

Form 5500 Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Annual Return/Report of Employee Benefit Plan This form is required to be filed for employee benefit plans under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and sections 6057(b) and 6058(a) of the Internal Revenue Code (the Code). ▶ Complete all entries in accordance with the instructions to the Form 5500.	OMB Nos. 1210-0110 1210-0089 2022 This Form is Open to Public Inspection
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Part I	Annual Report Identification Information
For calendar plan year 2022 or fiscal plan year beginning 01/01/2022 and ending 12/31/2022	
A	This return/report is for: ☐ a multiemployer plan ☐ a multiple-employer plan (Filers checking this box must attach a list of participating employer information in accordance with the form instructions.) ☒ a single-employer plan ☐ a DFE (specify) _____
B	This return/report is: ☐ the first return/report ☐ the final return/report ☐ an amended return/report ☐ a short plan year return/report (less than 12 months)
C	If the plan is a collectively-bargained plan, check here. ▶ ☐
D	Check box if filing under: ☒ Form 5558 ☐ automatic extension ☐ the DFVC program ☐ special extension (enter description)
E	If this is a retroactively adopted plan permitted by SECURE Act section 201, check here. ▶ ☐

Part II	Basic Plan Information—enter all requested information		
1a	Name of plan ESI 401K PLAN	1b	Three-digit plan number (PN) ▶ 001
		1c	Effective date of plan 01/01/1997
2a	Plan sponsor's name (employer, if for a single-employer plan) Mailing address (include room, apt., suite no. and street, or P.O. Box) City or town, state or province, country, and ZIP or foreign postal code (if foreign, see instructions) ESTECH SYSTEMS, INC. 3701 E PLANO PARKWAY PLANO, TX 75074	2b	Employer Identification Number (EIN) 75-2197449
		2c	Plan Sponsor's telephone number 972-422-9700
		2d	Business code (see instructions) 334200

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

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

SIGN HERE	Filed with authorized/valid electronic signature.	08/09/2023	BECKI L VEAL
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE	Filed with authorized/valid electronic signature.	08/09/2023	BECKI VEAL
	Signature of employer/plan sponsor	Date	Enter name of individual signing as employer or plan sponsor
SIGN HERE			
	Signature of DFE	Date	Enter name of individual signing as DFE

3a Plan administrator's name and address ☒ Same as Plan Sponsor		3b Administrator's EIN 3c Administrator's telephone number
4 If the name and/or EIN of the plan sponsor or the plan name has changed since the last return/report filed for this plan, enter the plan sponsor's name, EIN, the plan name and the plan number from the last return/report: a Sponsor's name c Plan Name		4b EIN 4d PN
5 Total number of participants at the beginning of the plan year		5 135
6 Number of participants as of the end of the plan year unless otherwise stated (welfare plans complete only lines 6a(1) , 6a(2) , 6b , 6c , and 6d).		
a(1) Total number of active participants at the beginning of the plan year		6a(1) 99
a(2) Total number of active participants at the end of the plan year		6a(2) 86
b Retired or separated participants receiving benefits		6b 1
c Other retired or separated participants entitled to future benefits.....		6c 34
d Subtotal. Add lines 6a(2) , 6b , and 6c		6d 121
e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits.		6e 0
f Total. Add lines 6d and 6e		6f 121
g Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item).....		6g 120
h Number of participants who terminated employment during the plan year with accrued benefits that were less than 100% vested.....		6h 0
7 Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item)		7
8a If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristics Codes in the instructions: 2E 2F 2G 2J 2K 2S 2T 3D		
b If the plan provides welfare benefits, enter the applicable welfare feature codes from the List of Plan Characteristics Codes in the instructions:		
9a Plan funding arrangement (check all that apply) (1) ☒ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☒ Trust (4) ☐ General assets of the sponsor		9b Plan benefit arrangement (check all that apply) (1) ☒ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☒ Trust (4) ☐ General assets of the sponsor
10 Check all applicable boxes in 10a and 10b to indicate which schedules are attached, and, where indicated, enter the number attached. (See instructions)		
a Pension Schedules (1) ☒ R (Retirement Plan Information) (2) ☐ MB (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary (3) ☐ SB (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary		b General Schedules (1) ☒ H (Financial Information) (2) ☐ I (Financial Information – Small Plan) (3) ☒ 1 A (Insurance Information) (4) ☒ C (Service Provider Information) (5) ☒ D (DFE/Participating Plan Information) (6) ☐ G (Financial Transaction Schedules)

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

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

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

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

11c Enter the Receipt Confirmation Code for the 2022 Form M-1 annual report. If the plan was not required to file the 2022 Form M-1 annual report, enter the Receipt Confirmation Code for the most recent Form M-1 that was required to be filed under the Form M-1 filing requirements. (Failure to enter a valid Receipt Confirmation Code will subject the Form 5500 filing to rejection as incomplete.)

Receipt Confirmation Code _____

SCHEDULE A (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Insurance Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA). ▶ File as an attachment to Form 5500. ▶ Insurance companies are required to provide the information pursuant to ERISA section 103(a)(2).	OMB No. 1210-0110 2022 This Form is Open to Public Inspection
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For calendar plan year 2022 or fiscal plan year beginning 01/01/2022 and ending 12/31/2022	
A Name of plan ESI 401K PLAN	B Three-digit plan number (PN) ▶ 001
C Plan sponsor's name as shown on line 2a of Form 5500 ESTECH SYSTEMS, INC.	D Employer Identification Number (EIN) 75-2197449

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

(a) Name of insurance carrier
PRUDENTIAL RETIREMENT INSURANCE AND ANNUITY COMPANY

(b) EIN	(c) NAIC code	(d) Contract or identification number	(e) Approximate number of persons covered at end of policy or contract year	Policy or contract year	
				(f) From	(g) To
06-1050034	93629	037429	121	01/01/2022	12/31/2022

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

(a) Total amount of commissions paid	(b) Total amount of fees paid
0	19153

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

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid
NORTHWESTERN MUTUAL INV SVCS INC 720 E. WISCONSIN AV
MILWAUKEE, WI 53202-0000

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	
	19153	SERVICES TO INSURER OR PLAN	4

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

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

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

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

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

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

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

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

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

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

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

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

Part II Investment and Annuity Contract Information

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

4	Current value of plan's interest under this contract in the general account at year end.....	4	2969518
5	Current value of plan's interest under this contract in separate accounts at year end.....	5	5526564

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

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

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

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

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

b	Balance at the end of the previous year	7b	2991707
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c	Additions: (1) Contributions deposited during the year	7c(1)	133279	
	(2) Dividends and credits.....	7c(2)		
	(3) Interest credited during the year.....	7c(3)	48603	
	(4) Transferred from separate account.....	7c(4)	162951	
	(5) Other (specify below)	7c(5)	20352	

▶ **FORFEITURE CREDITS LOAN REPAYMENTS TRANSFERS IN**

(6) Total additions.....	7c(6)	365185
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d	Total of balance and additions (add lines 7b and 7c(6))	7d	3356892
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e Deductions:

(1) Disbursed from fund to pay benefits or purchase annuities during year	7e(1)	249112
(2) Administration charge made by carrier.....	7e(2)	310
(3) Transferred to separate account.....	7e(3)	113894
(4) Other (specify below)	7e(4)	24058

▶ **FORFEITURES DEBITS, TRANSFERS OUT LOAN INITIATIONS
MISCELLANEOUS OUT**

(5) Total deductions.....	7e(5)	387374
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f	Balance at the end of the current year (subtract line 7e(5) from line 7d)	7f	2969518
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Part III Welfare Benefit Contract Information

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

8 Benefit and contract type (check all applicable boxes)

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

9 Experience-rated contracts:

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

10 Nonexperience-rated contracts:

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

Part IV Provision of Information

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

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

SCHEDULE C (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Service Provider Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA). ▶ File as an attachment to Form 5500.	OMB No. 1210-0110
		2022
		This Form is Open to Public Inspection.

