

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 SOUTHWEST SHIPYARD L.P. 401(K) SAVINGS AND RETIREMENT PLAN	1b Three-digit plan number (PN) ▶ 002
	1c Effective date of plan 10/01/1990
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) SOUTHWEST SHIPYARD, L.P. 18310 MARKET STREET CHANNELVIEW, TX 77530	2b Employer Identification Number (EIN) 76-0515702
	2c Plan Sponsor's telephone number 281-860-3200
	2d Business code (see instructions) 336610

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.	09/25/2023	LAURA CAMPBELL
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE			
	Signature of employer/plan sponsor	Date	Enter name of individual signing as employer or plan sponsor
SIGN HERE			
	Signature of DFE	Date	Enter name of individual signing as DFE

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

Form 5500 (2022)
v. 220413

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		5 336
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) 250
a(2) Total number of active participants at the end of the plan year		6a(2) 239
b Retired or separated participants receiving benefits		6b 3
c Other retired or separated participants entitled to future benefits.....		6c 70
d Subtotal. Add lines 6a(2) , 6b , and 6c		6d 312
e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits.		6e 0
f Total. Add lines 6d and 6e		6f 312
g Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item).....		6g 256
h Number of participants who terminated employment during the plan year with accrued benefits that were less than 100% vested.....		6h 41
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 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) ☐ 0 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 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 SOUTHWEST SHIPYARD L.P. 401(K) SAVINGS AND RETIREMENT PLAN	B Three-digit plan number (PN) ▶	002
C Plan sponsor's name as shown on line 2a of Form 5500 SOUTHWEST SHIPYARD, L.P.	D Employer Identification Number (EIN) 76-0515702	

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
FIDELITY INVESTMENTS INSTITUTIONAL
04-2647786

(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)

LPL FINANCIAL LLC

04-3046611

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
27	ADVISOR	22255	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

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

FIDELITY INVESTMENTS INSTITUTIONAL

04-2647786

(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?
37 60 64 65	RECORDKEEPER	-3478	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 ☐

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
FIDELITY INVESTMENTS INSTITUTIONAL	60	0

(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.
TRP SPECTRUM INTL EQ - T. ROWE PRI 52-2269240	0.15%

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

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

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

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

Part II Service Providers Who Fail or Refuse to Provide Information

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

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

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

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

Explanation:

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

Explanation:

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

Explanation:

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

Explanation:

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

Explanation:

SCHEDULE 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>SOUTHWEST SHIPYARD L.P. 401(K) SAVINGS AND RETIREMENT PLAN</u>	B Three-digit plan number (PN) <u>002</u>	
C Plan sponsor's name as shown on line 2a of Form 5500 <u>SOUTHWEST SHIPYARD, L.P.</u>	D Employer Identification Number (EIN) <u>76-0515702</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	0	0
b Receivables (less allowance for doubtful accounts):			
(1) Employer contributions.....	1b(1)	0	0
(2) Participant contributions.....	1b(2)	0	0
(3) Other.....	1b(3)	0	0
c General investments:			
(1) Interest-bearing cash (include money market accounts & certificates of deposit).....	1c(1)	702513	165064
(2) U.S. Government securities	1c(2)	0	0
(3) Corporate debt instruments (other than employer securities):			
(A) Preferred	1c(3)(A)	0	0
(B) All other	1c(3)(B)	0	0
(4) Corporate stocks (other than employer securities):			
(A) Preferred	1c(4)(A)	0	0
(B) Common.....	1c(4)(B)	0	0
(5) Partnership/joint venture interests	1c(5)	0	0
(6) Real estate (other than employer real property)	1c(6)	0	0
(7) Loans (other than to participants).....	1c(7)	0	0
(8) Participant loans.....	1c(8)	334402	342161
(9) Value of interest in common/collective trusts.....	1c(9)	0	0
(10) Value of interest in pooled separate accounts	1c(10)	0	0
(11) Value of interest in master trust investment accounts.....	1c(11)	0	0
(12) Value of interest in 103-12 investment entities	1c(12)	0	0
(13) Value of interest in registered investment companies (e.g., mutual funds).....	1c(13)	12371589	10326298
(14) Value of funds held in insurance company general account (unallocated contracts).....	1c(14)	0	0
(15) Other	1c(15)	0	0

1d Employer-related investments:

		(a) Beginning of Year	(b) End of Year
(1) Employer securities	1d(1)	0	0
(2) Employer real property	1d(2)	0	0
e Buildings and other property used in plan operation	1e	0	0
f Total assets (add all amounts in lines 1a through 1e)	1f	13408504	10833523

Liabilities

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

Net Assets

l Net assets (subtract line 1k from line 1f)	1l	13408504	10833523
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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 Contributions:**

		(a) Amount	(b) Total
(1) Received or receivable in cash from: (A) Employers	2a(1)(A)	247656	
(B) Participants	2a(1)(B)	806720	
(C) Others (including rollovers)	2a(1)(C)	18448	
(2) Noncash contributions	2a(2)	0	
(3) Total contributions. Add lines 2a(1)(A) , (B) , (C) , and line 2a(2)	2a(3)		1072824

b Earnings on investments:**(1) Interest:**

(A) Interest-bearing cash (including money market accounts and certificates of deposit)	2b(1)(A)	7448	
(B) U.S. Government securities	2b(1)(B)	0	
(C) Corporate debt instruments	2b(1)(C)	0	
(D) Loans (other than to participants)	2b(1)(D)	0	
(E) Participant loans	2b(1)(E)	17415	
(F) Other	2b(1)(F)	0	
(G) Total interest. Add lines 2b(1)(A) through (F)	2b(1)(G)		24863

