

Form 5500

Annual Return/Report of Employee Benefit Plan

OMB Nos. 1210-0110 1210-0089

2024

This Form is Open to Public Inspection

Department of the Treasury Internal Revenue Service

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.

Department of Labor Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

Part I Annual Report Identification Information

For calendar plan year 2024 or fiscal plan year beginning 07/01/2024 and ending 06/30/2025

- A This return/report is for: [] a multiemployer plan [] a multiple-employer plan... [X] a single-employer plan... 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: [] 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 ESPEY MFG. & ELECTRONICS CORP. EMPLOYEE RETIREMENT PLAN & TRUST
1b Three-digit plan number (PN) 001
1c Effective date of plan 07/01/1988
2a Plan sponsor's name (employer, if for a single-employer plan) ESPEY MFG. & ELECTRONICS CORP.
2b Employer Identification Number (EIN) 14-1387171
2c Plan Sponsor's telephone number 518-584-4100
2d Business code (see instructions) 335900

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 (2024) v. 240311

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	183
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)	103
	6a(2)	92
	6b	22
	6c	44
	6d	158
	6e	0
	6f	158
	6g(1)	169
	6g(2)	158
h	6h	10
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 2P

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 2024 Form M-1 annual report. If the plan was not required to file the 2024 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> 2024 This Form is Open to Public Inspection
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For calendar plan year 2024 or fiscal plan year beginning 07/01/2024 and ending 06/30/2025	
A Name of plan ESPEY MFG. & ELECTRONICS CORP. EMPLOYEE RETIREMENT PLAN & TRUST	B Three-digit plan number (PN) ▶ 001
C Plan sponsor's name as shown on line 2a of Form 5500 ESPEY MFG. & ELECTRONICS CORP.	D Employer Identification Number (EIN) 14-1387171

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

Assets	(a) Beginning of Year	(b) End of Year
a Total noninterest-bearing cash	1a 0	0
b Receivables (less allowance for doubtful accounts):		
(1) Employer contributions	1b(1)	
(2) Participant contributions	1b(2)	
(3) Other	1b(3) 1386	1528
c General investments:		
(1) Interest-bearing cash (include money market accounts & certificates of deposit)	1c(1) 307382	433879
(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) 0	0

1d Employer-related investments:		(a) Beginning of Year	(b) End of Year
(1) Employer securities.....	1d(1)	14080654	27211117
(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	14389422	27646524
Liabilities			
g Benefit claims payable.....	1g	0	0
h Operating payables.....	1h		
i Acquisition indebtedness.....	1i	4023800	3658000
j Other liabilities.....	1j		
k Total liabilities (add all amounts in lines 1g through 1j).....	1k	4023800	3658000
Net Assets			
l Net assets (subtract line 1k from line 1f).....	1l	10365622	23988524

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)	275027	
(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)		275027
b Earnings on investments:			
(1) Interest:			
(A) Interest-bearing cash (including money market accounts and certificates of deposit).....	2b(1)(A)	15771	
(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)		15771
(2) Dividends:			
(A) Preferred stock.....	2b(2)(A)		
(B) Common stock.....	2b(2)(B)	613391	
(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)		613391
(3) Rents.....	2b(3)		
(4) Net gain (loss) on sale of assets:			
(A) Aggregate proceeds.....	2b(4)(A)	131902	
(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)		131902
(5) Unrealized appreciation (depreciation) of assets:			
(A) Real estate.....	2b(5)(A)		
(B) Other.....	2b(5)(B)	14815189	
(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		15851280

Expenses

e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers.....	2e(1)	2107664	
(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)		2107664
f Corrective distributions (see instructions)	2f		
g Certain deemed distributions of participant loans (see instructions).....	2g		
h Interest expense.....	2h		120714
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)		
(12) Total administrative expenses. Add lines 2i(1) through (11)	2i(12)		0
j Total expenses. Add all expense amounts in column (b) and enter total.....	2j		2228378