For calendar plan year 2022 or fiscal plan year beginning 01/01/2022 and ending 12/31/2022		
A Name of plan ESI 401K PLAN	B Three-digit plan number (PN) ▶	001
C Plan sponsor's name as shown on line 2a of Form 5500 ESTECH SYSTEMS, INC.	D Employer Identification Number (EIN) 75-2197449	

Part I	Service Provider Information (see instructions)
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You must complete this Part, in accordance with the instructions, to report the information required for **each person** who received, directly or indirectly, \$5,000 or more in total compensation (i.e., money or anything else of monetary value) in connection with services rendered to the plan or the person's position with the plan during the plan year. If a person received **only** eligible indirect compensation for which the plan received the required disclosures, you are required to answer line 1 but are not required to include that person when completing the remainder of this Part.

1 Information on Persons Receiving Only Eligible Indirect Compensation

- a

 Check "Yes" or "No" to indicate whether you are excluding a person from the remainder of this Part because they received only eligible indirect compensation for which the plan received the required disclosures (see instructions for definitions and conditions)..... ☒ Yes ☐ No
- b

 If you answered line 1a "Yes," enter the name and EIN or address of each person providing the required disclosures for the service providers who received only eligible indirect compensation. Complete as many entries as needed (see instructions).

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation
PRUDENTIAL RETIREMENT INSURANCE AND
06-1050034

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation
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2. Information on Other Service Providers Receiving Direct or Indirect Compensation. Except for those persons for whom you answered "Yes" to line 1a above, complete as many entries as needed to list each person receiving, directly or indirectly, \$5,000 or more in total compensation (i.e., money or anything else of value) in connection with services rendered to the plan or their position with the plan during the plan year. (See instructions).

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

PRUDENTIAL RETIREMENT INSURANCE AND

06-1050034

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
13 15 37 50 64	NONE	3905	Yes ☒ No ☐	Yes ☒ No ☐	0	Yes ☒ No ☐

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

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

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

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

Part I Service Provider Information (continued)

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

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

Part II Service Providers Who Fail or Refuse to Provide Information

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

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

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

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

Explanation:

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

Explanation:

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

Explanation:

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

Explanation:

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

Explanation:

SCHEDULE D (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration	DFE/Participating Plan Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA). ► File as an attachment to Form 5500.	OMB No. 1210-0110 2022 This Form is Open to Public Inspection.
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For calendar plan year 2022 or fiscal plan year beginning **01/01/2022** and ending **12/31/2022**

A Name of plan ESI 401K PLAN	B Three-digit plan number (PN) ►	001
C Plan or DFE sponsor's name as shown on line 2a of Form 5500 ESTECH SYSTEMS, INC.	D Employer Identification Number (EIN) 75-2197449	

Part I	Information on interests in MTIAs, CCTs, PSAs, and 103-12 IEs (to be completed by plans and DFEs) (Complete as many entries as needed to report all interests in DFEs)
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a Name of MTIA, CCT, PSA, or 103-12 IE: BALANCED I/WELLINGTON				
b Name of sponsor of entity listed in (a): PRUDENTIAL RETIREMENT INS.				
c EIN-PN 06-1050034-084	d Entity code P	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 121899		
a Name of MTIA, CCT, PSA, or 103-12 IE: CORE PLUS BOND / PGIM FD				
b Name of sponsor of entity listed in (a): PRUDENTIAL RETIREMENT INS.				
c EIN-PN 06-1050034-299	d Entity code P	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 471793		
a Name of MTIA, CCT, PSA, or 103-12 IE: DRYDEN S&P500 INDEX - ISP				
b Name of sponsor of entity listed in (a): PRUDENTIAL RETIREMENT INS.				
c EIN-PN 06-1050034-123	d Entity code P	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 423169		
a Name of MTIA, CCT, PSA, or 103-12 IE: HIGH GRADE BOND / GSAM				
b Name of sponsor of entity listed in (a): PRUDENTIAL RETIREMENT INS.				
c EIN-PN 06-1050034-039	d Entity code P	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 32425		
a Name of MTIA, CCT, PSA, or 103-12 IE: INTL BLD/WELLINGTON				
b Name of sponsor of entity listed in (a): PRUDENTIAL RETIREMENT INS.				
c EIN-PN 06-1050034-349	d Entity code P	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 749892		
a Name of MTIA, CCT, PSA, or 103-12 IE: LCG/JP MORGAN INV MGMT				
b Name of sponsor of entity listed in (a): PRUDENTIAL RETIREMENT INS.				
c EIN-PN 06-1050034-141	d Entity code P	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 1293368		
a Name of MTIA, CCT, PSA, or 103-12 IE: LG CP BLEND I FUND				
b Name of sponsor of entity listed in (a): PRUDENTIAL RETIREMENT INS.				
c EIN-PN 06-1050034-178	d Entity code P	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 71458		

a Name of MTIA, CCT, PSA, or 103-12 IE: MCG/FRONTIER CAPITAL

b Name of sponsor of entity listed in (a): PRUDENTIAL RETIREMENT INS.

c EIN-PN 06-1050034-559	d Entity code P	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 255048
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a Name of MTIA, CCT, PSA, or 103-12 IE: MCV / PGIM QUANT SOL FD

b Name of sponsor of entity listed in (a): PRUDENTIAL RETIREMENT INS.

c EIN-PN 06-1050034-647	d Entity code P	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 0
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a Name of MTIA, CCT, PSA, or 103-12 IE: PRU DAY ONE IFX TRGT BAL

b Name of sponsor of entity listed in (a): PRUDENTIAL RETIREMENT INS.

c EIN-PN 06-1050034-697	d Entity code P	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 210990
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a Name of MTIA, CCT, PSA, or 103-12 IE: SA/INVESCO GLOBAL STRAT

b Name of sponsor of entity listed in (a): PRUDENTIAL RETIREMENT INS.

c EIN-PN 06-1050034-308	d Entity code P	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 563091
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a Name of MTIA, CCT, PSA, or 103-12 IE: SCG II

b Name of sponsor of entity listed in (a): PRUDENTIAL RETIREMENT INS.

c EIN-PN 06-1050034-319	d Entity code P	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 249884
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a Name of MTIA, CCT, PSA, or 103-12 IE: SCV/SILVERCREST

b Name of sponsor of entity listed in (a): PRUDENTIAL RETIREMENT INS.

c EIN-PN 06-1050034-126	d Entity code P	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 271410
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a Name of MTIA, CCT, PSA, or 103-12 IE: TRP EQTY INC STGY

b Name of sponsor of entity listed in (a): PRUDENTIAL RETIREMENT INS.

c EIN-PN 06-1050034-265	d Entity code P	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 812138
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a Name of MTIA, CCT, PSA, or 103-12 IE:

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

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

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

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

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

c EIN-PN	d Entity code	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)
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Part II **Information on Participating Plans (to be completed by DFEs)**

(Complete as many entries as needed to report all participating plans)

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

SCHEDULE H (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Financial Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA), and section 6058(a) of the Internal Revenue Code (the Code). ► File as an attachment to Form 5500.	OMB No. 1210-0110 2022 This Form is Open to Public Inspection
For calendar plan year 2022 or fiscal plan year beginning <u>01/01/2022</u> and ending <u>12/31/2022</u>		
A Name of plan <u>ESI 401K PLAN</u>	B Three-digit plan number (PN) ►	<u>001</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>ESTECH SYSTEMS, INC.</u>	D Employer Identification Number (EIN) <u>75-2197449</u>	

Part I	Asset and Liability Statement		
1 Current value of plan assets and liabilities at the beginning and end of the plan year. Combine the value of plan assets held in more than one trust. Report the value of the plan's interest in a commingled fund containing the assets of more than one plan on a line-by-line basis unless the value is reportable on lines 1c(9) through 1c(14). Do not enter the value of that portion of an insurance contract which guarantees, during this plan year, to pay a specific dollar benefit at a future date. Round off amounts to the nearest dollar. MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 1b(1), 1b(2), 1c(8), 1g, 1h, and 1i. CCTs, PSAs, and 103-12 IEs also do not complete lines 1d and 1e. See instructions.			
	Assets	(a) Beginning of Year	(b) End of Year
a	Total noninterest-bearing cash.....	1a	
b	Receivables (less allowance for doubtful accounts):		
	(1) Employer contributions.....	1b(1)	
	(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)	106669
	(9) Value of interest in common/collective trusts.....	1c(9)	
	(10) Value of interest in pooled separate accounts	1c(10)	7519663
	(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)	97146
	(14) Value of funds held in insurance company general account (unallocated contracts).....	1c(14)	2991707
	(15) Other	1c(15)	83867
			5526564
			2969518

