form 5500.	<small>OMB No. 1210-0110</small> 2023 This Form is Open to Public Inspection
--	--	--

For calendar plan year 2023 or fiscal plan year beginning 10/01/2023 and ending 09/30/2024			
A Name of plan THE LEVY COMPANY, INC. EMPLOYEE STOCK OWNERSHIP PLAN	<table border="1" style="width:100%; border-collapse: collapse;"> <tr> <td style="width:80%;">B Three-digit plan number (PN) ▶</td> <td style="width:20%; text-align: center;">002</td> </tr> </table>	B Three-digit plan number (PN) ▶	002
B Three-digit plan number (PN) ▶	002		
C Plan sponsor's name as shown on line 2a of Form 5500 THE LEVY COMPANY, INC.	<table border="1" style="width:100%; border-collapse: collapse;"> <tr> <td style="width:80%;">D Employer Identification Number (EIN) 74-2942371</td> </tr> </table>	D Employer Identification Number (EIN) 74-2942371	
D Employer Identification Number (EIN) 74-2942371			

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.

		(a) Beginning of Year	(b) End of Year
Assets			
a Total noninterest-bearing cash	1a	0	1708
b Receivables (less allowance for doubtful accounts):			
(1) Employer contributions	1b(1)	32600	0
(2) Participant contributions	1b(2)		
(3) Other	1b(3)		
c General investments:			
(1) Interest-bearing cash (include money market accounts & certificates of deposit)	1c(1)		
(2) U.S. Government securities	1c(2)		
(3) Corporate debt instruments (other than employer securities):			
(A) Preferred	1c(3)(A)		
(B) All other	1c(3)(B)		
(4) Corporate stocks (other than employer securities):			
(A) Preferred	1c(4)(A)		
(B) Common	1c(4)(B)		
(5) Partnership/joint venture interests	1c(5)		
(6) Real estate (other than employer real property)	1c(6)		
(7) Loans (other than to participants)	1c(7)		
(8) Participant loans	1c(8)		
(9) Value of interest in common/collective trusts	1c(9)		
(10) Value of interest in pooled separate accounts	1c(10)		
(11) Value of interest in master trust investment accounts	1c(11)		
(12) Value of interest in 103-12 investment entities	1c(12)		
(13) Value of interest in registered investment companies (e.g., mutual funds)	1c(13)		
(14) Value of funds held in insurance company general account (unallocated contracts)	1c(14)		
(15) Other	1c(15)		

1d Employer-related investments:		(a) Beginning of Year	(b) End of Year
(1) Employer securities	1d(1)	12740000	14920000
(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	12772600	14921708
Liabilities			
g Benefit claims payable	1g		
h Operating payables	1h		
i Acquisition indebtedness	1i	10760901	10339548
j Other liabilities	1j	0	849
k Total liabilities (add all amounts in lines 1g through 1j)	1k	10760901	10340397
Net Assets			
l Net assets (subtract line 1k from line 1f)	1l	2011699	4581311

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)	771534	
(B) Participants	2a(1)(B)		
(C) Others (including rollovers)	2a(1)(C)		
(2) Noncash contributions	2a(2)		
(3) Total contributions. Add lines 2a(1)(A), (B), (C), and line 2a(2)	2a(3)		771534
b Earnings on investments:			
(1) Interest:			
(A) Interest-bearing cash (including money market accounts and certificates of deposit)	2b(1)(A)		
(B) U.S. Government securities	2b(1)(B)		
(C) Corporate debt instruments	2b(1)(C)		
(D) Loans (other than to participants)	2b(1)(D)		
(E) Participant loans	2b(1)(E)		
(F) Other	2b(1)(F)		
(G) Total interest. Add lines 2b(1)(A) through (F)	2b(1)(G)		0
(2) Dividends:			
(A) Preferred stock	2b(2)(A)		
(B) Common stock	2b(2)(B)		
(C) Registered investment company shares (e.g. mutual funds)	2b(2)(C)		
(D) Total dividends. Add lines 2b(2)(A), (B), and (C)	2b(2)(D)		0
(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)		0
(5) Unrealized appreciation (depreciation) of assets:			
(A) Real estate	2b(5)(A)		
(B) Other	2b(5)(B)	2180000	
(C) Total unrealized appreciation of assets. Add lines 2b(5)(A) and (B)	2b(5)(C)		