(2) Dividends: (A) Preferred stock	2b(2)(A)	0	
(B) Common stock	2b(2)(B)	0	
(C) Registered investment company shares (e.g. mutual funds)	2b(2)(C)	862534	
(D) Total dividends. Add lines 2b(2)(A) , (B) , and (C)	2b(2)(D)		862534

(3) Rents	2b(3)		0
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(4) Net gain (loss) on sale of assets: (A) Aggregate proceeds	2b(4)(A)	0	
(B) Aggregate carrying amount (see instructions)	2b(4)(B)	0	
(C) Subtract line 2b(4)(B) from line 2b(4)(A) and enter result	2b(4)(C)		0

(5) Unrealized appreciation (depreciation) of assets: (A) Real estate	2b(5)(A)	0	
(B) Other	2b(5)(B)	0	
(C) Total unrealized appreciation of assets. Add lines 2b(5)(A) and (B)	2b(5)(C)		0

		(a) Amount	(b) Total
(6) Net investment gain (loss) from common/collective trusts	2b(6)		0
(7) Net investment gain (loss) from pooled separate accounts	2b(7)		0
(8) Net investment gain (loss) from master trust investment accounts	2b(8)		0
(9) Net investment gain (loss) from 103-12 investment entities.....	2b(9)		0
(10) Net investment gain (loss) from registered investment companies (e.g., mutual funds)	2b(10)		-2999345
c Other income	2c		0
d Total income. Add all income amounts in column (b) and enter total	2d		-1039124
Expenses			
e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	1509553	
(2) To insurance carriers for the provision of benefits	2e(2)	0	
(3) Other	2e(3)	0	
(4) Total benefit payments. Add lines 2e(1) through (3)	2e(4)		1509553
f Corrective distributions (see instructions)	2f		7527
g Certain deemed distributions of participant loans (see instructions)	2g		0
h Interest expense	2h		0
i Administrative expenses: (1) Professional fees	2i(1)	0	
(2) Contract administrator fees	2i(2)	0	
(3) Investment advisory and management fees	2i(3)	0	
(4) Other	2i(4)	18777	
(5) Total administrative expenses. Add lines 2i(1) through (4)	2i(5)		18777
j Total expenses. Add all expense amounts in column (b) and enter total	2j		1535857
Net Income and Reconciliation			
k Net income (loss). Subtract line 2j from line 2d	2k		-2574981
l Transfers of assets:			
(1) To this plan	2l(1)		0
(2) From this plan	2l(2)		0

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: PKF TEXAS

(2) EIN: 76-0356844

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		1000000
f Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?		X	
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?		X	
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?		X	
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.)		X	
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?		X	
4k		X	
l Has the plan failed to provide any benefit when due under the plan?		X	
4l		X	
m If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.)		X	
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.		X	
4n		X	

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 SOUTHWEST SHIPYARD L.P. 401(K) SAVINGS AND RETIREMENT PLAN		B Three-digit plan number (PN) ► 002
C Plan sponsor's name as shown on line 2a of Form 5500 SOUTHWEST SHIPYARD, L.P.		D Employer Identification Number (EIN) 76-0515702
Part I Distributions		
All references to distributions relate only to payments of benefits during the plan year.		
1 Total value of distributions paid in property other than in cash or the forms of property specified in the instructions.....		1
2 Enter the EIN(s) of payor(s) who paid benefits on behalf of the plan to participants or beneficiaries during the year (if more than two, enter EINs of the two payors who paid the greatest dollar amounts of benefits): EIN(s): 04-6568107		
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
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18	If any liabilities to participants or their beneficiaries under the plan as of the end of the plan year consist (in whole or in part) of liabilities to such participants and beneficiaries under two or more pension plans as of immediately before such plan year, check box and see instructions regarding supplemental information to be included as an attachment ☐
19	If the total number of participants is 1,000 or more, complete lines (a) 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 _____

**Southwest Shipyard L.P.
401(K) Savings and Retirement Plan**

**Financial Statements
and Supplemental Schedule**

December 31, 2022

Southwest Shipyard L.P.
401(K) Savings and Retirement Plan

December 31, 2022

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Schedules not included herein are omitted because of the absence of conditions under which they are required.



INDEPENDENT AUDITORS' REPORT

To the Plan Committee of
Southwest Shipyard L.P. 401(K) Savings and Retirement Plan

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

We have performed audits of the financial statements of Southwest Shipyard L.P. 401(K) Savings and Retirement Plan ("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 accompanying financial statements, other than those agreed to or derived from the certified investment information, are presented fairly, in all material respects, in accordance with the accounting principles generally accepted in the United States of America ("U.S. GAAP").
- the information in the accompanying 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 U.S. GAAP, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error. Management's election of the ERISA Section 103(a)(3)(C) audit does not affect management's responsibility for the financial statements.