Net Income and Reconciliation

k Net income (loss). Subtract line 2j from line 2d	2k		13622902
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: **BONADIO & CO. LLP**

(2) EIN: **16-1131146**

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		2000000
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> 2024 This Form is Open to Public Inspection.
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For calendar plan year 2024 or fiscal plan year beginning 07/01/2024 and ending 06/30/2025

A Name of plan <u>ESPEY MFG. & ELECTRONICS CORP. EMPLOYEE RETIREMENT PLAN & TRUST</u>	B Three-digit plan number (PN) ▶	<u>001</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>ESPEY MFG. & ELECTRONICS CORP.</u>	D Employer Identification Number (EIN) <u>14-1387171</u>	

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

1 Total value of distributions paid in property other than in cash or the forms of property specified in the instructions.....	1	<u>1187625</u>
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): <u>14-1766362</u>		
Profit-sharing plans, ESOPs, and stock bonus plans, skip line 3.		
3 Number of participants (living or deceased) whose benefits were distributed in a single sum, during the plan year	3	

Part II	Funding Information (If the plan is not subject to the minimum funding requirements of section 412 of the Internal Revenue Code or ERISA section 302, skip this Part.)
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4 Is the plan administrator making an election under Code section 412(d)(2) or ERISA section 302(d)(2)? Yes No N/A
If the plan is a defined benefit plan, go to line 8.

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

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

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

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

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

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

Part IV	ESOPs (see instructions). If this is not a plan described under section 409(a) or 4975(e)(7) of the Internal Revenue Code, skip this Part.
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10 Were unallocated employer securities or proceeds from the sale of unallocated securities used to repay any exempt loan? Yes No

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

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

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

Part V Additional Information for Multiemployer Defined Benefit Pension Plans

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

a Name of contributing employer _____

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

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

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

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

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

a Name of contributing employer _____

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

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

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

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

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

a Name of contributing employer _____

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

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

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

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

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

a Name of contributing employer _____

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

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

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

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

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

a Name of contributing employer _____

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

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

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

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

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

a Name of contributing employer _____

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

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

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

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

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

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

a The current plan year. Check the box to indicate the counting method used to determine the number of inactive participants: <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 _____.

**ESPEY MFG. & ELECTRONICS CORP.
EMPLOYEE RETIREMENT PLAN AND TRUST
FINANCIAL STATEMENTS
JUNE 30, 2025**

**ESPEY MFG. & ELECTRONICS CORP. EMPLOYEE RETIREMENT PLAN AND
TRUST**

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INDEPENDENT AUDITOR'S REPORT

November 25, 2025

To the Participants and Plan Administrator of the
Espey Mfg. & Electronics Corp. Employee Retirement Plan and Trust:

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

We have performed audits of the accompanying financial statements of Espey Mfg. & Electronics Corp. Employee Retirement Plan and Trust, 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 June 30, 2025 and 2024, 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.

Management, having determined it is permissible in the circumstances, has elected to have the audits of Espey Mfg. & Electronics Corp. Employee Retirement Plan and Trust'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 a qualified institution as of and for the years ended June 30, 2025 and 2024, stating that the certified investment information, as described in Note 3 to the financial statements, is complete and accurate.

Opinion

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

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

(Continued)

- 1 -

INDEPENDENT AUDITOR'S REPORT

(Continued)

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Espey Mfg. & Electronics Corp. Employee Retirement Plan and Trust 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 Espey Mfg. & Electronics Corp. Employee Retirement Plan and Trust's ability to continue as a going concern for one year after the date the financial statements are available to be issued.

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

Auditor's Responsibilities for the Audit of the Financial Statements

Except as described in the Scope and Nature of the ERISA Section 103(a)(3)(C) Audit section of our report, our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with 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.

