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|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Form 5500</b><br><br>Department of the Treasury<br>Internal Revenue Service<br><br>Department of Labor<br>Employee Benefits Security<br>Administration<br><br>Pension Benefit Guaranty Corporation | <b>Annual Return/Report of Employee Benefit Plan</b><br>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).<br><br><p style="text-align: center;">▶ <b>Complete all entries in accordance with the instructions to the Form 5500.</b></p> | OMB Nos. 1210-0110<br>1210-0089<br><br><div style="text-align: center; font-size: 1.2em; font-weight: bold;">2022</div><br><br><b>This Form is Open to Public Inspection</b> |
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|                                                                                                          |                                                                                                                                                                                                                                                                                                                                           |
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| Part I                                                                                                   | <b>Annual Report Identification Information</b>                                                                                                                                                                                                                                                                                           |
| For calendar plan year 2022 or fiscal plan year beginning <u>01/01/2022</u> and ending <u>12/31/2022</u> |                                                                                                                                                                                                                                                                                                                                           |
| <b>A</b> This return/report is for:                                                                      | <input type="checkbox"/> a multiemployer plan <input type="checkbox"/> a multiple-employer plan (Filers checking this box must attach a list of participating employer information in accordance with the form instructions.)<br><input checked="" type="checkbox"/> a single-employer plan <input type="checkbox"/> a DFE (specify) ____ |
| <b>B</b> This return/report is:                                                                          | <input type="checkbox"/> the first return/report <input type="checkbox"/> the final return/report<br><input type="checkbox"/> an amended return/report <input type="checkbox"/> a short plan year return/report (less than 12 months)                                                                                                     |
| <b>C</b> If the plan is a collectively-bargained plan, check here. ....                                  | <input type="checkbox"/>                                                                                                                                                                                                                                                                                                                  |
| <b>D</b> Check box if filing under:                                                                      | <input checked="" type="checkbox"/> Form 5558 <input type="checkbox"/> automatic extension <input type="checkbox"/> the DFVC program<br><input type="checkbox"/> special extension (enter description)                                                                                                                                    |
| <b>E</b> If this is a retroactively adopted plan permitted by SECURE Act section 201, check here. ....   | <input type="checkbox"/>                                                                                                                                                                                                                                                                                                                  |

|                                                                                                                                                                                                                                                               |                                                                                    |                                                |                     |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------|------------------------------------------------|---------------------|
| Part II                                                                                                                                                                                                                                                       | <b>Basic Plan Information</b> —enter all requested information                     |                                                |                     |
| <b>1a</b> Name of plan                                                                                                                                                                                                                                        | <u>THE RETIREMENT PLAN AND TRUST FOR THE EMPLOYEES OF FREESE AND NICHOLS, INC.</u> | <b>1b</b> Three-digit plan number (PN) ▶       | <u>001</u>          |
|                                                                                                                                                                                                                                                               |                                                                                    | <b>1c</b> Effective date of plan               | <u>01/01/1972</u>   |
| <b>2a</b> Plan sponsor's name (employer, if for a single-employer plan)<br>Mailing address (include room, apt., suite no. and street, or P.O. Box)<br>City or town, state or province, country, and ZIP or foreign postal code (if foreign, see instructions) |                                                                                    | <b>2b</b> Employer Identification Number (EIN) | <u>75-1531935</u>   |
| <u>FREESE AND NICHOLS, INC.</u>                                                                                                                                                                                                                               |                                                                                    | <b>2c</b> Plan Sponsor's telephone number      | <u>817-735-7300</u> |
| <u>801 CHERRY ST.</u><br><u>SUITE 2800</u><br><u>FORT WORTH, TX 76102</u>                                                                                                                                                                                     |                                                                                    | <b>2d</b> Business code (see instructions)     | <u>541330</u>       |
|                                                                                                                                                                                                                                                               |                                                                                    |                                                |                     |

**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<br>HERE | Filed with authorized/valid electronic signature. | 10/05/2023 | CYNTHIA MILRANY                                              |
|              | Signature of plan administrator                   | Date       | Enter name of individual signing as plan administrator       |
| SIGN<br>HERE | Filed with authorized/valid electronic signature. | 10/05/2023 | CYNTHIA MILRANY                                              |
|              | Signature of employer/plan sponsor                | Date       | Enter name of individual signing as employer or plan sponsor |
| SIGN<br>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

|                                                                                                                                                                                                                                                                                        |                                                                                       |                                                                                                                 |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------|
| <b>3a</b> Plan administrator's name and address <input checked="" type="checkbox"/> Same as Plan Sponsor                                                                                                                                                                               |                                                                                       | <b>3b</b> Administrator's EIN                                                                                   |
|                                                                                                                                                                                                                                                                                        |                                                                                       | <b>3c</b> Administrator's telephone number                                                                      |
| <b>4</b> 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:<br><b>a</b> Sponsor's name<br><b>c</b> Plan Name |                                                                                       | <b>4b</b> EIN<br><br><b>4d</b> PN                                                                               |
| <b>5</b> Total number of participants at the beginning of the plan year                                                                                                                                                                                                                |                                                                                       | <div style="display: flex; justify-content: space-between;"> <span><b>5</b></span> <span>1221</span> </div>     |
| <b>6</b> Number of participants as of the end of the plan year unless otherwise stated (welfare plans complete only lines <b>6a(1)</b> , <b>6a(2)</b> , <b>6b</b> , <b>6c</b> , and <b>6d</b> ).                                                                                       |                                                                                       |                                                                                                                 |
| <b>a(1)</b> Total number of active participants at the beginning of the plan year .....                                                                                                                                                                                                |                                                                                       | <div style="display: flex; justify-content: space-between;"> <span><b>6a(1)</b></span> <span>969</span> </div>  |
| <b>a(2)</b> Total number of active participants at the end of the plan year .....                                                                                                                                                                                                      |                                                                                       | <div style="display: flex; justify-content: space-between;"> <span><b>6a(2)</b></span> <span>1036</span> </div> |
| <b>b</b> Retired or separated participants receiving benefits .....                                                                                                                                                                                                                    |                                                                                       | <div style="display: flex; justify-content: space-between;"> <span><b>6b</b></span> <span>20</span> </div>      |
| <b>c</b> Other retired or separated participants entitled to future benefits.....                                                                                                                                                                                                      |                                                                                       | <div style="display: flex; justify-content: space-between;"> <span><b>6c</b></span> <span>284</span> </div>     |
| <b>d</b> Subtotal. Add lines <b>6a(2)</b> , <b>6b</b> , and <b>6c</b> .....                                                                                                                                                                                                            |                                                                                       | <div style="display: flex; justify-content: space-between;"> <span><b>6d</b></span> <span>1340</span> </div>    |
| <b>e</b> Deceased participants whose beneficiaries are receiving or are entitled to receive benefits. ....                                                                                                                                                                             |                                                                                       | <div style="display: flex; justify-content: space-between;"> <span><b>6e</b></span> <span>2</span> </div>       |
| <b>f</b> Total. Add lines <b>6d</b> and <b>6e</b> .....                                                                                                                                                                                                                                |                                                                                       | <div style="display: flex; justify-content: space-between;"> <span><b>6f</b></span> <span>1342</span> </div>    |
| <b>g</b> Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item).....                                                                                                                                         |                                                                                       | <div style="display: flex; justify-content: space-between;"> <span><b>6g</b></span> <span>1333</span> </div>    |
| <b>h</b> Number of participants who terminated employment during the plan year with accrued benefits that were less than 100% vested.....                                                                                                                                              |                                                                                       | <div style="display: flex; justify-content: space-between;"> <span><b>6h</b></span> <span>20</span> </div>      |
| <b>7</b> Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item) .....                                                                                                                                                   |                                                                                       | <div style="display: flex; justify-content: space-between;"> <span><b>7</b></span> </div>                       |
| <b>8a</b> If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristics Codes in the instructions:<br>2E 2F 2G 2J 2K 2T 3D                                                                                                   |                                                                                       |                                                                                                                 |
| <b>b</b> If the plan provides welfare benefits, enter the applicable welfare feature codes from the List of Plan Characteristics Codes in the instructions:                                                                                                                            |                                                                                       |                                                                                                                 |
| <b>9a</b> Plan funding arrangement (check all that apply)                                                                                                                                                                                                                              |                                                                                       | <b>9b</b> Plan benefit arrangement (check all that apply)                                                       |
| (1) <input type="checkbox"/> Insurance                                                                                                                                                                                                                                                 | (1) <input type="checkbox"/> Insurance                                                |                                                                                                                 |
| (2) <input type="checkbox"/> Code section 412(e)(3) insurance contracts                                                                                                                                                                                                                | (2) <input type="checkbox"/> Code section 412(e)(3) insurance contracts               |                                                                                                                 |
| (3) <input checked="" type="checkbox"/> Trust                                                                                                                                                                                                                                          | (3) <input checked="" type="checkbox"/> Trust                                         |                                                                                                                 |
| (4) <input type="checkbox"/> General assets of the sponsor                                                                                                                                                                                                                             | (4) <input type="checkbox"/> General assets of the sponsor                            |                                                                                                                 |
| <b>10</b> Check all applicable boxes in 10a and 10b to indicate which schedules are attached, and, where indicated, enter the number attached. (See instructions)                                                                                                                      |                                                                                       |                                                                                                                 |
| <b>a Pension Schedules</b>                                                                                                                                                                                                                                                             |                                                                                       | <b>b General Schedules</b>                                                                                      |
| (1) <input checked="" type="checkbox"/> <b>R</b> (Retirement Plan Information)                                                                                                                                                                                                         | (1) <input checked="" type="checkbox"/> <b>H</b> (Financial Information)              |                                                                                                                 |
| (2) <input type="checkbox"/> <b>MB</b> (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary                                                                                                                         | (2) <input type="checkbox"/> <b>I</b> (Financial Information – Small Plan)            |                                                                                                                 |
| (3) <input type="checkbox"/> <b>SB</b> (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary                                                                                                                                                       | (3) <input type="checkbox"/> <b>A</b> (Insurance Information)                         |                                                                                                                 |
|                                                                                                                                                                                                                                                                                        | (4) <input checked="" type="checkbox"/> <b>C</b> (Service Provider Information)       |                                                                                                                 |
|                                                                                                                                                                                                                                                                                        | (5) <input checked="" type="checkbox"/> <b>D</b> (DFE/Participating Plan Information) |                                                                                                                 |
|                                                                                                                                                                                                                                                                                        | (6) <input type="checkbox"/> <b>G</b> (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 \_\_\_\_\_

|                                                                                                                                                                                                                                              |                                                                                                                                                                                                                             |                                         |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------|
| <div>SCHEDULE C</div> <div>(Form 5500)</div> <div>Department of the Treasury<br/>Internal Revenue Service</div> <div>Department of Labor<br/>Employee Benefits Security Administration</div> <div>Pension Benefit Guaranty Corporation</div> | <div>Service Provider Information</div> <div>This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA).</div> <div>▶ File as an attachment to Form 5500.</div> | 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<br>THE RETIREMENT PLAN AND TRUST FOR THE EMPLOYEES OF FREESE AND NICHOLS, INC. | B Three-digit plan number (PN) ▶                     | 001 |
| C Plan sponsor's name as shown on line 2a of Form 5500<br>FREESE AND NICHOLS, INC.            | D Employer Identification Number (EIN)<br>75-1531935 |     |

|        |                                                 |
|--------|-------------------------------------------------|
| Part I | Service Provider Information (see instructions) |
|--------|-------------------------------------------------|

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

1 Information on Persons Receiving Only Eligible Indirect Compensation

- a Check "Yes" or "No" to indicate whether you are excluding a person from the remainder of this Part because they received only eligible indirect compensation for which the plan received the required disclosures (see instructions for definitions and conditions).. . . . . ☐ Yes ☒ No
- b If you answered line 1a "Yes," enter the name and EIN or address of each person providing the required disclosures for the service providers who received only eligible indirect compensation. Complete as many entries as needed (see instructions).

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

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

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

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

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

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

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

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

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**(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)

THE VANGUARD GROUP, INC.

23-1945930

| (b)<br>Service Code(s) | (c)<br>Relationship to employer, employee organization, or person known to be a party-in-interest | (d)<br>Enter direct compensation paid by the plan. If none, enter -0-. | (e)<br>Did service provider receive indirect compensation? (sources other than plan or plan sponsor) | (f)<br>Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures? | (g)<br>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)<br>Did the service provider give you a formula instead of an amount or estimated amount? |
|------------------------|---------------------------------------------------------------------------------------------------|------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------|
| 15 16 25<br>37 52 99   | NONE                                                                                              | 163352                                                                 | Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>                                  | Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>                                                            | 0                                                                                                                                                                               | Yes <input type="checkbox"/> No <input type="checkbox"/>                                     |

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

VANGUARD ADVISERS INC.

23-2811930

| (b)<br>Service Code(s) | (c)<br>Relationship to employer, employee organization, or person known to be a party-in-interest | (d)<br>Enter direct compensation paid by the plan. If none, enter -0-. | (e)<br>Did service provider receive indirect compensation? (sources other than plan or plan sponsor) | (f)<br>Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures? | (g)<br>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)<br>Did the service provider give you a formula instead of an amount or estimated amount? |
|------------------------|---------------------------------------------------------------------------------------------------|------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------|
| 26                     | NONE                                                                                              | 54582                                                                  | Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>                                  | Yes <input type="checkbox"/> No <input type="checkbox"/>                                                                       |                                                                                                                                                                                 | Yes <input type="checkbox"/> No <input type="checkbox"/>                                     |

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

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

**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<br>(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<br>(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<br>(see instructions)                                                                                                                            | (c) Enter amount of indirect compensation |
|                                                                     |                                                                                                                                                                    |                                           |
| (d) Enter name and EIN (address) of source of indirect compensation | (e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation. |                                           |
|                                                                     |                                                                                                                                                                    |                                           |

**Part II Service Providers Who Fail or Refuse to Provide Information**

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

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

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

|                    |                     |
|--------------------|---------------------|
| <b>a</b> Name:     | <b>b</b> EIN:       |
| <b>c</b> Position: |                     |
| <b>d</b> Address:  | <b>e</b> Telephone: |
|                    |                     |

Explanation:

|                    |                     |
|--------------------|---------------------|
| <b>a</b> Name:     | <b>b</b> EIN:       |
| <b>c</b> Position: |                     |
| <b>d</b> Address:  | <b>e</b> Telephone: |
|                    |                     |

Explanation:

|                    |                     |
|--------------------|---------------------|
| <b>a</b> Name:     | <b>b</b> EIN:       |
| <b>c</b> Position: |                     |
| <b>d</b> Address:  | <b>e</b> Telephone: |
|                    |                     |

Explanation:

|                    |                     |
|--------------------|---------------------|
| <b>a</b> Name:     | <b>b</b> EIN:       |
| <b>c</b> Position: |                     |
| <b>d</b> Address:  | <b>e</b> Telephone: |
|                    |                     |

Explanation:

|                    |                     |
|--------------------|---------------------|
| <b>a</b> Name:     | <b>b</b> EIN:       |
| <b>c</b> Position: |                     |
| <b>d</b> Address:  | <b>e</b> Telephone: |
|                    |                     |

Explanation:

|                                                                                                                                                                           |                                                                                                                                                                                                                              |                                                                                                                                                                        |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>SCHEDULE D</b><br><b>(Form 5500)</b><br>Department of the Treasury<br>Internal Revenue Service<br><br>Department of Labor<br>Employee Benefits Security Administration | <b>DFE/Participating Plan Information</b><br><br>This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA).<br><br>▶ <b>File as an attachment to Form 5500.</b> | OMB No. 1210-0110<br><br><div style="border: 1px solid black; padding: 5px; text-align: center;"> <b>2022</b> </div><br><b>This Form is Open to Public Inspection.</b> |
|                                                                                                                                                                           | For calendar plan year 2022 or fiscal plan year beginning <b>01/01/2022</b> and ending <b>12/31/2022</b>                                                                                                                     |                                                                                                                                                                        |
|                                                                                                                                                                           |                                                                                                                                                                                                                              |                                                                                                                                                                        |

|                                                                                                             |  |                                                                    |            |
|-------------------------------------------------------------------------------------------------------------|--|--------------------------------------------------------------------|------------|
| <b>A</b> Name of plan<br><b>THE RETIREMENT PLAN AND TRUST FOR THE EMPLOYEES OF FREESE AND NICHOLS, INC.</b> |  | <b>B</b> Three-digit plan number (PN) ▶                            | <b>001</b> |
| <b>C</b> Plan or DFE sponsor's name as shown on line 2a of Form 5500<br><b>FREESE AND NICHOLS, INC.</b>     |  | <b>D</b> Employer Identification Number (EIN)<br><b>75-1531935</b> |            |

|               |                                                                                                                                                                                  |
|---------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Part I</b> | <b>Information on interests in MTIAs, CCTs, PSAs, and 103-12 IEs (to be completed by plans and DFEs)</b><br>(Complete as many entries as needed to report all interests in DFEs) |
|---------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

|                                                                                           |                               |                                                                                                                    |  |
|-------------------------------------------------------------------------------------------|-------------------------------|--------------------------------------------------------------------------------------------------------------------|--|
| <b>a</b> Name of MTIA, CCT, PSA, or 103-12 IE: <b>VFTC RETIREMENT SAVINGS TRUST III</b>   |                               |                                                                                                                    |  |
| <b>b</b> Name of sponsor of entity listed in (a): <b>VANGUARD FIDUCIARY TRUST COMPANY</b> |                               |                                                                                                                    |  |
| <b>c</b> EIN-PN <b>38-7041744-024</b>                                                     | <b>d</b> Entity code <b>C</b> | <b>e</b> Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) <b>8257821</b> |  |
| <b>a</b> Name of MTIA, CCT, PSA, or 103-12 IE:                                            |                               |                                                                                                                    |  |
| <b>b</b> Name of sponsor of entity listed in (a):                                         |                               |                                                                                                                    |  |
| <b>c</b> EIN-PN                                                                           | <b>d</b> Entity code          | <b>e</b> Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)                |  |
| <b>a</b> Name of MTIA, CCT, PSA, or 103-12 IE:                                            |                               |                                                                                                                    |  |
| <b>b</b> Name of sponsor of entity listed in (a):                                         |                               |                                                                                                                    |  |
| <b>c</b> EIN-PN                                                                           | <b>d</b> Entity code          | <b>e</b> Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)                |  |
| <b>a</b> Name of MTIA, CCT, PSA, or 103-12 IE:                                            |                               |                                                                                                                    |  |
| <b>b</b> Name of sponsor of entity listed in (a):                                         |                               |                                                                                                                    |  |
| <b>c</b> EIN-PN                                                                           | <b>d</b> Entity code          | <b>e</b> Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)                |  |
| <b>a</b> Name of MTIA, CCT, PSA, or 103-12 IE:                                            |                               |                                                                                                                    |  |
| <b>b</b> Name of sponsor of entity listed in (a):                                         |                               |                                                                                                                    |  |
| <b>c</b> EIN-PN                                                                           | <b>d</b> Entity code          | <b>e</b> Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)                |  |
| <b>a</b> Name of MTIA, CCT, PSA, or 103-12 IE:                                            |                               |                                                                                                                    |  |
| <b>b</b> Name of sponsor of entity listed in (a):                                         |                               |                                                                                                                    |  |
| <b>c</b> EIN-PN                                                                           | <b>d</b> Entity code          | <b>e</b> Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)                |  |
| <b>a</b> Name of MTIA, CCT, PSA, or 103-12 IE:                                            |                               |                                                                                                                    |  |
| <b>b</b> Name of sponsor of entity listed in (a):                                         |                               |                                                                                                                    |  |
| <b>c</b> EIN-PN                                                                           | <b>d</b> Entity code          | <b>e</b> Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)                |  |

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

**Part II Information on Participating Plans (to be completed by DFEs)**

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

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

|                                                                                                                                                                                                                                                                          |                                                                                                                                                                                                                                                                                                                            |                                                                                           |                                                                    |            |  |  |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------|--------------------------------------------------------------------|------------|--|--|
| <b>SCHEDULE H</b><br><b>(Form 5500)</b><br><br><small>Department of the Treasury<br/>Internal Revenue Service</small><br><br><small>Department of Labor<br/>Employee Benefits Security Administration</small><br><br><small>Pension Benefit Guaranty Corporation</small> | <b>Financial Information</b><br><br>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).<br><br><b>► File as an attachment to Form 5500.</b>                                               | OMB No. 1210-0110<br><br><b>2022</b><br><br><b>This Form is Open to Public Inspection</b> |                                                                    |            |  |  |
| For calendar plan year 2022 or fiscal plan year beginning <u>01/01/2022</u> and ending <u>12/31/2022</u>                                                                                                                                                                 |                                                                                                                                                                                                                                                                                                                            |                                                                                           |                                                                    |            |  |  |
| <b>A</b> Name of plan<br><u>THE RETIREMENT PLAN AND TRUST FOR THE EMPLOYEES OF FREESE AND NICHOLS, INC.</u>                                                                                                                                                              | <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 80%; padding: 5px;"> <b>B</b> Three-digit plan number (PN) ►             </td> <td style="width: 20%; padding: 5px; text-align: center;"> <b>001</b> </td> </tr> <tr> <td colspan="2" style="height: 20px;"></td> </tr> </table> |                                                                                           | <b>B</b> Three-digit plan number (PN) ►                            | <b>001</b> |  |  |
| <b>B</b> Three-digit plan number (PN) ►                                                                                                                                                                                                                                  | <b>001</b>                                                                                                                                                                                                                                                                                                                 |                                                                                           |                                                                    |            |  |  |
|                                                                                                                                                                                                                                                                          |                                                                                                                                                                                                                                                                                                                            |                                                                                           |                                                                    |            |  |  |
| <b>C</b> Plan sponsor's name as shown on line 2a of Form 5500<br><u>FREESE AND NICHOLS, INC.</u>                                                                                                                                                                         | <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 80%; padding: 5px;"> <b>D</b> Employer Identification Number (EIN)<br/> <u>75-1531935</u> </td> <td style="width: 20%;"></td> </tr> </table>                                                                                     |                                                                                           | <b>D</b> Employer Identification Number (EIN)<br><u>75-1531935</u> |            |  |  |
| <b>D</b> Employer Identification Number (EIN)<br><u>75-1531935</u>                                                                                                                                                                                                       |                                                                                                                                                                                                                                                                                                                            |                                                                                           |                                                                    |            |  |  |

| Part I                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | Asset and Liability Statement |                       |                    |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------|-----------------------|--------------------|
| <b>1</b> 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. <b>Round off amounts to the nearest dollar.</b> 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    |
| <b>a</b> Total noninterest-bearing cash.....                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                               | <b>1a</b>             |                    |
| <b>b</b> Receivables (less allowance for doubtful accounts):                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                               |                       |                    |
| <b>(1)</b> Employer contributions.....                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                               | <b>1b(1)</b>          | 16425051727876     |
| <b>(2)</b> Participant contributions.....                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                               | <b>1b(2)</b>          |                    |
| <b>(3)</b> Other.....                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                               | <b>1b(3)</b>          |                    |
| <b>c</b> General investments:                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |                               |                       |                    |
| <b>(1)</b> Interest-bearing cash (include money market accounts & certificates of deposit).....                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |                               | <b>1c(1)</b>          |                    |
| <b>(2)</b> U.S. Government securities .....                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                               | <b>1c(2)</b>          |                    |
| <b>(3)</b> Corporate debt instruments (other than employer securities):                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                               |                       |                    |
| <b>(A)</b> Preferred .....                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                               | <b>1c(3)(A)</b>       |                    |
| <b>(B)</b> All other .....                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                               | <b>1c(3)(B)</b>       |                    |
| <b>(4)</b> Corporate stocks (other than employer securities):                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |                               |                       |                    |
| <b>(A)</b> Preferred .....                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                               | <b>1c(4)(A)</b>       |                    |
| <b>(B)</b> Common.....                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                               | <b>1c(4)(B)</b>       |                    |
| <b>(5)</b> Partnership/joint venture interests .....                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                               | <b>1c(5)</b>          |                    |
| <b>(6)</b> Real estate (other than employer real property) .....                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                               | <b>1c(6)</b>          |                    |
| <b>(7)</b> Loans (other than to participants).....                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                               | <b>1c(7)</b>          |                    |
| <b>(8)</b> Participant loans.....                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                               | <b>1c(8)</b>          | 14607991359518     |
| <b>(9)</b> Value of interest in common/collective trusts.....                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |                               | <b>1c(9)</b>          | 77243747696503     |
| <b>(10)</b> Value of interest in pooled separate accounts.....                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                               | <b>1c(10)</b>         |                    |
| <b>(11)</b> Value of interest in master trust investment accounts.....                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                               | <b>1c(11)</b>         |                    |
| <b>(12)</b> Value of interest in 103-12 investment entities .....                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                               | <b>1c(12)</b>         |                    |
| <b>(13)</b> Value of interest in registered investment companies (e.g., mutual funds).....                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                               | <b>1c(13)</b>         | 228887547184547290 |
| <b>(14)</b> Value of funds held in insurance company general account (unallocated contracts).....                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                               | <b>1c(14)</b>         |                    |
| <b>(15)</b> Other .....                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                               | <b>1c(15)</b>         |                    |

| <b>1d</b> Employer-related investments:                              |              | (a) Beginning of Year | (b) End of Year |
|----------------------------------------------------------------------|--------------|-----------------------|-----------------|
| (1) Employer securities .....                                        | <b>1d(1)</b> |                       |                 |
| (2) Employer real property .....                                     | <b>1d(2)</b> |                       |                 |
| <b>e</b> Buildings and other property used in plan operation .....   | <b>1e</b>    |                       |                 |
| <b>f</b> Total assets (add all amounts in lines 1a through 1e) ..... | <b>1f</b>    | 239715225             | 195331187       |

**Liabilities**

|                                                                           |           |   |   |
|---------------------------------------------------------------------------|-----------|---|---|
| <b>g</b> Benefit claims payable .....                                     | <b>1g</b> |   |   |
| <b>h</b> Operating payables .....                                         | <b>1h</b> |   |   |
| <b>i</b> Acquisition indebtedness .....                                   | <b>1i</b> |   |   |
| <b>j</b> Other liabilities .....                                          | <b>1j</b> |   |   |
| <b>k</b> Total liabilities (add all amounts in lines 1g through 1j) ..... | <b>1k</b> | 0 | 0 |

**Net Assets**

|                                                           |           |           |           |
|-----------------------------------------------------------|-----------|-----------|-----------|
| <b>l</b> Net assets (subtract line 1k from line 1f) ..... | <b>1l</b> | 239715225 | 195331187 |
|-----------------------------------------------------------|-----------|-----------|-----------|

**Part II Income and Expense Statement**

**2** Plan income, expenses, and changes in net assets for the year. Include all income and expenses of the plan, including any trust(s) or separately maintained fund(s) and any payments/receipts to/from insurance carriers. Round off amounts to the nearest dollar. MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 2a, 2b(1)(E), 2e, 2f, and 2g.