		(a) Amount	(b) Total
(6) Net investment gain (loss) from common/collective trusts.....	2b(6)		
(7) Net investment gain (loss) from pooled separate accounts.....	2b(7)		
(8) Net investment gain (loss) from master trust investment accounts.....	2b(8)		
(9) Net investment gain (loss) from 103-12 investment entities.....	2b(9)		
(10) Net investment gain (loss) from registered investment companies (e.g., mutual funds).....	2b(10)		
c Other income.....	2c		
d Total income. Add all income amounts in column (b) and enter total.....	2d		2951534

Expenses

e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers.....	2e(1)	104261	
(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)		104261
f Corrective distributions (see instructions).....	2f		
g Certain deemed distributions of participant loans (see instructions).....	2g		
h Interest expense.....	2h		277631
i Administrative expenses:			
(1) Salaries and allowances.....	2i(1)		
(2) Contract administrator fees.....	2i(2)		
(3) Recordkeeping fees.....	2i(3)		
(4) IQPA audit fees.....	2i(4)		
(5) Investment advisory and investment management fees.....	2i(5)		
(6) Bank or trust company trustee/custodial fees.....	2i(6)		
(7) Actuarial fees.....	2i(7)		
(8) Legal fees.....	2i(8)		
(9) Valuation/appraisal fees.....	2i(9)		
(10) Other trustee fees and expenses.....	2i(10)		
(11) Other expenses.....	2i(11)	30	
(12) Total administrative expenses. Add lines 2i(1) through (11)	2i(12)		30
j Total expenses. Add all expense amounts in column (b) and enter total.....	2j		381922

Net Income and Reconciliation

k Net income (loss). Subtract line 2j from line 2d	2k		2569612
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: **ADKF, P.C.**

(2) EIN: **74-2606559**

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

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

Part IV Compliance Questions

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

During the plan year:

	Yes	No	Amount
a Was there a failure to transmit to the plan any participant contributions within the time period described in 29 CFR 2510.3-102? Continue to answer "Yes" for any prior year failures until fully corrected. (See instructions and DOL's Voluntary Fiduciary Correction Program.)		X	
b Were any loans by the plan or fixed income obligations due the plan in default as of the close of the plan year or classified during the year as uncollectible? Disregard participant loans secured by participant's account balance. (Attach Schedule G (Form 5500) Part I if "Yes" is checked.)		X	
c Were any leases to which the plan was a party in default or classified during the year as uncollectible? (Attach Schedule G (Form 5500) Part II if "Yes" is checked.)		X	
d Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 4a. Attach Schedule G (Form 5500) Part III if "Yes" is checked.)		X	
e Was this plan covered by a fidelity bond?	X		1000000
f Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?		X	
g Did the plan hold any assets whose current value was neither readily determinable on an established market nor set by an independent third party appraiser?		X	
h Did the plan receive any noncash contributions whose value was neither readily determinable on an established market nor set by an independent third party appraiser?		X	
i Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.)	X		
j Were any plan transactions or series of transactions in excess of 5% of the current value of plan assets? (Attach schedule of transactions if "Yes" is checked and see instructions for format requirements.)		X	
k Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?		X	
l Has the plan failed to provide any benefit when due under the plan?		X	
m If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.)		X	
n If 4m was answered "Yes," check the "Yes" box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3.			

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

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

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

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

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

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

For calendar plan year 2023 or fiscal plan year beginning 10/01/2023 and ending 09/30/2024

A Name of plan <u>THE LEVY COMPANY, INC. EMPLOYEE STOCK OWNERSHIP PLAN</u>	B Three-digit plan number (PN) ▶	<u>002</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>THE LEVY COMPANY, INC.</u>	D Employer Identification Number (EIN) <u>74-2942371</u>	

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	0
---	---	---

2 Enter the EIN(s) of payor(s) who paid benefits on behalf of the plan to participants or beneficiaries during the year (if more than two, enter EINs of the two payors who paid the greatest dollar amounts of benefits):
EIN(s): 58-1428634

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

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

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

4 Is the plan administrator making an election under Code section 412(d)(2) or ERISA section 302(d)(2)? Yes No N/A
If the plan is a defined benefit plan, go to line 8.