(Continued)

INDEPENDENT AUDITOR'S REPORT

(Continued)

Auditor's Responsibilities for the Audit of the Financial Statements (Continued)

- 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 Espey Mfg. & Electronics Corp. Employee Retirement Plan and Trust'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 Espey Mfg. & Electronics Corp. Employee Retirement Plan and Trust'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 schedule of assets (held at end of year) and schedule of reportable transactions as of and for the year ended June 30, 2025 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 GAAS. 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.

(Continued)

INDEPENDENT AUDITOR'S REPORT

(Continued)

Other Matter - Supplemental Schedules Required by ERISA (Continued)

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).

**ESPEY MFG. & ELECTRONICS CORP.
EMPLOYEE RETIREMENT PLAN AND TRUST**

**Statements of Net Assets Available for Benefits
June 30, 2025 and 2024**

	<u>2025</u>			<u>2024</u>		
	Allocated	Unallocated	Total	Allocated	Unallocated	Total
ASSETS						
Cash and Investments						
Money Market Funds	\$ 433,879	\$ -	\$ 433,879	\$ 307,382	\$ -	\$ 307,382
Accrued income	1,528	-	1,528	1,386	-	1,386
Investment in Espey Mfg. and Electronics Corp. common stock	18,534,596	8,676,521	27,211,117	9,586,560	4,494,093	14,080,653
Total Assets	\$ 18,970,003	\$ 8,676,521	\$ 27,646,524	\$ 9,895,328	\$ 4,494,093	\$ 14,389,421
LIABILITIES AND NET ASSETS AVAILABLE FOR BENEFITS						
Loan Payable	\$ -	\$ 3,658,000	\$ 3,658,000	\$ -	\$ 4,023,800	\$ 4,023,800
Net Assets Available for Benefits	\$ 18,970,003	\$ 5,018,521	\$ 23,988,524	\$ 9,895,328	\$ 470,293	\$ 10,365,621

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

**ESPEY MFG. & ELECTRONICS CORP.
EMPLOYEE RETIREMENT PLAN AND TRUST**

**Statements of Changes in Net Assets Available for Benefits
For the Years Ended June 30, 2025 and 2024**

	<u>2025</u>			<u>2024</u>		
	<u>Allocated</u>	<u>Unallocated</u>	<u>Total</u>	<u>Allocated</u>	<u>Unallocated</u>	<u>Total</u>
Additions to Net Assets Attributed to						
Net appreciation in fair value of investments	\$ 9,774,125	\$ 5,172,966	\$ 14,947,091	\$ 1,997,328	\$ 1,052,573	\$ 3,049,901
Dividend income	401,904	211,487	613,391	297,775	157,711	455,486
Interest income	15,771	-	15,771	11,623	-	11,623
Employer contributions	-	275,027	275,027	-	339,777	339,777
Allocation of common stock of Espey Mfg. and Electronics Corp. (21,670 and 22,159 shares in 2025 and 2024, respectively)	990,539	-	990,539	470,876	-	470,876
Total additions	11,182,339	5,659,480	16,841,819	2,777,602	1,550,061	4,327,663
Deductions from Net Assets Attributed to						
Interest expense	\$ -	\$ 120,714	\$ 120,714	\$ -	\$ 131,688	\$ 131,688
Distributions to participants	920,039	-	920,039	1,048,585	-	1,048,585
Benefits transferred	1,187,625	-	1,187,625	54,626	-	54,626
Allocation of common stock of Espey Mfg. and Electronics Corp. (21,670 and 22,159 shares in 2025 and 2024, respectively)	-	990,538	990,538	-	470,876	470,876
Total deductions	2,107,664	1,111,252	3,218,916	1,103,211	602,564	1,705,775
Net Change	9,074,675	4,548,228	13,622,903	1,674,391	947,497	2,621,888
Net Assets Available for Benefits – Beginning	\$ 9,895,328	\$ 470,293	\$ 10,365,621	\$ 8,220,937	\$ (477,204)	\$ 7,743,733
Net Assets Available for Benefits – Ending	\$ 18,970,003	\$ 5,018,521	\$ 23,988,524	\$ 9,895,328	\$ 470,293	\$ 10,365,621