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

Accordingly, the objective of an ERISA Section 103(a)(3)(C) audit is not to express an opinion about whether the financial statements as a whole are presented fairly, in all material respects, in accordance with U.S. GAAP.

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

Other Matter - Supplemental Schedule Required by ERISA

The supplemental Schedule H, line 4i – 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 their form and content, are 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).

Pamell Ken Foerster of Texas, P.C.

September 12, 2023

Southwest Shipyard L.P.
401(K) Savings and Retirement Plan

Statements of Net Assets Available for Benefits

	December 31,	
	2022	2021
Assets		
Investments at fair value		
Mutual funds	\$ 10,326,298	\$ 12,371,589
Money market fund	<u>165,064</u>	<u>702,513</u>
Total investments at fair value	<u>10,491,362</u>	<u>13,074,102</u>
Receivables		
Participant contributions	-	17,158
Employer contribution	-	3,091
Notes receivable from participants	<u>342,161</u>	<u>347,235</u>
Total receivables	<u>342,161</u>	<u>367,484</u>
Total assets	<u>10,833,523</u>	<u>13,441,586</u>
Liabilities		
Total liabilities	<u>-</u>	<u>-</u>
Net assets available for benefits	<u>\$ 10,833,523</u>	<u>\$ 13,441,586</u>

See accompanying notes to financial statements.

Southwest Shipyard L.P.
401(K) Savings and Retirement Plan

Statement of Changes in Net Assets Available for Benefits

For the Year Ended December 31, 2022

Additions	
Dividends	\$ 862,534
Interest income on investment	7,448
Interest income on notes receivable from participants	17,415
Contributions	
Participants	789,562
Employer	244,565
Rollovers	<u>18,448</u>
Total contributions	<u>1,052,575</u>
Total additions	<u>1,939,972</u>
Deductions	
Benefits paid to participants	1,529,913
Net depreciation in fair value of investments	2,999,345
Administrative expenses	<u>18,777</u>
Total deductions	<u>4,548,035</u>
Net decrease	(2,608,063)
Net assets available for benefits, beginning of year	<u>13,441,586</u>
Net assets available for benefits, end of year	<u>\$ 10,833,523</u>

See accompanying notes to financial statements.

Southwest Shipyard L.P.
401(K) Savings and Retirement Plan

Notes to Financial Statements

December 31, 2022

Note 1 - Description of the Plan

The following description of the Southwest Shipyard L.P. 401(K) Savings and Retirement Plan ("Plan") provides only general information. Participants should refer to the plan document and trust agreement for a more complete description of the Plan's provisions.

General

The Plan is a qualified retirement plan enabling eligible employees of Southwest Shipyard, L.P. ("Company") to save for retirement. Employees who are age 18 or older and who have completed three months of service are eligible to enter the Plan on January 1, April 1, July 1, and October 1 following the date on which they meet the eligibility requirements. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 ("ERISA"). Effective December 28, 2022, the Plan was amended to require two months of completed service, and employees are able to enter the Plan the first day of the month following completion of eligibility requirements.

Contributions

Participants may elect to defer a percentage of their eligible compensation into the Plan, not to exceed the limitations set forth by the Internal Revenue Code ("IRC"). Participants may contribute up to 25% of eligible compensation. The Plan also contains an automatic enrollment feature. Effective December 28, 2022, the Plan was amended to increase automatic enrollment from 3% to 6%, and participants who were auto enrolled will have their deferral rate automatically increased by 1% each year until a deferral rate of 18% is reached. Participants may increase, decrease, suspend, or resume their deferral contributions at any time. In addition, participant projected to be age 50 or older by the end of the taxable year may make additional catch-up contributions.

Participants can roll over part or all of an eligible rollover distribution from an eligible retirement plan as a rollover contribution.

Participant accounts

Each participant's account is credited with the participant's contributions, employer contributions, rollovers, and Plan earnings. Participant accounts are charged with an allocation of administrative expenses that are paid by the Plan. Allocations are based on participant earnings, account balances, or specific participant transactions. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account.

Notes receivable from participants

Loans will be allowed for any purpose. The minimum loan is \$1,000 and the maximum amount is the lesser of one-half of the participant's vested account balance or \$50,000 reduced by the highest outstanding loan balance in the participant's account during the prior twelve month period. All loans bear a reasonable rate of interest. Loan terms range up to five years or up to ten years for the purchase of a principal residence. Repayments are made through after-tax payroll deductions. Participants may only have one loan outstanding at any given time.

Southwest Shipyard L.P.
401(K) Savings and Retirement Plan

Notes to Financial Statements

December 31, 2022

Note 1 - Description of the Plan (Continued)

Vesting

Participants are immediately vested in their contributions, rollovers, and actual earnings thereon. Vesting in the employer contribution portion of a participant's account plus actual earnings thereon is based on years of service according to the following schedule:

<u>Years of Service</u>	<u>Percent Vested</u>
Less than 1 year	0%
1 year	20%
2 years	40%
3 years	60%
4 years	80%
5 or more years	100%

Benefits paid to participants

A distribution can be made to a participant due to disability, retirement, or termination of employment from the Company. A beneficiary may request a distribution in the event of death. In service withdrawals are permitted when a participant reaches age 59½ or in the event of financial hardship.