5 If a waiver of the minimum funding standard for a prior year is being amortized in this plan year, see instructions and enter the date of the ruling letter granting the waiver. **Date:** Month _____ Day _____ Year _____
If you completed line 5, complete lines 3, 9, and 10 of Schedule MB and do not complete the remainder of this schedule.

6 a Enter the minimum required contribution for this plan year (include any prior year accumulated funding deficiency not waived)	6a	
b Enter the amount contributed by the employer to the plan for this plan year	6b	
c Subtract the amount in line 6b from the amount in line 6a. Enter the result (enter a minus sign to the left of a negative amount)	6c	

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

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

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

Part III	Amendments
-----------------	-------------------

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

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

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

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

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

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

Part V Additional Information for Multiemployer Defined Benefit Pension Plans

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

a Name of contributing employer _____

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

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

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

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

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

a Name of contributing employer _____

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

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

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

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

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

a Name of contributing employer _____

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

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

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

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

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

a Name of contributing employer _____

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

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

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

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

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

a Name of contributing employer _____

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

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

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

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

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

a Name of contributing employer _____

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Part VII IRS Compliance Questions

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

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

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

THE LEVY COMPANY, INC EMPLOYEE STOCK OWNERSHIP PLAN

Audited Financial Statements

September 30, 2024



ADKF

CERTIFIED PUBLIC ACCOUNTANTS

THE LEVY COMPANY, INC. EMPLOYEE STOCK OWNERSHIP PLAN
Table of Contents
September 30, 2024

	<u>Page</u>
Audited Financial Statements	
Independent Auditor's Report	1
Statements of Net Assets Available for Benefits	3
Statements of Changes in Net Assets Available for Benefits	4
Notes to Audited Financial Statements	5
Supplemental Schedules	
Schedule of Assets Held at End of Year	12
Schedule of Reportable Transactions	13



ADKF

with you
all the way

Member of the
AICPA & TXCPA.

INDEPENDENT AUDITOR’S REPORT

To the Plan Committee
The Levy Company, Inc. Employee Stock Ownership Plan
Selma, Texas

Opinion

We have audited the financial statements of The Levy Company, Inc. Employee Stock Ownership Plan (the “Plan”), an employee benefit plan subject to the Employee Retirement Income Security Act of 1974 (ERISA), which comprise the statements of net assets available for benefits as of September 30, 2024 and 2023, and the related statements of changes in net assets available for benefits for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the net assets available for benefits of The Levy Company, Inc. Employee Stock Ownership Plan as of September 30, 2024 and 2023, and the changes in its net assets available for benefits for the years then ended, in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Emphasis of Matter – Subsequent Event - Plan Termination

As further discussed in Note H to the financial statements, The Levy Company, Inc. Employee Stock Ownership Trust executed a transaction to sell all stock on November 26, 2024.

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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Plan’s ability to continue as a going concern 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.

MAIN OFFICE:

9601 McAllister FWY, STE 800
San Antonio, Texas 78216

Phone: 210.829.1300
Fax: 210.829.4080

672 Ridge Hill Dr., STE A
New Braunfels, TX 78130

Phone: 830.387.4441

371 N. Main St., STE 202
Boerne, TX 78006

Phone: 830.815.1100



Auditor’s Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, we:

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

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

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The supplemental schedules listed in the table of contents 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 has been subjected to the auditing procedures applied in the audits of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with GAAS.

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

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

ADKF, PC

ADKF, P.C.
San Antonio, Texas
July 14, 2025

THE LEVY COMPANY, INC. EMPLOYEE STOCK OWNERSHIP PLAN
Statements of Net Assets Available for Benefits
September 30, 2024 and 2023