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

ESPEY MFG. & ELECTRONICS CORP.
EMPLOYEE RETIREMENT PLAN AND TRUST
Notes to Financial Statements

Note 1. Description of the Plan

The following brief description of Espey Mfg. & Electronics Corp. Employee Retirement Plan and Trust (the Plan) is provided for general information purposes only. Participants should refer to the Summary Plan Description and Plan Document for a more complete description of the Plan's provisions.

General - Espey Mfg. & Electronics Corp. (the Company) established the Plan on July 1, 1988, for eligible non-union employees. The Plan operates as a leveraged employee stock ownership plan (ESOP) and is designed to comply with Section 4975(e)(7) and the regulation thereunder of the Internal Revenue Code of 1986 (the Code), as amended, and is subject to the applicable provisions of the Employee Retirement Income Security Act of 1974 (ERISA), as amended. The Plan is administered by an ESOP Committee whose members were appointed by the Company's Board of Directors. One officer of the Company was appointed by the Company's Board of Directors to be the Plan's trustee.

In December, 2020, the Plan borrowed \$5,487,000 from the Company and used the funds to purchase 300,000 shares of the Company's common stock (see Note 6). The shares are held in a trust established under the terms of the Plan. As the Plan makes each payment of principal, an appropriate percentage of stock will be allocated to eligible participants' accounts in accordance with applicable regulations under the Code.

The Company has committed to make annual contributions to the ESOP in an amount sufficient to enable the ESOP to pay the principal and interest on the ESOP debt through June 30, 2035 (see Note 6). As the ESOP makes each payment of principal, an appropriate percentage of stock is released as collateral for the loan. The number of shares to be released in each year is determined by multiplying (i) the total number of unallocated shares remaining by (ii) a fraction, the numerator of which is the amount of the principal and interest payment for the year, and the denominator of which is the sum of the numerator plus all future principal and interest payments. Released shares from employer contributions are allocated to eligible participants' accounts at the end of each Plan year based on the relative compensation of each participant to the total compensation of all participants. Released shares from cash dividends used to pay principal and interest on the ESOP debt are allocated to participants in the same proportion that the balance of the participant's account bears to the total balance of participants' accounts.

The borrowing is collateralized by the unallocated shares of common stock. The Company has no rights against shares once they are allocated under the Plan. Accordingly, the financial statements of the Plan present separately the assets and liabilities and changes therein pertaining to the accounts of employees with vested rights in allocated stock (allocated) and stock not yet allocated to employees (unallocated).

Eligibility - Non-union employees of the Company who have reached twenty-one years or older and who have completed 1,000 hours of service at the close of an Eligibility Computation Period (either twelve month period commencing on the date on which the employee first performs an hour of service or the first day of the Plan year which commences prior to the anniversary date of the employee's first hour of service are eligible to participate in the Plan).

Contributions - The Company is obligated to make contributions in cash to the Plan which, when aggregated with the Plan's dividends and interest earnings, equal the amount necessary to enable the Plan to make its regularly scheduled payments of principal and interest due on its term loan. Employee contributions are not permitted.

ESPEY MFG. & ELECTRONICS CORP.
EMPLOYEE RETIREMENT PLAN AND TRUST
Notes to Financial Statements

Note 1. Description of the Plan (Continued)

Payments of Benefits - Upon termination of service due to death, permanent disability or retirement, participants (or designated beneficiaries) may receive distributions equal to the vested interest of their accounts as cash or common stock, at the election of the participant. The participant's account is payable in a lump-sum distribution or can be deferred and paid in equal installments over a period of not more than the participant's assumed life expectancy at the time of distribution, limited to a period of five years. Under the provisions of the Plan, the Company is obligated to repurchase participant shares at fair market value, which have been distributed under the terms of the Plan if the shares are subject to trading limitations.