**Income**

|                                                                                                            |                 | (a) Amount | (b) Total |
|------------------------------------------------------------------------------------------------------------|-----------------|------------|-----------|
| <b>a Contributions:</b>                                                                                    |                 |            |           |
| (1) Received or receivable in cash from: <b>(A)</b> Employers .....                                        | <b>2a(1)(A)</b> | 5308435    |           |
| <b>(B)</b> Participants .....                                                                              | <b>2a(1)(B)</b> | 10301951   |           |
| <b>(C)</b> Others (including rollovers) .....                                                              | <b>2a(1)(C)</b> | 675168     |           |
| (2) Noncash contributions .....                                                                            | <b>2a(2)</b>    |            |           |
| (3) Total contributions. Add lines <b>2a(1)(A)</b> , <b>(B)</b> , <b>(C)</b> , and line <b>2a(2)</b> ..... | <b>2a(3)</b>    |            | 16285554  |
| <b>b Earnings on investments:</b>                                                                          |                 |            |           |
| (1) Interest:                                                                                              |                 |            |           |
| <b>(A)</b> Interest-bearing cash (including money market accounts and certificates of deposit) .....       | <b>2b(1)(A)</b> |            |           |
| <b>(B)</b> U.S. Government securities .....                                                                | <b>2b(1)(B)</b> |            |           |
| <b>(C)</b> Corporate debt instruments .....                                                                | <b>2b(1)(C)</b> |            |           |
| <b>(D)</b> Loans (other than to participants) .....                                                        | <b>2b(1)(D)</b> |            |           |
| <b>(E)</b> Participant loans .....                                                                         | <b>2b(1)(E)</b> | 61350      |           |
| <b>(F)</b> Other .....                                                                                     | <b>2b(1)(F)</b> |            |           |
| <b>(G)</b> Total interest. Add lines <b>2b(1)(A)</b> through <b>(F)</b> .....                              | <b>2b(1)(G)</b> |            | 61350     |
| (2) Dividends: <b>(A)</b> Preferred stock .....                                                            | <b>2b(2)(A)</b> |            |           |
| <b>(B)</b> Common stock .....                                                                              | <b>2b(2)(B)</b> |            |           |
| <b>(C)</b> Registered investment company shares (e.g. mutual funds) .....                                  | <b>2b(2)(C)</b> | 8968258    |           |
| <b>(D)</b> Total dividends. Add lines <b>2b(2)(A)</b> , <b>(B)</b> , and <b>(C)</b> .....                  | <b>2b(2)(D)</b> |            | 8968258   |
| (3) Rents .....                                                                                            | <b>2b(3)</b>    |            |           |
| (4) Net gain (loss) on sale of assets: <b>(A)</b> Aggregate proceeds .....                                 | <b>2b(4)(A)</b> |            |           |
| <b>(B)</b> Aggregate carrying amount (see instructions) .....                                              | <b>2b(4)(B)</b> |            |           |
| <b>(C)</b> Subtract line <b>2b(4)(B)</b> from line <b>2b(4)(A)</b> and enter result .....                  | <b>2b(4)(C)</b> |            | 0         |
| (5) Unrealized appreciation (depreciation) of assets: <b>(A)</b> Real estate .....                         | <b>2b(5)(A)</b> |            |           |
| <b>(B)</b> Other .....                                                                                     | <b>2b(5)(B)</b> |            |           |
| <b>(C)</b> Total unrealized appreciation of assets. Add lines <b>2b(5)(A)</b> and <b>(B)</b> .....         | <b>2b(5)(C)</b> |            | 0         |

|                                                                                                 |        | (a) Amount | (b) Total |
|-------------------------------------------------------------------------------------------------|--------|------------|-----------|
| (6) Net investment gain (loss) from common/collective trusts .....                              | 2b(6)  |            | -493667   |
| (7) Net investment gain (loss) from pooled separate accounts .....                              | 2b(7)  |            |           |
| (8) Net investment gain (loss) from master trust investment accounts .....                      | 2b(8)  |            |           |
| (9) Net investment gain (loss) from 103-12 investment entities.....                             | 2b(9)  |            |           |
| (10) Net investment gain (loss) from registered investment companies (e.g., mutual funds) ..... | 2b(10) |            | -48217075 |
| c Other income .....                                                                            | 2c     |            | 2254      |
| d Total income. Add all <b>income</b> amounts in column (b) and enter total .....               | 2d     |            | -23393326 |
| <b>Expenses</b>                                                                                 |        |            |           |
| e Benefit payment and payments to provide benefits:                                             |        |            |           |
| (1) Directly to participants or beneficiaries, including direct rollovers .....                 | 2e(1)  | 20758353   |           |
| (2) To insurance carriers for the provision of benefits .....                                   | 2e(2)  |            |           |
| (3) Other .....                                                                                 | 2e(3)  |            |           |
| (4) Total benefit payments. Add lines 2e(1) through (3) .....                                   | 2e(4)  |            | 20758353  |
| f Corrective distributions (see instructions) .....                                             | 2f     |            |           |
| g Certain deemed distributions of participant loans (see instructions) .....                    | 2g     |            | 16279     |
| h Interest expense .....                                                                        | 2h     |            |           |
| i Administrative expenses: (1) Professional fees .....                                          | 2i(1)  |            |           |
| (2) Contract administrator fees .....                                                           | 2i(2)  |            |           |
| (3) Investment advisory and management fees .....                                               | 2i(3)  |            |           |
| (4) Other .....                                                                                 | 2i(4)  | 216080     |           |
| (5) Total administrative expenses. Add lines 2i(1) through (4) .....                            | 2i(5)  |            | 216080    |
| j Total expenses. Add all <b>expense</b> amounts in column (b) and enter total .....            | 2j     |            | 20990712  |
| <b>Net Income and Reconciliation</b>                                                            |        |            |           |
| k Net income (loss). Subtract line 2j from line 2d .....                                        | 2k     |            | -44384038 |
| l Transfers of assets:                                                                          |        |            |           |
| (1) To this plan .....                                                                          | 2l(1)  |            |           |
| (2) From this plan .....                                                                        | 2l(2)  |            |           |

**Part III Accountant's Opinion**

**3** Complete lines 3a through 3c if the opinion of an independent qualified public accountant is attached to this Form 5500. Complete line 3d if an opinion is not attached.

**a** The attached opinion of an independent qualified public accountant for this plan is (see instructions):

(1) ☒ Unmodified (2) ☐ Qualified (3) ☐ Disclaimer (4) ☐ Adverse

**b** Check the appropriate box(es) to indicate whether the IQPA performed an ERISA section 103(a)(3)(C) audit. Check both boxes (1) and (2) if the audit was performed pursuant to both 29 CFR 2520.103-8 and 29 CFR 2520.103-12(d). Check box (3) if pursuant to neither.

(1) ☒ DOL Regulation 2520.103-8 (2) ☐ DOL Regulation 2520.103-12(d) (3) ☐ neither DOL Regulation 2520.103-8 nor DOL Regulation 2520.103-12(d).

**c** Enter the name and EIN of the accountant (or accounting firm) below:

(1) Name: **BDO USA, P.C.**

(2) EIN: **13-5381590**

**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 |
|-----------|-----|----|--------|
| <b>4a</b> |     | X  |        |

|                                                                                                                                                                                                                                                                                                            | Yes | No | Amount |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----|----|--------|
| <b>b</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.) |     |    |        |
| <b>4b</b>                                                                                                                                                                                                                                                                                                  |     | X  |        |
| <b>c</b> 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.)                                                                                                                             |     |    |        |
| <b>4c</b>                                                                                                                                                                                                                                                                                                  |     | X  |        |
| <b>d</b> 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.)                                                                                                                  |     |    |        |
| <b>4d</b>                                                                                                                                                                                                                                                                                                  |     | X  |        |
| <b>e</b> Was this plan covered by a fidelity bond?                                                                                                                                                                                                                                                         | X   |    | 500000 |
| <b>f</b> Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?                                                                                                                                                                          |     | X  |        |
| <b>4f</b>                                                                                                                                                                                                                                                                                                  |     | X  |        |
| <b>g</b> 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?                                                                                                                                       |     |    |        |
| <b>4g</b>                                                                                                                                                                                                                                                                                                  |     | X  |        |
| <b>h</b> 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?                                                                                                                             |     |    |        |
| <b>4h</b>                                                                                                                                                                                                                                                                                                  |     | X  |        |
| <b>i</b> Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.)                                                                                                                                                   | X   |    |        |
| <b>4i</b>                                                                                                                                                                                                                                                                                                  | X   |    |        |
| <b>j</b> 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.)                                                                                     |     |    |        |
| <b>4j</b>                                                                                                                                                                                                                                                                                                  |     | X  |        |
| <b>k</b> Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?                                                                                                                                              |     |    |        |
| <b>4k</b>                                                                                                                                                                                                                                                                                                  |     | X  |        |
| <b>l</b> Has the plan failed to provide any benefit when due under the plan?                                                                                                                                                                                                                               |     |    |        |
| <b>4l</b>                                                                                                                                                                                                                                                                                                  |     | X  |        |
| <b>m</b> If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.)                                                                                                                                                                                     |     |    |        |
| <b>4m</b>                                                                                                                                                                                                                                                                                                  |     | X  |        |
| <b>n</b> 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.                                                                                                                        |     |    |        |
| <b>4n</b>                                                                                                                                                                                                                                                                                                  |     |    |        |

**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 \_\_\_\_\_.

|                                                                                                                                                                                                                                                                                                                                                            |                                                                                                                                                                                                                                                                                                  |                                                                                                 |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------|
| <div>SCHEDULE R<br/>(Form 5500)<br/><br/>Department of the Treasury<br/>Internal Revenue Service<br/><br/>Department of Labor<br/>Employee Benefits Security Administration<br/><br/>Pension Benefit Guaranty Corporation</div>                                                                                                                            | <div>Retirement Plan Information</div> <div>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).</div> <div>► File as an attachment to Form 5500.</div> | <div>OMB No. 1210-0110</div> <div>2022</div> <div>This Form is Open to Public Inspection.</div> |
| For calendar plan year 2022 or fiscal plan year beginning 01/01/2022 and ending 12/31/2022                                                                                                                                                                                                                                                                 |                                                                                                                                                                                                                                                                                                  |                                                                                                 |
| A Name of plan<br>THE RETIREMENT PLAN AND TRUST FOR THE EMPLOYEES OF FREESE AND NICHOLS, INC.                                                                                                                                                                                                                                                              |                                                                                                                                                                                                                                                                                                  | B Three-digit plan number (PN) ► 001                                                            |
| C Plan sponsor's name as shown on line 2a of Form 5500<br>FREESE AND NICHOLS, INC.                                                                                                                                                                                                                                                                         |                                                                                                                                                                                                                                                                                                  | D Employer Identification Number (EIN)<br>75-1531935                                            |
| 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):<br><br>EIN(s): 23-2186884                                                                                                       |                                                                                                                                                                                                                                                                                                  |                                                                                                 |
| 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)? ..... <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A<br>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 _____<br>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? ..... <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> 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? ..... <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> 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..... <input type="checkbox"/> Increase <input type="checkbox"/> Decrease <input type="checkbox"/> Both <input type="checkbox"/> 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?..... <input type="checkbox"/> Yes <input type="checkbox"/> No                                                                                                                                                                   |                                                                                                                                                                                                                                                                                                  |                                                                                                 |
| 11 a Does the ESOP hold any preferred stock?..... <input type="checkbox"/> Yes <input type="checkbox"/> 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.)..... <input type="checkbox"/> Yes <input type="checkbox"/> No                                                                                                              |                                                                                                                                                                                                                                                                                                  |                                                                                                 |
| 12 Does the ESOP hold any stock that is not readily tradable on an established securities market?..... <input type="checkbox"/> Yes <input type="checkbox"/> 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): \_\_\_\_\_

|           |                                                                                                                                                                                                                                                                                                                        |            |
|-----------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------|
| <b>14</b> | 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:                                                                                                             |            |
| <b>a</b>  | The current plan year. Check the box to indicate the counting method used to determine the number of inactive participants: <input type="checkbox"/> last contributing employer <input type="checkbox"/> alternative <input type="checkbox"/> reasonable approximation (see instructions for required attachment)..... | <b>14a</b> |
| <b>b</b>  | The plan year immediately preceding the current plan year. <input type="checkbox"/> Check the box if the number reported is a change from what was previously reported (see instructions for required attachment) .....                                                                                                | <b>14b</b> |
| <b>c</b>  | The second preceding plan year. <input type="checkbox"/> Check the box if the number reported is a change from what was previously reported (see instructions for required attachment) .....                                                                                                                           | <b>14c</b> |
| <b>15</b> | 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:                                                                                                                                           |            |
| <b>a</b>  | The corresponding number for the plan year immediately preceding the current plan year.....                                                                                                                                                                                                                            | <b>15a</b> |
| <b>b</b>  | The corresponding number for the second preceding plan year.....                                                                                                                                                                                                                                                       | <b>15b</b> |
| <b>16</b> | Information with respect to any employers who withdrew from the plan during the preceding plan year:                                                                                                                                                                                                                   |            |
| <b>a</b>  | Enter the number of employers who withdrew during the preceding plan year .....                                                                                                                                                                                                                                        | <b>16a</b> |
| <b>b</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.....                                                                                                                                                           | <b>16b</b> |
| <b>17</b> | 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 ..... <input type="checkbox"/>                                                                   |            |

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

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

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

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

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

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

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

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

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

☐ Yes.

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

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

☐ No. Other. Provide explanation \_\_\_\_\_



# **The Retirement Plan and Trust for the Employees of Freese and Nichols, Inc.**

## **Financial Statements and ERISA - Required Supplemental Schedule**

**As of December 31, 2022 and 2021  
and for the Year Ended December 31, 2022**

**The Retirement Plan and Trust for the Employees of  
Freese and Nichols, Inc.**

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Financial Statements and ERISA-Required Supplemental Schedule  
As of December 31, 2022 and 2021  
and for the Year Ended December 31, 2022

# **The Retirement Plan and Trust for the Employees of Freese and Nichols, Inc.**

## **Contents**

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|                                                                                                   |          |
|---------------------------------------------------------------------------------------------------|----------|
| <b>Independent Auditor's Report</b>                                                               | <b>1</b> |
| <b>Financial Statements</b>                                                                       |          |
| Statements of Net Assets Available for Benefits<br>as of December 31, 2022 and 2021               | 5        |
| Statement of Changes in Net Assets Available for Benefits<br>for the Year ended December 31, 2022 | 6        |
| Notes to Financial Statements                                                                     | 7        |
| <b>ERISA - Required Supplemental Schedule</b>                                                     |          |
| Schedule H, line 4i - Schedule of Assets (Held at End of Year)<br>December 31, 2022               | 15       |

*Note: Other schedules required by Section 2520.103.10 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA have been omitted because they are not applicable.*



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## **Independent Auditor's Report**

To the Plan Administrator  
The Retirement Plan and Trust for Employees of Freese and Nichols, Inc.  
Fort Worth, Texas

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

We have performed audits of the financial statements of The Retirement Plan and Trust for the Employees of Freese and Nichols, Inc. (the Plan), an employee benefit plan subject to the Employee Retirement Income Security Act of 1974 (ERISA), as permitted by ERISA Section 103(a)(3)(C). 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 (ERISA Section 103(a)(3)(C) audit). 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 (qualified institution), provided that the investment information is prepared and certified to by the qualified institution in accordance with 29 CFR 2520.103-5 of the DOL's Rules and Regulations for Reporting and Disclosure under ERISA.

Management has obtained a certification 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 the procedures performed as described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report:

- 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 accounting principles generally accepted in the United States of America (GAAP); and
- the certified investment information in the accompanying financial statements agrees to, or is derived from, in all material respects, the information prepared and certified by a qualified institution that management determined meet 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 *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of the Plan and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our 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 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 within one year after the date that the financial statements are issued or available to be issued.

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

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

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



In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- 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 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 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 as of December 31, 2022 is presented for purposes of additional analysis and is not a required part of the financial statements but is supplementary information required by the DOL's Rules and Regulations for Reporting and Disclosure under ERISA. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information included in the supplemental schedule, other than that agreed to or derived from the certified investment information, has been subjected to auditing procedures applied in the audits of the financial statements and certain additional procedures,



including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with GAAS. For information included in the supplemental schedule that agreed to or is derived from the certified investment information, we compared such information to the related certified investment information.

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

In our opinion

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

*BDO USA P.C.*

October 5, 2023

## Financial Statements

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# The Retirement Plan and Trust for the Employees of Freese and Nichols, Inc.

## Statements of Net Assets Available for Benefits

| <i>As of December 31,</i>                | <b>2022</b>           | <b>2021</b>           |
|------------------------------------------|-----------------------|-----------------------|
| <b>Assets</b>                            |                       |                       |
| <b>Investments at fair value:</b>        |                       |                       |
| Registered investment companies          | \$ 184,547,290        | \$ 228,887,547        |
| Common collective trust                  | 7,696,503             | 7,724,374             |
| <b>Total investments</b>                 | <b>192,243,793</b>    | <b>236,611,921</b>    |
| <b>Receivables:</b>                      |                       |                       |
| Employer contributions                   | 1,727,876             | 1,642,505             |
| Notes receivable from participants       | 1,398,996             | 1,483,998             |
| <b>Total receivables</b>                 | <b>3,126,872</b>      | <b>3,126,503</b>      |
| <b>Net assets available for benefits</b> | <b>\$ 195,370,665</b> | <b>\$ 239,738,424</b> |

*See accompanying notes to financial statements.*

# The Retirement Plan and Trust for the Employees of Freese and Nichols, Inc.

## Statement of Changes in Net Assets Available for Benefits

|                                                       |                |
|-------------------------------------------------------|----------------|
| <i>For the Year ended December 31,</i>                | <b>2022</b>    |
| Additions:                                            |                |
| Investment income (loss):                             |                |
| Interest and dividend income                          | \$ 9,117,789   |
| Net depreciation in fair value of investments         | (48,860,273)   |
| Total investment loss                                 | (39,742,484)   |
| Interest income on notes receivable from participants | 61,350         |
| Contributions:                                        |                |
| Employer                                              | 5,308,435      |
| Participant                                           | 10,301,951     |
| Rollover                                              | 675,168        |
| Total contributions                                   | 16,285,554     |
| Other income                                          | 2,254          |
| Deductions:                                           |                |
| Benefits paid to participants                         | 20,758,353     |
| Administrative expenses                               | 216,080        |
| Total deductions                                      | 20,974,433     |
| Net decrease in net assets available for benefits     | (44,367,759)   |
| Net assets available for benefits, beginning of year  | 239,738,424    |
| Net assets available for benefits, end of year        | \$ 195,370,665 |

*See accompanying notes to financial statements.*

# **The Retirement Plan and Trust for the Employees of Freese and Nichols, Inc.**

## **Notes to Financial Statements**

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### **1. Description of Plan**

The following brief description of The Retirement Plan and Trust for the Employees of Freese and Nichols, Inc. (the “Plan”) provides only general information. Participants should refer to the plan document for a more complete description of the Plan’s provisions.

#### ***General***

The Plan is a defined contribution plan established to provide retirement, disability, and death benefits for qualified employees of Freese and Nichols, Inc. (the “Company” or “Employer”) under the provision of Section 401(a) of the Internal Revenue Code (“IRC”), which includes a qualified cash or deferred arrangement as described in Section 401(k) of the IRC, for the benefit of eligible employees of the Company. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974, as amended (“ERISA”). This plan is operated as a safe harbor 401(k) Plan.

The Plan is administered by a committee (the “Administrative Committee”) whose members are appointed by management of the Company. Under the plan document, Vanguard Fiduciary Trust Company (the “Trustee”) holds the Plan’s investment assets and executes investment transactions and maintains the accounting of participant accounts.

#### ***Eligibility***

The Plan covers all employees of the Company who have one hour of service and have reached age twenty-one (21), excluding leased employees, cooperative education employees and interns. Eligible plan participants may begin making contributions as of any of the prospective payroll entry dates on the first day of the regular pay period.

#### ***Contributions***

Eligible participants are automatically enrolled in the plan with a 6% deferral rate, which can be adjusted at the employee’s discretion. The deferral rate percentage will be automatically increased during the month of February for each period up to a deferral rate of 12%. Participants may contribute a voluntary percent of pretax annual compensation, as defined in the plan document, subject to the maximum dollar amount allowable under the IRC. The Plan does allow Roth in plan conversions for pre-tax contributions. Participants who have attained age 50 before the end of the plan year are eligible to make catch-up contributions into the Plan as a pre-tax and/or Roth contribution. Participants may also contribute amounts representing distributions from other qualified defined contribution plans.

The Employer will make a Qualified Automatic Contribution Arrangement (“QACA”) Contributions based on the amount that employees choose to contribute into the Plan as deferral. The Employer matches 100% of the first 1% of eligible compensation the participant defers into the Plan and 50% of deferrals above 1% to 6% of eligible compensation (maximum matching contribution is 3.5%).

Under the Plan, the Employer may make discretionary profit-sharing contributions. The Company’s board of directors determines the profit-sharing amount based upon guidelines as defined in the Plan document. For 2022, the Company’s board approved a profit-sharing contribution of 1.75% of hourly and overtime wages for all eligible employees.

# **The Retirement Plan and Trust for the Employees of Freese and Nichols, Inc.**

## **Notes to Financial Statements**

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### ***Plan Investments***

Participants direct the investment of their contributions, rollover contributions, if applicable, and the Company's matching and profit-sharing contributions, if any, into various investment options offered by the Plan.

### ***Participant Accounts***

Each participant account is credited with the participant contribution and allocations of (a) the Company contributions, (b) Plan earnings, and (c) charged with an allocation of administrative expenses, when not paid by the Company. Allocations are based on participant earnings or account balances, as defined. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account.

### ***Vesting***

Participants are vested immediately in their contributions, plus actual earnings thereon. Vesting in the Company's contribution and profit-sharing portion of their accounts is based on years of continuous service. A participant vests 50% per year and is 100% vested after two years of credited service.

### ***Forfeited Accounts***

In accordance with Plan provisions, forfeited accounts are used to offset Company contributions. Forfeited, non-allocated accounts totaled \$37,078 and \$37,624 at December 31, 2022 and 2021, respectively. Forfeitures of \$36,202 were allocated to participant accounts during 2022 as an additional profit-sharing contribution.

### ***Benefits Paid to Participants***

On termination of service due to death, disability or retirement, a participant may elect to receive either a lump-sum amount equal to the value of the participant's vested interest in his or her account, or installments over a period of time not to exceed the life expectancy of the participant or (designated beneficiary). For termination of service due to other reasons, a participant may receive the value of the vested interest in his or her account as a lump-sum distribution or installments over a period of time not to exceed the life expectancy of the participant. Contributions made by the Company which are not vested are subject to forfeiture.

In addition, participants are allowed to make in service withdrawals from the participant's account balance due to certain financial hardships as defined in the Plan document.

### ***Notes Receivable from Participants***

Participants are allowed to borrow from their account, subject to a minimum of \$750 up to a maximum equal to the lesser of \$50,000 or 50 percent of their vested account balance. Loan transactions are treated as a transfer to (from) the investment fund from (to) the participant loans receivable fund. Loan terms are 5 years for general purpose loans and 10 years for principal residence loans. The loans are secured by the balance in the participant's account and bear interest at a rate commensurate with local prevailing rates (prime rate plus 1%) as determined quarterly by the plan administrator and are fixed for the term of the loan. Principal and interest is paid ratably

# **The Retirement Plan and Trust for the Employees of Freese and Nichols, Inc.**

## **Notes to Financial Statements**

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through bi-weekly payroll deductions. As of December 31, 2022, the interest rates on outstanding loan balances were 4.25% to 8.50% with maturities ranging from January 2023 to September 2030.

## **2. Summary of Significant Accounting Policies**

### ***Basis of Accounting***

The accompanying financial statements of the Plan have been prepared on the accrual basis of accounting.

### ***Use of Estimates***

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America ("GAAP") requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of additions and deductions during the reporting period. Actual results may differ from those estimates.

### ***Investment Valuation and Income Recognition***

The plan's 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. The Plan's Administrative Committee determines the Plan's valuation policies utilizing information provided by the investment advisors, and trustee. See Note 3 for discussion of fair value measurements.

Shares of registered investment companies (mutual funds) are valued at quoted market prices which represent the net asset value ("NAV") of shares held by the Plan at each year end. The fair value of investments in the common collective trust is measured by using NAV as a practical expedient to estimate fair value and is determined by each fund trustee at year end based on the fair value of the underlying securities within that trust.

Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date. The Plan presents, in the Statement of Changes in Net Assets Available for Benefits, the net appreciation (depreciation) in fair value of its investments which consists of realized gains and losses and unrealized appreciation and depreciation on these investments.

### ***Contributions Receivable***

Participant contributions and any related employer matching contributions are recognized in the period during which the Company makes the respective payroll deduction from the participant's compensation. Non-elective/Profit sharing contributions are recorded in the relevant period in accordance with the terms in the Plan document.

### ***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.

# The Retirement Plan and Trust for the Employees of Freese and Nichols, Inc.

## Notes to Financial Statements

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### ***Benefit Payments***

Benefit payments are recorded when paid.

### ***Administrative Expenses***

Certain expenses of maintaining the Plan are paid directly by the Company and are excluded from these financial statements. Fees related to the administration of notes receivable from participants and for standard annual maintenance are charged directly to the participant's account and are included in administrative expenses. Investment related expenses paid to investment advisors, transfer agents, and others described in each fund prospectus or other published documents are deducted by the investment funds or accounts prior to the allocation of the Plans' investment earnings activity and are therefore included in net appreciation (depreciation) of fair value of investments.

## **3. Fair Value Measurements**

The accounting standards establish a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements).

The three levels of the fair value hierarchy are described below:

### ***Basis of Fair Value Measurement***

|         |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
|---------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 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 | <div>Inputs to the valuation methodology include<ul style="list-style-type: none"><li>• quoted prices for similar assets or liabilities in active markets;</li><li>• quoted prices for identical or similar assets or liabilities in inactive markets;</li><li>• inputs other than quoted prices that are observable for the asset or liability;</li><li>• inputs that are derived principally from or corroborated by observable market data by correlation or other means.</li></ul></div> <div>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.</div> |
| 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.

# The Retirement Plan and Trust for the Employees of Freese and Nichols, Inc.

## Notes to Financial Statements

### ***Registered Investment Companies (Mutual Funds)***

Investments in registered investment companies are valued at the daily closing price as reported by the fund. Funds held by the Plan are open-end mutual funds that are registered with the Securities and Exchange Commission. These funds are required to publish their daily NAV and to transact at that price. The funds held by the Plan are deemed to be actively traded.

### ***Common Collective Trust***

The investments underlying the common/collective trust fund investments generally include shares of common stock and fixed income investments whose values are determined on the basis of quoted prices in an active market. The Plan's common/collective trust fund investments are valued at NAV per share or unit as a practical expedient as reported by the fund manager, multiplied by the number of shares or units held as of the measurement date.