A participant may defer receipt of the distribution until a later time. However, a participant cannot postpone it if their vested account is \$5,000 or less in which the Company will direct the trustee that any account exceeding \$1,000 be distributed to an Individual Retirement Account. If the vested account balance is \$1,000 or less, the Company will direct the trustee to distribute it to the participant as a lump sum distribution. Form of payments include partial withdrawals and lump sum distributions, which can include a non-rollover distribution, a direct rollover distribution, or a combination non-rollover distribution and direct rollover.

Forfeitures

If a participant terminates employment with the Company and is less than 100% vested in their employer account, the participant will forfeit the non-vested portion of their employer account. Forfeitures are retained in the Plan and may be used to pay administrative expenses or to reduce employer contributions. As of December 31, 2022 and 2021, forfeited non-vested accounts totaled \$8,407 and \$70,519, respectively. Also, in 2022, employer contributions were reduced by \$98,497 from forfeited non-vested accounts.

Note 2 - Summary of Accounting Policies

Basis of accounting

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

Southwest Shipyard L.P.
401(K) Savings and Retirement Plan

Notes to Financial Statements

December 31, 2022

Note 2 - Summary of Accounting Policies (Continued)

Use of estimates

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP") requires the Company to make estimates and assumptions that affect the reported amounts of assets and liabilities and changes therein, and disclosure of contingent assets and liabilities. Actual results could differ from those estimates.

Investment valuation and revenue recognition

Investments are reported at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. See Note 3 for discussion of fair value measurements.

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

Notes receivable from participants

Notes receivable from participants are measured at their unpaid principal balance plus any accrued but unpaid interest. Interest income is recorded on the accrual basis. Related fees are recorded as administrative expenses and are expensed when they are incurred.

Payment of benefits

Benefits are recorded when paid.

Expenses

Certain expenses of maintaining the Plan are paid by the Plan, unless otherwise paid by the Company. Expenses that are paid by the Company are excluded from these financial statements. Fees related to the administration of notes receivable from participants are charged directly to the participant's account and are included in administrative expenses. Investment related expenses are included in net depreciation in fair value of investments.

Subsequent events

The Plan has evaluated subsequent events through September 12, 2023, the date the financial statements were available to be issued.

Southwest Shipyard L.P.
401(K) Savings and Retirement Plan

Notes to Financial Statements

December 31, 2022

Note 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 FASB ASC 820 are described as follows:

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

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

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

- Mutual funds – Valued at the daily closing price as reported by the fund. Mutual funds held by the Plan are open-end mutual funds that are registered with the SEC. These funds are required to publish their daily net asset value ("NAV") and to transact at that price. The mutual funds held by the Plan are deemed to be actively traded.
- Money market fund – Valued at the daily closing price as reported by the fund. The money market fund is an open-end mutual fund that is registered with the SEC. This fund is required to publish its daily NAV and to transact at that price. The money market fund is deemed to be actively traded.

Southwest Shipyard L.P.
401(K) Savings and Retirement Plan

Notes to Financial Statements

December 31, 2022

Note 3 - Fair Value Measurements (Continued)

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	\$ 10,326,298	\$ -	\$ -	\$ 10,326,298
Money market fund	165,064	-	-	165,064
Investments at fair value	<u>\$ 10,491,362</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 10,491,362</u>
Assets at Fair Value as of December 31, 2021				
	Level 1	Level 2	Level 3	Total
Mutual funds	\$ 12,371,589	\$ -	\$ -	\$ 12,371,589
Money market fund	702,513	-	-	702,513
Investments at fair value	<u>\$ 13,074,102</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 13,074,102</u>

Note 4 - Certified Investments

Certain information related to investments and notes receivable from participants disclosed in the accompanying financial statements and ERISA-required supplemental schedule, including investments and notes receivable from participants held at December 31, 2022 and 2021, and dividends, interest income on investment, interest income on notes receivable from participants, and net depreciation in fair value of investments for the year ended December 31, 2022, was obtained by the Company and agreed to or derived from information certified as complete and accurate by Fidelity Management Trust Company.

Note 5 - Tax Status

The non-standardized pre-approved profit-sharing plan with CODA adopted by the Company received its latest opinion letter dated June 30, 2020, in which the Internal Revenue Service ("IRS") stated that the prototype plan, as then designed, was in compliance with applicable requirements of the IRC. Although the Plan has been amended since receiving the opinion letter, the Company believes that the Plan is designed, and is currently being operated, in compliance with the applicable requirements of the IRC. Therefore, no provision for income taxes has been included in the Plan's financial statements.

U.S. GAAP requires the Company to evaluate tax positions taken by the Plan and recognize a tax liability if the Plan has taken an uncertain position that more likely than not would not be sustained upon examination by the IRS. The Plan is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress.

Southwest Shipyard L.P.
401(K) Savings and Retirement Plan

Notes to Financial Statements

December 31, 2022

Note 6 - Related Party Transactions and Party In Interest Transactions

Certain Plan investments are managed by Fidelity Investments. Fidelity Investments is the recordkeeper for the Plan and, therefore, these transactions qualify as party in interest transactions. In addition, the Plan provides for notes receivable from participants, which are party in interest transactions that are exempt from the prohibited transaction rules.