1d Employer-related investments:		(a) Beginning of Year	(b) End of Year
(1) Employer securities	1d(1)		
(2) Employer real property	1d(2)		
e Buildings and other property used in plan operation	1e		
f Total assets (add all amounts in lines 1a through 1e)	1f	10715185	8676883

Liabilities

g Benefit claims payable	1g		
h Operating payables	1h		
i Acquisition indebtedness	1i		
j Other liabilities	1j		
k Total liabilities (add all amounts in lines 1g through 1j)	1k	0	0

Net Assets

l Net assets (subtract line 1k from line 1f)	1l	10715185	8676883
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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)	89068	
(B) Participants	2a(1)(B)	584746	
(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)		673814
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)	5452	
(F) Other	2b(1)(F)	48603	
(G) Total interest. Add lines 2b(1)(A) through (F)	2b(1)(G)		54055
(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)	1783	
(D) Total dividends. Add lines 2b(2)(A) , (B) , and (C)	2b(2)(D)		1783
(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)		
(C) Total unrealized appreciation of assets. Add lines 2b(5)(A) and (B)	2b(5)(C)		0

		(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)		-1522427
(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)		-16640
c Other income	2c		-1
d Total income. Add all income amounts in column (b) and enter total	2d		-809416
Expenses			
e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	1223366	
(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)		1223366
f Corrective distributions (see instructions)	2f		1579
g Certain deemed distributions of participant loans (see instructions)	2g		
h Interest expense	2h		
i Administrative expenses: (1) Professional fees	2i(1)		
(2) Contract administrator fees	2i(2)	3904	
(3) Investment advisory and management fees	2i(3)		
(4) Other	2i(4)	37	
(5) Total administrative expenses. Add lines 2i(1) through (4)	2i(5)		3941
j Total expenses. Add all expense amounts in column (b) and enter total	2j		1228886
Net Income and Reconciliation			
k Net income (loss). Subtract line 2j from line 2d	2k		-2038302
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: **BAKER TILLY US, LLP**

(2) EIN: **39-0859910**

d The opinion of an independent qualified public accountant is **not attached** because:

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

Part IV Compliance Questions

4 CCTs and PSAs do not complete Part IV. MTIAs, 103-12 IEs, and GIAs do not complete lines 4a, 4e, 4f, 4g, 4h, 4k, 4m, 4n, or 5. 103-12 IEs also do not complete lines 4j and 4l. MTIAs also do not complete line 4l.

During the plan year:

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

	Yes	No	Amount
4a		X	

	Yes	No	Amount
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.)			
4b		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.)			
4c		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.)			
4d		X	
e Was this plan covered by a fidelity bond?	X		500000
f Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?		X	
4f		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?			
4g		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?			
4h		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		
4i	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.)			
4j		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?			
4k		X	
l Has the plan failed to provide any benefit when due under the plan?			
4l		X	
m If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.)			
4m		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.			
4n			

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

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

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

5c Was the plan a defined benefit plan covered under the PBGC insurance program at any time during this plan year? (See ERISA section 4021 and instructions.) ☐ Yes ☐ No ☐ Not determined
If "Yes" is checked, enter the My PAA confirmation number from the PBGC premium filing for this plan year _____.

SCHEDULE R (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Retirement Plan Information This schedule is required to be filed under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6058(a) of the Internal Revenue Code (the Code). ► File as an attachment to Form 5500.	OMB No. 1210-0110 2022 This Form is Open to Public Inspection.
For calendar plan year 2022 or fiscal plan year beginning 01/01/2022 and ending 12/31/2022		
A Name of plan ESI 401K PLAN		B Three-digit plan number (PN) ► 001
C Plan sponsor's name as shown on line 2a of Form 5500 ESTECH SYSTEMS, INC.		D Employer Identification Number (EIN) 75-2197449
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): 22-1211670		
Profit-sharing plans, ESOPs, and stock bonus plans, skip line 3.		
3 Number of participants (living or deceased) whose benefits were distributed in a single sum, during the plan year.....		3
Part II Funding Information (If the plan is not subject to the minimum funding requirements of section 412 of the Internal Revenue Code or ERISA section 302, skip this Part.)		
4 Is the plan administrator making an election under Code section 412(d)(2) or ERISA section 302(d)(2)? ☐ Yes ☐ No ☐ N/A If the plan is a defined benefit plan, go to line 8.		
5 If a waiver of the minimum funding standard for a prior year is being amortized in this plan year, see instructions and enter the date of the ruling letter granting the waiver. Date: Month _____ Day _____ Year _____ If you completed line 5, complete lines 3, 9, and 10 of Schedule MB and do not complete the remainder of this schedule.		
6 a Enter the minimum required contribution for this plan year (include any prior year accumulated funding deficiency not waived).....		6a
b Enter the amount contributed by the employer to the plan for this plan year.....		6b
c Subtract the amount in line 6b from the amount in line 6a. Enter the result (enter a minus sign to the left of a negative amount).....		6c
If you completed line 6c, skip lines 8 and 9.		
7 Will the minimum funding amount reported on line 6c be met by the funding deadline? ☐ Yes ☐ No ☐ N/A		
8 If a change in actuarial cost method was made for this plan year pursuant to a revenue procedure or other authority providing automatic approval for the change or a class ruling letter, does the plan sponsor or plan administrator agree with the change? ☐ Yes ☐ No ☐ N/A		
Part III Amendments		
9 If this is a defined benefit pension plan, were any amendments adopted during this plan year that increased or decreased the value of benefits? If yes, check the appropriate box. If no, check the "No" box..... ☐ Increase ☐ Decrease ☐ Both ☐ No		
Part IV ESOPs (see instructions). If this is not a plan described under section 409(a) or 4975(e)(7) of the Internal Revenue Code, skip this Part.		
10 Were unallocated employer securities or proceeds from the sale of unallocated securities used to repay any exempt loan?.....		☐ Yes ☐ No
11 a Does the ESOP hold any preferred stock?.....		☐ Yes ☐ No
b If the ESOP has an outstanding exempt loan with the employer as lender, is such loan part of a "back-to-back" loan? (See instructions for definition of "back-to-back" loan.).....		☐ Yes ☐ No
12 Does the ESOP hold any stock that is not readily tradable on an established securities market?.....		☐ Yes ☐ No
For Paperwork Reduction Act Notice, see the Instructions for Form 5500.		
Schedule R (Form 5500) 2022 v. 220413		

Part V Additional Information for Multiemployer Defined Benefit Pension Plans

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

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

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

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

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

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

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

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

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

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

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

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

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

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

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

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

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

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

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

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

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

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

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

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

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

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

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

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

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

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

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

14	Enter the number of deferred vested and retired participants (inactive participants), as of the beginning of the plan year, whose contributing employer is no longer making contributions to the plan for:	
a	The current plan year. Check the box to indicate the counting method used to determine the number of inactive participants: ☐ last contributing employer ☐ alternative ☐ reasonable approximation (see instructions for required attachment).....	14a
b	The plan year immediately preceding the current plan year. ☐ Check the box if the number reported is a change from what was previously reported (see instructions for required attachment)	14b
c	The second preceding plan year. ☐ Check the box if the number reported is a change from what was previously reported (see instructions for required attachment)	14c
15	Enter the ratio of the number of participants under the plan on whose behalf no employer had an obligation to make an employer contribution during the current plan year to:	
a	The corresponding number for the plan year immediately preceding the current plan year.....	15a
b	The corresponding number for the second preceding plan year.....	15b
16	Information with respect to any employers who withdrew from the plan during the preceding plan year:	
a	Enter the number of employers who withdrew during the preceding plan year	16a
b	If line 16a is greater than 0, enter the aggregate amount of withdrawal liability assessed or estimated to be assessed against such withdrawn employers.....	16b
17	If assets and liabilities from another plan have been transferred to or merged with this plan during the plan year, check box and see instructions regarding supplemental information to be included as an attachment ☐	