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

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

| <b>Investment Assets at Fair Value as of December 31, 2022</b> |                |         |         |                       |
|----------------------------------------------------------------|----------------|---------|---------|-----------------------|
|                                                                | Level 1        | Level 2 | Level 3 | Total                 |
| Registered investment companies                                | \$ 184,547,290 | \$ -    | \$ -    | \$ 184,547,290        |
| Investments measured at net asset value*                       |                |         |         |                       |
| Common collective trust                                        |                |         |         | 7,696,503             |
| <b>Total investments</b>                                       |                |         |         | <b>\$ 192,243,793</b> |

| <b>Investment Assets at Fair Value as of December 31, 2021</b> |                |         |         |                       |
|----------------------------------------------------------------|----------------|---------|---------|-----------------------|
|                                                                | Level 1        | Level 2 | Level 3 | Total                 |
| Registered investment companies                                | \$ 228,887,547 | \$ -    | \$ -    | \$ 228,887,547        |
| Investments measured at net asset value*                       |                |         |         |                       |
| Common collective trust                                        |                |         |         | 7,724,374             |
| <b>Total investments</b>                                       |                |         |         | <b>\$ 236,611,921</b> |

# **The Retirement Plan and Trust for the Employees of Freese and Nichols, Inc.**

## **Notes to Financial Statements**

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\* Certain investments that are measured at fair value using the net asset value per share (or its equivalent) practical expedient have not been categorized in the fair value hierarchy. The fair value amounts presented in this table are provided to permit reconciliation of the fair value hierarchy to the amounts presented in the Statement of Net Assets Available for Benefits.

### ***Fair Value of Investments in Entities that use Net Asset Value***

The collective trust funds held by the Plan provide for daily redemptions by the Plan at reported NAV with no advance notice requirement. The Plan is permitted to redeem investment units at NAV on the measurement date. There are no unfunded commitments.

## **4. Information Prepared and Certified by the Plan's Trustee**

The Plan administrator has elected the method of annual reporting compliance permitted by ERISA Section 103(a)(3)(c) pursuant to 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA. Certain information related to investments disclosed in the accompanying financial statements and supplemental schedule, including investments and notes receivable from participants at December 31, 2022 and 2021, and net appreciation (depreciation) in fair value of investments, interest and dividend income, and interest income on notes receivable from participants for the year ended December 31, 2022, was obtained or derived from information supplied to the Plan administrator and certified as complete and accurate by the Trustee, a qualified institution.

The plan administrator instructed the Plan's independent auditors not to perform, and they did not perform, any auditing procedures with respect to this certified information, except for comparing such information to the related information included in the financial statements and supplemental schedule.

## **5. Related Party and Party in Interest Transactions**

Plan investments include shares of mutual funds managed by Vanguard the Trustee. Fees of \$216,080 were paid to the Trustee for loan, distribution and record keeper services during the year ending December 31, 2022. Fees incurred by the Plan for the investment management services are included in net appreciation (depreciation) in fair value of the investments, as they are paid through revenue sharing, rather than a direct payment other than a standard annual maintenance fee paid by participants. The Company pays directly any other fees related to the Plan's operations. In addition, notes receivable from participants are considered party-in-interest transactions.

## **6. Plan Termination**

Although it has not expressed any intent to do so, the Company has the right under the Plan to discontinue its contributions at any time and to terminate the Plan subject to the provision of ERISA. In the event of Plan termination, participants will become 100 percent vested in the Company contribution portion of their accounts.

# The Retirement Plan and Trust for the Employees of Freese and Nichols, Inc.

## Notes to Financial Statements

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### 7. Tax Status

The Plan uses a pre-approved plan document sponsored by Trustee. Trustee received an opinion letter from the IRS, dated June 30, 2020, which states that the pre-approved plan document, as then designed, satisfies the applicable provisions of the IRC. Although the Plan has been amended since the date of the opinion letter, Plan management believes that the Plan is currently designed and being operated in compliance with the applicable requirements of the IRC.

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

### 8. 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 the values of investment securities will occur in the near term and that such changes could materially affect participants' account balances and the amounts reported in the statements of net assets available for benefits.

### 9. Reconciliation of Financial Statements to Schedule H of Form 5500

The following is a reconciliation of net assets available for benefits per the financial statements to Form 5500:

| <i>December 31,</i>                                            | <b>2022</b>           | <b>2021</b>           |
|----------------------------------------------------------------|-----------------------|-----------------------|
| Net assets available for benefits per the financial statements | <b>\$ 195,370,665</b> | <b>\$ 239,738,424</b> |
| Certain deemed distributions of participant loans*             | <b>(39,478)</b>       | <b>(23,199)</b>       |
| Net assets available for benefits per Schedule H of Form 5500  | <b>\$ 195,331,187</b> | <b>\$ 239,715,225</b> |

# **The Retirement Plan and Trust for the Employees of Freese and Nichols, Inc.**

## **Notes to Financial Statements**

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The following is a reconciliation of the change in net assets available for benefits per the financial statements to Schedule H of Form 5500 for the year ended December 31, 2022:

| <i>Year Ended December 31,</i>                                                 | <i>2022</i>     |
|--------------------------------------------------------------------------------|-----------------|
| Net decrease in net assets available for benefits per the financial statements | \$ (44,367,759) |
| Less: Deemed Loan offset in 2022                                               | (16,279)        |
| Net increase in net assets available for benefits per Schedule H of Form 5500  | \$ (44,384,038) |

\* Deemed distributions are defaulted and unpaid notes receivable from participants recorded as distributions on form 5500 but held by the plan until a distributable event occurs.

### **10. Subsequent Events**

The date to which events occurring after December 31, 2022, the date of the most recent statement of net assets available for benefits, have been evaluated for possible adjustment to the financial statements or disclosure is October 5, 2023, which is the date on which the financial statements were available to be issued. There were no events or transactions discovered during this evaluation that require recognition or disclosure in the financial statements, other than noted below.

## **ERISA-Required Supplemental Schedule**

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# The Retirement Plan and Trust for the Employees of Freese and Nichols, Inc.

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

| December 31, 2022                                        |                                                                                                               | EIN: 75-1531935<br>Plan Number: 001 |                       |
|----------------------------------------------------------|---------------------------------------------------------------------------------------------------------------|-------------------------------------|-----------------------|
|                                                          |                                                                                                               | (d)                                 | (e)                   |
| (a)(b)                                                   | (c)                                                                                                           |                                     |                       |
| Identity of Issuer, Borrower,<br>Lessor or Similar Party | Description of Investment, including<br>Maturity Date, Rate of Interest, Collateral,<br>Par or Maturity Value | Cost                                | Current<br>Value      |
| <b>Registered Investment Companies</b>                   |                                                                                                               |                                     |                       |
| * Vanguard Fiduciary Trust Company                       | Vanguard Explorer Fund Admiral Shares                                                                         | ** \$                               | 11,031,735            |
| * Vanguard Fiduciary Trust Company                       | Vanguard PRIMECAP Fund Admiral Shares                                                                         | **                                  | 21,417,505            |
| * Vanguard Fiduciary Trust Company                       | Vanguard Total Stock Mkt Indx Fund: Inst Shares                                                               | **                                  | 21,815,759            |
| * Vanguard Fiduciary Trust Company                       | Vanguard Windsor II Fund Admiral Shares                                                                       | **                                  | 17,742,751            |
| * Vanguard Fiduciary Trust Company                       | Vanguard Wellington Fund Admiral Shares                                                                       | **                                  | 11,025,341            |
| * Vanguard Fiduciary Trust Company                       | Vanguard Inst Target Retirement 2020 Fund                                                                     | **                                  | 5,506,987             |
| * Vanguard Fiduciary Trust Company                       | Vanguard Inst Target Retirement 2025 Fund                                                                     | **                                  | 6,280,492             |
| * Vanguard Fiduciary Trust Company                       | Vanguard Inst Target Retirement 2030 Fund                                                                     | **                                  | 5,285,945             |
| * Vanguard Fiduciary Trust Company                       | Vanguard Inst Target Retirement 2035 Fund                                                                     | **                                  | 9,977,925             |
| * Vanguard Fiduciary Trust Company                       | Vanguard Inst Target Retirement 2040 Fund                                                                     | **                                  | 6,908,141             |
| * Vanguard Fiduciary Trust Company                       | Vanguard Inst Target Retirement 2045 Fund                                                                     | **                                  | 15,052,296            |
| * Vanguard Fiduciary Trust Company                       | Vanguard Inst Target Retirement 2050 Fund                                                                     | **                                  | 11,267,589            |
| * Vanguard Fiduciary Trust Company                       | Vanguard Inst Target Retirement 2055 Fund                                                                     | **                                  | 8,149,004             |
| * Vanguard Fiduciary Trust Company                       | Vanguard Inst Target Retirement 2060 Fund                                                                     | **                                  | 5,122,137             |
| * Vanguard Fiduciary Trust Company                       | Vanguard Inst Target Retirement 2065 Fund                                                                     | **                                  | 815,073               |
| * Vanguard Fiduciary Trust Company                       | Vanguard Intl Growth Fund Admiral Shares                                                                      | **                                  | 8,381,526             |
| * Vanguard Fiduciary Trust Company                       | Vanguard Total Bond Mkt Index Fund: Inst Shares                                                               | **                                  | 8,569,628             |
| * Vanguard Fiduciary Trust Company                       | Vanguard Intermediate-Term Treasury Fund:<br>Admiral Shares                                                   | **                                  | 2,355,371             |
| * Vanguard Fiduciary Trust Company                       | Vanguard Inst Target Retirement Income Fund                                                                   | **                                  | 2,306,744             |
| * Vanguard Fiduciary Trust Company                       | Vanguard Total Intl Stock Index Fund Admiral<br>Shares                                                        | **                                  | 4,423,611             |
| , * Vanguard Fiduciary Trust Company                     | Vanguard Total Intl Bond Index Fund Admiral<br>Shares                                                         | **                                  | 1,070,843             |
| * Vanguard Fiduciary Trust Company                       | Vanguard Federal Money Market Fund                                                                            | **                                  | 40,887                |
| Total registered investment companies                    |                                                                                                               |                                     | <b>184,547,290</b>    |
| <b>Common/Collective Trust</b>                           |                                                                                                               |                                     |                       |
| * Vanguard Fiduciary Trust Company                       | Vanguard Retirement Savings Trust                                                                             | **                                  | <b>7,696,503</b>      |
| * Participant Loans                                      | Interest rates ranging from 4.25% to 8.50%; -<br>maturities ranging from January 2023 to<br>September 2030    |                                     | <b>1,398,996</b>      |
|                                                          |                                                                                                               |                                     | <b>\$ 193,642,789</b> |

\* A party in interest as defined by ERISA.

\*\* Cost information is omitted for participant-directed investments.



# **The Retirement Plan and Trust for the Employees of Freese and Nichols, Inc.**

## **Financial Statements and ERISA - Required Supplemental Schedule**

**As of December 31, 2022 and 2021  
and for the Year Ended December 31, 2022**

**The Retirement Plan and Trust for the Employees of  
Freese and Nichols, Inc.**

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Financial Statements and ERISA-Required Supplemental Schedule  
As of December 31, 2022 and 2021  
and for the Year Ended December 31, 2022

# **The Retirement Plan and Trust for the Employees of Freese and Nichols, Inc.**

## **Contents**

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|                                                                                                   |          |
|---------------------------------------------------------------------------------------------------|----------|
| <b>Independent Auditor's Report</b>                                                               | <b>1</b> |
| <b>Financial Statements</b>                                                                       |          |
| Statements of Net Assets Available for Benefits<br>as of December 31, 2022 and 2021               | 5        |
| Statement of Changes in Net Assets Available for Benefits<br>for the Year ended December 31, 2022 | 6        |
| Notes to Financial Statements                                                                     | 7        |
| <b>ERISA - Required Supplemental Schedule</b>                                                     |          |
| Schedule H, line 4i - Schedule of Assets (Held at End of Year)<br>December 31, 2022               | 15       |

*Note: Other schedules required by Section 2520.103.10 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA have been omitted because they are not applicable.*



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Fort Worth, TX 76102

## **Independent Auditor's Report**

To the Plan Administrator  
The Retirement Plan and Trust for Employees of Freese and Nichols, Inc.  
Fort Worth, Texas

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

We have performed audits of the financial statements of The Retirement Plan and Trust for the Employees of Freese and Nichols, Inc. (the Plan), an employee benefit plan subject to the Employee Retirement Income Security Act of 1974 (ERISA), as permitted by ERISA Section 103(a)(3)(C). 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 (ERISA Section 103(a)(3)(C) audit). 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 (qualified institution), provided that the investment information is prepared and certified to by the qualified institution in accordance with 29 CFR 2520.103-5 of the DOL's Rules and Regulations for Reporting and Disclosure under ERISA.

Management has obtained a certification 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 the procedures performed as described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report:

- 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 accounting principles generally accepted in the United States of America (GAAP); and
- the certified investment information in the accompanying financial statements agrees to, or is derived from, in all material respects, the information prepared and certified by a qualified institution that management determined meet 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 *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of the Plan and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our 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 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 within one year after the date that the financial statements are issued or available to be issued.

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

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

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



In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- 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 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 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 as of December 31, 2022 is presented for purposes of additional analysis and is not a required part of the financial statements but is supplementary information required by the DOL's Rules and Regulations for Reporting and Disclosure under ERISA. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information included in the supplemental schedule, other than that agreed to or derived from the certified investment information, has been subjected to auditing procedures applied in the audits of the financial statements and certain additional procedures,



including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with GAAS. For information included in the supplemental schedule that agreed to or is derived from the certified investment information, we compared such information to the related certified investment information.

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

In our opinion

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

*BDO USA P.C.*

October 5, 2023

## Financial Statements

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# The Retirement Plan and Trust for the Employees of Freese and Nichols, Inc.

## Statements of Net Assets Available for Benefits

| <i>As of December 31,</i>                | <b>2022</b>           | <b>2021</b>           |
|------------------------------------------|-----------------------|-----------------------|
| <b>Assets</b>                            |                       |                       |
| <b>Investments at fair value:</b>        |                       |                       |
| Registered investment companies          | \$ 184,547,290        | \$ 228,887,547        |
| Common collective trust                  | 7,696,503             | 7,724,374             |
| <b>Total investments</b>                 | <b>192,243,793</b>    | <b>236,611,921</b>    |
| <b>Receivables:</b>                      |                       |                       |
| Employer contributions                   | 1,727,876             | 1,642,505             |
| Notes receivable from participants       | 1,398,996             | 1,483,998             |
| <b>Total receivables</b>                 | <b>3,126,872</b>      | <b>3,126,503</b>      |
| <b>Net assets available for benefits</b> | <b>\$ 195,370,665</b> | <b>\$ 239,738,424</b> |

*See accompanying notes to financial statements.*

# The Retirement Plan and Trust for the Employees of Freese and Nichols, Inc.

## Statement of Changes in Net Assets Available for Benefits

| <i>For the Year ended December 31,</i>                | <b>2022</b>    |
|-------------------------------------------------------|----------------|
| Additions:                                            |                |
| Investment income (loss):                             |                |
| Interest and dividend income                          | \$ 9,117,789   |
| Net depreciation in fair value of investments         | (48,860,273)   |
| Total investment loss                                 | (39,742,484)   |
| Interest income on notes receivable from participants | 61,350         |
| Contributions:                                        |                |
| Employer                                              | 5,308,435      |
| Participant                                           | 10,301,951     |
| Rollover                                              | 675,168        |
| Total contributions                                   | 16,285,554     |
| Other income                                          | 2,254          |
| Deductions:                                           |                |
| Benefits paid to participants                         | 20,758,353     |
| Administrative expenses                               | 216,080        |
| Total deductions                                      | 20,974,433     |
| Net decrease in net assets available for benefits     | (44,367,759)   |
| Net assets available for benefits, beginning of year  | 239,738,424    |
| Net assets available for benefits, end of year        | \$ 195,370,665 |

*See accompanying notes to financial statements.*

# **The Retirement Plan and Trust for the Employees of Freese and Nichols, Inc.**

## **Notes to Financial Statements**

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### **1. Description of Plan**

The following brief description of The Retirement Plan and Trust for the Employees of Freese and Nichols, Inc. (the “Plan”) provides only general information. Participants should refer to the plan document for a more complete description of the Plan’s provisions.

#### ***General***

The Plan is a defined contribution plan established to provide retirement, disability, and death benefits for qualified employees of Freese and Nichols, Inc. (the “Company” or “Employer”) under the provision of Section 401(a) of the Internal Revenue Code (“IRC”), which includes a qualified cash or deferred arrangement as described in Section 401(k) of the IRC, for the benefit of eligible employees of the Company. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974, as amended (“ERISA”). This plan is operated as a safe harbor 401(k) Plan.

The Plan is administered by a committee (the “Administrative Committee”) whose members are appointed by management of the Company. Under the plan document, Vanguard Fiduciary Trust Company (the “Trustee”) holds the Plan’s investment assets and executes investment transactions and maintains the accounting of participant accounts.

#### ***Eligibility***

The Plan covers all employees of the Company who have one hour of service and have reached age twenty-one (21), excluding leased employees, cooperative education employees and interns. Eligible plan participants may begin making contributions as of any of the prospective payroll entry dates on the first day of the regular pay period.

#### ***Contributions***

Eligible participants are automatically enrolled in the plan with a 6% deferral rate, which can be adjusted at the employee’s discretion. The deferral rate percentage will be automatically increased during the month of February for each period up to a deferral rate of 12% Participants may contribute a voluntary percent of pretax annual compensation, as defined in the plan document, subject to the maximum dollar amount allowable under the IRC. The Plan does allow Roth in plan conversions for pre-tax contributions. Participants who have attained age 50 before the end of the plan year are eligible to make catch-up contributions into the Plan as a pre-tax and/or Roth contribution. Participants may also contribute amounts representing distributions from other qualified defined contribution plans.

The Employer will make a Qualified Automatic Contribution Arrangement (“QACA”) Contributions based on the amount that employees choose to contribute into the Plan as deferral. The Employer matches 100% of the first 1% of eligible compensation the participant defers into the Plan and 50% of deferrals above 1% to 6% of eligible compensation (maximum matching contribution is 3.5%).

Under the Plan, the Employer may make discretionary profit-sharing contributions. The Company’s board of directors determines the profit-sharing amount based upon guidelines as defined in the Plan document. For 2022, the Company’s board approved a profit-sharing contribution of 1.75% of hourly and overtime wages for all eligible employees.

# **The Retirement Plan and Trust for the Employees of Freese and Nichols, Inc.**

## **Notes to Financial Statements**

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### ***Plan Investments***

Participants direct the investment of their contributions, rollover contributions, if applicable, and the Company's matching and profit-sharing contributions, if any, into various investment options offered by the Plan.

### ***Participant Accounts***

Each participant account is credited with the participant contribution and allocations of (a) the Company contributions, (b) Plan earnings, and (c) charged with an allocation of administrative expenses, when not paid by the Company. Allocations are based on participant earnings or account balances, as defined. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account.

### ***Vesting***

Participants are vested immediately in their contributions, plus actual earnings thereon. Vesting in the Company's contribution and profit-sharing portion of their accounts is based on years of continuous service. A participant vests 50% per year and is 100% vested after two years of credited service.

### ***Forfeited Accounts***

In accordance with Plan provisions, forfeited accounts are used to offset Company contributions. Forfeited, non-allocated accounts totaled \$37,078 and \$37,624 at December 31, 2022 and 2021, respectively. Forfeitures of \$36,202 were allocated to participant accounts during 2022 as an additional profit-sharing contribution.

### ***Benefits Paid to Participants***

On termination of service due to death, disability or retirement, a participant may elect to receive either a lump-sum amount equal to the value of the participant's vested interest in his or her account, or installments over a period of time not to exceed the life expectancy of the participant or (designated beneficiary). For termination of service due to other reasons, a participant may receive the value of the vested interest in his or her account as a lump-sum distribution or installments over a period of time not to exceed the life expectancy of the participant. Contributions made by the Company which are not vested are subject to forfeiture.

In addition, participants are allowed to make in service withdrawals from the participant's account balance due to certain financial hardships as defined in the Plan document.

### ***Notes Receivable from Participants***

Participants are allowed to borrow from their account, subject to a minimum of \$750 up to a maximum equal to the lesser of \$50,000 or 50 percent of their vested account balance. Loan transactions are treated as a transfer to (from) the investment fund from (to) the participant loans receivable fund. Loan terms are 5 years for general purpose loans and 10 years for principal residence loans. The loans are secured by the balance in the participant's account and bear interest at a rate commensurate with local prevailing rates (prime rate plus 1%) as determined quarterly by the plan administrator and are fixed for the term of the loan. Principal and interest is paid ratably

# **The Retirement Plan and Trust for the Employees of Freese and Nichols, Inc.**

## **Notes to Financial Statements**

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through bi-weekly payroll deductions. As of December 31, 2022, the interest rates on outstanding loan balances were 4.25% to 8.50% with maturities ranging from January 2023 to September 2030.

## **2. Summary of Significant Accounting Policies**

### ***Basis of Accounting***

The accompanying financial statements of the Plan have been prepared on the accrual basis of accounting.

### ***Use of Estimates***

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America ("GAAP") requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of additions and deductions during the reporting period. Actual results may differ from those estimates.

### ***Investment Valuation and Income Recognition***

The plan's 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. The Plan's Administrative Committee determines the Plan's valuation policies utilizing information provided by the investment advisors, and trustee. See Note 3 for discussion of fair value measurements.

Shares of registered investment companies (mutual funds) are valued at quoted market prices which represent the net asset value ("NAV") of shares held by the Plan at each year end. The fair value of investments in the common collective trust is measured by using NAV as a practical expedient to estimate fair value and is determined by each fund trustee at year end based on the fair value of the underlying securities within that trust.

Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date. The Plan presents, in the Statement of Changes in Net Assets Available for Benefits, the net appreciation (depreciation) in fair value of its investments which consists of realized gains and losses and unrealized appreciation and depreciation on these investments.

### ***Contributions Receivable***

Participant contributions and any related employer matching contributions are recognized in the period during which the Company makes the respective payroll deduction from the participant's compensation. Non-elective/Profit sharing contributions are recorded in the relevant period in accordance with the terms in the Plan document.

### ***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.

# The Retirement Plan and Trust for the Employees of Freese and Nichols, Inc.

## Notes to Financial Statements

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### ***Benefit Payments***

Benefit payments are recorded when paid.

### ***Administrative Expenses***

Certain expenses of maintaining the Plan are paid directly by the Company and are excluded from these financial statements. Fees related to the administration of notes receivable from participants and for standard annual maintenance are charged directly to the participant's account and are included in administrative expenses. Investment related expenses paid to investment advisors, transfer agents, and others described in each fund prospectus or other published documents are deducted by the investment funds or accounts prior to the allocation of the Plans' investment earnings activity and are therefore included in net appreciation (depreciation) of fair value of investments.

## **3. Fair Value Measurements**

The accounting standards establish a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements).

The three levels of the fair value hierarchy are described below:

### ***Basis of Fair Value Measurement***

|         |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
|---------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 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 | <div>Inputs to the valuation methodology include<ul style="list-style-type: none"><li>• quoted prices for similar assets or liabilities in active markets;</li><li>• quoted prices for identical or similar assets or liabilities in inactive markets;</li><li>• inputs other than quoted prices that are observable for the asset or liability;</li><li>• inputs that are derived principally from or corroborated by observable market data by correlation or other means.</li></ul></div> <div>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.</div> |
| 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.

# The Retirement Plan and Trust for the Employees of Freese and Nichols, Inc.

## Notes to Financial Statements

### *Registered Investment Companies (Mutual Funds)*

Investments in registered investment companies are valued at the daily closing price as reported by the fund. Funds held by the Plan are open-end mutual funds that are registered with the Securities and Exchange Commission. These funds are required to publish their daily NAV and to transact at that price. The funds held by the Plan are deemed to be actively traded.

### *Common Collective Trust*

The investments underlying the common/collective trust fund investments generally include shares of common stock and fixed income investments whose values are determined on the basis of quoted prices in an active market. The Plan's common/collective trust fund investments are valued at NAV per share or unit as a practical expedient as reported by the fund manager, multiplied by the number of shares or units held as of the measurement date.

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

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

| Investment Assets at Fair Value as of December 31, 2022 |                |         |         |                       |
|---------------------------------------------------------|----------------|---------|---------|-----------------------|
|                                                         | Level 1        | Level 2 | Level 3 | Total                 |
| Registered investment companies                         | \$ 184,547,290 | \$ -    | \$ -    | \$ 184,547,290        |
| Investments measured at net asset value*                |                |         |         |                       |
| Common collective trust                                 |                |         |         | 7,696,503             |
| <b>Total investments</b>                                |                |         |         | <b>\$ 192,243,793</b> |

| Investment Assets at Fair Value as of December 31, 2021 |                |         |         |                       |
|---------------------------------------------------------|----------------|---------|---------|-----------------------|
|                                                         | Level 1        | Level 2 | Level 3 | Total                 |
| Registered investment companies                         | \$ 228,887,547 | \$ -    | \$ -    | \$ 228,887,547        |
| Investments measured at net asset value*                |                |         |         |                       |
| Common collective trust                                 |                |         |         | 7,724,374             |
| <b>Total investments</b>                                |                |         |         | <b>\$ 236,611,921</b> |

# **The Retirement Plan and Trust for the Employees of Freese and Nichols, Inc.**

## **Notes to Financial Statements**

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\* Certain investments that are measured at fair value using the net asset value per share (or its equivalent) practical expedient have not been categorized in the fair value hierarchy. The fair value amounts presented in this table are provided to permit reconciliation of the fair value hierarchy to the amounts presented in the Statement of Net Assets Available for Benefits.

### ***Fair Value of Investments in Entities that use Net Asset Value***

The collective trust funds held by the Plan provide for daily redemptions by the Plan at reported NAV with no advance notice requirement. The Plan is permitted to redeem investment units at NAV on the measurement date. There are no unfunded commitments.

## **4. Information Prepared and Certified by the Plan's Trustee**

The Plan administrator has elected the method of annual reporting compliance permitted by ERISA Section 103(a)(3)(c) pursuant to 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA. Certain information related to investments disclosed in the accompanying financial statements and supplemental schedule, including investments and notes receivable from participants at December 31, 2022 and 2021, and net appreciation (depreciation) in fair value of investments, interest and dividend income, and interest income on notes receivable from participants for the year ended December 31, 2022, was obtained or derived from information supplied to the Plan administrator and certified as complete and accurate by the Trustee, a qualified institution.

The plan administrator instructed the Plan's independent auditors not to perform, and they did not perform, any auditing procedures with respect to this certified information, except for comparing such information to the related information included in the financial statements and supplemental schedule.

## **5. Related Party and Party in Interest Transactions**

Plan investments include shares of mutual funds managed by Vanguard the Trustee. Fees of \$216,080 were paid to the Trustee for loan, distribution and record keeper services during the year ending December 31, 2022. Fees incurred by the Plan for the investment management services are included in net appreciation (depreciation) in fair value of the investments, as they are paid through revenue sharing, rather than a direct payment other than a standard annual maintenance fee paid by participants. The Company pays directly any other fees related to the Plan's operations. In addition, notes receivable from participants are considered party-in-interest transactions.