	2024			2023		
	Allocated	Unallocated	Total	Allocated	Unallocated	Total
Assets						
Cash	\$ 1,708	\$ -	\$ 1,708	\$ -	\$ -	\$ -
Investment in Sponsor Company common stock, at fair value	9,135,793	21,864,207	31,000,000	3,307,654	9,432,346	12,740,000
Contribution receivable	-	-	-	-	32,600	32,600
Total Assets	<u>\$ 9,137,501</u>	<u>\$ 21,864,207</u>	<u>\$ 31,001,708</u>	<u>\$ 3,307,654</u>	<u>\$ 9,464,946</u>	<u>\$ 12,772,600</u>
Liabilities						
Distribution payable	\$ 849	\$ -	\$ 849	\$ -	\$ -	\$ -
Loan payable	-	10,339,548	10,339,548	-	10,760,901	10,760,901
Total Liabilities	<u>849</u>	<u>10,339,548</u>	<u>10,340,397</u>	<u>-</u>	<u>10,760,901</u>	<u>10,760,901</u>
Net Assets Available for Benefits	<u>9,136,652</u>	<u>11,524,659</u>	<u>20,661,311</u>	<u>3,307,654</u>	<u>(1,295,955)</u>	<u>2,011,699</u>
Total Liabilities and Net Assets Available for Benefits	<u>\$ 9,137,501</u>	<u>\$ 21,864,207</u>	<u>\$ 31,001,708</u>	<u>\$ 3,307,654</u>	<u>\$ 9,464,946</u>	<u>\$ 12,772,600</u>

See notes to audited financial statements.

THE LEVY COMPANY, INC. EMPLOYEE STOCK OWNERSHIP PLAN

Statements of Changes in Net Assets Available for Benefits

Years Ended September 30, 2024 and 2023

	2024			2023		
	Allocated	Unallocated	Total	Allocated	Unallocated	Total
Additions						
Employer contributions	\$ 105,150	\$ 666,384	\$ 771,534	\$ 73,937	\$ 698,984	\$ 772,921
Net appreciation in fair value of						
Sponsor Company common stock	4,740,789	13,519,211	18,260,000	608,175	2,121,825	2,730,000
Allocation of shares of Sponsor Company						
stock, at fair value	1,087,350	-	1,087,350	469,505	-	469,505
Total additions	5,933,289	14,185,595	20,118,884	1,151,617	2,820,809	3,972,426
Deductions						
Interest expense	-	277,631	277,631	-	287,408	287,408
Benefits paid to participants	104,261	-	104,261	73,937	-	73,937
Fees	30	-	30	-	-	-
Allocation of shares of Sponsor Company						
stock, at fair value	-	1,087,350	1,087,350	-	469,505	469,505
Total deductions	104,291	1,364,981	1,469,272	73,937	756,913	830,850
Increase in net assets available for benefits	5,828,998	12,820,614	18,649,612	1,077,680	2,063,896	3,141,576
Net assets available for benefits at beginning of year	3,307,654	(1,295,955)	2,011,699	2,229,974	(3,359,851)	(1,129,877)
Net Assets Available for Benefits at End of Year	\$ 9,136,652	\$ 11,524,659	\$ 20,661,311	\$ 3,307,654	\$ (1,295,955)	\$ 2,011,699

See notes to audited financial statements.

THE LEVY COMPANY, INC. EMPLOYEE STOCK OWNERSHIP PLAN
Notes to Audited Financial Statements
September 30, 2024 and 2023

NOTE A – SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting: The financial statements of The Levy Company, Inc. Employee Stock Ownership Plan ("Plan") are prepared in accordance with U.S. generally accepted accounting principles.

Investment Valuation and Income Recognition: The Plan's investment in The Levy Company, Inc. ("Sponsor") common stock is presented at fair value. Changes in the fair value are recognized annually and reported as appreciation (depreciation) in fair value on the statement of changes in net assets available for benefits. See note E for a discussion of fair value measurements.

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

- Level 1: Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Plan has the ability to access.
- Level 2: Inputs to the valuation methodology include:
- quoted prices for similar assets or liabilities in active markets
 - quoted prices for identical or similar assets or liabilities in inactive markets
 - inputs other than quoted prices that are observable for the asset or liability
 - inputs that are derived principally from or corroborated by observable market data by correlation or other means
 - if the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability
- Level 3: Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

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

Benefit Payments: Benefit payments are recorded when paid.

Subsequent Events: Subsequent events have been evaluated by management through the date of the independent auditor's report. Material subsequent events, if any, are disclosed in a separate footnote to these financial statements.