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

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

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

a Enter the percentage of plan assets held as:
 Stock: _____% Investment-Grade Debt: _____% High-Yield Debt: _____% Real Estate: _____% Other: _____%

b Provide the average duration of the combined investment-grade and high-yield debt:
☐ 0-3 years ☐ 3-6 years ☐ 6-9 years ☐ 9-12 years ☐ 12-15 years ☐ 15-18 years ☐ 18-21 years ☐ 21 years or more

c What duration measure was used to calculate line 19(b)?
☐ Effective duration ☐ Macaulay duration ☐ Modified duration ☐ Other (specify): _____

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 _____

ESI 401(k) Plan

Financial Statements and
Supplementary Information

December 31, 2022 and 2021

ESI 401(k) Plan

Table of Contents

December 31, 2022 and 2021

	<u>Page</u>
Independent Auditors' Report	1
Financial Statements	
Statements of Net Assets Available for Benefits	4
Statement of Changes in Net Assets Available for Benefits	5
Notes to Financial Statements	6
Supplementary Information	
Schedule H, Line 4(i) - Schedule of Assets (Held at End of Year)	13

Independent Auditors' Report

To the Plan Administrator of
ESI 401(k) Plan

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

We have performed audits of the financial statements of ESI 401(k) Plan (the Plan), an employee benefit plan subject to the Employee Retirement Income Security Act of 1974 (ERISA), as permitted by ERISA Section 103(a)(3)(C) (ERISA Section 103(a)(3)(C) audit). The financial statements comprise the statements of net assets available for benefits as of December 31, 2022 and 2021, and the related statement of changes in net assets available for benefits for the year ended December 31, 2022, and the related notes to the financial statements.

Management, having determined it is permissible in the circumstances, has elected to have the audits of the Plan's financial statements performed in accordance with ERISA Section 103(a)(3)(C) pursuant to 29 CFR 2520.103-8 of the Department of Labor's (DOL) 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 DOL's Rules and Regulations for Reporting and Disclosure under ERISA (qualified institution).

Management has obtained certifications from a qualified institution as of December 31, 2022 and 2021, and for the year ended December 31, 2022, stating that the certified investment information, as described in Note 4 to the financial statements, is complete and accurate.

Opinion

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

- The amounts and disclosures in the financial statements, 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 related to assets held by and certified to by a qualified institution agrees to, or is derived from, in all material respects, the information prepared and certified by an institution that management determined meets the requirements of ERISA Section 103(a)(3)(C).

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Plan and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our ERISA Section 103(a)(3)(C) audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error. Management's election of the ERISA Section 103(a)(3)(C) audit does not affect management's responsibility for the financial statements.

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, we:

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

Our audits did not extend to the certified investment information, except for obtaining and reading the certification, comparing the certified investment information with the related information presented and disclosed in the financial statements, and reading the disclosures relating to the certified investment information to assess whether they are in accordance with the presentation and disclosure requirements of 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 Schedule Required by ERISA

The supplemental Schedule H, Line 4(i) - Schedule of Assets (Held at End of Year), as of December 31, 2022, is presented for purposes of additional analysis and is not a required part of the financial statements but is supplementary information required by the DOL's Rules and Regulations for Reporting and Disclosure under ERISA. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information included in the supplemental schedule, other than that agreed to or derived from the certified investment information, has been subjected to auditing procedures applied in the audits of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with GAAS. For information included in the supplemental schedule that agreed to or is derived from the certified investment information, we compared such information to the related certified investment information.

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

In our opinion:

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

Baker Tilly US, LLP

Plano, Texas
August 9, 2023

ESI 401(k) Plan

Statements of Net Assets Available for Benefits
December 31, 2022 and 2021

	<u>2022</u>	<u>2021</u>
Assets		
Investments:		
At fair value	\$ 5,623,498	\$ 7,616,809
At contract value	<u>2,969,518</u>	<u>2,991,707</u>
Total investments	8,593,016	10,608,516
Notes receivable from participants	<u>83,867</u>	<u>106,669</u>
Total assets	<u>8,676,883</u>	<u>10,715,185</u>
Net assets available for benefits	<u><u>\$ 8,676,883</u></u>	<u><u>\$ 10,715,185</u></u>

See notes to financial statements

ESI 401(k) Plan

Statement of Changes in Net Assets Available for Benefits Year Ended December 31, 2022

Additions

Investment income (loss):	
Dividends and interest	\$ 50,386
Net depreciation of fair value of investments	<u>(1,539,067)</u>
Total investment loss	<u>(1,488,681)</u>
Interest income on notes receivable from participants	<u>5,452</u>
Contributions:	
Participants	584,746
Company, net	<u>89,068</u>
Total contributions	<u>673,814</u>
Total additions	<u>(809,415)</u>

Deductions

Benefits paid to participants	1,224,945
Administrative expenses, net	<u>3,942</u>
Total deductions	<u>1,228,887</u>
Net decrease	(2,038,302)

Net Assets Available for Benefits

Beginning of year	<u>10,715,185</u>
End of year	<u><u>\$ 8,676,883</u></u>

ESI 401(k) Plan

Notes to Financial Statements
December 31, 2022 and 2021

1. Description of the Plan

General

The ESI 401(k) (the Plan), originally established January 1, 1997 and restated May 1, 2021, is a defined contribution plan and is subject to the provisions of the Employee Retirement Income Security Act of 1974, as amended (ERISA). The Plan is sponsored by Estech Systems, Inc., (the Company or Plan Administrator). Two officers of the Company serve as the Trustees of the Plan, and Prudential Retirement Insurance and Annuity Company (Prudential or the Custodian) is the Custodian and record-keeper for the Plan. The following descriptions provide only general information. Participants should refer to the plan document for a more complete description of the Plan's provisions.

Eligibility and Participant Accounts

Employees become eligible for participation at the age of 21 and upon completing three months of service, as defined by the plan document. Employees have the option to join the Plan as an active participant on the first day of the plan quarter after satisfying the service requirements.

Each participant's account is credited with the participant's contributions, Company contributions, and an allocation of plan earnings or losses and charged with administrative expenses, earnings and losses are credited to each participant account based on the performance of the underlying investments. Contributions and earnings are allocated among investment options, which include a guaranteed income fund, mutual funds and pooled separate accounts as selected by the participant. Participants may modify investment elections, transfer existing account balances and obtain information regarding the investments on a daily basis.

Contributions

Each year, a participant may elect to contribute a portion of his or her pretax or after-tax (Roth) compensation from 1% to 90%, subject to certain maximum limitations imposed by the Internal Revenue Code (IRC) (\$20,500 for 2022). Employees who are eligible to make elective deferrals under the Plan and who have attained the age fifty before the close of the plan year are eligible to make catch-up contributions subject to the maximum limitation imposed by the IRC (\$6,500 for 2022). Newly eligible participants are automatically enrolled into the Plan at a pre-tax deferral percentage of 4%, unless elected otherwise. Each contributing participant's deferral percentage is automatically increased by 1% each plan year, up to a maximum of 10%, unless elected otherwise.

The Company makes discretionary matching contributions, based on participants' annual compensation in the amount of 25% of employee elective deferrals up to 6% of eligible compensation. For the year ended December 31, 2022, the Company made contributions in the amount of \$89,068.

Vesting

Participants are immediately vested in elective deferrals and qualified nonelective contributions plus any actual earnings or losses thereon. Vesting in the Company's matching contributions plus actual earnings or losses thereon is vested 20% per year beginning after two years of credited service with full vesting after six years.

ESI 401(k) Plan

Notes to Financial Statements
December 31, 2022 and 2021

Forfeitures

Forfeitures of terminated participants' nonvested accounts may be used to reduce Company contributions or pay plan expenses. At December 31, 2022 and 2021, forfeited, nonvested accounts available for use totaled \$3,256 and \$2,579, respectively. During the year ended December 31, 2022, forfeitures in the amount of \$6,585 and \$105 were used to reduce Company contributions and plan expenses, respectively.

Revenue Sharing Account

Revenue sharing accounts are used to pay administrative expenses or reallocated to participant accounts. At December 31, 2022 and 2021, there were funds of \$4,032 and \$3,966 available, respectively. For the year ended December 31, 2022, no funds were utilized to pay plan expenses or reallocated to participants.