## **6. Plan Termination**

Although it has not expressed any intent to do so, the Company has the right under the Plan to discontinue its contributions at any time and to terminate the Plan subject to the provision of ERISA. In the event of Plan termination, participants will become 100 percent vested in the Company contribution portion of their accounts.

# The Retirement Plan and Trust for the Employees of Freese and Nichols, Inc.

## Notes to Financial Statements

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### 7. Tax Status

The Plan uses a pre-approved plan document sponsored by Trustee. Trustee received an opinion letter from the IRS, dated June 30, 2020, which states that the pre-approved plan document, as then designed, satisfies the applicable provisions of the IRC. Although the Plan has been amended since the date of the opinion letter, Plan management believes that the Plan is currently designed and being operated in compliance with the applicable requirements of the IRC.

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

### 8. 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 the values of investment securities will occur in the near term and that such changes could materially affect participants' account balances and the amounts reported in the statements of net assets available for benefits.

### 9. Reconciliation of Financial Statements to Schedule H of Form 5500

The following is a reconciliation of net assets available for benefits per the financial statements to Form 5500:

| <i>December 31,</i>                                            | <b>2022</b>           | <b>2021</b>           |
|----------------------------------------------------------------|-----------------------|-----------------------|
| Net assets available for benefits per the financial statements | <b>\$ 195,370,665</b> | <b>\$ 239,738,424</b> |
| Certain deemed distributions of participant loans*             | <b>(39,478)</b>       | <b>(23,199)</b>       |
| Net assets available for benefits per Schedule H of Form 5500  | <b>\$ 195,331,187</b> | <b>\$ 239,715,225</b> |

# **The Retirement Plan and Trust for the Employees of Freese and Nichols, Inc.**

## **Notes to Financial Statements**

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The following is a reconciliation of the change in net assets available for benefits per the financial statements to Schedule H of Form 5500 for the year ended December 31, 2022:

| <i>Year Ended December 31,</i>                                                 | <i>2022</i>     |
|--------------------------------------------------------------------------------|-----------------|
| Net decrease in net assets available for benefits per the financial statements | \$ (44,367,759) |
| Less: Deemed Loan offset in 2022                                               | (16,279)        |
| Net increase in net assets available for benefits per Schedule H of Form 5500  | \$ (44,384,038) |

\* Deemed distributions are defaulted and unpaid notes receivable from participants recorded as distributions on form 5500 but held by the plan until a distributable event occurs.

### **10. Subsequent Events**

The date to which events occurring after December 31, 2022, the date of the most recent statement of net assets available for benefits, have been evaluated for possible adjustment to the financial statements or disclosure is October 5, 2023, which is the date on which the financial statements were available to be issued. There were no events or transactions discovered during this evaluation that require recognition or disclosure in the financial statements, other than noted below.

## **ERISA-Required Supplemental Schedule**

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# The Retirement Plan and Trust for the Employees of Freese and Nichols, Inc.

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

| December 31, 2022                                        |                                                                                                               | EIN: 75-1531935<br>Plan Number: 001 |                       |
|----------------------------------------------------------|---------------------------------------------------------------------------------------------------------------|-------------------------------------|-----------------------|
|                                                          |                                                                                                               | (d)                                 | (e)                   |
| (a)(b)                                                   | (c)                                                                                                           | (d)                                 | (e)                   |
| Identity of Issuer, Borrower,<br>Lessor or Similar Party | Description of Investment, including<br>Maturity Date, Rate of Interest, Collateral,<br>Par or Maturity Value | Cost                                | Current<br>Value      |
| <b>Registered Investment Companies</b>                   |                                                                                                               |                                     |                       |
| * Vanguard Fiduciary Trust Company                       | Vanguard Explorer Fund Admiral Shares                                                                         | ** \$                               | 11,031,735            |
| * Vanguard Fiduciary Trust Company                       | Vanguard PRIMECAP Fund Admiral Shares                                                                         | **                                  | 21,417,505            |
| * Vanguard Fiduciary Trust Company                       | Vanguard Total Stock Mkt Indx Fund: Inst Shares                                                               | **                                  | 21,815,759            |
| * Vanguard Fiduciary Trust Company                       | Vanguard Windsor II Fund Admiral Shares                                                                       | **                                  | 17,742,751            |
| * Vanguard Fiduciary Trust Company                       | Vanguard Wellington Fund Admiral Shares                                                                       | **                                  | 11,025,341            |
| * Vanguard Fiduciary Trust Company                       | Vanguard Inst Target Retirement 2020 Fund                                                                     | **                                  | 5,506,987             |
| * Vanguard Fiduciary Trust Company                       | Vanguard Inst Target Retirement 2025 Fund                                                                     | **                                  | 6,280,492             |
| * Vanguard Fiduciary Trust Company                       | Vanguard Inst Target Retirement 2030 Fund                                                                     | **                                  | 5,285,945             |
| * Vanguard Fiduciary Trust Company                       | Vanguard Inst Target Retirement 2035 Fund                                                                     | **                                  | 9,977,925             |
| * Vanguard Fiduciary Trust Company                       | Vanguard Inst Target Retirement 2040 Fund                                                                     | **                                  | 6,908,141             |
| * Vanguard Fiduciary Trust Company                       | Vanguard Inst Target Retirement 2045 Fund                                                                     | **                                  | 15,052,296            |
| * Vanguard Fiduciary Trust Company                       | Vanguard Inst Target Retirement 2050 Fund                                                                     | **                                  | 11,267,589            |
| * Vanguard Fiduciary Trust Company                       | Vanguard Inst Target Retirement 2055 Fund                                                                     | **                                  | 8,149,004             |
| * Vanguard Fiduciary Trust Company                       | Vanguard Inst Target Retirement 2060 Fund                                                                     | **                                  | 5,122,137             |
| * Vanguard Fiduciary Trust Company                       | Vanguard Inst Target Retirement 2065 Fund                                                                     | **                                  | 815,073               |
| * Vanguard Fiduciary Trust Company                       | Vanguard Intl Growth Fund Admiral Shares                                                                      | **                                  | 8,381,526             |
| * Vanguard Fiduciary Trust Company                       | Vanguard Total Bond Mkt Index Fund: Inst Shares                                                               | **                                  | 8,569,628             |
| * Vanguard Fiduciary Trust Company                       | Vanguard Intermediate-Term Treasury Fund:<br>Admiral Shares                                                   | **                                  | 2,355,371             |
| * Vanguard Fiduciary Trust Company                       | Vanguard Inst Target Retirement Income Fund                                                                   | **                                  | 2,306,744             |
| * Vanguard Fiduciary Trust Company                       | Vanguard Total Intl Stock Index Fund Admiral<br>Shares                                                        | **                                  | 4,423,611             |
| , * Vanguard Fiduciary Trust Company                     | Vanguard Total Intl Bond Index Fund Admiral<br>Shares                                                         | **                                  | 1,070,843             |
| * Vanguard Fiduciary Trust Company                       | Vanguard Federal Money Market Fund                                                                            | **                                  | 40,887                |
| Total registered investment companies                    |                                                                                                               |                                     | <b>184,547,290</b>    |
| <b>Common/Collective Trust</b>                           |                                                                                                               |                                     |                       |
| * Vanguard Fiduciary Trust Company                       | Vanguard Retirement Savings Trust                                                                             | **                                  | <b>7,696,503</b>      |
| * Participant Loans                                      | Interest rates ranging from 4.25% to 8.50%; -<br>maturities ranging from January 2023 to<br>September 2030    |                                     | <b>1,398,996</b>      |
|                                                          |                                                                                                               |                                     | <b>\$ 193,642,789</b> |

\* A party in interest as defined by ERISA.

\*\* Cost information is omitted for participant-directed investments.



# **The Retirement Plan and Trust for the Employees of Freese and Nichols, Inc.**

## **Financial Statements and ERISA - Required Supplemental Schedule**

**As of December 31, 2022 and 2021  
and for the Year Ended December 31, 2022**

**The Retirement Plan and Trust for the Employees of  
Freese and Nichols, Inc.**

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Financial Statements and ERISA-Required Supplemental Schedule  
As of December 31, 2022 and 2021  
and for the Year Ended December 31, 2022

# **The Retirement Plan and Trust for the Employees of Freese and Nichols, Inc.**

## **Contents**

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|                                                                                                   |          |
|---------------------------------------------------------------------------------------------------|----------|
| <b>Independent Auditor's Report</b>                                                               | <b>1</b> |
| <b>Financial Statements</b>                                                                       |          |
| Statements of Net Assets Available for Benefits<br>as of December 31, 2022 and 2021               | 5        |
| Statement of Changes in Net Assets Available for Benefits<br>for the Year ended December 31, 2022 | 6        |
| Notes to Financial Statements                                                                     | 7        |
| <b>ERISA - Required Supplemental Schedule</b>                                                     |          |
| Schedule H, line 4i - Schedule of Assets (Held at End of Year)<br>December 31, 2022               | 15       |

*Note: Other schedules required by Section 2520.103.10 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA have been omitted because they are not applicable.*



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## **Independent Auditor's Report**

To the Plan Administrator  
The Retirement Plan and Trust for Employees of Freese and Nichols, Inc.  
Fort Worth, Texas

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

We have performed audits of the financial statements of The Retirement Plan and Trust for the Employees of Freese and Nichols, Inc. (the Plan), an employee benefit plan subject to the Employee Retirement Income Security Act of 1974 (ERISA), as permitted by ERISA Section 103(a)(3)(C). 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 (ERISA Section 103(a)(3)(C) audit). 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 (qualified institution), provided that the investment information is prepared and certified to by the qualified institution in accordance with 29 CFR 2520.103-5 of the DOL's Rules and Regulations for Reporting and Disclosure under ERISA.

Management has obtained a certification 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 the procedures performed as described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report:

- 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 accounting principles generally accepted in the United States of America (GAAP); and
- the certified investment information in the accompanying financial statements agrees to, or is derived from, in all material respects, the information prepared and certified by a qualified institution that management determined meet 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 *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of the Plan and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our 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 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 within one year after the date that the financial statements are issued or available to be issued.

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

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

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



In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- 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 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 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 as of December 31, 2022 is presented for purposes of additional analysis and is not a required part of the financial statements but is supplementary information required by the DOL's Rules and Regulations for Reporting and Disclosure under ERISA. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information included in the supplemental schedule, other than that agreed to or derived from the certified investment information, has been subjected to auditing procedures applied in the audits of the financial statements and certain additional procedures,



including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with GAAS. For information included in the supplemental schedule that agreed to or is derived from the certified investment information, we compared such information to the related certified investment information.

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

In our opinion

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

*BDO USA P.C.*

October 5, 2023

## Financial Statements

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# The Retirement Plan and Trust for the Employees of Freese and Nichols, Inc.

## Statements of Net Assets Available for Benefits

| <i>As of December 31,</i>                | <b>2022</b>           | <b>2021</b>           |
|------------------------------------------|-----------------------|-----------------------|
| <b>Assets</b>                            |                       |                       |
| <b>Investments at fair value:</b>        |                       |                       |
| Registered investment companies          | \$ 184,547,290        | \$ 228,887,547        |
| Common collective trust                  | 7,696,503             | 7,724,374             |
| <b>Total investments</b>                 | <b>192,243,793</b>    | <b>236,611,921</b>    |
| <b>Receivables:</b>                      |                       |                       |
| Employer contributions                   | 1,727,876             | 1,642,505             |
| Notes receivable from participants       | 1,398,996             | 1,483,998             |
| <b>Total receivables</b>                 | <b>3,126,872</b>      | <b>3,126,503</b>      |
| <b>Net assets available for benefits</b> | <b>\$ 195,370,665</b> | <b>\$ 239,738,424</b> |

*See accompanying notes to financial statements.*

# The Retirement Plan and Trust for the Employees of Freese and Nichols, Inc.

## Statement of Changes in Net Assets Available for Benefits

|                                                       |                |
|-------------------------------------------------------|----------------|
| <i>For the Year ended December 31,</i>                | <b>2022</b>    |
| Additions:                                            |                |
| Investment income (loss):                             |                |
| Interest and dividend income                          | \$ 9,117,789   |
| Net depreciation in fair value of investments         | (48,860,273)   |
| Total investment loss                                 | (39,742,484)   |
| Interest income on notes receivable from participants | 61,350         |
| Contributions:                                        |                |
| Employer                                              | 5,308,435      |
| Participant                                           | 10,301,951     |
| Rollover                                              | 675,168        |
| Total contributions                                   | 16,285,554     |
| Other income                                          | 2,254          |
| Deductions:                                           |                |
| Benefits paid to participants                         | 20,758,353     |
| Administrative expenses                               | 216,080        |
| Total deductions                                      | 20,974,433     |
| Net decrease in net assets available for benefits     | (44,367,759)   |
| Net assets available for benefits, beginning of year  | 239,738,424    |
| Net assets available for benefits, end of year        | \$ 195,370,665 |

*See accompanying notes to financial statements.*

# **The Retirement Plan and Trust for the Employees of Freese and Nichols, Inc.**

## **Notes to Financial Statements**

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### **1. Description of Plan**

The following brief description of The Retirement Plan and Trust for the Employees of Freese and Nichols, Inc. (the “Plan”) provides only general information. Participants should refer to the plan document for a more complete description of the Plan’s provisions.

#### ***General***

The Plan is a defined contribution plan established to provide retirement, disability, and death benefits for qualified employees of Freese and Nichols, Inc. (the “Company” or “Employer”) under the provision of Section 401(a) of the Internal Revenue Code (“IRC”), which includes a qualified cash or deferred arrangement as described in Section 401(k) of the IRC, for the benefit of eligible employees of the Company. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974, as amended (“ERISA”). This plan is operated as a safe harbor 401(k) Plan.

The Plan is administered by a committee (the “Administrative Committee”) whose members are appointed by management of the Company. Under the plan document, Vanguard Fiduciary Trust Company (the “Trustee”) holds the Plan’s investment assets and executes investment transactions and maintains the accounting of participant accounts.

#### ***Eligibility***

The Plan covers all employees of the Company who have one hour of service and have reached age twenty-one (21), excluding leased employees, cooperative education employees and interns. Eligible plan participants may begin making contributions as of any of the prospective payroll entry dates on the first day of the regular pay period.

#### ***Contributions***

Eligible participants are automatically enrolled in the plan with a 6% deferral rate, which can be adjusted at the employee’s discretion. The deferral rate percentage will be automatically increased during the month of February for each period up to a deferral rate of 12% Participants may contribute a voluntary percent of pretax annual compensation, as defined in the plan document, subject to the maximum dollar amount allowable under the IRC. The Plan does allow Roth in plan conversions for pre-tax contributions. Participants who have attained age 50 before the end of the plan year are eligible to make catch-up contributions into the Plan as a pre-tax and/or Roth contribution. Participants may also contribute amounts representing distributions from other qualified defined contribution plans.

The Employer will make a Qualified Automatic Contribution Arrangement (“QACA”) Contributions based on the amount that employees choose to contribute into the Plan as deferral. The Employer matches 100% of the first 1% of eligible compensation the participant defers into the Plan and 50% of deferrals above 1% to 6% of eligible compensation (maximum matching contribution is 3.5%).

Under the Plan, the Employer may make discretionary profit-sharing contributions. The Company’s board of directors determines the profit-sharing amount based upon guidelines as defined in the Plan document. For 2022, the Company’s board approved a profit-sharing contribution of 1.75% of hourly and overtime wages for all eligible employees.

# **The Retirement Plan and Trust for the Employees of Freese and Nichols, Inc.**

## **Notes to Financial Statements**

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### ***Plan Investments***

Participants direct the investment of their contributions, rollover contributions, if applicable, and the Company's matching and profit-sharing contributions, if any, into various investment options offered by the Plan.

### ***Participant Accounts***

Each participant account is credited with the participant contribution and allocations of (a) the Company contributions, (b) Plan earnings, and (c) charged with an allocation of administrative expenses, when not paid by the Company. Allocations are based on participant earnings or account balances, as defined. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account.

### ***Vesting***

Participants are vested immediately in their contributions, plus actual earnings thereon. Vesting in the Company's contribution and profit-sharing portion of their accounts is based on years of continuous service. A participant vests 50% per year and is 100% vested after two years of credited service.

### ***Forfeited Accounts***

In accordance with Plan provisions, forfeited accounts are used to offset Company contributions. Forfeited, non-allocated accounts totaled \$37,078 and \$37,624 at December 31, 2022 and 2021, respectively. Forfeitures of \$36,202 were allocated to participant accounts during 2022 as an additional profit-sharing contribution.

### ***Benefits Paid to Participants***

On termination of service due to death, disability or retirement, a participant may elect to receive either a lump-sum amount equal to the value of the participant's vested interest in his or her account, or installments over a period of time not to exceed the life expectancy of the participant or (designated beneficiary). For termination of service due to other reasons, a participant may receive the value of the vested interest in his or her account as a lump-sum distribution or installments over a period of time not to exceed the life expectancy of the participant. Contributions made by the Company which are not vested are subject to forfeiture.

In addition, participants are allowed to make in service withdrawals from the participant's account balance due to certain financial hardships as defined in the Plan document.

### ***Notes Receivable from Participants***

Participants are allowed to borrow from their account, subject to a minimum of \$750 up to a maximum equal to the lesser of \$50,000 or 50 percent of their vested account balance. Loan transactions are treated as a transfer to (from) the investment fund from (to) the participant loans receivable fund. Loan terms are 5 years for general purpose loans and 10 years for principal residence loans. The loans are secured by the balance in the participant's account and bear interest at a rate commensurate with local prevailing rates (prime rate plus 1%) as determined quarterly by the plan administrator and are fixed for the term of the loan. Principal and interest is paid ratably

# **The Retirement Plan and Trust for the Employees of Freese and Nichols, Inc.**

## **Notes to Financial Statements**

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through bi-weekly payroll deductions. As of December 31, 2022, the interest rates on outstanding loan balances were 4.25% to 8.50% with maturities ranging from January 2023 to September 2030.

## **2. Summary of Significant Accounting Policies**

### ***Basis of Accounting***

The accompanying financial statements of the Plan have been prepared on the accrual basis of accounting.

### ***Use of Estimates***

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America ("GAAP") requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of additions and deductions during the reporting period. Actual results may differ from those estimates.

### ***Investment Valuation and Income Recognition***

The plan's 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. The Plan's Administrative Committee determines the Plan's valuation policies utilizing information provided by the investment advisors, and trustee. See Note 3 for discussion of fair value measurements.

Shares of registered investment companies (mutual funds) are valued at quoted market prices which represent the net asset value ("NAV") of shares held by the Plan at each year end. The fair value of investments in the common collective trust is measured by using NAV as a practical expedient to estimate fair value and is determined by each fund trustee at year end based on the fair value of the underlying securities within that trust.

Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date. The Plan presents, in the Statement of Changes in Net Assets Available for Benefits, the net appreciation (depreciation) in fair value of its investments which consists of realized gains and losses and unrealized appreciation and depreciation on these investments.

### ***Contributions Receivable***

Participant contributions and any related employer matching contributions are recognized in the period during which the Company makes the respective payroll deduction from the participant's compensation. Non-elective/Profit sharing contributions are recorded in the relevant period in accordance with the terms in the Plan document.

### ***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.

# The Retirement Plan and Trust for the Employees of Freese and Nichols, Inc.

## Notes to Financial Statements

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### ***Benefit Payments***

Benefit payments are recorded when paid.

### ***Administrative Expenses***

Certain expenses of maintaining the Plan are paid directly by the Company and are excluded from these financial statements. Fees related to the administration of notes receivable from participants and for standard annual maintenance are charged directly to the participant's account and are included in administrative expenses. Investment related expenses paid to investment advisors, transfer agents, and others described in each fund prospectus or other published documents are deducted by the investment funds or accounts prior to the allocation of the Plans' investment earnings activity and are therefore included in net appreciation (depreciation) of fair value of investments.

## **3. Fair Value Measurements**

The accounting standards establish a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements).

The three levels of the fair value hierarchy are described below:

### ***Basis of Fair Value Measurement***

|         |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
|---------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 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 | <div>Inputs to the valuation methodology include<ul style="list-style-type: none"><li>• quoted prices for similar assets or liabilities in active markets;</li><li>• quoted prices for identical or similar assets or liabilities in inactive markets;</li><li>• inputs other than quoted prices that are observable for the asset or liability;</li><li>• inputs that are derived principally from or corroborated by observable market data by correlation or other means.</li></ul></div> <div>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.</div> |
| 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.

# The Retirement Plan and Trust for the Employees of Freese and Nichols, Inc.

## Notes to Financial Statements

### *Registered Investment Companies (Mutual Funds)*

Investments in registered investment companies are valued at the daily closing price as reported by the fund. Funds held by the Plan are open-end mutual funds that are registered with the Securities and Exchange Commission. These funds are required to publish their daily NAV and to transact at that price. The funds held by the Plan are deemed to be actively traded.

### *Common Collective Trust*

The investments underlying the common/collective trust fund investments generally include shares of common stock and fixed income investments whose values are determined on the basis of quoted prices in an active market. The Plan's common/collective trust fund investments are valued at NAV per share or unit as a practical expedient as reported by the fund manager, multiplied by the number of shares or units held as of the measurement date.

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

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

| Investment Assets at Fair Value as of December 31, 2022 |                |         |         |                       |
|---------------------------------------------------------|----------------|---------|---------|-----------------------|
|                                                         | Level 1        | Level 2 | Level 3 | Total                 |
| Registered investment companies                         | \$ 184,547,290 | \$ -    | \$ -    | \$ 184,547,290        |
| Investments measured at net asset value*                |                |         |         |                       |
| Common collective trust                                 |                |         |         | 7,696,503             |
| <b>Total investments</b>                                |                |         |         | <b>\$ 192,243,793</b> |

| Investment Assets at Fair Value as of December 31, 2021 |                |         |         |                       |
|---------------------------------------------------------|----------------|---------|---------|-----------------------|
|                                                         | Level 1        | Level 2 | Level 3 | Total                 |
| Registered investment companies                         | \$ 228,887,547 | \$ -    | \$ -    | \$ 228,887,547        |
| Investments measured at net asset value*                |                |         |         |                       |
| Common collective trust                                 |                |         |         | 7,724,374             |
| <b>Total investments</b>                                |                |         |         | <b>\$ 236,611,921</b> |

# **The Retirement Plan and Trust for the Employees of Freese and Nichols, Inc.**

## **Notes to Financial Statements**

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\* Certain investments that are measured at fair value using the net asset value per share (or its equivalent) practical expedient have not been categorized in the fair value hierarchy. The fair value amounts presented in this table are provided to permit reconciliation of the fair value hierarchy to the amounts presented in the Statement of Net Assets Available for Benefits.

### ***Fair Value of Investments in Entities that use Net Asset Value***

The collective trust funds held by the Plan provide for daily redemptions by the Plan at reported NAV with no advance notice requirement. The Plan is permitted to redeem investment units at NAV on the measurement date. There are no unfunded commitments.

## **4. Information Prepared and Certified by the Plan's Trustee**

The Plan administrator has elected the method of annual reporting compliance permitted by ERISA Section 103(a)(3)(c) pursuant to 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA. Certain information related to investments disclosed in the accompanying financial statements and supplemental schedule, including investments and notes receivable from participants at December 31, 2022 and 2021, and net appreciation (depreciation) in fair value of investments, interest and dividend income, and interest income on notes receivable from participants for the year ended December 31, 2022, was obtained or derived from information supplied to the Plan administrator and certified as complete and accurate by the Trustee, a qualified institution.

The plan administrator instructed the Plan's independent auditors not to perform, and they did not perform, any auditing procedures with respect to this certified information, except for comparing such information to the related information included in the financial statements and supplemental schedule.

## **5. Related Party and Party in Interest Transactions**

Plan investments include shares of mutual funds managed by Vanguard the Trustee. Fees of \$216,080 were paid to the Trustee for loan, distribution and record keeper services during the year ending December 31, 2022. Fees incurred by the Plan for the investment management services are included in net appreciation (depreciation) in fair value of the investments, as they are paid through revenue sharing, rather than a direct payment other than a standard annual maintenance fee paid by participants. The Company pays directly any other fees related to the Plan's operations. In addition, notes receivable from participants are considered party-in-interest transactions.

## **6. Plan Termination**

Although it has not expressed any intent to do so, the Company has the right under the Plan to discontinue its contributions at any time and to terminate the Plan subject to the provision of ERISA. In the event of Plan termination, participants will become 100 percent vested in the Company contribution portion of their accounts.

# **The Retirement Plan and Trust for the Employees of Freese and Nichols, Inc.**

## **Notes to Financial Statements**

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### **7. Tax Status**

The Plan uses a pre-approved plan document sponsored by Trustee. Trustee received an opinion letter from the IRS, dated June 30, 2020, which states that the pre-approved plan document, as then designed, satisfies the applicable provisions of the IRC. Although the Plan has been amended since the date of the opinion letter, Plan management believes that the Plan is currently designed and being operated in compliance with the applicable requirements of the IRC.

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

### **8. 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 the values of investment securities will occur in the near term and that such changes could materially affect participants' account balances and the amounts reported in the statements of net assets available for benefits.

### **9. Reconciliation of Financial Statements to Schedule H of Form 5500**

The following is a reconciliation of net assets available for benefits per the financial statements to Form 5500:

| <i>December 31,</i>                                            | <b>2022</b>           | <b>2021</b>           |
|----------------------------------------------------------------|-----------------------|-----------------------|
| Net assets available for benefits per the financial statements | <b>\$ 195,370,665</b> | <b>\$ 239,738,424</b> |
| Certain deemed distributions of participant loans*             | <b>(39,478)</b>       | <b>(23,199)</b>       |
| Net assets available for benefits per Schedule H of Form 5500  | <b>\$ 195,331,187</b> | <b>\$ 239,715,225</b> |

# **The Retirement Plan and Trust for the Employees of Freese and Nichols, Inc.**

## **Notes to Financial Statements**

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The following is a reconciliation of the change in net assets available for benefits per the financial statements to Schedule H of Form 5500 for the year ended December 31, 2022:

| <i>Year Ended December 31,</i>                                                 | <i>2022</i>     |
|--------------------------------------------------------------------------------|-----------------|
| Net decrease in net assets available for benefits per the financial statements | \$ (44,367,759) |
| Less: Deemed Loan offset in 2022                                               | (16,279)        |
| Net increase in net assets available for benefits per Schedule H of Form 5500  | \$ (44,384,038) |

\* Deemed distributions are defaulted and unpaid notes receivable from participants recorded as distributions on form 5500 but held by the plan until a distributable event occurs.

### **10. Subsequent Events**

The date to which events occurring after December 31, 2022, the date of the most recent statement of net assets available for benefits, have been evaluated for possible adjustment to the financial statements or disclosure is October 5, 2023, which is the date on which the financial statements were available to be issued. There were no events or transactions discovered during this evaluation that require recognition or disclosure in the financial statements, other than noted below.

## **ERISA-Required Supplemental Schedule**

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# The Retirement Plan and Trust for the Employees of Freese and Nichols, Inc.