Use of Estimates: The preparation of financial statements in conformity with U. S. generally accepted accounting principles requires estimates and assumptions that affect the reported amounts of net assets available for benefits and disclosure of contingent assets and liabilities at the date of financial statements and the reported amounts of changes in net assets available for benefits during the reporting period. Actual results could differ from those estimates.

Concentration of Credit Risks: Concentrations of credit risks arise primarily due to its investment in Plan Sponsor shares. Due to the level of risk associated with the investment in the common stock and the uncertainties inherent in the estimations and assumption process, it is at least reasonably possible that changes in the value of the Plan Sponsor stock will change in near term, and that such change could materially affect the amounts reported in these financial statements.

THE LEVY COMPANY, INC. EMPLOYEE STOCK OWNERSHIP PLAN
Notes to Audited Financial Statements
September 30, 2024 and 2023

NOTE B – DESCRIPTION OF THE PLAN

The following description provides only general information. Participants should refer to the Plan document for a more complete description of the Plan's provisions.

General: The Levy Company, Inc. Employee Stock Ownership Plan is a defined contribution plan, established October 1, 2016, covering virtually all employees of the Sponsor who have one year of service or greater. The Plan is for the exclusive benefit of its participants and their beneficiaries. It is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA). The Plan operates as a leveraged employee stock ownership plan (ESOP) and is designed to comply with Section 4975(e)(7) and the regulation there under of the Internal Revenue Code and provisions of ERISA.

The Plan purchased all issued and outstanding common shares of The Levy Company from the former stockholders for \$13,800,000 by issuing a loan payable and holds the common stock in a trust established under the Plan. As the Plan makes payments towards the loan payable, a percentage of stock is allocated to eligible employees' accounts in accordance with the applicable regulations under the IRC.

The loan payable is secured by the unallocated shares of stock. The lender (former stockholders) have no rights against the shares which are allocated under the ESOP.

Contributions: The Plan Sponsor may contribute to the Plan as determined each year by the Sponsor's Board of Directors in an amount equal to or greater than the amount necessary to enable the Plan to make its regularly scheduled debt repayments as well as a mandatory safe harbor match based on participant contributions to the Sponsor's 401(k) plan. The Sponsor contribution to the ESOP Plan totaled \$771,534 in 2024 and \$772,921 in 2023, which represents the Sponsor's payments for ESOP debt principal and interest. Shares in the Plan are allocated to participants as the debt is repaid. Contributions receivable represent unpaid debt principal and interest due as of year-end.

Participant Account: Each participant's account is credited with allocations of a) the Plan Sponsor contributions b) forfeitures of terminated non-vested account balances and c) Plan earnings. Allocations of Plan Sponsor contributions and forfeitures are based on the participant's covered compensation, as defined by the Plan document. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account.

Allocations of safe harbor matching are based on the participant's contributions into the 401(k) Plan. The Company may match up to 100% of the first 5% of base compensation a participant makes to the Plan.

ESOP Put Option: As long as the Sponsor shares are not publicly traded, a participant is given a put option with the obligation to require the Sponsor to repurchase the shares under a fair valuation formula determined pursuant to Treasury Regulations 54.4975-11(d)(5) as of the valuation date coinciding with or next preceding the exercise of the put option. The purpose of the put option is to ensure the participant has the ability to ultimately obtain cash.

Eligibility: Employees age 18 years and older of The Levy Company, Inc. are generally eligible to participate in the Plan following one year of service (1,000 hours of service).

Vesting: A participant's interest in the contributions the sponsor makes to the Plan becomes 20% vested after two years of service and increases by 20% for each additional year of service, becoming 100% vested after six years or upon attaining the Plan's normal retirement age. Participants become fully vested upon death or disability. Entry into the Plan occurs on April 1 and October 1 of each year.

THE LEVY COMPANY, INC. EMPLOYEE STOCK OWNERSHIP PLAN
Notes to Audited Financial Statements
September 30, 2024 and 2023

NOTE B – DESCRIPTION OF THE PLAN – continued

Forfeitures: Forfeitures of non-vested shares are allocated to remaining participants based on compensation during the year of forfeiture. Forfeitures totaling \$2,603 were allocated to participants in 2024, while \$2,708 were allocated to participants in 2023. There were 175 forfeited shares of company stock reallocated in 2024 and 213 in 2023.