Notes Receivable From Participants

Participants may borrow from their fund accounts a minimum of \$1,000 up to a maximum equal to the lesser of \$50,000 or 50% of their vested account balance, whichever is less. Notes are collateralized by the participant's vested account balance and bear interest at a rate of prime plus 2%. Note terms range from one to five years, or to a maximum of ten years if the note is used to purchase the principal residence of the participant. Periodic repayments of principal and interest are made through payroll withholdings. As of December 31, 2022, notes receivable from participants have interest rates ranging from 5.25% to 8.25% and maturity dates ranging from February 2023 through March 2031. As of December 31, 2021, notes receivable from participants have interest rates ranging from 5.25% to 7.50% and maturity dates ranging from May 2022 through December 2026.

Benefits Paid to Participants

Participants withdrawing amounts from their account during the year for reasons of disability, retirement, death or termination are entitled to their vested account balance. Participants may also make hardship withdrawals on the balance of their account related to their elective deferral contributions. Upon termination, vested account balances less than \$5,000 are required to be distributed immediately following severance from employment.

Expenses

Expenses that are paid by the Company are excluded from these financial statements. Fees related to administration of notes receivable from participants and fees paid related to distributions to participants are charged directly to the participant's account and are included in administrative expenses. Investment related expenses are included in net appreciation of fair value of investments.

Plan Termination

Although it has not expressed any intent to do so, the Company has the right to terminate the Plan at any time, subject to the provisions of ERISA. In the event the Plan is terminated, each of the participants will have a nonforfeitable 100% vested interest in his or her account balance, including all Company contributions, subject to payment of liquidation costs and expenses.

ESI 401(k) Plan

Notes to Financial Statements
December 31, 2022 and 2021

2. Summary of Accounting Policies

Basis of Accounting

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

Investment Valuation and Income Recognition

Investments are reported at fair value except for a fully benefit-responsive guaranteed income fund, which is valued at contract value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (see Note 3). Contract value is the relevant measure attributable to the fully benefit-responsive guaranteed income fund because contract value is the amount participants would receive if they were to initiate permitted transactions under the provision of the Plan (see Note 5). Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date. The income or loss earned on participant accounts is allocated on a daily basis using the previous day's ending account balance. Net appreciation (depreciation) includes the Plan's gains and losses on the investments bought and sold, as well as held during the year.

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 and liabilities and changes therein, and disclosures of contingent assets and liabilities. Actual results could differ from those estimates.

Notes Receivable From Participants

Notes receivable from participants are measured at their unpaid principal balances plus any accrued but unpaid interest. Delinquent notes receivable from participants are reclassified as distributions based upon terms of the plan document or note policy of the Plan. Notes receivable are valued at amortized cost, which approximates fair value. No allowances for credit losses have been recorded as of December 31, 2022 or 2021.

Payment of Benefits

Benefits are recorded when paid.

3. 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 authoritative guidance are described as follows:

Level 1 - Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets.

ESI 401(k) Plan

Notes to Financial Statements
December 31, 2022 and 2021

Level 2 - Significant observable inputs other than quoted prices in active markets for which 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's 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 maximize the use of relevant observables and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at December 31, 2022 and 2021.

Mutual funds are valued at the net asset value (NAV) or quoted market prices of shares held by the Plan at year-end.

Pooled separate accounts are valued based upon the NAV of units of such pooled accounts held by the Plan at year-end. The NAV, as provided by Prudential, is used as a practical expedient to estimate fair value. The NAV is based on the fair value of the underlying investments held by the fund less its liabilities. This practical expedient is not used when it is determined to be probable that the fund will sell the investment for an amount different than the reported NAV. Participant transactions (purchases and sales) may occur daily.

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

The following table sets forth by level, within the fair value hierarchy, the Plan's assets at fair value as of December 31, 2022 and 2021:

Assets at Fair Value as of December 31, 2022				
	Level 1	Level 2	Level 3	Total
Mutual funds	\$ 96,933	\$ -	\$ -	\$ 96,933
Total investments in fair value hierarchy	<u>\$ 96,933</u>	<u>\$ -</u>	<u>-</u>	96,933
Pooled separate accounts at net asset value (a)				<u>5,526,565</u>
Total investments at fair value				\$ 5,623,498

ESI 401(k) Plan

Notes to Financial Statements
December 31, 2022 and 2021

	Assets at Fair Value as of December 31, 2021			
	Level 1	Level 2	Level 3	Total
Mutual funds	\$ 97,145	\$ -	\$ -	\$ 97,145
Total investments in fair value hierarchy	<u>\$ 97,145</u>	<u>\$ -</u>	<u>-</u>	97,145
Pooled separate accounts at net asset value (a)				<u>7,519,664</u>
Total investments at fair value				<u>\$ 7,616,809</u>

(a) In accordance with Subtopic 820-10, certain investments that were measured at the net asset value per share practical expedient (or its equivalent) have not been classified in the fair value hierarchy. The fair value amounts presented in this table are intended to permit reconciliation of the fair value hierarchy to the line items presented in the Statements of Net Assets Available for Benefits.

The following table summarizes investments for which fair value is measured using NAV per share practical expedient as of December 31, 2022 and 2021. There are no participant redemption restrictions for these investments; the redemption notice period is applicable only to the Plan.

	December 31, 2022			
	Fair Value	Unfunded Commitments	Frequency (if Currently Eligible)	Redemption Notice Period
Prudential Institutional	\$ 5,526,565	None	Daily	None
	December 31, 2021			
	Fair Value	Unfunded Commitments	Frequency (if Currently Eligible)	Redemption Notice Period
Prudential Institutional	\$ 7,519,664	None	Daily	None

4. Information Certified by Custodian

The Plan Administrator has elected the method of compliance permitted by 29 CFR 2520.103-8 of the Department of Labor's (DOL) Rules and Regulations for Reporting and Disclosure under ERISA for 2022 and 2021. Accordingly, the Custodian of the Plan has certified the completeness and accuracy of all investments reported in the accompanying Statements of Net Assets Available for Benefits as of December 31, 2022 and 2021 and the supplemental Schedule H, Line 4(i) - Schedule of Assets (Held at End of Year) as of December 31, 2022, and the related investment activity and interest on notes receivable from participants reported in the Statement of Changes in Net Asset Available for Benefits for the year ended December 31, 2022.

ESI 401(k) Plan

Notes to Financial Statements
December 31, 2022 and 2021

5. Guaranteed Income Fund

The Prudential Retirement Insurance and Annuity Company Guaranteed Income Fund is a fully benefit-responsive group annuity contract issued by Prudential. There are no reserves against contract value for credit risk of the contract issuer or otherwise. The crediting interest rate is based on a formula agreed upon with the issuer but may not be less than zero. Such interest rates are continuously reviewed and reset as needed on a monthly to quarterly basis. Certain unobservable inputs are assessed through review of contract terms (for example: duration or payout date) while others are substantiated utilizing available market data (for example: swap curve rate).

Certain events might limit the ability of the Plan to transact at contract value with the contract issuer. Such events include (1) amendments to the plan documents (including complete or partial plan termination or merger with another plan), (2) changes to the Plan's prohibition on competing investment options or deletion of equity wash provisions, (3) bankruptcy of the plan sponsor or other plan sponsor events (for example, divestitures or spinoffs of a subsidiary) that cause a significant withdrawal from the Plan, (4) failure of the trust to qualify for exemption from federal income taxes or any required prohibited transaction exemption under ERISA (5) premature termination of the contract.

No events are probable of occurring that might limit the ability of the Plan to transact at contract value with the contract issuer and that also would limit the ability of the Plan to transact at contract value with the participants.

In addition, certain events allow the issuer to terminate the contract with the Plan and settle at an amount different from contract value. Such events include the following: (1) An uncured violation of the Plan's investment guidelines, (2) a breach of material obligation under the contract, (3) a material misrepresentation, (4) a material amendment to the agreement without the consent of the issuer.

6. Tax Status

The Plan is based on a non-standardized pre-approved profit-sharing plan with CODA, developed by Prudential Insurance Company of America, which received a favorable opinion letter dated December 4, 2020, from the IRS stating that the non-standardized pre-approved profit-sharing plan with CODA, constitutes a qualified plan under Section 401 of the IRC. Through December 31, 2021, the Plan is based on a prototype plan developed by the Custodian which received a favorable opinion letter dated April 29, 2014 from the IRS stating that the prototype plan constitutes a qualified plan under Section 401 of the IRC. The Plan Administrator believes the Plan, as adopted, and amended, is operating within the guidelines of the IRC and continues to be tax-exempt. Accordingly, no provision for federal income taxes has been provided in the accompanying financial statements.