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

| December 31, 2022                                        |                                                                                                               | EIN: 75-1531935<br>Plan Number: 001 |                       |
|----------------------------------------------------------|---------------------------------------------------------------------------------------------------------------|-------------------------------------|-----------------------|
|                                                          |                                                                                                               | (d)                                 | (e)                   |
| (a)(b)                                                   | (c)                                                                                                           | (d)                                 | (e)                   |
| Identity of Issuer, Borrower,<br>Lessor or Similar Party | Description of Investment, including<br>Maturity Date, Rate of Interest, Collateral,<br>Par or Maturity Value | Cost                                | Current<br>Value      |
| <b>Registered Investment Companies</b>                   |                                                                                                               |                                     |                       |
| * Vanguard Fiduciary Trust Company                       | Vanguard Explorer Fund Admiral Shares                                                                         | ** \$                               | 11,031,735            |
| * Vanguard Fiduciary Trust Company                       | Vanguard PRIMECAP Fund Admiral Shares                                                                         | **                                  | 21,417,505            |
| * Vanguard Fiduciary Trust Company                       | Vanguard Total Stock Mkt Indx Fund: Inst Shares                                                               | **                                  | 21,815,759            |
| * Vanguard Fiduciary Trust Company                       | Vanguard Windsor II Fund Admiral Shares                                                                       | **                                  | 17,742,751            |
| * Vanguard Fiduciary Trust Company                       | Vanguard Wellington Fund Admiral Shares                                                                       | **                                  | 11,025,341            |
| * Vanguard Fiduciary Trust Company                       | Vanguard Inst Target Retirement 2020 Fund                                                                     | **                                  | 5,506,987             |
| * Vanguard Fiduciary Trust Company                       | Vanguard Inst Target Retirement 2025 Fund                                                                     | **                                  | 6,280,492             |
| * Vanguard Fiduciary Trust Company                       | Vanguard Inst Target Retirement 2030 Fund                                                                     | **                                  | 5,285,945             |
| * Vanguard Fiduciary Trust Company                       | Vanguard Inst Target Retirement 2035 Fund                                                                     | **                                  | 9,977,925             |
| * Vanguard Fiduciary Trust Company                       | Vanguard Inst Target Retirement 2040 Fund                                                                     | **                                  | 6,908,141             |
| * Vanguard Fiduciary Trust Company                       | Vanguard Inst Target Retirement 2045 Fund                                                                     | **                                  | 15,052,296            |
| * Vanguard Fiduciary Trust Company                       | Vanguard Inst Target Retirement 2050 Fund                                                                     | **                                  | 11,267,589            |
| * Vanguard Fiduciary Trust Company                       | Vanguard Inst Target Retirement 2055 Fund                                                                     | **                                  | 8,149,004             |
| * Vanguard Fiduciary Trust Company                       | Vanguard Inst Target Retirement 2060 Fund                                                                     | **                                  | 5,122,137             |
| * Vanguard Fiduciary Trust Company                       | Vanguard Inst Target Retirement 2065 Fund                                                                     | **                                  | 815,073               |
| * Vanguard Fiduciary Trust Company                       | Vanguard Intl Growth Fund Admiral Shares                                                                      | **                                  | 8,381,526             |
| * Vanguard Fiduciary Trust Company                       | Vanguard Total Bond Mkt Index Fund: Inst Shares                                                               | **                                  | 8,569,628             |
| * Vanguard Fiduciary Trust Company                       | Vanguard Intermediate-Term Treasury Fund:<br>Admiral Shares                                                   | **                                  | 2,355,371             |
| * Vanguard Fiduciary Trust Company                       | Vanguard Inst Target Retirement Income Fund                                                                   | **                                  | 2,306,744             |
| * Vanguard Fiduciary Trust Company                       | Vanguard Total Intl Stock Index Fund Admiral<br>Shares                                                        | **                                  | 4,423,611             |
| , * Vanguard Fiduciary Trust Company                     | Vanguard Total Intl Bond Index Fund Admiral<br>Shares                                                         | **                                  | 1,070,843             |
| * Vanguard Fiduciary Trust Company                       | Vanguard Federal Money Market Fund                                                                            | **                                  | 40,887                |
| Total registered investment companies                    |                                                                                                               |                                     | <b>184,547,290</b>    |
| <b>Common/Collective Trust</b>                           |                                                                                                               |                                     |                       |
| * Vanguard Fiduciary Trust Company                       | Vanguard Retirement Savings Trust                                                                             | **                                  | <b>7,696,503</b>      |
| * Participant Loans                                      | Interest rates ranging from 4.25% to 8.50%; -<br>maturities ranging from January 2023 to<br>September 2030    |                                     | <b>1,398,996</b>      |
|                                                          |                                                                                                               |                                     | <b>\$ 193,642,789</b> |

\* A party in interest as defined by ERISA.

\*\* Cost information is omitted for participant-directed investments.



# **The Retirement Plan and Trust for the Employees of Freese and Nichols, Inc.**

## **Financial Statements and ERISA - Required Supplemental Schedule**

**As of December 31, 2022 and 2021  
and for the Year Ended December 31, 2022**

**The Retirement Plan and Trust for the Employees of  
Freese and Nichols, Inc.**

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Financial Statements and ERISA-Required Supplemental Schedule  
As of December 31, 2022 and 2021  
and for the Year Ended December 31, 2022

# **The Retirement Plan and Trust for the Employees of Freese and Nichols, Inc.**

## **Contents**

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|                                                                                                   |          |
|---------------------------------------------------------------------------------------------------|----------|
| <b>Independent Auditor's Report</b>                                                               | <b>1</b> |
| <b>Financial Statements</b>                                                                       |          |
| Statements of Net Assets Available for Benefits<br>as of December 31, 2022 and 2021               | 5        |
| Statement of Changes in Net Assets Available for Benefits<br>for the Year ended December 31, 2022 | 6        |
| Notes to Financial Statements                                                                     | 7        |
| <b>ERISA - Required Supplemental Schedule</b>                                                     |          |
| Schedule H, line 4i - Schedule of Assets (Held at End of Year)<br>December 31, 2022               | 15       |

*Note: Other schedules required by Section 2520.103.10 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA have been omitted because they are not applicable.*



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## **Independent Auditor's Report**

To the Plan Administrator  
The Retirement Plan and Trust for Employees of Freese and Nichols, Inc.  
Fort Worth, Texas

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

We have performed audits of the financial statements of The Retirement Plan and Trust for the Employees of Freese and Nichols, Inc. (the Plan), an employee benefit plan subject to the Employee Retirement Income Security Act of 1974 (ERISA), as permitted by ERISA Section 103(a)(3)(C). 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 (ERISA Section 103(a)(3)(C) audit). 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 (qualified institution), provided that the investment information is prepared and certified to by the qualified institution in accordance with 29 CFR 2520.103-5 of the DOL's Rules and Regulations for Reporting and Disclosure under ERISA.

Management has obtained a certification 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 the procedures performed as described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report:

- 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 accounting principles generally accepted in the United States of America (GAAP); and
- the certified investment information in the accompanying financial statements agrees to, or is derived from, in all material respects, the information prepared and certified by a qualified institution that management determined meet 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 *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of the Plan and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our 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 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 within one year after the date that the financial statements are issued or available to be issued.

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

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

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



In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- 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 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 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 as of December 31, 2022 is presented for purposes of additional analysis and is not a required part of the financial statements but is supplementary information required by the DOL's Rules and Regulations for Reporting and Disclosure under ERISA. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information included in the supplemental schedule, other than that agreed to or derived from the certified investment information, has been subjected to auditing procedures applied in the audits of the financial statements and certain additional procedures,



including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with GAAS. For information included in the supplemental schedule that agreed to or is derived from the certified investment information, we compared such information to the related certified investment information.

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

In our opinion

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

*BDO USA P.C.*

October 5, 2023

## Financial Statements

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# The Retirement Plan and Trust for the Employees of Freese and Nichols, Inc.

## Statements of Net Assets Available for Benefits

| <i>As of December 31,</i>                | <b>2022</b>           | <b>2021</b>           |
|------------------------------------------|-----------------------|-----------------------|
| <b>Assets</b>                            |                       |                       |
| <b>Investments at fair value:</b>        |                       |                       |
| Registered investment companies          | \$ 184,547,290        | \$ 228,887,547        |
| Common collective trust                  | 7,696,503             | 7,724,374             |
| <b>Total investments</b>                 | <b>192,243,793</b>    | <b>236,611,921</b>    |
| <b>Receivables:</b>                      |                       |                       |
| Employer contributions                   | 1,727,876             | 1,642,505             |
| Notes receivable from participants       | 1,398,996             | 1,483,998             |
| <b>Total receivables</b>                 | <b>3,126,872</b>      | <b>3,126,503</b>      |
| <b>Net assets available for benefits</b> | <b>\$ 195,370,665</b> | <b>\$ 239,738,424</b> |

*See accompanying notes to financial statements.*

# The Retirement Plan and Trust for the Employees of Freese and Nichols, Inc.

## Statement of Changes in Net Assets Available for Benefits

| <i>For the Year ended December 31,</i>                | <b>2022</b>    |
|-------------------------------------------------------|----------------|
| Additions:                                            |                |
| Investment income (loss):                             |                |
| Interest and dividend income                          | \$ 9,117,789   |
| Net depreciation in fair value of investments         | (48,860,273)   |
| Total investment loss                                 | (39,742,484)   |
| Interest income on notes receivable from participants | 61,350         |
| Contributions:                                        |                |
| Employer                                              | 5,308,435      |
| Participant                                           | 10,301,951     |
| Rollover                                              | 675,168        |
| Total contributions                                   | 16,285,554     |
| Other income                                          | 2,254          |
| Deductions:                                           |                |
| Benefits paid to participants                         | 20,758,353     |
| Administrative expenses                               | 216,080        |
| Total deductions                                      | 20,974,433     |
| Net decrease in net assets available for benefits     | (44,367,759)   |
| Net assets available for benefits, beginning of year  | 239,738,424    |
| Net assets available for benefits, end of year        | \$ 195,370,665 |

*See accompanying notes to financial statements.*

# **The Retirement Plan and Trust for the Employees of Freese and Nichols, Inc.**

## **Notes to Financial Statements**

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### **1. Description of Plan**

The following brief description of The Retirement Plan and Trust for the Employees of Freese and Nichols, Inc. (the “Plan”) provides only general information. Participants should refer to the plan document for a more complete description of the Plan’s provisions.

#### ***General***

The Plan is a defined contribution plan established to provide retirement, disability, and death benefits for qualified employees of Freese and Nichols, Inc. (the “Company” or “Employer”) under the provision of Section 401(a) of the Internal Revenue Code (“IRC”), which includes a qualified cash or deferred arrangement as described in Section 401(k) of the IRC, for the benefit of eligible employees of the Company. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974, as amended (“ERISA”). This plan is operated as a safe harbor 401(k) Plan.

The Plan is administered by a committee (the “Administrative Committee”) whose members are appointed by management of the Company. Under the plan document, Vanguard Fiduciary Trust Company (the “Trustee”) holds the Plan’s investment assets and executes investment transactions and maintains the accounting of participant accounts.

#### ***Eligibility***

The Plan covers all employees of the Company who have one hour of service and have reached age twenty-one (21), excluding leased employees, cooperative education employees and interns. Eligible plan participants may begin making contributions as of any of the prospective payroll entry dates on the first day of the regular pay period.

#### ***Contributions***

Eligible participants are automatically enrolled in the plan with a 6% deferral rate, which can be adjusted at the employee’s discretion. The deferral rate percentage will be automatically increased during the month of February for each period up to a deferral rate of 12% Participants may contribute a voluntary percent of pretax annual compensation, as defined in the plan document, subject to the maximum dollar amount allowable under the IRC. The Plan does allow Roth in plan conversions for pre-tax contributions. Participants who have attained age 50 before the end of the plan year are eligible to make catch-up contributions into the Plan as a pre-tax and/or Roth contribution. Participants may also contribute amounts representing distributions from other qualified defined contribution plans.

The Employer will make a Qualified Automatic Contribution Arrangement (“QACA”) Contributions based on the amount that employees choose to contribute into the Plan as deferral. The Employer matches 100% of the first 1% of eligible compensation the participant defers into the Plan and 50% of deferrals above 1% to 6% of eligible compensation (maximum matching contribution is 3.5%).

Under the Plan, the Employer may make discretionary profit-sharing contributions. The Company’s board of directors determines the profit-sharing amount based upon guidelines as defined in the Plan document. For 2022, the Company’s board approved a profit-sharing contribution of 1.75% of hourly and overtime wages for all eligible employees.

# **The Retirement Plan and Trust for the Employees of Freese and Nichols, Inc.**

## **Notes to Financial Statements**

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### ***Plan Investments***

Participants direct the investment of their contributions, rollover contributions, if applicable, and the Company's matching and profit-sharing contributions, if any, into various investment options offered by the Plan.

### ***Participant Accounts***

Each participant account is credited with the participant contribution and allocations of (a) the Company contributions, (b) Plan earnings, and (c) charged with an allocation of administrative expenses, when not paid by the Company. Allocations are based on participant earnings or account balances, as defined. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account.

### ***Vesting***

Participants are vested immediately in their contributions, plus actual earnings thereon. Vesting in the Company's contribution and profit-sharing portion of their accounts is based on years of continuous service. A participant vests 50% per year and is 100% vested after two years of credited service.

### ***Forfeited Accounts***

In accordance with Plan provisions, forfeited accounts are used to offset Company contributions. Forfeited, non-allocated accounts totaled \$37,078 and \$37,624 at December 31, 2022 and 2021, respectively. Forfeitures of \$36,202 were allocated to participant accounts during 2022 as an additional profit-sharing contribution.

### ***Benefits Paid to Participants***

On termination of service due to death, disability or retirement, a participant may elect to receive either a lump-sum amount equal to the value of the participant's vested interest in his or her account, or installments over a period of time not to exceed the life expectancy of the participant or (designated beneficiary). For termination of service due to other reasons, a participant may receive the value of the vested interest in his or her account as a lump-sum distribution or installments over a period of time not to exceed the life expectancy of the participant. Contributions made by the Company which are not vested are subject to forfeiture.

In addition, participants are allowed to make in service withdrawals from the participant's account balance due to certain financial hardships as defined in the Plan document.

### ***Notes Receivable from Participants***

Participants are allowed to borrow from their account, subject to a minimum of \$750 up to a maximum equal to the lesser of \$50,000 or 50 percent of their vested account balance. Loan transactions are treated as a transfer to (from) the investment fund from (to) the participant loans receivable fund. Loan terms are 5 years for general purpose loans and 10 years for principal residence loans. The loans are secured by the balance in the participant's account and bear interest at a rate commensurate with local prevailing rates (prime rate plus 1%) as determined quarterly by the plan administrator and are fixed for the term of the loan. Principal and interest is paid ratably

# **The Retirement Plan and Trust for the Employees of Freese and Nichols, Inc.**

## **Notes to Financial Statements**

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through bi-weekly payroll deductions. As of December 31, 2022, the interest rates on outstanding loan balances were 4.25% to 8.50% with maturities ranging from January 2023 to September 2030.

## **2. Summary of Significant Accounting Policies**

### ***Basis of Accounting***

The accompanying financial statements of the Plan have been prepared on the accrual basis of accounting.

### ***Use of Estimates***

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America ("GAAP") requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of additions and deductions during the reporting period. Actual results may differ from those estimates.

### ***Investment Valuation and Income Recognition***

The plan's 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. The Plan's Administrative Committee determines the Plan's valuation policies utilizing information provided by the investment advisors, and trustee. See Note 3 for discussion of fair value measurements.

Shares of registered investment companies (mutual funds) are valued at quoted market prices which represent the net asset value ("NAV") of shares held by the Plan at each year end. The fair value of investments in the common collective trust is measured by using NAV as a practical expedient to estimate fair value and is determined by each fund trustee at year end based on the fair value of the underlying securities within that trust.

Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date. The Plan presents, in the Statement of Changes in Net Assets Available for Benefits, the net appreciation (depreciation) in fair value of its investments which consists of realized gains and losses and unrealized appreciation and depreciation on these investments.

### ***Contributions Receivable***

Participant contributions and any related employer matching contributions are recognized in the period during which the Company makes the respective payroll deduction from the participant's compensation. Non-elective/Profit sharing contributions are recorded in the relevant period in accordance with the terms in the Plan document.

### ***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.

# The Retirement Plan and Trust for the Employees of Freese and Nichols, Inc.

## Notes to Financial Statements

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### ***Benefit Payments***

Benefit payments are recorded when paid.

### ***Administrative Expenses***

Certain expenses of maintaining the Plan are paid directly by the Company and are excluded from these financial statements. Fees related to the administration of notes receivable from participants and for standard annual maintenance are charged directly to the participant's account and are included in administrative expenses. Investment related expenses paid to investment advisors, transfer agents, and others described in each fund prospectus or other published documents are deducted by the investment funds or accounts prior to the allocation of the Plans' investment earnings activity and are therefore included in net appreciation (depreciation) of fair value of investments.

## **3. Fair Value Measurements**

The accounting standards establish a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements).

The three levels of the fair value hierarchy are described below:

### ***Basis of Fair Value Measurement***

|         |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
|---------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 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 | <div>Inputs to the valuation methodology include<ul style="list-style-type: none"><li>• quoted prices for similar assets or liabilities in active markets;</li><li>• quoted prices for identical or similar assets or liabilities in inactive markets;</li><li>• inputs other than quoted prices that are observable for the asset or liability;</li><li>• inputs that are derived principally from or corroborated by observable market data by correlation or other means.</li></ul></div> <div>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.</div> |
| 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.

# The Retirement Plan and Trust for the Employees of Freese and Nichols, Inc.

## Notes to Financial Statements

### *Registered Investment Companies (Mutual Funds)*

Investments in registered investment companies are valued at the daily closing price as reported by the fund. Funds held by the Plan are open-end mutual funds that are registered with the Securities and Exchange Commission. These funds are required to publish their daily NAV and to transact at that price. The funds held by the Plan are deemed to be actively traded.

### *Common Collective Trust*

The investments underlying the common/collective trust fund investments generally include shares of common stock and fixed income investments whose values are determined on the basis of quoted prices in an active market. The Plan's common/collective trust fund investments are valued at NAV per share or unit as a practical expedient as reported by the fund manager, multiplied by the number of shares or units held as of the measurement date.

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

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

| Investment Assets at Fair Value as of December 31, 2022 |                |         |         |                       |
|---------------------------------------------------------|----------------|---------|---------|-----------------------|
|                                                         | Level 1        | Level 2 | Level 3 | Total                 |
| Registered investment companies                         | \$ 184,547,290 | \$ -    | \$ -    | \$ 184,547,290        |
| Investments measured at net asset value*                |                |         |         |                       |
| Common collective trust                                 |                |         |         | 7,696,503             |
| <b>Total investments</b>                                |                |         |         | <b>\$ 192,243,793</b> |

| Investment Assets at Fair Value as of December 31, 2021 |                |         |         |                       |
|---------------------------------------------------------|----------------|---------|---------|-----------------------|
|                                                         | Level 1        | Level 2 | Level 3 | Total                 |
| Registered investment companies                         | \$ 228,887,547 | \$ -    | \$ -    | \$ 228,887,547        |
| Investments measured at net asset value*                |                |         |         |                       |
| Common collective trust                                 |                |         |         | 7,724,374             |
| <b>Total investments</b>                                |                |         |         | <b>\$ 236,611,921</b> |

# **The Retirement Plan and Trust for the Employees of Freese and Nichols, Inc.**

## **Notes to Financial Statements**

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\* Certain investments that are measured at fair value using the net asset value per share (or its equivalent) practical expedient have not been categorized in the fair value hierarchy. The fair value amounts presented in this table are provided to permit reconciliation of the fair value hierarchy to the amounts presented in the Statement of Net Assets Available for Benefits.

### ***Fair Value of Investments in Entities that use Net Asset Value***

The collective trust funds held by the Plan provide for daily redemptions by the Plan at reported NAV with no advance notice requirement. The Plan is permitted to redeem investment units at NAV on the measurement date. There are no unfunded commitments.

## **4. Information Prepared and Certified by the Plan's Trustee**

The Plan administrator has elected the method of annual reporting compliance permitted by ERISA Section 103(a)(3)(c) pursuant to 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA. Certain information related to investments disclosed in the accompanying financial statements and supplemental schedule, including investments and notes receivable from participants at December 31, 2022 and 2021, and net appreciation (depreciation) in fair value of investments, interest and dividend income, and interest income on notes receivable from participants for the year ended December 31, 2022, was obtained or derived from information supplied to the Plan administrator and certified as complete and accurate by the Trustee, a qualified institution.

The plan administrator instructed the Plan's independent auditors not to perform, and they did not perform, any auditing procedures with respect to this certified information, except for comparing such information to the related information included in the financial statements and supplemental schedule.

## **5. Related Party and Party in Interest Transactions**

Plan investments include shares of mutual funds managed by Vanguard the Trustee. Fees of \$216,080 were paid to the Trustee for loan, distribution and record keeper services during the year ending December 31, 2022. Fees incurred by the Plan for the investment management services are included in net appreciation (depreciation) in fair value of the investments, as they are paid through revenue sharing, rather than a direct payment other than a standard annual maintenance fee paid by participants. The Company pays directly any other fees related to the Plan's operations. In addition, notes receivable from participants are considered party-in-interest transactions.

## **6. Plan Termination**

Although it has not expressed any intent to do so, the Company has the right under the Plan to discontinue its contributions at any time and to terminate the Plan subject to the provision of ERISA. In the event of Plan termination, participants will become 100 percent vested in the Company contribution portion of their accounts.

# The Retirement Plan and Trust for the Employees of Freese and Nichols, Inc.

## Notes to Financial Statements

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### 7. Tax Status

The Plan uses a pre-approved plan document sponsored by Trustee. Trustee received an opinion letter from the IRS, dated June 30, 2020, which states that the pre-approved plan document, as then designed, satisfies the applicable provisions of the IRC. Although the Plan has been amended since the date of the opinion letter, Plan management believes that the Plan is currently designed and being operated in compliance with the applicable requirements of the IRC.

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

### 8. 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 the values of investment securities will occur in the near term and that such changes could materially affect participants' account balances and the amounts reported in the statements of net assets available for benefits.

### 9. Reconciliation of Financial Statements to Schedule H of Form 5500

The following is a reconciliation of net assets available for benefits per the financial statements to Form 5500:

| <i>December 31,</i>                                            | <b>2022</b>           | <b>2021</b>           |
|----------------------------------------------------------------|-----------------------|-----------------------|
| Net assets available for benefits per the financial statements | <b>\$ 195,370,665</b> | <b>\$ 239,738,424</b> |
| Certain deemed distributions of participant loans*             | <b>(39,478)</b>       | <b>(23,199)</b>       |
| Net assets available for benefits per Schedule H of Form 5500  | <b>\$ 195,331,187</b> | <b>\$ 239,715,225</b> |

# **The Retirement Plan and Trust for the Employees of Freese and Nichols, Inc.**

## **Notes to Financial Statements**

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The following is a reconciliation of the change in net assets available for benefits per the financial statements to Schedule H of Form 5500 for the year ended December 31, 2022:

| <i>Year Ended December 31,</i>                                                 | <i>2022</i>     |
|--------------------------------------------------------------------------------|-----------------|
| Net decrease in net assets available for benefits per the financial statements | \$ (44,367,759) |
| Less: Deemed Loan offset in 2022                                               | (16,279)        |
| Net increase in net assets available for benefits per Schedule H of Form 5500  | \$ (44,384,038) |

- \* Deemed distributions are defaulted and unpaid notes receivable from participants recorded as distributions on form 5500 but held by the plan until a distributable event occurs.

### **10. Subsequent Events**

The date to which events occurring after December 31, 2022, the date of the most recent statement of net assets available for benefits, have been evaluated for possible adjustment to the financial statements or disclosure is October 5, 2023, which is the date on which the financial statements were available to be issued. There were no events or transactions discovered during this evaluation that require recognition or disclosure in the financial statements, other than noted below.

## **ERISA-Required Supplemental Schedule**

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# The Retirement Plan and Trust for the Employees of Freese and Nichols, Inc.

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

| December 31, 2022                                        |                                                                                                               | EIN: 75-1531935<br>Plan Number: 001 |                       |
|----------------------------------------------------------|---------------------------------------------------------------------------------------------------------------|-------------------------------------|-----------------------|
|                                                          |                                                                                                               | (d)                                 | (e)                   |
| (a)(b)                                                   | (c)                                                                                                           |                                     |                       |
| Identity of Issuer, Borrower,<br>Lessor or Similar Party | Description of Investment, including<br>Maturity Date, Rate of Interest, Collateral,<br>Par or Maturity Value | Cost                                | Current<br>Value      |
| <b>Registered Investment Companies</b>                   |                                                                                                               |                                     |                       |
| * Vanguard Fiduciary Trust Company                       | Vanguard Explorer Fund Admiral Shares                                                                         | ** \$                               | 11,031,735            |
| * Vanguard Fiduciary Trust Company                       | Vanguard PRIMECAP Fund Admiral Shares                                                                         | **                                  | 21,417,505            |
| * Vanguard Fiduciary Trust Company                       | Vanguard Total Stock Mkt Indx Fund: Inst Shares                                                               | **                                  | 21,815,759            |
| * Vanguard Fiduciary Trust Company                       | Vanguard Windsor II Fund Admiral Shares                                                                       | **                                  | 17,742,751            |
| * Vanguard Fiduciary Trust Company                       | Vanguard Wellington Fund Admiral Shares                                                                       | **                                  | 11,025,341            |
| * Vanguard Fiduciary Trust Company                       | Vanguard Inst Target Retirement 2020 Fund                                                                     | **                                  | 5,506,987             |
| * Vanguard Fiduciary Trust Company                       | Vanguard Inst Target Retirement 2025 Fund                                                                     | **                                  | 6,280,492             |
| * Vanguard Fiduciary Trust Company                       | Vanguard Inst Target Retirement 2030 Fund                                                                     | **                                  | 5,285,945             |
| * Vanguard Fiduciary Trust Company                       | Vanguard Inst Target Retirement 2035 Fund                                                                     | **                                  | 9,977,925             |
| * Vanguard Fiduciary Trust Company                       | Vanguard Inst Target Retirement 2040 Fund                                                                     | **                                  | 6,908,141             |
| * Vanguard Fiduciary Trust Company                       | Vanguard Inst Target Retirement 2045 Fund                                                                     | **                                  | 15,052,296            |
| * Vanguard Fiduciary Trust Company                       | Vanguard Inst Target Retirement 2050 Fund                                                                     | **                                  | 11,267,589            |
| * Vanguard Fiduciary Trust Company                       | Vanguard Inst Target Retirement 2055 Fund                                                                     | **                                  | 8,149,004             |
| * Vanguard Fiduciary Trust Company                       | Vanguard Inst Target Retirement 2060 Fund                                                                     | **                                  | 5,122,137             |
| * Vanguard Fiduciary Trust Company                       | Vanguard Inst Target Retirement 2065 Fund                                                                     | **                                  | 815,073               |
| * Vanguard Fiduciary Trust Company                       | Vanguard Intl Growth Fund Admiral Shares                                                                      | **                                  | 8,381,526             |
| * Vanguard Fiduciary Trust Company                       | Vanguard Total Bond Mkt Index Fund: Inst Shares                                                               | **                                  | 8,569,628             |
| * Vanguard Fiduciary Trust Company                       | Vanguard Intermediate-Term Treasury Fund:<br>Admiral Shares                                                   | **                                  | 2,355,371             |
| * Vanguard Fiduciary Trust Company                       | Vanguard Inst Target Retirement Income Fund                                                                   | **                                  | 2,306,744             |
| * Vanguard Fiduciary Trust Company                       | Vanguard Total Intl Stock Index Fund Admiral<br>Shares                                                        | **                                  | 4,423,611             |
| , * Vanguard Fiduciary Trust Company                     | Vanguard Total Intl Bond Index Fund Admiral<br>Shares                                                         | **                                  | 1,070,843             |
| * Vanguard Fiduciary Trust Company                       | Vanguard Federal Money Market Fund                                                                            | **                                  | 40,887                |
| Total registered investment companies                    |                                                                                                               |                                     | <b>184,547,290</b>    |
| <b>Common/Collective Trust</b>                           |                                                                                                               |                                     |                       |
| * Vanguard Fiduciary Trust Company                       | Vanguard Retirement Savings Trust                                                                             | **                                  | <b>7,696,503</b>      |
| * Participant Loans                                      | Interest rates ranging from 4.25% to 8.50%; -<br>maturities ranging from January 2023 to<br>September 2030    |                                     | <b>1,398,996</b>      |
|                                                          |                                                                                                               |                                     | <b>\$ 193,642,789</b> |

\* A party in interest as defined by ERISA.