Payment of Benefits: Payment of the vested account balance takes place in the Plan year following the year the participant reaches normal or early retirement age, dies, or is disabled. Participants terminating for reasons other than retirement, death or disability shall be entitled to their distribution beginning in the sixth year after termination. Distributions are made in the form of a lump sum, in annual installments over a period of five or fewer years, or in a combination of these methods, as determined by the Plan Sponsor. Under the provisions of the Plan, the Plan Sponsor is obligated to repurchase participant shares, which have been distributed under the terms of the Plan if the shares are not publicly traded or if the shares are subject to trading limitations.

Plan Termination: Subsequent to year-end, The Levy Company, Inc. Employee Stock Ownership Trust executed a transaction to sell all stock of The Levy Company, Inc. to Traffic Management Solutions, LLC. As a result, all participants became 100% vested in their accounts, and the valuation of the Plan's investment in common stock has been adjusted to reflect the sales price on the accompanying statement of net assets available for benefits as of September 30, 2024.

Administrative Expenses: As provided in the Plan agreement, administrative expenses may be paid either by the Plan or by the Sponsor. Administrative expenses paid by the Sponsor are excluded from these financial statements.

Voting Rights: Each participant is entitled to exercise voting rights attributable to the shares allocated to their account for those issues that require a pass-through vote and is notified by the trustee prior to the time that such rights are to be exercised.

Tax Status: The Plan is a defined contribution plan qualified as an Employee Stock Ownership Plan as defined in Section 4975(e)(7) of the Internal Revenue Code and received a favorable determination letter dated September 24, 2018.

NOTE C – TRANSACTIONS WITH PARTIES-IN-INTEREST

The Plan's administrative expenses were paid either by the Plan or the Plan Sponsor as allowed by the Plan document. Expenses paid directly by the Plan Sponsor are excluded from these financial statements. Certain expenses incurred in connection with the general administration of the Plan that were paid by the Plan were recorded as deductions in the accompanying statement of changes in net assets available for benefits. Total fees amounted to \$30 in 2024 and \$0 in 2023.

THE LEVY COMPANY, INC. EMPLOYEE STOCK OWNERSHIP PLAN
Notes to Audited Financial Statements
September 30, 2024 and 2023

NOTE D – FAIR VALUE MEASUREMENTS

The following table sets forth by level, within the fair value hierarchy, investments measured at fair value:

	Fair Value Measurements Using			Total
	Level 1	Level 2	Level 3	
<i>September 30, 2023:</i>				
Investment in Sponsor common stock	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 31,000,000</u>	<u>\$ 31,000,000</u>
<i>September 30, 2022:</i>				
Investment in Sponsor common stock	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 12,740,000</u>	<u>\$ 12,740,000</u>

The rollforward of changes in the fair value of the Level 3 investment is as follows:

Balance at October 1, 2022	\$ 10,010,000
Net appreciation in fair value	<u>2,730,000</u>
Balance at September 30, 2023	12,740,000
Net appreciation in fair value	<u>18,260,000</u>
Balance at September 30, 2024	<u>\$ 31,000,000</u>

The Sponsor common shares held by the Plan are valued at fair value based on an independent appraisal obtained on an annual basis. The appraiser used an income approach based on discounted cash flows method in determining the value of the shares as well as a market approach based on pricing information provided by comparable guideline companies. The discounted cash flows method incorporates both expected cash flows from investment over a discrete period and the value of investment after that period. The expected cash flows are based on management estimates based on historical data adjusted for anticipated trends. This method of valuation was used for plan shares in 2023, while the valuation method for plan shares for 2024 was based on the share price for the sale of all stock subsequent to year-end. See Note G.

The preceding methods described may produce a fair value calculation that is not indicative of net realizable value or reflective of future fair values. Furthermore, although the Company 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.