Note 7 - Reconciliation of Financial Statements to Form 5500

The following is a reconciliation of net assets available for benefits per the financial statements at December 31, 2021 to Form 5500:

Net assets available for benefits per the financial statements	\$ 13,441,586
Participant contributions receivable	(17,158)
Employer contribution receivable	(3,091)
Deemed distributions of participant loans	<u>(12,833)</u>
Net assets available for benefits per the Form 5500	<u>\$ 13,408,504</u>

The following is a reconciliation of participants contributions per the financial statements for the year ended December 31, 2022 to Form 5500:

Participant contributions per the financial statements	\$ 789,562
Add: participant contributions receivable at December 31, 2021	<u>17,158</u>
Participant contributions per Form 5500	<u>\$ 806,720</u>

The following is a reconciliation of employer contributions per the financial statements for the year ended December 31, 2022 to Form 5500:

Employer contributions per the financial statements	\$ 244,565
Add: employer contribution receivable at December 31, 2021	<u>3,091</u>
Employer contributions per Form 5500	<u>\$ 247,656</u>

The following is a reconciliation of benefits paid to participants per the financial statements for the year ended December 31, 2022 to Form 5500:

Benefits paid to participants per the financial statements	\$ 1,529,913
Less: deemed distributions of participant loans	<u>(12,833)</u>
Total benefit payments and corrective distributions per Form 5500	<u>\$ 1,517,080</u>

Southwest Shipyard L.P.
401(K) Savings and Retirement Plan

Notes to Financial Statements

December 31, 2022

Note 8 - Plan Termination

The Company reserves the right to terminate the Plan at any time by taking appropriate action as circumstances may dictate. In the event the Plan should terminate, each participant affected by such termination shall have a vested interest in their account of 100%.

Note 9 - Risks and Uncertainties

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

Supplemental Schedule

Southwest Shipyard, L.P. 401(k) Savings and Retirement Plan
Employer Identification Number: 76-0515702/Plan Number: 002

Schedule H, line 4i - Schedule of Assets Held at End of Year

December 31, 2022

a	b	c	d	e
	Identity of issue, borrower, lessor, or similar party	Description of investment including maturity date, rate of interest, collateral, par or maturity value	Cost	Current value
		Money market fund		
*	Fidelity Investments	Fidelity Government Money Market Fund	**	\$ 165,064
		Mutual funds		
	AllianceBernstein	AB Large Cap Growth Fund	**	203,178
	JPMorgan	JPMorgan Core Plus Bond Fund	**	16,987
	Columbia Threadneedle	Columbia Dividend Income Fund	**	110,005
*	Fidelity Investments	Fidelity U.S. Bond Index Fund	**	5,214
*	Fidelity Investments	Fidelity Advisor Freedom Income Fund	**	10,257
*	Fidelity Investments	Fidelity Advisor Freedom 2005 Fund	**	41,662
*	Fidelity Investments	Fidelity Advisor Freedom 2010 Fund	**	2,466
*	Fidelity Investments	Fidelity Advisor Freedom 2015 Fund	**	385,176
*	Fidelity Investments	Fidelity Advisor Freedom 2020 Fund	**	1,130,811
*	Fidelity Investments	Fidelity Advisor Freedom 2025 Fund	**	3,502,565
*	Fidelity Investments	Fidelity Advisor Freedom 2030 Fund	**	1,629,656
*	Fidelity Investments	Fidelity Advisor Freedom 2035 Fund	**	1,085,795
*	Fidelity Investments	Fidelity Advisor Freedom 2040 Fund	**	738,219
*	Fidelity Investments	Fidelity Advisor Freedom 2045 Fund	**	377,083
*	Fidelity Investments	Fidelity Advisor Freedom 2050 Fund	**	517,581
*	Fidelity Investments	Fidelity Advisor Freedom 2055 Fund	**	102,662
*	Fidelity Investments	Fidelity Advisor Freedom 2060 Fund	**	69,152
*	Fidelity Investments	Fidelity Advisor Freedom 2065 Fund	**	29,635
*	Fidelity Investments	Fidelity 500 Index Fund	**	159,138
*	Fidelity Investments	Fidelity International Index Fund	**	10,401
*	Fidelity Investments	Fidelity Mid Cap Index Fund	**	66,536
*	Fidelity Investments	Fidelity Small Cap Index Fund	**	55,817
	T. Rowe Price	T. Rowe Price Spectrum International Equity Fund	**	76,302
*	Loans to participants	Principal balances ranging up to \$32,000 accruing interest at rates ranging from 4.25% to 7.25% per annum, secured by participants' individual vested accrued benefits due at various dates through December 2027.		342,161

* Party-in-interest as defined by ERISA.

** Cost omitted for participant-directed investments.

**Southwest Shipyard L.P.
401(K) Savings and Retirement Plan**

**Financial Statements
and Supplemental Schedule**

December 31, 2022

Southwest Shipyard L.P.
401(K) Savings and Retirement Plan

December 31, 2022

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Schedules not included herein are omitted because of the absence of conditions under which they are required.