If service is terminated prior to a participant attaining normal retirement age, permanent disability, or death, the participant may receive payment of the vested interest of their account, following the close of the plan year in which the participant has incurred a break in service.

Pursuant to Section 401(a)(9) of the Code, the required beginning date for a participant to receive benefits (other than a 5% owner) in a qualified plan is April 1 of the calendar year following the latest of, (a) the calendar year in which you attain age seventy-three (73) (for individuals attaining age seventy-two (72) after 2022 and before 2033) or seventy-five (75) (for individuals attaining age seventy-four (74) after 2032), and age seventy-two (72) (for individuals attaining age seventy-two (72) on or before December 31, 2022; for Plan Years ending on or before December 31, 2019, age seventy and one half (70½)) or (b) the calendar year in which you retire from service with the Employer. However, if you are a Five Percent (5%) Owner, distributions are required to begin no later than April 1 of the calendar year following the calendar year in which you attain age seventy-three (73) (for individuals attaining age seventy-two (72) after 2022 and before 2033) or seventy-five (75) (for individuals attaining age seventy-four (74) after 2032), and age seventy-two (72) (for individuals attaining age seventy-two (72) on or before December 31, 2022; for Plan Years ending on or before December 31, 2019, age seventy and one half (70½)), regardless of continued employment.

Administrative Expenses - As provided in the Plan agreement, administrative expenses may be paid either by the Plan or by the Company. The Company has historically paid the operating expenses for the Plan.

Voting Rights - Shares of the Company stock shall be voted by the Trustee only in such manner as directed by the ESOP Committee. However, each participant is entitled to exercise voting rights attributable to the shares allocated to his or her account. Participant instructions to the Trustee are to be provided in writing. The Trustee is required to vote the allocated shares for which it has not received direction and shares of unallocated stock as directed by the ESOP Committee.

Participant Accounts - The Plan is a defined contribution plan under which a separate individual account is established for each participant. Each participant's account is credited as of the last day of each plan year with an allocation of cash contributions from the Company or shares of the Company's common stock released by the Trustee from the unallocated account and forfeitures of terminated participants' non-vested accounts. The amount of shares allocated to each participant's account is based on that participant's proportionate share of eligible compensation to the total eligible compensation of all participants for the plan year. Interest earnings are credited to participants' accounts based upon the proportion of each participant's cash account balance to the total value of the Plan. Dividends are credited to participants' accounts based on the number of shares allocated within each participant's account.

As of June 30, 2025, 595,299 shares are held by the Plan and 405,482 are allocated to participants within the Plan as of June 30, 2024. At June 30, 2025, total shares purchased and created through stock splits by the Plan since inception totaled 1,272,600.

ESPEY MFG. & ELECTRONICS CORP.
EMPLOYEE RETIREMENT PLAN AND TRUST
Notes to Financial Statements

Note 1. Description of the Plan (Continued)

Forfeitures - Forfeitures of terminated, non-vested account balances are allocated to remaining participants' accounts based on their proportionate share of eligible compensation to the total eligible compensation of all participants on the day of termination of the forfeiting participant. Forfeitures reallocated to participants' accounts were \$8,039 and 4,397.95 shares for the year ended June 30, 2025 and \$1,912 and 1,966.85 shares for the year ended June 30, 2024. Forfeited non-vested cash accounts to be allocated to participant accounts in future years as of June 30, 2025 and 2024 were \$4,588 and \$5,683, respectively. Forfeited non-vested stock to be allocated to participant accounts in future years as of June 30, 2025 and 2024 were 3,926.95 and 7,886.57 shares, respectively.