THE LEVY COMPANY, INC. EMPLOYEE STOCK OWNERSHIP PLAN
Notes to Audited Financial Statements
September 30, 2024 and 2023

NOTE E – INVESTMENTS

Plan investments consist solely of Sponsor common shares and are allocated as follows at September 30:

	2024		2023	
	Allocated	Unallocated	Allocated	Unallocated
Number of shares	294,703	705,297	259,628	740,372
Cost	\$ 4,066,901	\$ 9,733,099	\$ 3,582,865	\$ 10,217,135
Fair value	\$ 9,135,793	\$ 21,864,207	\$ 3,307,661	\$ 9,432,339

NOTE F – LOAN PAYABLE

In 2017, the Plan entered into a \$13,800,000 term loan agreement with the Plan Sponsor. The proceeds of the loan were used to purchase all of the Sponsor’s common stock (1,000,000 shares). Unallocated shares serve as collateral for the loan. This loan has a repayment term of 30 years with interest at 2.58%.

For the loan outstanding at year-end, the number of shares released from collateral are based on the number of unallocated shares serving as collateral for the loan times a fraction of the total principal paid under the loan for the plan year divided by the sum of total principal paid in fiscal year plus the principal to be paid for all future years.

The scheduled amortization of the loan for the next five years and thereafter is as follows:

<u>Year Ended September 30</u>	<u>Amount</u>
2025	\$ 398,783
2026	409,072
2027	419,626
2028	430,452
2029	441,558
Thereafter	<u>8,240,057</u>
	<u>\$ 10,339,548</u>

NOTE G – SUBSEQUENT EVENT

Effective November 26, 2024, The Levy Company, Inc. Employee Stock Ownership Trust executed a transaction to sell all stock of The Levy Company, Inc. to Traffic Management Solutions, LLC with a purchase price of \$31,000,000. Accordingly, all shares were liquidated, loan payable paid off, and remaining funds are being distributed to the participants.

THE LEVY COMPANY, INC. EMPLOYEE STOCK OWNERSHIP PLAN
Notes to Audited Financial Statements
September 30, 2024 and 2023

NOTE H – RECONCILIATION OF FINANCIAL STATEMENTS TO FORM 5500

The 2024 audited financial statements were prepared using the valuation of the stock per the sale of the stock subsequent to year-end referenced in Note G. The Form 5500 was prepared using the valuation of the stock per an independent appraisal using the valuation method described in Note D. This led to a difference in net assets available for benefits and change in net assets per the audited financial statements and the Form 5500. The following is a reconciliation of net assets available for benefits as of September 30:

	<u>2024</u>	<u>2023</u>
Net assets available for benefits per financial statements	\$ 20,661,311	\$ 2,011,699
Less: difference in share valuation	(16,080,000)	-
Net assets available for benefits per Form 5500	<u>\$ 4,581,311</u>	<u>\$ 2,011,699</u>

	<u>2024</u>	<u>2023</u>
Change in net assets per financial statements	\$ 18,649,612	\$ 3,141,576
Less: difference in share valuation	(16,080,000)	-
Change in net assets per Form 5500	<u>\$ 2,569,612</u>	<u>\$ 3,141,576</u>

THE LEVY COMPANY, INC. EMPLOYEE STOCK OWNERSHIP PLAN

Schedule of Reportable Transactions

Form 5500, Schedule H, Part IV, 4j

EIN 74-2942371 Plan Number 001

Year Ended September 30, 2024

(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)
Identity of Party Involved	Description of Assets	Purchase Price	Selling or Maturity Price	Lease Rental	Expenses Incurred with Transaction	Cost of Asset	Current Value on Transaction Date	Net Gain

There were no reportable transactions during the current year.

See independent auditor's report.

**THE LEVY COMPANY, INC.
EMPLOYEE STOCKOWNERSHIP PLAN**

Supplemental Schedules

September 30, 2024

THE LEVY COMPANY, INC. EMPLOYEE STOCK OWNERSHIP PLAN
Schedule of Assets Held for Investment Purposes at End of Year
Form 5500, Schedule H, Part IV, 4i
EIN 74-2942371 Plan Number 001
September 30, 2024

(a)	(b)	(c)	(d)	(e)
Identity of Issue, Borrower, Lessor or Similar Party	Description of Investment Including Maturity Date Rate of Interest, Collateral, Par or Maturity Value	Cost	Value	
*	The Levy Company, Inc.	1,000,000 shares of common stock	<u>\$ 13,800,000</u>	<u>\$ 31,000,000</u>

* *Person known to be a party-in-interest to the Plan*

See independent auditor's report.