INDEPENDENT AUDITORS' REPORT

To the Plan Committee of
Southwest Shipyard L.P. 401(K) Savings and Retirement Plan

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

We have performed audits of the financial statements of Southwest Shipyard L.P. 401(K) Savings and Retirement Plan ("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 accompanying financial statements, other than those agreed to or derived from the certified investment information, are presented fairly, in all material respects, in accordance with the accounting principles generally accepted in the United States of America ("U.S. GAAP").
- the information in the accompanying 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 U.S. GAAP, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error. Management's election of the ERISA Section 103(a)(3)(C) audit does not affect management's responsibility for the financial statements.

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

Accordingly, the objective of an ERISA Section 103(a)(3)(C) audit is not to express an opinion about whether the financial statements as a whole are presented fairly, in all material respects, in accordance with U.S. GAAP.

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

Other Matter - Supplemental Schedule Required by ERISA

The supplemental Schedule H, line 4i – 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 their form and content, are 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).

Pamell Ken Forster of Texas, P.C.

September 12, 2023

Southwest Shipyard L.P.
401(K) Savings and Retirement Plan

Statements of Net Assets Available for Benefits

	December 31,	
	<u>2022</u>	<u>2021</u>
Assets		
Investments at fair value		
Mutual funds	\$ 10,326,298	\$ 12,371,589
Money market fund	<u>165,064</u>	<u>702,513</u>
Total investments at fair value	<u>10,491,362</u>	<u>13,074,102</u>
Receivables		
Participant contributions	-	17,158
Employer contribution	-	3,091
Notes receivable from participants	<u>342,161</u>	<u>347,235</u>
Total receivables	<u>342,161</u>	<u>367,484</u>
Total assets	<u>10,833,523</u>	<u>13,441,586</u>
Liabilities		
Total liabilities	<u>-</u>	<u>-</u>
Net assets available for benefits	<u>\$ 10,833,523</u>	<u>\$ 13,441,586</u>

See accompanying notes to financial statements.

Southwest Shipyard L.P.
401(K) Savings and Retirement Plan

Statement of Changes in Net Assets Available for Benefits

For the Year Ended December 31, 2022

Additions		
Dividends	\$	862,534
Interest income on investment		7,448
Interest income on notes receivable from participants		17,415
Contributions		
Participants		789,562
Employer		244,565
Rollovers		<u>18,448</u>
Total contributions		<u>1,052,575</u>
Total additions		<u>1,939,972</u>
Deductions		
Benefits paid to participants		1,529,913
Net depreciation in fair value of investments		2,999,345
Administrative expenses		<u>18,777</u>
Total deductions		<u>4,548,035</u>
Net decrease		(2,608,063)
Net assets available for benefits, beginning of year		<u>13,441,586</u>
Net assets available for benefits, end of year	\$	<u>10,833,523</u>

See accompanying notes to financial statements.

Southwest Shipyard L.P.
401(K) Savings and Retirement Plan

Notes to Financial Statements

December 31, 2022

Note 1 - Description of the Plan

The following description of the Southwest Shipyard L.P. 401(K) Savings and Retirement Plan ("Plan") provides only general information. Participants should refer to the plan document and trust agreement for a more complete description of the Plan's provisions.

General

The Plan is a qualified retirement plan enabling eligible employees of Southwest Shipyard, L.P. ("Company") to save for retirement. Employees who are age 18 or older and who have completed three months of service are eligible to enter the Plan on January 1, April 1, July 1, and October 1 following the date on which they meet the eligibility requirements. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 ("ERISA"). Effective December 28, 2022, the Plan was amended to require two months of completed service, and employees are able to enter the Plan the first day of the month following completion of eligibility requirements.

Contributions

Participants may elect to defer a percentage of their eligible compensation into the Plan, not to exceed the limitations set forth by the Internal Revenue Code ("IRC"). Participants may contribute up to 25% of eligible compensation. The Plan also contains an automatic enrollment feature. Effective December 28, 2022, the Plan was amended to increase automatic enrollment from 3% to 6%, and participants who were auto enrolled will have their deferral rate automatically increased by 1% each year until a deferral rate of 18% is reached. Participants may increase, decrease, suspend, or resume their deferral contributions at any time. In addition, participant projected to be age 50 or older by the end of the taxable year may make additional catch-up contributions.

Participants can roll over part or all of an eligible rollover distribution from an eligible retirement plan as a rollover contribution.

Participant accounts

Each participant's account is credited with the participant's contributions, employer contributions, rollovers, and Plan earnings. Participant accounts are charged with an allocation of administrative expenses that are paid by the Plan. Allocations are based on participant earnings, account balances, or specific participant transactions. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account.

Notes receivable from participants

Loans will be allowed for any purpose. The minimum loan is \$1,000 and the maximum amount is the lesser of one-half of the participant's vested account balance or \$50,000 reduced by the highest outstanding loan balance in the participant's account during the prior twelve month period. All loans bear a reasonable rate of interest. Loan terms range up to five years or up to ten years for the purchase of a principal residence. Repayments are made through after-tax payroll deductions. Participants may only have one loan outstanding at any given time.