\*\* Cost information is omitted for participant-directed investments.



# **The Retirement Plan and Trust for the Employees of Freese and Nichols, Inc.**

## **Financial Statements and ERISA - Required Supplemental Schedule**

**As of December 31, 2022 and 2021  
and for the Year Ended December 31, 2022**

**The Retirement Plan and Trust for the Employees of  
Freese and Nichols, Inc.**

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Financial Statements and ERISA-Required Supplemental Schedule  
As of December 31, 2022 and 2021  
and for the Year Ended December 31, 2022

# **The Retirement Plan and Trust for the Employees of Freese and Nichols, Inc.**

## **Contents**

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|                                                                                                   |          |
|---------------------------------------------------------------------------------------------------|----------|
| <b>Independent Auditor's Report</b>                                                               | <b>1</b> |
| <b>Financial Statements</b>                                                                       |          |
| Statements of Net Assets Available for Benefits<br>as of December 31, 2022 and 2021               | 5        |
| Statement of Changes in Net Assets Available for Benefits<br>for the Year ended December 31, 2022 | 6        |
| Notes to Financial Statements                                                                     | 7        |
| <b>ERISA - Required Supplemental Schedule</b>                                                     |          |
| Schedule H, line 4i - Schedule of Assets (Held at End of Year)<br>December 31, 2022               | 15       |

*Note: Other schedules required by Section 2520.103.10 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA have been omitted because they are not applicable.*



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## **Independent Auditor's Report**

To the Plan Administrator  
The Retirement Plan and Trust for Employees of Freese and Nichols, Inc.  
Fort Worth, Texas

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

We have performed audits of the financial statements of The Retirement Plan and Trust for the Employees of Freese and Nichols, Inc. (the Plan), an employee benefit plan subject to the Employee Retirement Income Security Act of 1974 (ERISA), as permitted by ERISA Section 103(a)(3)(C). 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 (ERISA Section 103(a)(3)(C) audit). 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 (qualified institution), provided that the investment information is prepared and certified to by the qualified institution in accordance with 29 CFR 2520.103-5 of the DOL's Rules and Regulations for Reporting and Disclosure under ERISA.

Management has obtained a certification 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 the procedures performed as described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report:

- 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 accounting principles generally accepted in the United States of America (GAAP); and
- the certified investment information in the accompanying financial statements agrees to, or is derived from, in all material respects, the information prepared and certified by a qualified institution that management determined meet 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 *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of the Plan and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our 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 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 within one year after the date that the financial statements are issued or available to be issued.

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

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

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



In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- 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 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 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 as of December 31, 2022 is presented for purposes of additional analysis and is not a required part of the financial statements but is supplementary information required by the DOL's Rules and Regulations for Reporting and Disclosure under ERISA. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information included in the supplemental schedule, other than that agreed to or derived from the certified investment information, has been subjected to auditing procedures applied in the audits of the financial statements and certain additional procedures,



including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with GAAS. For information included in the supplemental schedule that agreed to or is derived from the certified investment information, we compared such information to the related certified investment information.

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

In our opinion

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

*BDO USA P.C.*

October 5, 2023

## Financial Statements

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# The Retirement Plan and Trust for the Employees of Freese and Nichols, Inc.

## Statements of Net Assets Available for Benefits

| <i>As of December 31,</i>                | <b>2022</b>           | <b>2021</b>           |
|------------------------------------------|-----------------------|-----------------------|
| <b>Assets</b>                            |                       |                       |
| <b>Investments at fair value:</b>        |                       |                       |
| Registered investment companies          | \$ 184,547,290        | \$ 228,887,547        |
| Common collective trust                  | 7,696,503             | 7,724,374             |
| <b>Total investments</b>                 | <b>192,243,793</b>    | <b>236,611,921</b>    |
| <b>Receivables:</b>                      |                       |                       |
| Employer contributions                   | 1,727,876             | 1,642,505             |
| Notes receivable from participants       | 1,398,996             | 1,483,998             |
| <b>Total receivables</b>                 | <b>3,126,872</b>      | <b>3,126,503</b>      |
| <b>Net assets available for benefits</b> | <b>\$ 195,370,665</b> | <b>\$ 239,738,424</b> |

*See accompanying notes to financial statements.*

# The Retirement Plan and Trust for the Employees of Freese and Nichols, Inc.

## Statement of Changes in Net Assets Available for Benefits

|                                                       |                |
|-------------------------------------------------------|----------------|
| <i>For the Year ended December 31,</i>                | <b>2022</b>    |
| Additions:                                            |                |
| Investment income (loss):                             |                |
| Interest and dividend income                          | \$ 9,117,789   |
| Net depreciation in fair value of investments         | (48,860,273)   |
| Total investment loss                                 | (39,742,484)   |
| Interest income on notes receivable from participants | 61,350         |
| Contributions:                                        |                |
| Employer                                              | 5,308,435      |
| Participant                                           | 10,301,951     |
| Rollover                                              | 675,168        |
| Total contributions                                   | 16,285,554     |
| Other income                                          | 2,254          |
| Deductions:                                           |                |
| Benefits paid to participants                         | 20,758,353     |
| Administrative expenses                               | 216,080        |
| Total deductions                                      | 20,974,433     |
| Net decrease in net assets available for benefits     | (44,367,759)   |
| Net assets available for benefits, beginning of year  | 239,738,424    |
| Net assets available for benefits, end of year        | \$ 195,370,665 |

*See accompanying notes to financial statements.*

# **The Retirement Plan and Trust for the Employees of Freese and Nichols, Inc.**

## **Notes to Financial Statements**

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### **1. Description of Plan**

The following brief description of The Retirement Plan and Trust for the Employees of Freese and Nichols, Inc. (the “Plan”) provides only general information. Participants should refer to the plan document for a more complete description of the Plan’s provisions.

#### ***General***

The Plan is a defined contribution plan established to provide retirement, disability, and death benefits for qualified employees of Freese and Nichols, Inc. (the “Company” or “Employer”) under the provision of Section 401(a) of the Internal Revenue Code (“IRC”), which includes a qualified cash or deferred arrangement as described in Section 401(k) of the IRC, for the benefit of eligible employees of the Company. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974, as amended (“ERISA”). This plan is operated as a safe harbor 401(k) Plan.

The Plan is administered by a committee (the “Administrative Committee”) whose members are appointed by management of the Company. Under the plan document, Vanguard Fiduciary Trust Company (the “Trustee”) holds the Plan’s investment assets and executes investment transactions and maintains the accounting of participant accounts.

#### ***Eligibility***

The Plan covers all employees of the Company who have one hour of service and have reached age twenty-one (21), excluding leased employees, cooperative education employees and interns. Eligible plan participants may begin making contributions as of any of the prospective payroll entry dates on the first day of the regular pay period.

#### ***Contributions***

Eligible participants are automatically enrolled in the plan with a 6% deferral rate, which can be adjusted at the employee’s discretion. The deferral rate percentage will be automatically increased during the month of February for each period up to a deferral rate of 12% Participants may contribute a voluntary percent of pretax annual compensation, as defined in the plan document, subject to the maximum dollar amount allowable under the IRC. The Plan does allow Roth in plan conversions for pre-tax contributions. Participants who have attained age 50 before the end of the plan year are eligible to make catch-up contributions into the Plan as a pre-tax and/or Roth contribution. Participants may also contribute amounts representing distributions from other qualified defined contribution plans.

The Employer will make a Qualified Automatic Contribution Arrangement (“QACA”) Contributions based on the amount that employees choose to contribute into the Plan as deferral. The Employer matches 100% of the first 1% of eligible compensation the participant defers into the Plan and 50% of deferrals above 1% to 6% of eligible compensation (maximum matching contribution is 3.5%).

Under the Plan, the Employer may make discretionary profit-sharing contributions. The Company’s board of directors determines the profit-sharing amount based upon guidelines as defined in the Plan document. For 2022, the Company’s board approved a profit-sharing contribution of 1.75% of hourly and overtime wages for all eligible employees.

# **The Retirement Plan and Trust for the Employees of Freese and Nichols, Inc.**

## **Notes to Financial Statements**

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### ***Plan Investments***

Participants direct the investment of their contributions, rollover contributions, if applicable, and the Company's matching and profit-sharing contributions, if any, into various investment options offered by the Plan.

### ***Participant Accounts***

Each participant account is credited with the participant contribution and allocations of (a) the Company contributions, (b) Plan earnings, and (c) charged with an allocation of administrative expenses, when not paid by the Company. Allocations are based on participant earnings or account balances, as defined. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account.

### ***Vesting***

Participants are vested immediately in their contributions, plus actual earnings thereon. Vesting in the Company's contribution and profit-sharing portion of their accounts is based on years of continuous service. A participant vests 50% per year and is 100% vested after two years of credited service.

### ***Forfeited Accounts***

In accordance with Plan provisions, forfeited accounts are used to offset Company contributions. Forfeited, non-allocated accounts totaled \$37,078 and \$37,624 at December 31, 2022 and 2021, respectively. Forfeitures of \$36,202 were allocated to participant accounts during 2022 as an additional profit-sharing contribution.

### ***Benefits Paid to Participants***

On termination of service due to death, disability or retirement, a participant may elect to receive either a lump-sum amount equal to the value of the participant's vested interest in his or her account, or installments over a period of time not to exceed the life expectancy of the participant or (designated beneficiary). For termination of service due to other reasons, a participant may receive the value of the vested interest in his or her account as a lump-sum distribution or installments over a period of time not to exceed the life expectancy of the participant. Contributions made by the Company which are not vested are subject to forfeiture.

In addition, participants are allowed to make in service withdrawals from the participant's account balance due to certain financial hardships as defined in the Plan document.

### ***Notes Receivable from Participants***

Participants are allowed to borrow from their account, subject to a minimum of \$750 up to a maximum equal to the lesser of \$50,000 or 50 percent of their vested account balance. Loan transactions are treated as a transfer to (from) the investment fund from (to) the participant loans receivable fund. Loan terms are 5 years for general purpose loans and 10 years for principal residence loans. The loans are secured by the balance in the participant's account and bear interest at a rate commensurate with local prevailing rates (prime rate plus 1%) as determined quarterly by the plan administrator and are fixed for the term of the loan. Principal and interest is paid ratably

# **The Retirement Plan and Trust for the Employees of Freese and Nichols, Inc.**

## **Notes to Financial Statements**

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through bi-weekly payroll deductions. As of December 31, 2022, the interest rates on outstanding loan balances were 4.25% to 8.50% with maturities ranging from January 2023 to September 2030.

## **2. Summary of Significant Accounting Policies**

### ***Basis of Accounting***

The accompanying financial statements of the Plan have been prepared on the accrual basis of accounting.

### ***Use of Estimates***

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America ("GAAP") requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of additions and deductions during the reporting period. Actual results may differ from those estimates.

### ***Investment Valuation and Income Recognition***

The plan's 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. The Plan's Administrative Committee determines the Plan's valuation policies utilizing information provided by the investment advisors, and trustee. See Note 3 for discussion of fair value measurements.

Shares of registered investment companies (mutual funds) are valued at quoted market prices which represent the net asset value ("NAV") of shares held by the Plan at each year end. The fair value of investments in the common collective trust is measured by using NAV as a practical expedient to estimate fair value and is determined by each fund trustee at year end based on the fair value of the underlying securities within that trust.

Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date. The Plan presents, in the Statement of Changes in Net Assets Available for Benefits, the net appreciation (depreciation) in fair value of its investments which consists of realized gains and losses and unrealized appreciation and depreciation on these investments.

### ***Contributions Receivable***

Participant contributions and any related employer matching contributions are recognized in the period during which the Company makes the respective payroll deduction from the participant's compensation. Non-elective/Profit sharing contributions are recorded in the relevant period in accordance with the terms in the Plan document.

### ***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.

# The Retirement Plan and Trust for the Employees of Freese and Nichols, Inc.

## Notes to Financial Statements

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### ***Benefit Payments***

Benefit payments are recorded when paid.

### ***Administrative Expenses***

Certain expenses of maintaining the Plan are paid directly by the Company and are excluded from these financial statements. Fees related to the administration of notes receivable from participants and for standard annual maintenance are charged directly to the participant's account and are included in administrative expenses. Investment related expenses paid to investment advisors, transfer agents, and others described in each fund prospectus or other published documents are deducted by the investment funds or accounts prior to the allocation of the Plans' investment earnings activity and are therefore included in net appreciation (depreciation) of fair value of investments.

## **3. Fair Value Measurements**

The accounting standards establish a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements).

The three levels of the fair value hierarchy are described below:

### ***Basis of Fair Value Measurement***

|         |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
|---------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 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 | <div>Inputs to the valuation methodology include<ul style="list-style-type: none"><li>• quoted prices for similar assets or liabilities in active markets;</li><li>• quoted prices for identical or similar assets or liabilities in inactive markets;</li><li>• inputs other than quoted prices that are observable for the asset or liability;</li><li>• inputs that are derived principally from or corroborated by observable market data by correlation or other means.</li></ul></div> <div>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.</div> |
| 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.

# The Retirement Plan and Trust for the Employees of Freese and Nichols, Inc.

## Notes to Financial Statements

### ***Registered Investment Companies (Mutual Funds)***

Investments in registered investment companies are valued at the daily closing price as reported by the fund. Funds held by the Plan are open-end mutual funds that are registered with the Securities and Exchange Commission. These funds are required to publish their daily NAV and to transact at that price. The funds held by the Plan are deemed to be actively traded.

### ***Common Collective Trust***

The investments underlying the common/collective trust fund investments generally include shares of common stock and fixed income investments whose values are determined on the basis of quoted prices in an active market. The Plan's common/collective trust fund investments are valued at NAV per share or unit as a practical expedient as reported by the fund manager, multiplied by the number of shares or units held as of the measurement date.

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

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

| <b>Investment Assets at Fair Value as of December 31, 2022</b> |                |         |         |                       |
|----------------------------------------------------------------|----------------|---------|---------|-----------------------|
|                                                                | Level 1        | Level 2 | Level 3 | Total                 |
| Registered investment companies                                | \$ 184,547,290 | \$ -    | \$ -    | \$ 184,547,290        |
| Investments measured at net asset value*                       |                |         |         |                       |
| Common collective trust                                        |                |         |         | 7,696,503             |
| <b>Total investments</b>                                       |                |         |         | <b>\$ 192,243,793</b> |

| <b>Investment Assets at Fair Value as of December 31, 2021</b> |                |         |         |                       |
|----------------------------------------------------------------|----------------|---------|---------|-----------------------|
|                                                                | Level 1        | Level 2 | Level 3 | Total                 |
| Registered investment companies                                | \$ 228,887,547 | \$ -    | \$ -    | \$ 228,887,547        |
| Investments measured at net asset value*                       |                |         |         |                       |
| Common collective trust                                        |                |         |         | 7,724,374             |
| <b>Total investments</b>                                       |                |         |         | <b>\$ 236,611,921</b> |

# **The Retirement Plan and Trust for the Employees of Freese and Nichols, Inc.**

## **Notes to Financial Statements**

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\* Certain investments that are measured at fair value using the net asset value per share (or its equivalent) practical expedient have not been categorized in the fair value hierarchy. The fair value amounts presented in this table are provided to permit reconciliation of the fair value hierarchy to the amounts presented in the Statement of Net Assets Available for Benefits.

### ***Fair Value of Investments in Entities that use Net Asset Value***

The collective trust funds held by the Plan provide for daily redemptions by the Plan at reported NAV with no advance notice requirement. The Plan is permitted to redeem investment units at NAV on the measurement date. There are no unfunded commitments.

## **4. Information Prepared and Certified by the Plan's Trustee**

The Plan administrator has elected the method of annual reporting compliance permitted by ERISA Section 103(a)(3)(c) pursuant to 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA. Certain information related to investments disclosed in the accompanying financial statements and supplemental schedule, including investments and notes receivable from participants at December 31, 2022 and 2021, and net appreciation (depreciation) in fair value of investments, interest and dividend income, and interest income on notes receivable from participants for the year ended December 31, 2022, was obtained or derived from information supplied to the Plan administrator and certified as complete and accurate by the Trustee, a qualified institution.

The plan administrator instructed the Plan's independent auditors not to perform, and they did not perform, any auditing procedures with respect to this certified information, except for comparing such information to the related information included in the financial statements and supplemental schedule.

## **5. Related Party and Party in Interest Transactions**

Plan investments include shares of mutual funds managed by Vanguard the Trustee. Fees of \$216,080 were paid to the Trustee for loan, distribution and record keeper services during the year ending December 31, 2022. Fees incurred by the Plan for the investment management services are included in net appreciation (depreciation) in fair value of the investments, as they are paid through revenue sharing, rather than a direct payment other than a standard annual maintenance fee paid by participants. The Company pays directly any other fees related to the Plan's operations. In addition, notes receivable from participants are considered party-in-interest transactions.

## **6. Plan Termination**

Although it has not expressed any intent to do so, the Company has the right under the Plan to discontinue its contributions at any time and to terminate the Plan subject to the provision of ERISA. In the event of Plan termination, participants will become 100 percent vested in the Company contribution portion of their accounts.

# **The Retirement Plan and Trust for the Employees of Freese and Nichols, Inc.**

## **Notes to Financial Statements**

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### **7. Tax Status**

The Plan uses a pre-approved plan document sponsored by Trustee. Trustee received an opinion letter from the IRS, dated June 30, 2020, which states that the pre-approved plan document, as then designed, satisfies the applicable provisions of the IRC. Although the Plan has been amended since the date of the opinion letter, Plan management believes that the Plan is currently designed and being operated in compliance with the applicable requirements of the IRC.

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

### **8. 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 the values of investment securities will occur in the near term and that such changes could materially affect participants' account balances and the amounts reported in the statements of net assets available for benefits.

### **9. Reconciliation of Financial Statements to Schedule H of Form 5500**

The following is a reconciliation of net assets available for benefits per the financial statements to Form 5500:

| <i>December 31,</i>                                            | <b>2022</b>           | <b>2021</b>           |
|----------------------------------------------------------------|-----------------------|-----------------------|
| Net assets available for benefits per the financial statements | <b>\$ 195,370,665</b> | <b>\$ 239,738,424</b> |
| Certain deemed distributions of participant loans*             | <b>(39,478)</b>       | <b>(23,199)</b>       |
| Net assets available for benefits per Schedule H of Form 5500  | <b>\$ 195,331,187</b> | <b>\$ 239,715,225</b> |

# **The Retirement Plan and Trust for the Employees of Freese and Nichols, Inc.**

## **Notes to Financial Statements**

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The following is a reconciliation of the change in net assets available for benefits per the financial statements to Schedule H of Form 5500 for the year ended December 31, 2022:

| <i>Year Ended December 31,</i>                                                 | <i>2022</i>     |
|--------------------------------------------------------------------------------|-----------------|
| Net decrease in net assets available for benefits per the financial statements | \$ (44,367,759) |
| Less: Deemed Loan offset in 2022                                               | (16,279)        |
| Net increase in net assets available for benefits per Schedule H of Form 5500  | \$ (44,384,038) |

- \* Deemed distributions are defaulted and unpaid notes receivable from participants recorded as distributions on form 5500 but held by the plan until a distributable event occurs.

### **10. Subsequent Events**

The date to which events occurring after December 31, 2022, the date of the most recent statement of net assets available for benefits, have been evaluated for possible adjustment to the financial statements or disclosure is October 5, 2023, which is the date on which the financial statements were available to be issued. There were no events or transactions discovered during this evaluation that require recognition or disclosure in the financial statements, other than noted below.

## **ERISA-Required Supplemental Schedule**

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# The Retirement Plan and Trust for the Employees of Freese and Nichols, Inc.

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

| December 31, 2022                                        |                                                                                                               | EIN: 75-1531935<br>Plan Number: 001 |                       |
|----------------------------------------------------------|---------------------------------------------------------------------------------------------------------------|-------------------------------------|-----------------------|
|                                                          |                                                                                                               | (d)                                 | (e)                   |
| (a)(b)                                                   | (c)                                                                                                           | (d)                                 | (e)                   |
| Identity of Issuer, Borrower,<br>Lessor or Similar Party | Description of Investment, including<br>Maturity Date, Rate of Interest, Collateral,<br>Par or Maturity Value | Cost                                | Current<br>Value      |
| <b>Registered Investment Companies</b>                   |                                                                                                               |                                     |                       |
| * Vanguard Fiduciary Trust Company                       | Vanguard Explorer Fund Admiral Shares                                                                         | ** \$                               | 11,031,735            |
| * Vanguard Fiduciary Trust Company                       | Vanguard PRIMECAP Fund Admiral Shares                                                                         | **                                  | 21,417,505            |
| * Vanguard Fiduciary Trust Company                       | Vanguard Total Stock Mkt Indx Fund: Inst Shares                                                               | **                                  | 21,815,759            |
| * Vanguard Fiduciary Trust Company                       | Vanguard Windsor II Fund Admiral Shares                                                                       | **                                  | 17,742,751            |
| * Vanguard Fiduciary Trust Company                       | Vanguard Wellington Fund Admiral Shares                                                                       | **                                  | 11,025,341            |
| * Vanguard Fiduciary Trust Company                       | Vanguard Inst Target Retirement 2020 Fund                                                                     | **                                  | 5,506,987             |
| * Vanguard Fiduciary Trust Company                       | Vanguard Inst Target Retirement 2025 Fund                                                                     | **                                  | 6,280,492             |
| * Vanguard Fiduciary Trust Company                       | Vanguard Inst Target Retirement 2030 Fund                                                                     | **                                  | 5,285,945             |
| * Vanguard Fiduciary Trust Company                       | Vanguard Inst Target Retirement 2035 Fund                                                                     | **                                  | 9,977,925             |
| * Vanguard Fiduciary Trust Company                       | Vanguard Inst Target Retirement 2040 Fund                                                                     | **                                  | 6,908,141             |
| * Vanguard Fiduciary Trust Company                       | Vanguard Inst Target Retirement 2045 Fund                                                                     | **                                  | 15,052,296            |
| * Vanguard Fiduciary Trust Company                       | Vanguard Inst Target Retirement 2050 Fund                                                                     | **                                  | 11,267,589            |
| * Vanguard Fiduciary Trust Company                       | Vanguard Inst Target Retirement 2055 Fund                                                                     | **                                  | 8,149,004             |
| * Vanguard Fiduciary Trust Company                       | Vanguard Inst Target Retirement 2060 Fund                                                                     | **                                  | 5,122,137             |
| * Vanguard Fiduciary Trust Company                       | Vanguard Inst Target Retirement 2065 Fund                                                                     | **                                  | 815,073               |
| * Vanguard Fiduciary Trust Company                       | Vanguard Intl Growth Fund Admiral Shares                                                                      | **                                  | 8,381,526             |
| * Vanguard Fiduciary Trust Company                       | Vanguard Total Bond Mkt Index Fund: Inst Shares                                                               | **                                  | 8,569,628             |
| * Vanguard Fiduciary Trust Company                       | Vanguard Intermediate-Term Treasury Fund:<br>Admiral Shares                                                   | **                                  | 2,355,371             |
| * Vanguard Fiduciary Trust Company                       | Vanguard Inst Target Retirement Income Fund                                                                   | **                                  | 2,306,744             |
| * Vanguard Fiduciary Trust Company                       | Vanguard Total Intl Stock Index Fund Admiral<br>Shares                                                        | **                                  | 4,423,611             |
| , * Vanguard Fiduciary Trust Company                     | Vanguard Total Intl Bond Index Fund Admiral<br>Shares                                                         | **                                  | 1,070,843             |
| * Vanguard Fiduciary Trust Company                       | Vanguard Federal Money Market Fund                                                                            | **                                  | 40,887                |
| Total registered investment companies                    |                                                                                                               |                                     | <b>184,547,290</b>    |
| <b>Common/Collective Trust</b>                           |                                                                                                               |                                     |                       |
| * Vanguard Fiduciary Trust Company                       | Vanguard Retirement Savings Trust                                                                             | **                                  | <b>7,696,503</b>      |
| * Participant Loans                                      | Interest rates ranging from 4.25% to 8.50%; -<br>maturities ranging from January 2023 to<br>September 2030    |                                     | <b>1,398,996</b>      |
|                                                          |                                                                                                               |                                     | <b>\$ 193,642,789</b> |

\* A party in interest as defined by ERISA.

\*\* Cost information is omitted for participant-directed investments.



# **The Retirement Plan and Trust for the Employees of Freese and Nichols, Inc.**

## **Financial Statements and ERISA - Required Supplemental Schedule**

**As of December 31, 2022 and 2021  
and for the Year Ended December 31, 2022**

**The Retirement Plan and Trust for the Employees of  
Freese and Nichols, Inc.**

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Financial Statements and ERISA-Required Supplemental Schedule  
As of December 31, 2022 and 2021  
and for the Year Ended December 31, 2022

# The Retirement Plan and Trust for the Employees of Freese and Nichols, Inc.

## Contents

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|                                                                                                   |    |
|---------------------------------------------------------------------------------------------------|----|
| Independent Auditor's Report                                                                      | 1  |
| <b>Financial Statements</b>                                                                       |    |
| Statements of Net Assets Available for Benefits<br>as of December 31, 2022 and 2021               | 5  |
| Statement of Changes in Net Assets Available for Benefits<br>for the Year ended December 31, 2022 | 6  |
| Notes to Financial Statements                                                                     | 7  |
| <b>ERISA - Required Supplemental Schedule</b>                                                     |    |
| Schedule H, line 4i - Schedule of Assets (Held at End of Year)<br>December 31, 2022               | 15 |

*Note: Other schedules required by Section 2520.103.10 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA have been omitted because they are not applicable.*



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## **Independent Auditor's Report**

To the Plan Administrator  
The Retirement Plan and Trust for Employees of Freese and Nichols, Inc.  
Fort Worth, Texas

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

We have performed audits of the financial statements of The Retirement Plan and Trust for the Employees of Freese and Nichols, Inc. (the Plan), an employee benefit plan subject to the Employee Retirement Income Security Act of 1974 (ERISA), as permitted by ERISA Section 103(a)(3)(C). 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 (ERISA Section 103(a)(3)(C) audit). 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 (qualified institution), provided that the investment information is prepared and certified to by the qualified institution in accordance with 29 CFR 2520.103-5 of the DOL's Rules and Regulations for Reporting and Disclosure under ERISA.