Vesting - If a participant's employment with the Company ends for any reason other than retirement, permanent disability, or death, he or she will vest in the balances in his or her account based on total years of service with the Company. Vesting begins with a participant's second year of credited service, at which time a participant becomes 20% vested. Vesting then increases 20% each year until the participants are fully vested upon completion of seven years of credited service. With the payment in full of the exempt loan that was in place on September 27, 2005, for any participant who is credited with an hour of service on or after July 1, 2020, vesting will begin with a participant's second year of credited service, at which time a participant becomes 20% vested. Vesting then increases 20% each year until the participants are fully vested upon completion of six years of credited service.

Diversification - Diversification is offered to participants close to retirement so that they may have the opportunity to move part of the value of their investment in Company stock into investments which are more diversified. Participants who are at least age 55 with at least 10 years of participation in the Plan and an account with fair market value greater than \$500 may elect to diversify a portion of their account.

Diversification is offered to each eligible participant over a six-year period. In each of the first five years, a participant may diversify up to 25% of the number of shares allocated to his or her account, less any shares previously diversified. In the sixth year, the percentage changes to 50%. Participants who elect to diversify receive a cash or Company stock distribution.

Note 2. Summary of Significant Accounting Policies

Basis of Accounting - The accompanying financial statements of the Plan have been prepared using the accrual method of accounting in accordance with accounting principles generally accepted in the United States of America.

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

Allocations - The financial statements of the Plan present separately the assets and liabilities and changes therein pertaining to (a) the accounts of employees with rights in allocated stock ("allocated") and (b) stock not yet allocated to employees ("unallocated"), including shares that are committed to be released. Shares are released from collateral and become allocated generally in the period in which debt service is actually paid.

Investment Valuation, Income Recognition, and Valuation of Share Allocations - The common shares of the Company are valued at fair value based on the year-end closing market price quoted on the NYSE AMERICAN. Money market funds are valued at cost, which approximates fair value.

Purchases and sales of securities are recorded on a trade-date basis. Dividend income is recorded on the ex-dividend date. Interest income is accounted for on the accrual basis. Realized gains and losses from security transactions are reported on the average cost method. Net appreciation includes the Plan's gains and losses on investments bought and sold as well as held during the year.

**ESPEY MFG. & ELECTRONICS CORP.
EMPLOYEE RETIREMENT PLAN AND TRUST
Notes to Financial Statements**

Note 2. Summary of Significant Accounting Policies (Continued)

Investment Valuation, Income Recognition, and Valuation of Share Allocations (Continued)

In accordance with the plan document, shares are valued only at the end of each plan year. Accordingly, the allocation of common stock is reflected in the statements of changes in net assets available for benefits at the fair value of the shares at the end of the plan year.

Payment of Benefits - Benefits are recorded when paid.

Risks and Uncertainties - The Plan invests in the common stock of the Company and money market funds. These investment securities are exposed to various risks, such as market or credit risk. 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 those changes could materially affect the amounts reported in the statements of net assets available for benefits.

Subsequent Events - Management has evaluated subsequent events through November 25, 2025, which is the date these financial statements were available to be issued.

Note 3. Certified Financial Information

The Plan's assets, which consist principally of the Company's common shares, are held by the Custodian of the Plan, Adirondack Trust Company. The following information included in the financial statements and accompanying supplemental schedule was obtained from data that has been prepared and certified to as complete and accurate by the Custodian as of and for the years ended June 30, 2025 and 2024. The incorporation of this financial information in the accompanying financial statements is based solely on their certification and has not been audited by independent accountants.

	<u>2025</u>	<u>2024</u>
Money market funds	\$ 433,879	\$ 307,382
Accrued income	1,528	1,386
Espey Mfg. & Electronics Corp. common stock	27,211,117	14,080,653
Net appreciation in fair value of investments	14,947,091	3,049,901
Interest income	15,771	11,623
Dividend income	613,391	455,486

Assets at year end, based on Level 1 valuations, are set forth in Schedule H.