Southwest Shipyard L.P.
401(K) Savings and Retirement Plan

Notes to Financial Statements

December 31, 2022

Note 1 - Description of the Plan (Continued)

Vesting

Participants are immediately vested in their contributions, rollovers, and actual earnings thereon. Vesting in the employer contribution portion of a participant's account plus actual earnings thereon is based on years of service according to the following schedule:

<u>Years of Service</u>	<u>Percent Vested</u>
Less than 1 year	0%
1 year	20%
2 years	40%
3 years	60%
4 years	80%
5 or more years	100%

Benefits paid to participants

A distribution can be made to a participant due to disability, retirement, or termination of employment from the Company. A beneficiary may request a distribution in the event of death. In service withdrawals are permitted when a participant reaches age 59½ or in the event of financial hardship.

A participant may defer receipt of the distribution until a later time. However, a participant cannot postpone it if their vested account is \$5,000 or less in which the Company will direct the trustee that any account exceeding \$1,000 be distributed to an Individual Retirement Account. If the vested account balance is \$1,000 or less, the Company will direct the trustee to distribute it to the participant as a lump sum distribution. Form of payments include partial withdrawals and lump sum distributions, which can include a non-rollover distribution, a direct rollover distribution, or a combination non-rollover distribution and direct rollover.

Forfeitures

If a participant terminates employment with the Company and is less than 100% vested in their employer account, the participant will forfeit the non-vested portion of their employer account. Forfeitures are retained in the Plan and may be used to pay administrative expenses or to reduce employer contributions. As of December 31, 2022 and 2021, forfeited non-vested accounts totaled \$8,407 and \$70,519, respectively. Also, in 2022, employer contributions were reduced by \$98,497 from forfeited non-vested accounts.

Note 2 - Summary of Accounting Policies

Basis of accounting

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

Southwest Shipyard L.P.
401(K) Savings and Retirement Plan

Notes to Financial Statements

December 31, 2022

Note 2 - Summary of Accounting Policies (Continued)

Use of estimates

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP") requires the Company to make estimates and assumptions that affect the reported amounts of assets and liabilities and changes therein, and disclosure of contingent assets and liabilities. Actual results could differ from those estimates.

Investment valuation and revenue recognition

Investments are reported at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. See Note 3 for discussion of fair value measurements.

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

Notes receivable from participants

Notes receivable from participants are measured at their unpaid principal balance plus any accrued but unpaid interest. Interest income is recorded on the accrual basis. Related fees are recorded as administrative expenses and are expensed when they are incurred.

Payment of benefits

Benefits are recorded when paid.

Expenses

Certain expenses of maintaining the Plan are paid by the Plan, unless otherwise paid by the Company. Expenses that are paid by the Company are excluded from these financial statements. Fees related to the administration of notes receivable from participants are charged directly to the participant's account and are included in administrative expenses. Investment related expenses are included in net depreciation in fair value of investments.

Subsequent events

The Plan has evaluated subsequent events through September 12, 2023, the date the financial statements were available to be issued.

Southwest Shipyard L.P.
401(K) Savings and Retirement Plan

Notes to Financial Statements

December 31, 2022

Note 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 FASB ASC 820 are described as follows:

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

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

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

- Mutual funds – Valued at the daily closing price as reported by the fund. Mutual funds held by the Plan are open-end mutual funds that are registered with the SEC. These funds are required to publish their daily net asset value ("NAV") and to transact at that price. The mutual funds held by the Plan are deemed to be actively traded.
- Money market fund – Valued at the daily closing price as reported by the fund. The money market fund is an open-end mutual fund that is registered with the SEC. This fund is required to publish its daily NAV and to transact at that price. The money market fund is deemed to be actively traded.

Southwest Shipyard L.P.
401(K) Savings and Retirement Plan

Notes to Financial Statements

December 31, 2022

Note 3 - Fair Value Measurements (Continued)

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	\$ 10,326,298	\$ -	\$ -	\$ 10,326,298
Money market fund	165,064	-	-	165,064
Investments at fair value	<u>\$ 10,491,362</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 10,491,362</u>
Assets at Fair Value as of December 31, 2021				
	Level 1	Level 2	Level 3	Total
Mutual funds	\$ 12,371,589	\$ -	\$ -	\$ 12,371,589
Money market fund	702,513	-	-	702,513
Investments at fair value	<u>\$ 13,074,102</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 13,074,102</u>

Note 4 - Certified Investments

Certain information related to investments and notes receivable from participants disclosed in the accompanying financial statements and ERISA-required supplemental schedule, including investments and notes receivable from participants held at December 31, 2022 and 2021, and dividends, interest income on investment, interest income on notes receivable from participants, and net depreciation in fair value of investments for the year ended December 31, 2022, was obtained by the Company and agreed to or derived from information certified as complete and accurate by Fidelity Management Trust Company.

Note 5 - Tax Status

The non-standardized pre-approved profit-sharing plan with CODA adopted by the Company received its latest opinion letter dated June 30, 2020, in which the Internal Revenue Service ("IRS") stated that the prototype plan, as then designed, was in compliance with applicable requirements of the IRC. Although the Plan has been amended since receiving the opinion letter, the Company believes that the Plan is designed, and is currently being operated, in compliance with the applicable requirements of the IRC. Therefore, no provision for income taxes has been included in the Plan's financial statements.