Management has obtained a certification 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 the procedures performed as described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report:

- 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 accounting principles generally accepted in the United States of America (GAAP); and
- the certified investment information in the accompanying financial statements agrees to, or is derived from, in all material respects, the information prepared and certified by a qualified institution that management determined meet 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 *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of the Plan and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our 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 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 within one year after the date that the financial statements are issued or available to be issued.

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

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

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



In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- 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 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 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 as of December 31, 2022 is presented for purposes of additional analysis and is not a required part of the financial statements but is supplementary information required by the DOL's Rules and Regulations for Reporting and Disclosure under ERISA. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information included in the supplemental schedule, other than that agreed to or derived from the certified investment information, has been subjected to auditing procedures applied in the audits of the financial statements and certain additional procedures,



including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with GAAS. For information included in the supplemental schedule that agreed to or is derived from the certified investment information, we compared such information to the related certified investment information.

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

In our opinion

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

*BDO USA P.C.*

October 5, 2023

## Financial Statements

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# The Retirement Plan and Trust for the Employees of Freese and Nichols, Inc.

## Statements of Net Assets Available for Benefits

| <i>As of December 31,</i>                | <b>2022</b>           | <b>2021</b>           |
|------------------------------------------|-----------------------|-----------------------|
| <b>Assets</b>                            |                       |                       |
| <b>Investments at fair value:</b>        |                       |                       |
| Registered investment companies          | \$ 184,547,290        | \$ 228,887,547        |
| Common collective trust                  | 7,696,503             | 7,724,374             |
| <b>Total investments</b>                 | <b>192,243,793</b>    | <b>236,611,921</b>    |
| <b>Receivables:</b>                      |                       |                       |
| Employer contributions                   | 1,727,876             | 1,642,505             |
| Notes receivable from participants       | 1,398,996             | 1,483,998             |
| <b>Total receivables</b>                 | <b>3,126,872</b>      | <b>3,126,503</b>      |
| <b>Net assets available for benefits</b> | <b>\$ 195,370,665</b> | <b>\$ 239,738,424</b> |

*See accompanying notes to financial statements.*

# The Retirement Plan and Trust for the Employees of Freese and Nichols, Inc.

## Statement of Changes in Net Assets Available for Benefits

|                                                       |                |
|-------------------------------------------------------|----------------|
| <i>For the Year ended December 31,</i>                | <b>2022</b>    |
| Additions:                                            |                |
| Investment income (loss):                             |                |
| Interest and dividend income                          | \$ 9,117,789   |
| Net depreciation in fair value of investments         | (48,860,273)   |
| Total investment loss                                 | (39,742,484)   |
| Interest income on notes receivable from participants | 61,350         |
| Contributions:                                        |                |
| Employer                                              | 5,308,435      |
| Participant                                           | 10,301,951     |
| Rollover                                              | 675,168        |
| Total contributions                                   | 16,285,554     |
| Other income                                          | 2,254          |
| Deductions:                                           |                |
| Benefits paid to participants                         | 20,758,353     |
| Administrative expenses                               | 216,080        |
| Total deductions                                      | 20,974,433     |
| Net decrease in net assets available for benefits     | (44,367,759)   |
| Net assets available for benefits, beginning of year  | 239,738,424    |
| Net assets available for benefits, end of year        | \$ 195,370,665 |

*See accompanying notes to financial statements.*

# **The Retirement Plan and Trust for the Employees of Freese and Nichols, Inc.**

## **Notes to Financial Statements**

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### **1. Description of Plan**

The following brief description of The Retirement Plan and Trust for the Employees of Freese and Nichols, Inc. (the “Plan”) provides only general information. Participants should refer to the plan document for a more complete description of the Plan’s provisions.

#### ***General***

The Plan is a defined contribution plan established to provide retirement, disability, and death benefits for qualified employees of Freese and Nichols, Inc. (the “Company” or “Employer”) under the provision of Section 401(a) of the Internal Revenue Code (“IRC”), which includes a qualified cash or deferred arrangement as described in Section 401(k) of the IRC, for the benefit of eligible employees of the Company. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974, as amended (“ERISA”). This plan is operated as a safe harbor 401(k) Plan.

The Plan is administered by a committee (the “Administrative Committee”) whose members are appointed by management of the Company. Under the plan document, Vanguard Fiduciary Trust Company (the “Trustee”) holds the Plan’s investment assets and executes investment transactions and maintains the accounting of participant accounts.

#### ***Eligibility***

The Plan covers all employees of the Company who have one hour of service and have reached age twenty-one (21), excluding leased employees, cooperative education employees and interns. Eligible plan participants may begin making contributions as of any of the prospective payroll entry dates on the first day of the regular pay period.

#### ***Contributions***

Eligible participants are automatically enrolled in the plan with a 6% deferral rate, which can be adjusted at the employee’s discretion. The deferral rate percentage will be automatically increased during the month of February for each period up to a deferral rate of 12% Participants may contribute a voluntary percent of pretax annual compensation, as defined in the plan document, subject to the maximum dollar amount allowable under the IRC. The Plan does allow Roth in plan conversions for pre-tax contributions. Participants who have attained age 50 before the end of the plan year are eligible to make catch-up contributions into the Plan as a pre-tax and/or Roth contribution. Participants may also contribute amounts representing distributions from other qualified defined contribution plans.

The Employer will make a Qualified Automatic Contribution Arrangement (“QACA”) Contributions based on the amount that employees choose to contribute into the Plan as deferral. The Employer matches 100% of the first 1% of eligible compensation the participant defers into the Plan and 50% of deferrals above 1% to 6% of eligible compensation (maximum matching contribution is 3.5%).

Under the Plan, the Employer may make discretionary profit-sharing contributions. The Company’s board of directors determines the profit-sharing amount based upon guidelines as defined in the Plan document. For 2022, the Company’s board approved a profit-sharing contribution of 1.75% of hourly and overtime wages for all eligible employees.

# **The Retirement Plan and Trust for the Employees of Freese and Nichols, Inc.**

## **Notes to Financial Statements**

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### ***Plan Investments***

Participants direct the investment of their contributions, rollover contributions, if applicable, and the Company's matching and profit-sharing contributions, if any, into various investment options offered by the Plan.

### ***Participant Accounts***

Each participant account is credited with the participant contribution and allocations of (a) the Company contributions, (b) Plan earnings, and (c) charged with an allocation of administrative expenses, when not paid by the Company. Allocations are based on participant earnings or account balances, as defined. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account.

### ***Vesting***

Participants are vested immediately in their contributions, plus actual earnings thereon. Vesting in the Company's contribution and profit-sharing portion of their accounts is based on years of continuous service. A participant vests 50% per year and is 100% vested after two years of credited service.

### ***Forfeited Accounts***

In accordance with Plan provisions, forfeited accounts are used to offset Company contributions. Forfeited, non-allocated accounts totaled \$37,078 and \$37,624 at December 31, 2022 and 2021, respectively. Forfeitures of \$36,202 were allocated to participant accounts during 2022 as an additional profit-sharing contribution.

### ***Benefits Paid to Participants***

On termination of service due to death, disability or retirement, a participant may elect to receive either a lump-sum amount equal to the value of the participant's vested interest in his or her account, or installments over a period of time not to exceed the life expectancy of the participant or (designated beneficiary). For termination of service due to other reasons, a participant may receive the value of the vested interest in his or her account as a lump-sum distribution or installments over a period of time not to exceed the life expectancy of the participant. Contributions made by the Company which are not vested are subject to forfeiture.

In addition, participants are allowed to make in service withdrawals from the participant's account balance due to certain financial hardships as defined in the Plan document.

### ***Notes Receivable from Participants***

Participants are allowed to borrow from their account, subject to a minimum of \$750 up to a maximum equal to the lesser of \$50,000 or 50 percent of their vested account balance. Loan transactions are treated as a transfer to (from) the investment fund from (to) the participant loans receivable fund. Loan terms are 5 years for general purpose loans and 10 years for principal residence loans. The loans are secured by the balance in the participant's account and bear interest at a rate commensurate with local prevailing rates (prime rate plus 1%) as determined quarterly by the plan administrator and are fixed for the term of the loan. Principal and interest is paid ratably

# **The Retirement Plan and Trust for the Employees of Freese and Nichols, Inc.**

## **Notes to Financial Statements**

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through bi-weekly payroll deductions. As of December 31, 2022, the interest rates on outstanding loan balances were 4.25% to 8.50% with maturities ranging from January 2023 to September 2030.

## **2. Summary of Significant Accounting Policies**

### ***Basis of Accounting***

The accompanying financial statements of the Plan have been prepared on the accrual basis of accounting.

### ***Use of Estimates***

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America ("GAAP") requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of additions and deductions during the reporting period. Actual results may differ from those estimates.

### ***Investment Valuation and Income Recognition***

The plan's 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. The Plan's Administrative Committee determines the Plan's valuation policies utilizing information provided by the investment advisors, and trustee. See Note 3 for discussion of fair value measurements.

Shares of registered investment companies (mutual funds) are valued at quoted market prices which represent the net asset value ("NAV") of shares held by the Plan at each year end. The fair value of investments in the common collective trust is measured by using NAV as a practical expedient to estimate fair value and is determined by each fund trustee at year end based on the fair value of the underlying securities within that trust.

Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date. The Plan presents, in the Statement of Changes in Net Assets Available for Benefits, the net appreciation (depreciation) in fair value of its investments which consists of realized gains and losses and unrealized appreciation and depreciation on these investments.

### ***Contributions Receivable***

Participant contributions and any related employer matching contributions are recognized in the period during which the Company makes the respective payroll deduction from the participant's compensation. Non-elective/Profit sharing contributions are recorded in the relevant period in accordance with the terms in the Plan document.

### ***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.

# The Retirement Plan and Trust for the Employees of Freese and Nichols, Inc.

## Notes to Financial Statements

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### ***Benefit Payments***

Benefit payments are recorded when paid.

### ***Administrative Expenses***

Certain expenses of maintaining the Plan are paid directly by the Company and are excluded from these financial statements. Fees related to the administration of notes receivable from participants and for standard annual maintenance are charged directly to the participant's account and are included in administrative expenses. Investment related expenses paid to investment advisors, transfer agents, and others described in each fund prospectus or other published documents are deducted by the investment funds or accounts prior to the allocation of the Plans' investment earnings activity and are therefore included in net appreciation (depreciation) of fair value of investments.

## **3. Fair Value Measurements**

The accounting standards establish a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements).

The three levels of the fair value hierarchy are described below:

### ***Basis of Fair Value Measurement***

|         |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
|---------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 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 | <div>Inputs to the valuation methodology include<ul style="list-style-type: none"><li>• quoted prices for similar assets or liabilities in active markets;</li><li>• quoted prices for identical or similar assets or liabilities in inactive markets;</li><li>• inputs other than quoted prices that are observable for the asset or liability;</li><li>• inputs that are derived principally from or corroborated by observable market data by correlation or other means.</li></ul></div> <div>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.</div> |
| 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.

# The Retirement Plan and Trust for the Employees of Freese and Nichols, Inc.

## Notes to Financial Statements

### *Registered Investment Companies (Mutual Funds)*

Investments in registered investment companies are valued at the daily closing price as reported by the fund. Funds held by the Plan are open-end mutual funds that are registered with the Securities and Exchange Commission. These funds are required to publish their daily NAV and to transact at that price. The funds held by the Plan are deemed to be actively traded.

### *Common Collective Trust*

The investments underlying the common/collective trust fund investments generally include shares of common stock and fixed income investments whose values are determined on the basis of quoted prices in an active market. The Plan's common/collective trust fund investments are valued at NAV per share or unit as a practical expedient as reported by the fund manager, multiplied by the number of shares or units held as of the measurement date.

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

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

| Investment Assets at Fair Value as of December 31, 2022 |                |         |         |                       |
|---------------------------------------------------------|----------------|---------|---------|-----------------------|
|                                                         | Level 1        | Level 2 | Level 3 | Total                 |
| Registered investment companies                         | \$ 184,547,290 | \$ -    | \$ -    | \$ 184,547,290        |
| Investments measured at net asset value*                |                |         |         |                       |
| Common collective trust                                 |                |         |         | 7,696,503             |
| <b>Total investments</b>                                |                |         |         | <b>\$ 192,243,793</b> |

| Investment Assets at Fair Value as of December 31, 2021 |                |         |         |                       |
|---------------------------------------------------------|----------------|---------|---------|-----------------------|
|                                                         | Level 1        | Level 2 | Level 3 | Total                 |
| Registered investment companies                         | \$ 228,887,547 | \$ -    | \$ -    | \$ 228,887,547        |
| Investments measured at net asset value*                |                |         |         |                       |
| Common collective trust                                 |                |         |         | 7,724,374             |
| <b>Total investments</b>                                |                |         |         | <b>\$ 236,611,921</b> |

# **The Retirement Plan and Trust for the Employees of Freese and Nichols, Inc.**

## **Notes to Financial Statements**

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\* Certain investments that are measured at fair value using the net asset value per share (or its equivalent) practical expedient have not been categorized in the fair value hierarchy. The fair value amounts presented in this table are provided to permit reconciliation of the fair value hierarchy to the amounts presented in the Statement of Net Assets Available for Benefits.

### ***Fair Value of Investments in Entities that use Net Asset Value***

The collective trust funds held by the Plan provide for daily redemptions by the Plan at reported NAV with no advance notice requirement. The Plan is permitted to redeem investment units at NAV on the measurement date. There are no unfunded commitments.

## **4. Information Prepared and Certified by the Plan's Trustee**

The Plan administrator has elected the method of annual reporting compliance permitted by ERISA Section 103(a)(3)(c) pursuant to 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA. Certain information related to investments disclosed in the accompanying financial statements and supplemental schedule, including investments and notes receivable from participants at December 31, 2022 and 2021, and net appreciation (depreciation) in fair value of investments, interest and dividend income, and interest income on notes receivable from participants for the year ended December 31, 2022, was obtained or derived from information supplied to the Plan administrator and certified as complete and accurate by the Trustee, a qualified institution.

The plan administrator instructed the Plan's independent auditors not to perform, and they did not perform, any auditing procedures with respect to this certified information, except for comparing such information to the related information included in the financial statements and supplemental schedule.

## **5. Related Party and Party in Interest Transactions**

Plan investments include shares of mutual funds managed by Vanguard the Trustee. Fees of \$216,080 were paid to the Trustee for loan, distribution and record keeper services during the year ending December 31, 2022. Fees incurred by the Plan for the investment management services are included in net appreciation (depreciation) in fair value of the investments, as they are paid through revenue sharing, rather than a direct payment other than a standard annual maintenance fee paid by participants. The Company pays directly any other fees related to the Plan's operations. In addition, notes receivable from participants are considered party-in-interest transactions.

## **6. Plan Termination**

Although it has not expressed any intent to do so, the Company has the right under the Plan to discontinue its contributions at any time and to terminate the Plan subject to the provision of ERISA. In the event of Plan termination, participants will become 100 percent vested in the Company contribution portion of their accounts.

# The Retirement Plan and Trust for the Employees of Freese and Nichols, Inc.

## Notes to Financial Statements

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### 7. Tax Status

The Plan uses a pre-approved plan document sponsored by Trustee. Trustee received an opinion letter from the IRS, dated June 30, 2020, which states that the pre-approved plan document, as then designed, satisfies the applicable provisions of the IRC. Although the Plan has been amended since the date of the opinion letter, Plan management believes that the Plan is currently designed and being operated in compliance with the applicable requirements of the IRC.

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

### 8. 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 the values of investment securities will occur in the near term and that such changes could materially affect participants' account balances and the amounts reported in the statements of net assets available for benefits.

### 9. Reconciliation of Financial Statements to Schedule H of Form 5500

The following is a reconciliation of net assets available for benefits per the financial statements to Form 5500:

| <i>December 31,</i>                                            | <b>2022</b>           | <b>2021</b>           |
|----------------------------------------------------------------|-----------------------|-----------------------|
| Net assets available for benefits per the financial statements | <b>\$ 195,370,665</b> | <b>\$ 239,738,424</b> |
| Certain deemed distributions of participant loans*             | <b>(39,478)</b>       | <b>(23,199)</b>       |
| Net assets available for benefits per Schedule H of Form 5500  | <b>\$ 195,331,187</b> | <b>\$ 239,715,225</b> |

# **The Retirement Plan and Trust for the Employees of Freese and Nichols, Inc.**

## **Notes to Financial Statements**

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The following is a reconciliation of the change in net assets available for benefits per the financial statements to Schedule H of Form 5500 for the year ended December 31, 2022:

| <i>Year Ended December 31,</i>                                                 | <i>2022</i>     |
|--------------------------------------------------------------------------------|-----------------|
| Net decrease in net assets available for benefits per the financial statements | \$ (44,367,759) |
| Less: Deemed Loan offset in 2022                                               | (16,279)        |
| Net increase in net assets available for benefits per Schedule H of Form 5500  | \$ (44,384,038) |

- \* Deemed distributions are defaulted and unpaid notes receivable from participants recorded as distributions on form 5500 but held by the plan until a distributable event occurs.

### **10. Subsequent Events**

The date to which events occurring after December 31, 2022, the date of the most recent statement of net assets available for benefits, have been evaluated for possible adjustment to the financial statements or disclosure is October 5, 2023, which is the date on which the financial statements were available to be issued. There were no events or transactions discovered during this evaluation that require recognition or disclosure in the financial statements, other than noted below.

## **ERISA-Required Supplemental Schedule**

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# The Retirement Plan and Trust for the Employees of Freese and Nichols, Inc.

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

| December 31, 2022                                        |                                                                                                               | EIN: 75-1531935<br>Plan Number: 001 |                       |
|----------------------------------------------------------|---------------------------------------------------------------------------------------------------------------|-------------------------------------|-----------------------|
|                                                          |                                                                                                               | (d)                                 | (e)                   |
| (a)(b)                                                   | (c)                                                                                                           | (d)                                 | (e)                   |
| Identity of Issuer, Borrower,<br>Lessor or Similar Party | Description of Investment, including<br>Maturity Date, Rate of Interest, Collateral,<br>Par or Maturity Value | Cost                                | Current<br>Value      |
| <b>Registered Investment Companies</b>                   |                                                                                                               |                                     |                       |
| * Vanguard Fiduciary Trust Company                       | Vanguard Explorer Fund Admiral Shares                                                                         | ** \$                               | 11,031,735            |
| * Vanguard Fiduciary Trust Company                       | Vanguard PRIMECAP Fund Admiral Shares                                                                         | **                                  | 21,417,505            |
| * Vanguard Fiduciary Trust Company                       | Vanguard Total Stock Mkt Indx Fund: Inst Shares                                                               | **                                  | 21,815,759            |
| * Vanguard Fiduciary Trust Company                       | Vanguard Windsor II Fund Admiral Shares                                                                       | **                                  | 17,742,751            |
| * Vanguard Fiduciary Trust Company                       | Vanguard Wellington Fund Admiral Shares                                                                       | **                                  | 11,025,341            |
| * Vanguard Fiduciary Trust Company                       | Vanguard Inst Target Retirement 2020 Fund                                                                     | **                                  | 5,506,987             |
| * Vanguard Fiduciary Trust Company                       | Vanguard Inst Target Retirement 2025 Fund                                                                     | **                                  | 6,280,492             |
| * Vanguard Fiduciary Trust Company                       | Vanguard Inst Target Retirement 2030 Fund                                                                     | **                                  | 5,285,945             |
| * Vanguard Fiduciary Trust Company                       | Vanguard Inst Target Retirement 2035 Fund                                                                     | **                                  | 9,977,925             |
| * Vanguard Fiduciary Trust Company                       | Vanguard Inst Target Retirement 2040 Fund                                                                     | **                                  | 6,908,141             |
| * Vanguard Fiduciary Trust Company                       | Vanguard Inst Target Retirement 2045 Fund                                                                     | **                                  | 15,052,296            |
| * Vanguard Fiduciary Trust Company                       | Vanguard Inst Target Retirement 2050 Fund                                                                     | **                                  | 11,267,589            |
| * Vanguard Fiduciary Trust Company                       | Vanguard Inst Target Retirement 2055 Fund                                                                     | **                                  | 8,149,004             |
| * Vanguard Fiduciary Trust Company                       | Vanguard Inst Target Retirement 2060 Fund                                                                     | **                                  | 5,122,137             |
| * Vanguard Fiduciary Trust Company                       | Vanguard Inst Target Retirement 2065 Fund                                                                     | **                                  | 815,073               |
| * Vanguard Fiduciary Trust Company                       | Vanguard Intl Growth Fund Admiral Shares                                                                      | **                                  | 8,381,526             |
| * Vanguard Fiduciary Trust Company                       | Vanguard Total Bond Mkt Index Fund: Inst Shares                                                               | **                                  | 8,569,628             |
| * Vanguard Fiduciary Trust Company                       | Vanguard Intermediate-Term Treasury Fund:<br>Admiral Shares                                                   | **                                  | 2,355,371             |
| * Vanguard Fiduciary Trust Company                       | Vanguard Inst Target Retirement Income Fund                                                                   | **                                  | 2,306,744             |
| * Vanguard Fiduciary Trust Company                       | Vanguard Total Intl Stock Index Fund Admiral<br>Shares                                                        | **                                  | 4,423,611             |
| , * Vanguard Fiduciary Trust Company                     | Vanguard Total Intl Bond Index Fund Admiral<br>Shares                                                         | **                                  | 1,070,843             |
| * Vanguard Fiduciary Trust Company                       | Vanguard Federal Money Market Fund                                                                            | **                                  | 40,887                |
| Total registered investment companies                    |                                                                                                               |                                     | <b>184,547,290</b>    |
| <b>Common/Collective Trust</b>                           |                                                                                                               |                                     |                       |
| * Vanguard Fiduciary Trust Company                       | Vanguard Retirement Savings Trust                                                                             | **                                  | <b>7,696,503</b>      |
| * Participant Loans                                      | Interest rates ranging from 4.25% to 8.50%; -<br>maturities ranging from January 2023 to<br>September 2030    |                                     | <b>1,398,996</b>      |
|                                                          |                                                                                                               |                                     | <b>\$ 193,642,789</b> |

\* A party in interest as defined by ERISA.

\*\* Cost information is omitted for participant-directed investments.



# **The Retirement Plan and Trust for the Employees of Freese and Nichols, Inc.**

## **Financial Statements and ERISA - Required Supplemental Schedule**

**As of December 31, 2022 and 2021  
and for the Year Ended December 31, 2022**

**The Retirement Plan and Trust for the Employees of  
Freese and Nichols, Inc.**

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Financial Statements and ERISA-Required Supplemental Schedule  
As of December 31, 2022 and 2021  
and for the Year Ended December 31, 2022

# **The Retirement Plan and Trust for the Employees of Freese and Nichols, Inc.**

## **Contents**

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|                                                                                                   |          |
|---------------------------------------------------------------------------------------------------|----------|
| <b>Independent Auditor's Report</b>                                                               | <b>1</b> |
| <b>Financial Statements</b>                                                                       |          |
| Statements of Net Assets Available for Benefits<br>as of December 31, 2022 and 2021               | 5        |
| Statement of Changes in Net Assets Available for Benefits<br>for the Year ended December 31, 2022 | 6        |
| Notes to Financial Statements                                                                     | 7        |
| <b>ERISA - Required Supplemental Schedule</b>                                                     |          |
| Schedule H, line 4i - Schedule of Assets (Held at End of Year)<br>December 31, 2022               | 15       |

*Note: Other schedules required by Section 2520.103.10 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA have been omitted because they are not applicable.*



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## **Independent Auditor's Report**

To the Plan Administrator  
The Retirement Plan and Trust for Employees of Freese and Nichols, Inc.  
Fort Worth, Texas

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

We have performed audits of the financial statements of The Retirement Plan and Trust for the Employees of Freese and Nichols, Inc. (the Plan), an employee benefit plan subject to the Employee Retirement Income Security Act of 1974 (ERISA), as permitted by ERISA Section 103(a)(3)(C). 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 (ERISA Section 103(a)(3)(C) audit). 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 (qualified institution), provided that the investment information is prepared and certified to by the qualified institution in accordance with 29 CFR 2520.103-5 of the DOL's Rules and Regulations for Reporting and Disclosure under ERISA.

Management has obtained a certification 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 the procedures performed as described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report:

- 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 accounting principles generally accepted in the United States of America (GAAP); and
- the certified investment information in the accompanying financial statements agrees to, or is derived from, in all material respects, the information prepared and certified by a qualified institution that management determined meet 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 *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of the Plan and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our 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 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 within one year after the date that the financial statements are issued or available to be issued.

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

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

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



In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- 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 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 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 as of December 31, 2022 is presented for purposes of additional analysis and is not a required part of the financial statements but is supplementary information required by the DOL's Rules and Regulations for Reporting and Disclosure under ERISA. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information included in the supplemental schedule, other than that agreed to or derived from the certified investment information, has been subjected to auditing procedures applied in the audits of the financial statements and certain additional procedures,



including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with GAAS. For information included in the supplemental schedule that agreed to or is derived from the certified investment information, we compared such information to the related certified investment information.

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

In our opinion

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

*BDO USA P.C.*

October 5, 2023

## Financial Statements

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# The Retirement Plan and Trust for the Employees of Freese and Nichols, Inc.