Note 4. Investments

The Plan's investments, at June 30, consisted of the following:

	<u>2025</u>		<u>2024</u>	
	<u>Allocated</u>	<u>Unallocated</u>	<u>Allocated</u>	<u>Unallocated</u>
Money Market Funds	\$ 433,879	\$ -	\$ 307,382	\$ -
Espey Mfg. & Electronics Corp. Common Stock				
Number of Shares	405,482	189,817	451,132	211,487
Cost	\$ 5,937,022	\$ 2,779,279	\$ 6,605,424	\$ 3,096,569
Fair Value	\$ 18,534,596	\$ 8,676,521	\$ 9,586,560	\$ 4,494,093

ESPEY MFG. & ELECTRONICS CORP.
EMPLOYEE RETIREMENT PLAN AND TRUST
Notes to Financial Statements

Note 5. Contributions

Contributions to the Plan are provided by the Company. The amount contributed to the Plan is a discretionary amount determined by the Board of Directors of the Company with the minimum contribution being the amount required to enable the Plan to meet its regularly scheduled payments of principal and interest on its term loan. The Company's contribution can only be made from current or accumulated profits.

Dividends received on unallocated shares are used towards the Plan's payments of principal and interest on its term loan. Dividends on unallocated shares in excess of the regularly scheduled payments of the term loan are retained in money market funds and will be used towards the subsequent year's principal and interest payment on the term loan.

Note 6. Loan Payable

On December 1, 2020, the Plan entered into a \$5,487,000 promissory note agreement with the Company, which is to be repaid in 15 annual principal installments of \$365,800, plus interest at a rate of 3% per annum, through June 30, 2035. The proceeds of the loan were used by the Plan to purchase 300,000 shares of the Company's common stock. Shares not yet released for allocation serve as collateral for the loan.

The number of shares released in any year is determined by the amortization schedule for the debt. During the years ended June 30, 2025 and 2024, 21,670 and 22,159 shares were released and allocated, respectively.

Annual maturities of the loan payable succeeding June 30, 2025, are as follows:

2026	\$ 365,800
2027	365,800
2028	365,800
2029	365,800
2030	365,800
Thereafter	<u>1,829,000</u>
Total	<u>\$ 3,658,000</u>

Note 7. Administration of Plan Assets

Contributions to the Plan are held and managed by the Custodian, which invests cash received and interest and dividend income, and makes distributions to participants. The Custodian also administers the payment of principal and interest on the loan on behalf of the Trustee. Certain administrative and trustee functions are performed by officers or employees of the Company. No such officer or employee receives compensation from the Plan.

**ESPEY MFG. & ELECTRONICS CORP.
EMPLOYEE RETIREMENT PLAN AND TRUST
Notes to Financial Statements**

Note 8. 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) and the lowest priority to unobservable inputs (level 3). The three levels of the fair value hierarchy under FASB ASC 820 are described as follows:

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

Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly, such as:

- 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. All investments are valued using level 1 inputs, which are based on unadjusted quoted market prices within active markets.

The following table sets forth by level, within the fair value hierarchy, the Plan's assets at fair value as of June 30, 2025 and 2024.

	(Level 1)	
	<u>Assets at Fair Value as of June 30:</u>	
	<u>2025</u>	<u>2024</u>
Money market funds	\$ 433,879	\$ 307,382
Espey Mfg. & Electronics Corp. common stock	<u>27,211,117</u>	<u>14,080,653</u>
Total assets at fair value	\$ <u>27,644,996</u>	\$ <u>14,388,035</u>

Note 9. Company Dividends

The Company paid a quarterly dividend to the ESOP of \$0.25 each quarter of Fiscal year 2025, or \$613,391 for the Plan year ending June 30, 2025. The Company paid a quarterly dividend to the ESOP of \$0.15 for the first & second quarter of Fiscal year 2024, \$0.175 for the third quarter of Fiscal year 2024, and \$0.20 for the fourth quarter of Fiscal Year 2024 or \$455,486 for the Plan year ending June 30, 2024.