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Southwest Shipyard L.P.
401(K) Savings and Retirement Plan

Notes to Financial Statements

December 31, 2022

Note 6 - Related Party Transactions and Party In Interest Transactions

Certain Plan investments are managed by Fidelity Investments. Fidelity Investments is the recordkeeper for the Plan and, therefore, these transactions qualify as party in interest transactions. In addition, the Plan provides for notes receivable from participants, which are party in interest transactions that are exempt from the prohibited transaction rules.

Note 7 - Reconciliation of Financial Statements to Form 5500

The following is a reconciliation of net assets available for benefits per the financial statements at December 31, 2021 to Form 5500:

Net assets available for benefits per the financial statements	\$ 13,441,586
Participant contributions receivable	(17,158)
Employer contribution receivable	(3,091)
Deemed distributions of participant loans	<u>(12,833)</u>
Net assets available for benefits per the Form 5500	<u>\$ 13,408,504</u>

The following is a reconciliation of participants contributions per the financial statements for the year ended December 31, 2022 to Form 5500:

Participant contributions per the financial statements	\$ 789,562
Add: participant contributions receivable at December 31, 2021	<u>17,158</u>
Participant contributions per Form 5500	<u>\$ 806,720</u>

The following is a reconciliation of employer contributions per the financial statements for the year ended December 31, 2022 to Form 5500:

Employer contributions per the financial statements	\$ 244,565
Add: employer contribution receivable at December 31, 2021	<u>3,091</u>
Employer contributions per Form 5500	<u>\$ 247,656</u>

The following is a reconciliation of benefits paid to participants per the financial statements for the year ended December 31, 2022 to Form 5500:

Benefits paid to participants per the financial statements	\$ 1,529,913
Less: deemed distributions of participant loans	<u>(12,833)</u>
Total benefit payments and corrective distributions per Form 5500	<u>\$ 1,517,080</u>

Southwest Shipyard L.P.
401(K) Savings and Retirement Plan

Notes to Financial Statements

December 31, 2022

Note 8 - Plan Termination

The Company reserves the right to terminate the Plan at any time by taking appropriate action as circumstances may dictate. In the event the Plan should terminate, each participant affected by such termination shall have a vested interest in their account of 100%.

Note 9 - Risks and Uncertainties

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

Supplemental Schedule

Southwest Shipyard, L.P. 401(k) Savings and Retirement Plan
Employer Identification Number: 76-0515702/Plan Number: 002

Schedule H, line 4i - Schedule of Assets Held at End of Year

December 31, 2022

a	b	c	d	e
	Identity of issue, borrower, lessor, or similar party	Description of investment including maturity date, rate of interest, collateral, par or maturity value	Cost	Current value
		Money market fund		
*	Fidelity Investments	Fidelity Government Money Market Fund	**	\$ 165,064
		Mutual funds		
	AllianceBernstein	AB Large Cap Growth Fund	**	203,178
	JPMorgan	JPMorgan Core Plus Bond Fund	**	16,987
	Columbia Threadneedle	Columbia Dividend Income Fund	**	110,005
*	Fidelity Investments	Fidelity U.S. Bond Index Fund	**	5,214
*	Fidelity Investments	Fidelity Advisor Freedom Income Fund	**	10,257
*	Fidelity Investments	Fidelity Advisor Freedom 2005 Fund	**	41,662
*	Fidelity Investments	Fidelity Advisor Freedom 2010 Fund	**	2,466
*	Fidelity Investments	Fidelity Advisor Freedom 2015 Fund	**	385,176
*	Fidelity Investments	Fidelity Advisor Freedom 2020 Fund	**	1,130,811
*	Fidelity Investments	Fidelity Advisor Freedom 2025 Fund	**	3,502,565
*	Fidelity Investments	Fidelity Advisor Freedom 2030 Fund	**	1,629,656
*	Fidelity Investments	Fidelity Advisor Freedom 2035 Fund	**	1,085,795
*	Fidelity Investments	Fidelity Advisor Freedom 2040 Fund	**	738,219
*	Fidelity Investments	Fidelity Advisor Freedom 2045 Fund	**	377,083
*	Fidelity Investments	Fidelity Advisor Freedom 2050 Fund	**	517,581
*	Fidelity Investments	Fidelity Advisor Freedom 2055 Fund	**	102,662
*	Fidelity Investments	Fidelity Advisor Freedom 2060 Fund	**	69,152
*	Fidelity Investments	Fidelity Advisor Freedom 2065 Fund	**	29,635
*	Fidelity Investments	Fidelity 500 Index Fund	**	159,138
*	Fidelity Investments	Fidelity International Index Fund	**	10,401
*	Fidelity Investments	Fidelity Mid Cap Index Fund	**	66,536
*	Fidelity Investments	Fidelity Small Cap Index Fund	**	55,817
	T. Rowe Price	T. Rowe Price Spectrum International Equity Fund	**	76,302
*	Loans to participants	Principal balances ranging up to \$32,000 accruing interest at rates ranging from 4.25% to 7.25% per annum, secured by participants' individual vested accrued benefits due at various dates through December 2027.		342,161

* Party-in-interest as defined by ERISA.

** Cost omitted for participant-directed investments.