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

7. Related-Party and Party In Interest Transactions

Certain of the Plan's investments are managed by the Custodian; therefore, these transactions qualify as party in interest transactions. The Plan issues notes receivable to participants, which are secured by the participant's account balances. These transactions also qualify as party in interest transactions. Certain administrative functions of the Plan are performed by an officer or employees of the Company. No such officer or employee receives compensation from the Plan.

ESI 401(k) Plan

Notes to Financial Statements
December 31, 2022 and 2021

8. Risks and Uncertainties

The Plan provides for various investment options in mutual funds of registered investment companies, pooled separate accounts, and a guaranteed income fund. Investment securities are exposed to various risks, such as interest rate, concentration, market and credit risks. Market risks include global events, such as a pandemic or international conflict, which could impact the value of investment securities. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect participant account balances and the amounts reported in the Statements of Net Assets Available for Benefits.

9. Subsequent Events

The Company has evaluated events or transactions occurring after December 31, 2022, the Statements of Net Assets Available for Benefits date, through August 9, 2023, the date the financial statements were ready to be issued, and determined no such events or transactions that would impact these financial statements as of and for the year ended December 31, 2022, other than as follows:

The SECURE 2.0 Act of 2022 was signed into law on December 29, 2022. This legislation includes a vast array of provisional changes to retirement plans, becoming effective in 2023 and beyond. Plan management is evaluating the impact of the adoption and implementation of this legislation on the Plan.

ESI 401(k) Plan

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

EIN: 75-2197449 Plan Number: 001

December 31, 2022

(a)	(b) Identity of Issue, Borrower, Lessor or Similar Party	(c) Description of Investment Including Maturity Date, Rate of Interest, Collateral, Par or Maturity Value	(d) Cost	(e) Current Value
Mutual Funds				
	BNY Mellon	BNY Mellon International Stock Index Investment	N/R	\$ 19,751
	BNY Mellon	BNY Mellon Mid Cap Index Investment	N/R	2,019
	BNY Mellon	BNY Mellon Bond Market Investment	N/R	40,199
	BNY Mellon	BNY Mellon Small Cap Stock Index Investment	N/R	34,964
		Total mutual funds		96,933
Pooled Separate Accounts				
*	Prudential Retirement Insurance and Annuity Company	Large Cap Growth/JP Morgan Investment Mgmt. Fund	N/R	1,293,368
*	Prudential Retirement Insurance and Annuity Company	SA/OFII Global Strategy Fund	N/R	563,091
*	Prudential Retirement Insurance and Annuity Company	International Blend Wellington Mgmt. Fund	N/R	749,892
*	Prudential Retirement Insurance and Annuity Company	T. Rowe Price Equity and Income Strategy Fund	N/R	812,138
*	Prudential Retirement Insurance and Annuity Company	Dryden S&P 500 Index Fund	N/R	423,169
*	Prudential Retirement Insurance and Annuity Company	Core Plus Bond Fund/PIM Fund	N/R	471,793
*	Prudential Retirement Insurance and Annuity Company	Balanced Fund (sub-advised by Wellington Mgmt.)	N/R	121,899
*	Prudential Retirement Insurance and Annuity Company	Small Cap Value/Silvercrest Fund	N/R	271,410
*	Prudential Retirement Insurance and Annuity Company	Mid Cap Growth/Frontier Fund	N/R	255,048
*	Prudential Retirement Insurance and Annuity Company	Large Cap Blend I Fund	N/R	71,458
*	Prudential Retirement Insurance and Annuity Company	Prudential Day One IncomeFlex Target Balanced Fund	N/R	210,990
*	Prudential Retirement Insurance and Annuity Company	SCG II Wellington	N/R	249,884
*	Prudential Retirement Insurance and Annuity Company	High Grade Bond/Goldman Sachs Fund	N/R	32,425
		Total pooled separate accounts		5,526,565
		Total investments at fair value		5,623,498
Guaranteed Income Fund				
*	Prudential Retirement Insurance and Annuity Company	Guaranteed Income Fund	N/R	2,969,518
Participant Loans				
*		Interest rates: 5.25% - 8.25%	\$0	83,867
		Total		\$ 8,676,883

* Indicates party in interest to the Plan

N/R - cost omitted for participant-directed investments

ESI 401(k) Plan

Financial Statements and
Supplementary Information

December 31, 2022 and 2021

ESI 401(k) Plan

Table of Contents

December 31, 2022 and 2021

	<u>Page</u>
Independent Auditors' Report	1
Financial Statements	
Statements of Net Assets Available for Benefits	4
Statement of Changes in Net Assets Available for Benefits	5
Notes to Financial Statements	6
Supplementary Information	
Schedule H, Line 4(i) - Schedule of Assets (Held at End of Year)	13

Independent Auditors' Report

To the Plan Administrator of
ESI 401(k) Plan

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

We have performed audits of the financial statements of ESI 401(k) Plan (the Plan), an employee benefit plan subject to the Employee Retirement Income Security Act of 1974 (ERISA), as permitted by ERISA Section 103(a)(3)(C) (ERISA Section 103(a)(3)(C) audit). The financial statements comprise the statements of net assets available for benefits as of December 31, 2022 and 2021, and the related statement of changes in net assets available for benefits for the year ended December 31, 2022, and the related notes to the financial statements.

Management, having determined it is permissible in the circumstances, has elected to have the audits of the Plan's financial statements performed in accordance with ERISA Section 103(a)(3)(C) pursuant to 29 CFR 2520.103-8 of the Department of Labor's (DOL) 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 DOL's Rules and Regulations for Reporting and Disclosure under ERISA (qualified institution).

Management has obtained certifications from a qualified institution as of December 31, 2022 and 2021, and for the year ended December 31, 2022, stating that the certified investment information, as described in Note 4 to the financial statements, is complete and accurate.

Opinion

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

- The amounts and disclosures in the financial statements, 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 related to assets held by and certified to by a qualified institution agrees to, or is derived from, in all material respects, the information prepared and certified by an institution that management determined meets the requirements of ERISA Section 103(a)(3)(C).

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Plan and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our ERISA Section 103(a)(3)(C) audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error. Management's election of the ERISA Section 103(a)(3)(C) audit does not affect management's responsibility for the financial statements.

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, we:

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

Our audits did not extend to the certified investment information, except for obtaining and reading the certification, comparing the certified investment information with the related information presented and disclosed in the financial statements, and reading the disclosures relating to the certified investment information to assess whether they are in accordance with the presentation and disclosure requirements of 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 Schedule Required by ERISA

The supplemental Schedule H, Line 4(i) - Schedule of Assets (Held at End of Year), as of December 31, 2022, is presented for purposes of additional analysis and is not a required part of the financial statements but is supplementary information required by the DOL's Rules and Regulations for Reporting and Disclosure under ERISA. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information included in the supplemental schedule, other than that agreed to or derived from the certified investment information, has been subjected to auditing procedures applied in the audits of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with GAAS. For information included in the supplemental schedule that agreed to or is derived from the certified investment information, we compared such information to the related certified investment information.

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

In our opinion:

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

Baker Tilly US, LLP

Plano, Texas
August 9, 2023

ESI 401(k) Plan

Statements of Net Assets Available for Benefits
December 31, 2022 and 2021

	<u>2022</u>	<u>2021</u>
Assets		
Investments:		
At fair value	\$ 5,623,498	\$ 7,616,809
At contract value	<u>2,969,518</u>	<u>2,991,707</u>
Total investments	8,593,016	10,608,516
Notes receivable from participants	<u>83,867</u>	<u>106,669</u>
Total assets	<u>8,676,883</u>	<u>10,715,185</u>
Net assets available for benefits	<u>\$ 8,676,883</u>	<u>\$ 10,715,185</u>

See notes to financial statements

ESI 401(k) Plan

Statement of Changes in Net Assets Available for Benefits Year Ended December 31, 2022

Additions

Investment income (loss):	
Dividends and interest	\$ 50,386
Net depreciation of fair value of investments	<u>(1,539,067)</u>
Total investment loss	<u>(1,488,681)</u>
Interest income on notes receivable from participants	<u>5,452</u>
Contributions:	
Participants	584,746
Company, net	<u>89,068</u>
Total contributions	<u>673,814</u>
Total additions	<u>(809,415)</u>

Deductions

Benefits paid to participants	1,224,945
Administrative expenses, net	<u>3,942</u>
Total deductions	<u>1,228,887</u>
Net decrease	(2,038,302)

Net Assets Available for Benefits

Beginning of year	<u>10,715,185</u>
End of year	<u><u>\$ 8,676,883</u></u>

ESI 401(k) Plan

Notes to Financial Statements
December 31, 2022 and 2021

1. Description of the Plan

General

The ESI 401(k) (the Plan), originally established January 1, 1997 and restated May 1, 2021, is a defined contribution plan and is subject to the provisions of the Employee Retirement Income Security Act of 1974, as amended (ERISA). The Plan is sponsored by Estech Systems, Inc., (the Company or Plan Administrator). Two officers of the Company serve as the Trustees of the Plan, and Prudential Retirement Insurance and Annuity Company (Prudential or the Custodian) is the Custodian and record-keeper for the Plan. The following descriptions provide only general information. Participants should refer to the plan document for a more complete description of the Plan's provisions.