ESPEY MFG. & ELECTRONICS CORP.
EMPLOYEE RETIREMENT PLAN AND TRUST
Notes to Financial Statements

Note 10. 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 that the Plan terminates, all participants will become fully vested in their Plan accounts and the assets of the Plan will be distributed among the participants or their beneficiaries in proportion to their respective interest in the funds.

Note 11. Income Tax Status

The Plan obtained its latest determination letter on August 17, 2017, in which the Internal Revenue Service stated that the Plan, as then designed, was in compliance with the applicable requirements of the Internal Revenue Code. The Plan has not been amended since receiving the determination letter. Therefore, no provision for income taxes has been included in the Plan's financial statements.

Note 12. Party-In-Interest Transactions

At June 30, 2025 and 2024, the Plan held 595,299 and 662,619 shares, respectively, of common stock of Espey Mfg. & Electronics Corp., the sponsoring employer, with a cost basis of \$8,716,301 and \$9,701,993, respectively. As described in Note 1, the Plan uses service providers. Such providers are parties-in-interest under ERISA.

At June 30, 2025 and 2024, the Plan had \$433,879 and \$307,382, respectively, of money market funds of Adirondack Trust Company, the Custodian, with a cost basis of \$433,879 and \$307,382, respectively.

During the years ended June 30, 2025 and June 30, 2024, the Plan did not sell shares back to Espey Mfg. & Electronics Corp.

ESPEY MFG. & ELECTRONICS CORP.
EMPLOYEE RETIREMENT PLAN AND TRUST
EIN # 14-1387171
Plan Number 001
Supplemental Schedule as of June 30, 2025
Schedule H, Line 4i - Schedule of Assets Held at End of Year

<u>(a)</u>	<u>(b)</u> <u>Identity of Issue</u>	<u>(c)</u> <u>Description of Investment</u>	<u>(d)</u> <u>Cost</u>	<u>(e)</u> <u>Current Value</u>
*	Money Market Funds: Federated Investors	Treasury Obligation Fund IS, 433,879 Units	\$ <u>433,879</u>	\$ <u>433,879</u>
*	Employer Securities: Espey Mfg. and Electronics Corp.	Common Stock, 595,299 Shares	\$ <u>8,716,301</u>	\$ <u>27,211,117</u>

* Party-in-interest

The accompanying notes are an integral part of these schedules.

**ESPEY MFG. & ELECTRONICS CORP.
EMPLOYEE RETIREMENT PLAN AND TRUST
EIN # 14-1387171
Plan Number 001
Supplemental Schedule for the year ended June 30, 2025
Schedule H, Line 4j - Schedule of Reportable Transactions**

(a) <u>Identity of Party Involved</u>	(b) <u>Description of Asset/Broker</u>	(c) <u>Purchase Price</u>	(d) <u>Selling Price</u>	(g) <u>Cost of Assets</u>	(h) Current Value of Asset on Transaction <u>Date</u>	(i) <u>Net Gain or (Loss)</u>
I. <u>Individual 5% Transactions</u>						
None.						
II. <u>Series of Transactions, Not Involving Securities, With the Same Person</u>						
None.						
III. <u>Series of Transactions Involving Securities of the Same Issue</u>						
Adirondack Trust Company Money Market Reserves	Money Market Fund	\$ 1,533,050	\$ -	\$ 1,533,050	\$ 1,533,050	\$ -
Adirondack Trust Company Money Market Reserves	Money Market Fund	\$ -	\$ 1,406,553	\$ 1,406,553	\$ 1,406,553	\$ -
Espey Mfg. and Electronics Corp.	Common Stock	\$ -	\$ 629,003	\$ 342,518	\$ 629,003	\$ 286,485
IV. <u>Series of Transactions Involving Securities, With a Single Person</u>						
None.						

The accompanying notes are an integral part of these schedules.