Eligibility and Participant Accounts

Employees become eligible for participation at the age of 21 and upon completing three months of service, as defined by the plan document. Employees have the option to join the Plan as an active participant on the first day of the plan quarter after satisfying the service requirements.

Each participant's account is credited with the participant's contributions, Company contributions, and an allocation of plan earnings or losses and charged with administrative expenses, earnings and losses are credited to each participant account based on the performance of the underlying investments. Contributions and earnings are allocated among investment options, which include a guaranteed income fund, mutual funds and pooled separate accounts as selected by the participant. Participants may modify investment elections, transfer existing account balances and obtain information regarding the investments on a daily basis.

Contributions

Each year, a participant may elect to contribute a portion of his or her pretax or after-tax (Roth) compensation from 1% to 90%, subject to certain maximum limitations imposed by the Internal Revenue Code (IRC) (\$20,500 for 2022). Employees who are eligible to make elective deferrals under the Plan and who have attained the age fifty before the close of the plan year are eligible to make catch-up contributions subject to the maximum limitation imposed by the IRC (\$6,500 for 2022). Newly eligible participants are automatically enrolled into the Plan at a pre-tax deferral percentage of 4%, unless elected otherwise. Each contributing participant's deferral percentage is automatically increased by 1% each plan year, up to a maximum of 10%, unless elected otherwise.

The Company makes discretionary matching contributions, based on participants' annual compensation in the amount of 25% of employee elective deferrals up to 6% of eligible compensation. For the year ended December 31, 2022, the Company made contributions in the amount of \$89,068.

Vesting

Participants are immediately vested in elective deferrals and qualified nonelective contributions plus any actual earnings or losses thereon. Vesting in the Company's matching contributions plus actual earnings or losses thereon is vested 20% per year beginning after two years of credited service with full vesting after six years.

ESI 401(k) Plan

Notes to Financial Statements
December 31, 2022 and 2021

Forfeitures

Forfeitures of terminated participants' nonvested accounts may be used to reduce Company contributions or pay plan expenses. At December 31, 2022 and 2021, forfeited, nonvested accounts available for use totaled \$3,256 and \$2,579, respectively. During the year ended December 31, 2022, forfeitures in the amount of \$6,585 and \$105 were used to reduce Company contributions and plan expenses, respectively.

Revenue Sharing Account

Revenue sharing accounts are used to pay administrative expenses or reallocated to participant accounts. At December 31, 2022 and 2021, there were funds of \$4,032 and \$3,966 available, respectively. For the year ended December 31, 2022, no funds were utilized to pay plan expenses or reallocated to participants.

Notes Receivable From Participants

Participants may borrow from their fund accounts a minimum of \$1,000 up to a maximum equal to the lesser of \$50,000 or 50% of their vested account balance, whichever is less. Notes are collateralized by the participant's vested account balance and bear interest at a rate of prime plus 2%. Note terms range from one to five years, or to a maximum of ten years if the note is used to purchase the principal residence of the participant. Periodic repayments of principal and interest are made through payroll withholdings. As of December 31, 2022, notes receivable from participants have interest rates ranging from 5.25% to 8.25% and maturity dates ranging from February 2023 through March 2031. As of December 31, 2021, notes receivable from participants have interest rates ranging from 5.25% to 7.50% and maturity dates ranging from May 2022 through December 2026.

Benefits Paid to Participants

Participants withdrawing amounts from their account during the year for reasons of disability, retirement, death or termination are entitled to their vested account balance. Participants may also make hardship withdrawals on the balance of their account related to their elective deferral contributions. Upon termination, vested account balances less than \$5,000 are required to be distributed immediately following severance from employment.

Expenses

Expenses that are paid by the Company are excluded from these financial statements. Fees related to administration of notes receivable from participants and fees paid related to distributions to participants are charged directly to the participant's account and are included in administrative expenses. Investment related expenses are included in net appreciation of fair value of investments.

Plan Termination

Although it has not expressed any intent to do so, the Company has the right to terminate the Plan at any time, subject to the provisions of ERISA. In the event the Plan is terminated, each of the participants will have a nonforfeitable 100% vested interest in his or her account balance, including all Company contributions, subject to payment of liquidation costs and expenses.

ESI 401(k) Plan

Notes to Financial Statements
December 31, 2022 and 2021

2. Summary of Accounting Policies

Basis of Accounting

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

Investment Valuation and Income Recognition

Investments are reported at fair value except for a fully benefit-responsive guaranteed income fund, which is valued at contract value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (see Note 3). Contract value is the relevant measure attributable to the fully benefit-responsive guaranteed income fund because contract value is the amount participants would receive if they were to initiate permitted transactions under the provision of the Plan (see Note 5). Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date. The income or loss earned on participant accounts is allocated on a daily basis using the previous day's ending account balance. Net appreciation (depreciation) includes the Plan's gains and losses on the investments bought and sold, as well as held during the year.

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 and liabilities and changes therein, and disclosures of contingent assets and liabilities. Actual results could differ from those estimates.

Notes Receivable From Participants

Notes receivable from participants are measured at their unpaid principal balances plus any accrued but unpaid interest. Delinquent notes receivable from participants are reclassified as distributions based upon terms of the plan document or note policy of the Plan. Notes receivable are valued at amortized cost, which approximates fair value. No allowances for credit losses have been recorded as of December 31, 2022 or 2021.

Payment of Benefits

Benefits are recorded when paid.

3. 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 authoritative guidance are described as follows:

Level 1 - Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets.

ESI 401(k) Plan

Notes to Financial Statements
December 31, 2022 and 2021

Level 2 - Significant observable inputs other than quoted prices in active markets for which 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's 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 maximize the use of relevant observables and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at December 31, 2022 and 2021.

Mutual funds are valued at the net asset value (NAV) or quoted market prices of shares held by the Plan at year-end.

Pooled separate accounts are valued based upon the NAV of units of such pooled accounts held by the Plan at year-end. The NAV, as provided by Prudential, is used as a practical expedient to estimate fair value. The NAV is based on the fair value of the underlying investments held by the fund less its liabilities. This practical expedient is not used when it is determined to be probable that the fund will sell the investment for an amount different than the reported NAV. Participant transactions (purchases and sales) may occur daily.

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

The following table sets forth by level, within the fair value hierarchy, the Plan's assets at fair value as of December 31, 2022 and 2021:

Assets at Fair Value as of December 31, 2022				
	Level 1	Level 2	Level 3	Total
Mutual funds	\$ 96,933	\$ -	\$ -	\$ 96,933
Total investments in fair value hierarchy	<u>\$ 96,933</u>	<u>\$ -</u>	<u>-</u>	96,933
Pooled separate accounts at net asset value (a)				<u>5,526,565</u>
Total investments at fair value				\$ 5,623,498

ESI 401(k) Plan

Notes to Financial Statements
December 31, 2022 and 2021

	Assets at Fair Value as of December 31, 2021			
	Level 1	Level 2	Level 3	Total
Mutual funds	\$ 97,145	\$ -	\$ -	\$ 97,145
Total investments in fair value hierarchy	<u>\$ 97,145</u>	<u>\$ -</u>	<u>-</u>	97,145
Pooled separate accounts at net asset value (a)				<u>7,519,664</u>
Total investments at fair value				<u>\$ 7,616,809</u>

(a) In accordance with Subtopic 820-10, certain investments that were measured at the net asset value per share practical expedient (or its equivalent) have not been classified in the fair value hierarchy. The fair value amounts presented in this table are intended to permit reconciliation of the fair value hierarchy to the line items presented in the Statements of Net Assets Available for Benefits.

The following table summarizes investments for which fair value is measured using NAV per share practical expedient as of December 31, 2022 and 2021. There are no participant redemption restrictions for these investments; the redemption notice period is applicable only to the Plan.

	December 31, 2022			
	Fair Value	Unfunded Commitments	Frequency (if Currently Eligible)	Redemption Notice Period
Prudential Institutional	\$ 5,526,565	None	Daily	None
	December 31, 2021			
	Fair Value	Unfunded Commitments	Frequency (if Currently Eligible)	Redemption Notice Period
Prudential Institutional	\$ 7,519,664	None	Daily	None

4. Information Certified by Custodian

The Plan Administrator has elected the method of compliance permitted by 29 CFR 2520.103-8 of the Department of Labor's (DOL) Rules and Regulations for Reporting and Disclosure under ERISA for 2022 and 2021. Accordingly, the Custodian of the Plan has certified the completeness and accuracy of all investments reported in the accompanying Statements of Net Assets Available for Benefits as of December 31, 2022 and 2021 and the supplemental Schedule H, Line 4(i) - Schedule of Assets (Held at End of Year) as of December 31, 2022, and the related investment activity and interest on notes receivable from participants reported in the Statement of Changes in Net Asset Available for Benefits for the year ended December 31, 2022.

ESI 401(k) Plan

Notes to Financial Statements
December 31, 2022 and 2021

5. Guaranteed Income Fund

The Prudential Retirement Insurance and Annuity Company Guaranteed Income Fund is a fully benefit-responsive group annuity contract issued by Prudential. There are no reserves against contract value for credit risk of the contract issuer or otherwise. The crediting interest rate is based on a formula agreed upon with the issuer but may not be less than zero. Such interest rates are continuously reviewed and reset as needed on a monthly to quarterly basis. Certain unobservable inputs are assessed through review of contract terms (for example: duration or payout date) while others are substantiated utilizing available market data (for example: swap curve rate).

Certain events might limit the ability of the Plan to transact at contract value with the contract issuer. Such events include (1) amendments to the plan documents (including complete or partial plan termination or merger with another plan), (2) changes to the Plan's prohibition on competing investment options or deletion of equity wash provisions, (3) bankruptcy of the plan sponsor or other plan sponsor events (for example, divestitures or spinoffs of a subsidiary) that cause a significant withdrawal from the Plan, (4) failure of the trust to qualify for exemption from federal income taxes or any required prohibited transaction exemption under ERISA (5) premature termination of the contract.

No events are probable of occurring that might limit the ability of the Plan to transact at contract value with the contract issuer and that also would limit the ability of the Plan to transact at contract value with the participants.

In addition, certain events allow the issuer to terminate the contract with the Plan and settle at an amount different from contract value. Such events include the following: (1) An uncured violation of the Plan's investment guidelines, (2) a breach of material obligation under the contract, (3) a material misrepresentation, (4) a material amendment to the agreement without the consent of the issuer.

6. Tax Status

The Plan is based on a non-standardized pre-approved profit-sharing plan with CODA, developed by Prudential Insurance Company of America, which received a favorable opinion letter dated December 4, 2020, from the IRS stating that the non-standardized pre-approved profit-sharing plan with CODA, constitutes a qualified plan under Section 401 of the IRC. Through December 31, 2021, the Plan is based on a prototype plan developed by the Custodian which received a favorable opinion letter dated April 29, 2014 from the IRS stating that the prototype plan constitutes a qualified plan under Section 401 of the IRC. The Plan Administrator believes the Plan, as adopted, and amended, is operating within the guidelines of the IRC and continues to be tax-exempt. Accordingly, no provision for federal income taxes has been provided in the accompanying financial statements.

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

7. Related-Party and Party In Interest Transactions

Certain of the Plan's investments are managed by the Custodian; therefore, these transactions qualify as party in interest transactions. The Plan issues notes receivable to participants, which are secured by the participant's account balances. These transactions also qualify as party in interest transactions. Certain administrative functions of the Plan are performed by an officer or employees of the Company. No such officer or employee receives compensation from the Plan.

ESI 401(k) Plan

Notes to Financial Statements

December 31, 2022 and 2021

8. Risks and Uncertainties

The Plan provides for various investment options in mutual funds of registered investment companies, pooled separate accounts, and a guaranteed income fund. Investment securities are exposed to various risks, such as interest rate, concentration, market and credit risks. Market risks include global events, such as a pandemic or international conflict, which could impact the value of investment securities.

Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect participant account balances and the amounts reported in the Statements of Net Assets Available for Benefits.

9. Subsequent Events

The Company has evaluated events or transactions occurring after December 31, 2022, the Statements of Net Assets Available for Benefits date, through August 9, 2023, the date the financial statements were ready to be issued, and determined no such events or transactions that would impact these financial statements as of and for the year ended December 31, 2022, other than as follows:

The SECURE 2.0 Act of 2022 was signed into law on December 29, 2022. This legislation includes a vast array of provisional changes to retirement plans, becoming effective in 2023 and beyond. Plan management is evaluating the impact of the adoption and implementation of this legislation on the Plan.

ESI 401(k) Plan

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

EIN: 75-2197449 Plan Number: 001

December 31, 2022

(a)	(b) Identity of Issue, Borrower, Lessor or Similar Party	(c) Description of Investment Including Maturity Date, Rate of Interest, Collateral, Par or Maturity Value	(d) Cost	(e) Current Value
Mutual Funds				
	BNY Mellon	BNY Mellon International Stock Index Investment	N/R	\$ 19,751
	BNY Mellon	BNY Mellon Mid Cap Index Investment	N/R	2,019
	BNY Mellon	BNY Mellon Bond Market Investment	N/R	40,199
	BNY Mellon	BNY Mellon Small Cap Stock Index Investment	N/R	34,964
		Total mutual funds		96,933
Pooled Separate Accounts				
*	Prudential Retirement Insurance and Annuity Company	Large Cap Growth/JP Morgan Investment Mgmt. Fund	N/R	1,293,368
*	Prudential Retirement Insurance and Annuity Company	SA/OFI Global Strategy Fund	N/R	563,091
*	Prudential Retirement Insurance and Annuity Company	International Blend Wellington Mgmt. Fund	N/R	749,892
*	Prudential Retirement Insurance and Annuity Company	T. Rowe Price Equity and Income Strategy Fund	N/R	812,138
*	Prudential Retirement Insurance and Annuity Company	Dryden S&P 500 Index Fund	N/R	423,169
*	Prudential Retirement Insurance and Annuity Company	Core Plus Bond Fund/PIM Fund	N/R	471,793
*	Prudential Retirement Insurance and Annuity Company	Balanced Fund (sub-advised by Wellington Mgmt.)	N/R	121,899
*	Prudential Retirement Insurance and Annuity Company	Small Cap Value/Silvercrest Fund	N/R	271,410
*	Prudential Retirement Insurance and Annuity Company	Mid Cap Growth/Frontier Fund	N/R	255,048
*	Prudential Retirement Insurance and Annuity Company	Large Cap Blend I Fund	N/R	71,458
*	Prudential Retirement Insurance and Annuity Company	Prudential Day One IncomeFlex Target Balanced Fund	N/R	210,990
*	Prudential Retirement Insurance and Annuity Company	SCG II Wellington	N/R	249,884
*	Prudential Retirement Insurance and Annuity Company	High Grade Bond/Goldman Sachs Fund	N/R	32,425
		Total pooled separate accounts		5,526,565
		Total investments at fair value		5,623,498
Guaranteed Income Fund				
*	Prudential Retirement Insurance and Annuity Company	Guaranteed Income Fund	N/R	2,969,518
Participant Loans				
*		Interest rates: 5.25% - 8.25%	\$0	83,867
		Total		\$ 8,676,883

* Indicates party in interest to the Plan

N/R - cost omitted for participant-directed investments