## Statements of Net Assets Available for Benefits

| <i>As of December 31,</i>                | <b>2022</b>           | <b>2021</b>           |
|------------------------------------------|-----------------------|-----------------------|
| <b>Assets</b>                            |                       |                       |
| <b>Investments at fair value:</b>        |                       |                       |
| Registered investment companies          | \$ 184,547,290        | \$ 228,887,547        |
| Common collective trust                  | 7,696,503             | 7,724,374             |
| <b>Total investments</b>                 | <b>192,243,793</b>    | <b>236,611,921</b>    |
| <b>Receivables:</b>                      |                       |                       |
| Employer contributions                   | 1,727,876             | 1,642,505             |
| Notes receivable from participants       | 1,398,996             | 1,483,998             |
| <b>Total receivables</b>                 | <b>3,126,872</b>      | <b>3,126,503</b>      |
| <b>Net assets available for benefits</b> | <b>\$ 195,370,665</b> | <b>\$ 239,738,424</b> |

*See accompanying notes to financial statements.*

# The Retirement Plan and Trust for the Employees of Freese and Nichols, Inc.

## Statement of Changes in Net Assets Available for Benefits

|                                                       |                |
|-------------------------------------------------------|----------------|
| <i>For the Year ended December 31,</i>                | <b>2022</b>    |
| Additions:                                            |                |
| Investment income (loss):                             |                |
| Interest and dividend income                          | \$ 9,117,789   |
| Net depreciation in fair value of investments         | (48,860,273)   |
| Total investment loss                                 | (39,742,484)   |
| Interest income on notes receivable from participants | 61,350         |
| Contributions:                                        |                |
| Employer                                              | 5,308,435      |
| Participant                                           | 10,301,951     |
| Rollover                                              | 675,168        |
| Total contributions                                   | 16,285,554     |
| Other income                                          | 2,254          |
| Deductions:                                           |                |
| Benefits paid to participants                         | 20,758,353     |
| Administrative expenses                               | 216,080        |
| Total deductions                                      | 20,974,433     |
| Net decrease in net assets available for benefits     | (44,367,759)   |
| Net assets available for benefits, beginning of year  | 239,738,424    |
| Net assets available for benefits, end of year        | \$ 195,370,665 |

*See accompanying notes to financial statements.*

# **The Retirement Plan and Trust for the Employees of Freese and Nichols, Inc.**

## **Notes to Financial Statements**

---

### **1. Description of Plan**

The following brief description of The Retirement Plan and Trust for the Employees of Freese and Nichols, Inc. (the “Plan”) provides only general information. Participants should refer to the plan document for a more complete description of the Plan’s provisions.

#### ***General***

The Plan is a defined contribution plan established to provide retirement, disability, and death benefits for qualified employees of Freese and Nichols, Inc. (the “Company” or “Employer”) under the provision of Section 401(a) of the Internal Revenue Code (“IRC”), which includes a qualified cash or deferred arrangement as described in Section 401(k) of the IRC, for the benefit of eligible employees of the Company. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974, as amended (“ERISA”). This plan is operated as a safe harbor 401(k) Plan.

The Plan is administered by a committee (the “Administrative Committee”) whose members are appointed by management of the Company. Under the plan document, Vanguard Fiduciary Trust Company (the “Trustee”) holds the Plan’s investment assets and executes investment transactions and maintains the accounting of participant accounts.

#### ***Eligibility***

The Plan covers all employees of the Company who have one hour of service and have reached age twenty-one (21), excluding leased employees, cooperative education employees and interns. Eligible plan participants may begin making contributions as of any of the prospective payroll entry dates on the first day of the regular pay period.

#### ***Contributions***

Eligible participants are automatically enrolled in the plan with a 6% deferral rate, which can be adjusted at the employee’s discretion. The deferral rate percentage will be automatically increased during the month of February for each period up to a deferral rate of 12%. Participants may contribute a voluntary percent of pretax annual compensation, as defined in the plan document, subject to the maximum dollar amount allowable under the IRC. The Plan does allow Roth in plan conversions for pre-tax contributions. Participants who have attained age 50 before the end of the plan year are eligible to make catch-up contributions into the Plan as a pre-tax and/or Roth contribution. Participants may also contribute amounts representing distributions from other qualified defined contribution plans.

The Employer will make a Qualified Automatic Contribution Arrangement (“QACA”) Contributions based on the amount that employees choose to contribute into the Plan as deferral. The Employer matches 100% of the first 1% of eligible compensation the participant defers into the Plan and 50% of deferrals above 1% to 6% of eligible compensation (maximum matching contribution is 3.5%).

Under the Plan, the Employer may make discretionary profit-sharing contributions. The Company’s board of directors determines the profit-sharing amount based upon guidelines as defined in the Plan document. For 2022, the Company’s board approved a profit-sharing contribution of 1.75% of hourly and overtime wages for all eligible employees.

# **The Retirement Plan and Trust for the Employees of Freese and Nichols, Inc.**

## **Notes to Financial Statements**

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### ***Plan Investments***

Participants direct the investment of their contributions, rollover contributions, if applicable, and the Company's matching and profit-sharing contributions, if any, into various investment options offered by the Plan.

### ***Participant Accounts***

Each participant account is credited with the participant contribution and allocations of (a) the Company contributions, (b) Plan earnings, and (c) charged with an allocation of administrative expenses, when not paid by the Company. Allocations are based on participant earnings or account balances, as defined. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account.

### ***Vesting***

Participants are vested immediately in their contributions, plus actual earnings thereon. Vesting in the Company's contribution and profit-sharing portion of their accounts is based on years of continuous service. A participant vests 50% per year and is 100% vested after two years of credited service.

### ***Forfeited Accounts***

In accordance with Plan provisions, forfeited accounts are used to offset Company contributions. Forfeited, non-allocated accounts totaled \$37,078 and \$37,624 at December 31, 2022 and 2021, respectively. Forfeitures of \$36,202 were allocated to participant accounts during 2022 as an additional profit-sharing contribution.

### ***Benefits Paid to Participants***

On termination of service due to death, disability or retirement, a participant may elect to receive either a lump-sum amount equal to the value of the participant's vested interest in his or her account, or installments over a period of time not to exceed the life expectancy of the participant or (designated beneficiary). For termination of service due to other reasons, a participant may receive the value of the vested interest in his or her account as a lump-sum distribution or installments over a period of time not to exceed the life expectancy of the participant. Contributions made by the Company which are not vested are subject to forfeiture.

In addition, participants are allowed to make in service withdrawals from the participant's account balance due to certain financial hardships as defined in the Plan document.

### ***Notes Receivable from Participants***

Participants are allowed to borrow from their account, subject to a minimum of \$750 up to a maximum equal to the lesser of \$50,000 or 50 percent of their vested account balance. Loan transactions are treated as a transfer to (from) the investment fund from (to) the participant loans receivable fund. Loan terms are 5 years for general purpose loans and 10 years for principal residence loans. The loans are secured by the balance in the participant's account and bear interest at a rate commensurate with local prevailing rates (prime rate plus 1%) as determined quarterly by the plan administrator and are fixed for the term of the loan. Principal and interest is paid ratably

# **The Retirement Plan and Trust for the Employees of Freese and Nichols, Inc.**

## **Notes to Financial Statements**

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through bi-weekly payroll deductions. As of December 31, 2022, the interest rates on outstanding loan balances were 4.25% to 8.50% with maturities ranging from January 2023 to September 2030.

## **2. Summary of Significant Accounting Policies**

### ***Basis of Accounting***

The accompanying financial statements of the Plan have been prepared on the accrual basis of accounting.

### ***Use of Estimates***

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America ("GAAP") requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of additions and deductions during the reporting period. Actual results may differ from those estimates.

### ***Investment Valuation and Income Recognition***

The plan's 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. The Plan's Administrative Committee determines the Plan's valuation policies utilizing information provided by the investment advisors, and trustee. See Note 3 for discussion of fair value measurements.

Shares of registered investment companies (mutual funds) are valued at quoted market prices which represent the net asset value ("NAV") of shares held by the Plan at each year end. The fair value of investments in the common collective trust is measured by using NAV as a practical expedient to estimate fair value and is determined by each fund trustee at year end based on the fair value of the underlying securities within that trust.

Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date. The Plan presents, in the Statement of Changes in Net Assets Available for Benefits, the net appreciation (depreciation) in fair value of its investments which consists of realized gains and losses and unrealized appreciation and depreciation on these investments.

### ***Contributions Receivable***

Participant contributions and any related employer matching contributions are recognized in the period during which the Company makes the respective payroll deduction from the participant's compensation. Non-elective/Profit sharing contributions are recorded in the relevant period in accordance with the terms in the Plan document.

### ***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.

# The Retirement Plan and Trust for the Employees of Freese and Nichols, Inc.

## Notes to Financial Statements

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### ***Benefit Payments***

Benefit payments are recorded when paid.

### ***Administrative Expenses***

Certain expenses of maintaining the Plan are paid directly by the Company and are excluded from these financial statements. Fees related to the administration of notes receivable from participants and for standard annual maintenance are charged directly to the participant's account and are included in administrative expenses. Investment related expenses paid to investment advisors, transfer agents, and others described in each fund prospectus or other published documents are deducted by the investment funds or accounts prior to the allocation of the Plans' investment earnings activity and are therefore included in net appreciation (depreciation) of fair value of investments.

## **3. Fair Value Measurements**

The accounting standards establish a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements).

The three levels of the fair value hierarchy are described below:

### ***Basis of Fair Value Measurement***

|         |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
|---------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 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 | <div>Inputs to the valuation methodology include<ul style="list-style-type: none"><li>• quoted prices for similar assets or liabilities in active markets;</li><li>• quoted prices for identical or similar assets or liabilities in inactive markets;</li><li>• inputs other than quoted prices that are observable for the asset or liability;</li><li>• inputs that are derived principally from or corroborated by observable market data by correlation or other means.</li></ul></div> <div>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.</div> |
| 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.

# The Retirement Plan and Trust for the Employees of Freese and Nichols, Inc.

## Notes to Financial Statements

### *Registered Investment Companies (Mutual Funds)*

Investments in registered investment companies are valued at the daily closing price as reported by the fund. Funds held by the Plan are open-end mutual funds that are registered with the Securities and Exchange Commission. These funds are required to publish their daily NAV and to transact at that price. The funds held by the Plan are deemed to be actively traded.

### *Common Collective Trust*

The investments underlying the common/collective trust fund investments generally include shares of common stock and fixed income investments whose values are determined on the basis of quoted prices in an active market. The Plan's common/collective trust fund investments are valued at NAV per share or unit as a practical expedient as reported by the fund manager, multiplied by the number of shares or units held as of the measurement date.

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

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

| Investment Assets at Fair Value as of December 31, 2022 |                |         |         |                       |
|---------------------------------------------------------|----------------|---------|---------|-----------------------|
|                                                         | Level 1        | Level 2 | Level 3 | Total                 |
| Registered investment companies                         | \$ 184,547,290 | \$ -    | \$ -    | \$ 184,547,290        |
| Investments measured at net asset value*                |                |         |         |                       |
| Common collective trust                                 |                |         |         | 7,696,503             |
| <b>Total investments</b>                                |                |         |         | <b>\$ 192,243,793</b> |

| Investment Assets at Fair Value as of December 31, 2021 |                |         |         |                       |
|---------------------------------------------------------|----------------|---------|---------|-----------------------|
|                                                         | Level 1        | Level 2 | Level 3 | Total                 |
| Registered investment companies                         | \$ 228,887,547 | \$ -    | \$ -    | \$ 228,887,547        |
| Investments measured at net asset value*                |                |         |         |                       |
| Common collective trust                                 |                |         |         | 7,724,374             |
| <b>Total investments</b>                                |                |         |         | <b>\$ 236,611,921</b> |

# **The Retirement Plan and Trust for the Employees of Freese and Nichols, Inc.**

## **Notes to Financial Statements**

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\* Certain investments that are measured at fair value using the net asset value per share (or its equivalent) practical expedient have not been categorized in the fair value hierarchy. The fair value amounts presented in this table are provided to permit reconciliation of the fair value hierarchy to the amounts presented in the Statement of Net Assets Available for Benefits.

### ***Fair Value of Investments in Entities that use Net Asset Value***

The collective trust funds held by the Plan provide for daily redemptions by the Plan at reported NAV with no advance notice requirement. The Plan is permitted to redeem investment units at NAV on the measurement date. There are no unfunded commitments.

## **4. Information Prepared and Certified by the Plan's Trustee**

The Plan administrator has elected the method of annual reporting compliance permitted by ERISA Section 103(a)(3)(c) pursuant to 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA. Certain information related to investments disclosed in the accompanying financial statements and supplemental schedule, including investments and notes receivable from participants at December 31, 2022 and 2021, and net appreciation (depreciation) in fair value of investments, interest and dividend income, and interest income on notes receivable from participants for the year ended December 31, 2022, was obtained or derived from information supplied to the Plan administrator and certified as complete and accurate by the Trustee, a qualified institution.

The plan administrator instructed the Plan's independent auditors not to perform, and they did not perform, any auditing procedures with respect to this certified information, except for comparing such information to the related information included in the financial statements and supplemental schedule.

## **5. Related Party and Party in Interest Transactions**

Plan investments include shares of mutual funds managed by Vanguard the Trustee. Fees of \$216,080 were paid to the Trustee for loan, distribution and record keeper services during the year ending December 31, 2022. Fees incurred by the Plan for the investment management services are included in net appreciation (depreciation) in fair value of the investments, as they are paid through revenue sharing, rather than a direct payment other than a standard annual maintenance fee paid by participants. The Company pays directly any other fees related to the Plan's operations. In addition, notes receivable from participants are considered party-in-interest transactions.

## **6. Plan Termination**

Although it has not expressed any intent to do so, the Company has the right under the Plan to discontinue its contributions at any time and to terminate the Plan subject to the provision of ERISA. In the event of Plan termination, participants will become 100 percent vested in the Company contribution portion of their accounts.

# The Retirement Plan and Trust for the Employees of Freese and Nichols, Inc.

## Notes to Financial Statements

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### 7. Tax Status

The Plan uses a pre-approved plan document sponsored by Trustee. Trustee received an opinion letter from the IRS, dated June 30, 2020, which states that the pre-approved plan document, as then designed, satisfies the applicable provisions of the IRC. Although the Plan has been amended since the date of the opinion letter, Plan management believes that the Plan is currently designed and being operated in compliance with the applicable requirements of the IRC.

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

### 8. 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 the values of investment securities will occur in the near term and that such changes could materially affect participants' account balances and the amounts reported in the statements of net assets available for benefits.

### 9. Reconciliation of Financial Statements to Schedule H of Form 5500

The following is a reconciliation of net assets available for benefits per the financial statements to Form 5500:

| <i>December 31,</i>                                            | <b>2022</b>           | <b>2021</b>           |
|----------------------------------------------------------------|-----------------------|-----------------------|
| Net assets available for benefits per the financial statements | <b>\$ 195,370,665</b> | <b>\$ 239,738,424</b> |
| Certain deemed distributions of participant loans*             | <b>(39,478)</b>       | <b>(23,199)</b>       |
| Net assets available for benefits per Schedule H of Form 5500  | <b>\$ 195,331,187</b> | <b>\$ 239,715,225</b> |

# **The Retirement Plan and Trust for the Employees of Freese and Nichols, Inc.**

## **Notes to Financial Statements**

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The following is a reconciliation of the change in net assets available for benefits per the financial statements to Schedule H of Form 5500 for the year ended December 31, 2022:

| <i>Year Ended December 31,</i>                                                 | <i>2022</i>     |
|--------------------------------------------------------------------------------|-----------------|
| Net decrease in net assets available for benefits per the financial statements | \$ (44,367,759) |
| Less: Deemed Loan offset in 2022                                               | (16,279)        |
| Net increase in net assets available for benefits per Schedule H of Form 5500  | \$ (44,384,038) |

- \* Deemed distributions are defaulted and unpaid notes receivable from participants recorded as distributions on form 5500 but held by the plan until a distributable event occurs.

### **10. Subsequent Events**

The date to which events occurring after December 31, 2022, the date of the most recent statement of net assets available for benefits, have been evaluated for possible adjustment to the financial statements or disclosure is October 5, 2023, which is the date on which the financial statements were available to be issued. There were no events or transactions discovered during this evaluation that require recognition or disclosure in the financial statements, other than noted below.

## **ERISA-Required Supplemental Schedule**

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# The Retirement Plan and Trust for the Employees of Freese and Nichols, Inc.

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

| December 31, 2022                                        |                                                                                                               | EIN: 75-1531935<br>Plan Number: 001 |                       |
|----------------------------------------------------------|---------------------------------------------------------------------------------------------------------------|-------------------------------------|-----------------------|
|                                                          |                                                                                                               | (d)                                 | (e)                   |
| (a)(b)                                                   | (c)                                                                                                           | (d)                                 | (e)                   |
| Identity of Issuer, Borrower,<br>Lessor or Similar Party | Description of Investment, including<br>Maturity Date, Rate of Interest, Collateral,<br>Par or Maturity Value | Cost                                | Current<br>Value      |
| <b>Registered Investment Companies</b>                   |                                                                                                               |                                     |                       |
| * Vanguard Fiduciary Trust Company                       | Vanguard Explorer Fund Admiral Shares                                                                         | ** \$                               | 11,031,735            |
| * Vanguard Fiduciary Trust Company                       | Vanguard PRIMECAP Fund Admiral Shares                                                                         | **                                  | 21,417,505            |
| * Vanguard Fiduciary Trust Company                       | Vanguard Total Stock Mkt Indx Fund: Inst Shares                                                               | **                                  | 21,815,759            |
| * Vanguard Fiduciary Trust Company                       | Vanguard Windsor II Fund Admiral Shares                                                                       | **                                  | 17,742,751            |
| * Vanguard Fiduciary Trust Company                       | Vanguard Wellington Fund Admiral Shares                                                                       | **                                  | 11,025,341            |
| * Vanguard Fiduciary Trust Company                       | Vanguard Inst Target Retirement 2020 Fund                                                                     | **                                  | 5,506,987             |
| * Vanguard Fiduciary Trust Company                       | Vanguard Inst Target Retirement 2025 Fund                                                                     | **                                  | 6,280,492             |
| * Vanguard Fiduciary Trust Company                       | Vanguard Inst Target Retirement 2030 Fund                                                                     | **                                  | 5,285,945             |
| * Vanguard Fiduciary Trust Company                       | Vanguard Inst Target Retirement 2035 Fund                                                                     | **                                  | 9,977,925             |
| * Vanguard Fiduciary Trust Company                       | Vanguard Inst Target Retirement 2040 Fund                                                                     | **                                  | 6,908,141             |
| * Vanguard Fiduciary Trust Company                       | Vanguard Inst Target Retirement 2045 Fund                                                                     | **                                  | 15,052,296            |
| * Vanguard Fiduciary Trust Company                       | Vanguard Inst Target Retirement 2050 Fund                                                                     | **                                  | 11,267,589            |
| * Vanguard Fiduciary Trust Company                       | Vanguard Inst Target Retirement 2055 Fund                                                                     | **                                  | 8,149,004             |
| * Vanguard Fiduciary Trust Company                       | Vanguard Inst Target Retirement 2060 Fund                                                                     | **                                  | 5,122,137             |
| * Vanguard Fiduciary Trust Company                       | Vanguard Inst Target Retirement 2065 Fund                                                                     | **                                  | 815,073               |
| * Vanguard Fiduciary Trust Company                       | Vanguard Intl Growth Fund Admiral Shares                                                                      | **                                  | 8,381,526             |
| * Vanguard Fiduciary Trust Company                       | Vanguard Total Bond Mkt Index Fund: Inst Shares                                                               | **                                  | 8,569,628             |
| * Vanguard Fiduciary Trust Company                       | Vanguard Intermediate-Term Treasury Fund:<br>Admiral Shares                                                   | **                                  | 2,355,371             |
| * Vanguard Fiduciary Trust Company                       | Vanguard Inst Target Retirement Income Fund                                                                   | **                                  | 2,306,744             |
| * Vanguard Fiduciary Trust Company                       | Vanguard Total Intl Stock Index Fund Admiral<br>Shares                                                        | **                                  | 4,423,611             |
| , * Vanguard Fiduciary Trust Company                     | Vanguard Total Intl Bond Index Fund Admiral<br>Shares                                                         | **                                  | 1,070,843             |
| * Vanguard Fiduciary Trust Company                       | Vanguard Federal Money Market Fund                                                                            | **                                  | 40,887                |
| Total registered investment companies                    |                                                                                                               |                                     | <b>184,547,290</b>    |
| <b>Common/Collective Trust</b>                           |                                                                                                               |                                     |                       |
| * Vanguard Fiduciary Trust Company                       | Vanguard Retirement Savings Trust                                                                             | **                                  | <b>7,696,503</b>      |
| * Participant Loans                                      | Interest rates ranging from 4.25% to 8.50%; -<br>maturities ranging from January 2023 to<br>September 2030    |                                     | <b>1,398,996</b>      |
|                                                          |                                                                                                               |                                     | <b>\$ 193,642,789</b> |

\* A party in interest as defined by ERISA.

\*\* Cost information is omitted for participant-directed investments.



# **The Retirement Plan and Trust for the Employees of Freese and Nichols, Inc.**

## **Financial Statements and ERISA - Required Supplemental Schedule**

**As of December 31, 2022 and 2021  
and for the Year Ended December 31, 2022**

**The Retirement Plan and Trust for the Employees of  
Freese and Nichols, Inc.**

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Financial Statements and ERISA-Required Supplemental Schedule  
As of December 31, 2022 and 2021  
and for the Year Ended December 31, 2022

# **The Retirement Plan and Trust for the Employees of Freese and Nichols, Inc.**

## **Contents**

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|                                                                                                   |          |
|---------------------------------------------------------------------------------------------------|----------|
| <b>Independent Auditor's Report</b>                                                               | <b>1</b> |
| <b>Financial Statements</b>                                                                       |          |
| Statements of Net Assets Available for Benefits<br>as of December 31, 2022 and 2021               | 5        |
| Statement of Changes in Net Assets Available for Benefits<br>for the Year ended December 31, 2022 | 6        |
| Notes to Financial Statements                                                                     | 7        |
| <b>ERISA - Required Supplemental Schedule</b>                                                     |          |
| Schedule H, line 4i - Schedule of Assets (Held at End of Year)<br>December 31, 2022               | 15       |

*Note: Other schedules required by Section 2520.103.10 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA have been omitted because they are not applicable.*



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## **Independent Auditor's Report**

To the Plan Administrator  
The Retirement Plan and Trust for Employees of Freese and Nichols, Inc.  
Fort Worth, Texas

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

We have performed audits of the financial statements of The Retirement Plan and Trust for the Employees of Freese and Nichols, Inc. (the Plan), an employee benefit plan subject to the Employee Retirement Income Security Act of 1974 (ERISA), as permitted by ERISA Section 103(a)(3)(C). 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 (ERISA Section 103(a)(3)(C) audit). 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 (qualified institution), provided that the investment information is prepared and certified to by the qualified institution in accordance with 29 CFR 2520.103-5 of the DOL's Rules and Regulations for Reporting and Disclosure under ERISA.

Management has obtained a certification 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 the procedures performed as described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report:

- 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 accounting principles generally accepted in the United States of America (GAAP); and
- the certified investment information in the accompanying financial statements agrees to, or is derived from, in all material respects, the information prepared and certified by a qualified institution that management determined meet 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 *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of the Plan and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our 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 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 within one year after the date that the financial statements are issued or available to be issued.

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

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

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



In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- 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 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 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 as of December 31, 2022 is presented for purposes of additional analysis and is not a required part of the financial statements but is supplementary information required by the DOL's Rules and Regulations for Reporting and Disclosure under ERISA. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information included in the supplemental schedule, other than that agreed to or derived from the certified investment information, has been subjected to auditing procedures applied in the audits of the financial statements and certain additional procedures,



including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with GAAS. For information included in the supplemental schedule that agreed to or is derived from the certified investment information, we compared such information to the related certified investment information.

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

In our opinion

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

*BDO USA P.C.*

October 5, 2023

## Financial Statements

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# The Retirement Plan and Trust for the Employees of Freese and Nichols, Inc.

## Statements of Net Assets Available for Benefits

| <i>As of December 31,</i>                | <b>2022</b>           | <b>2021</b>           |
|------------------------------------------|-----------------------|-----------------------|
| <b>Assets</b>                            |                       |                       |
| <b>Investments at fair value:</b>        |                       |                       |
| Registered investment companies          | \$ 184,547,290        | \$ 228,887,547        |
| Common collective trust                  | 7,696,503             | 7,724,374             |
| <b>Total investments</b>                 | <b>192,243,793</b>    | <b>236,611,921</b>    |
| <b>Receivables:</b>                      |                       |                       |
| Employer contributions                   | 1,727,876             | 1,642,505             |
| Notes receivable from participants       | 1,398,996             | 1,483,998             |
| <b>Total receivables</b>                 | <b>3,126,872</b>      | <b>3,126,503</b>      |
| <b>Net assets available for benefits</b> | <b>\$ 195,370,665</b> | <b>\$ 239,738,424</b> |

*See accompanying notes to financial statements.*

# The Retirement Plan and Trust for the Employees of Freese and Nichols, Inc.

## Statement of Changes in Net Assets Available for Benefits

| <i>For the Year ended December 31,</i>                | <b>2022</b>    |
|-------------------------------------------------------|----------------|
| Additions:                                            |                |
| Investment income (loss):                             |                |
| Interest and dividend income                          | \$ 9,117,789   |
| Net depreciation in fair value of investments         | (48,860,273)   |
| Total investment loss                                 | (39,742,484)   |
| Interest income on notes receivable from participants | 61,350         |
| Contributions:                                        |                |
| Employer                                              | 5,308,435      |
| Participant                                           | 10,301,951     |
| Rollover                                              | 675,168        |
| Total contributions                                   | 16,285,554     |
| Other income                                          | 2,254          |
| Deductions:                                           |                |
| Benefits paid to participants                         | 20,758,353     |
| Administrative expenses                               | 216,080        |
| Total deductions                                      | 20,974,433     |
| Net decrease in net assets available for benefits     | (44,367,759)   |
| Net assets available for benefits, beginning of year  | 239,738,424    |
| Net assets available for benefits, end of year        | \$ 195,370,665 |

*See accompanying notes to financial statements.*

# **The Retirement Plan and Trust for the Employees of Freese and Nichols, Inc.**

## **Notes to Financial Statements**

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### **1. Description of Plan**

The following brief description of The Retirement Plan and Trust for the Employees of Freese and Nichols, Inc. (the “Plan”) provides only general information. Participants should refer to the plan document for a more complete description of the Plan’s provisions.

#### ***General***

The Plan is a defined contribution plan established to provide retirement, disability, and death benefits for qualified employees of Freese and Nichols, Inc. (the “Company” or “Employer”) under the provision of Section 401(a) of the Internal Revenue Code (“IRC”), which includes a qualified cash or deferred arrangement as described in Section 401(k) of the IRC, for the benefit of eligible employees of the Company. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974, as amended (“ERISA”). This plan is operated as a safe harbor 401(k) Plan.

The Plan is administered by a committee (the “Administrative Committee”) whose members are appointed by management of the Company. Under the plan document, Vanguard Fiduciary Trust Company (the “Trustee”) holds the Plan’s investment assets and executes investment transactions and maintains the accounting of participant accounts.

#### ***Eligibility***

The Plan covers all employees of the Company who have one hour of service and have reached age twenty-one (21), excluding leased employees, cooperative education employees and interns. Eligible plan participants may begin making contributions as of any of the prospective payroll entry dates on the first day of the regular pay period.

#### ***Contributions***

Eligible participants are automatically enrolled in the plan with a 6% deferral rate, which can be adjusted at the employee’s discretion. The deferral rate percentage will be automatically increased during the month of February for each period up to a deferral rate of 12%. Participants may contribute a voluntary percent of pretax annual compensation, as defined in the plan document, subject to the maximum dollar amount allowable under the IRC. The Plan does allow Roth in plan conversions for pre-tax contributions. Participants who have attained age 50 before the end of the plan year are eligible to make catch-up contributions into the Plan as a pre-tax and/or Roth contribution. Participants may also contribute amounts representing distributions from other qualified defined contribution plans.

The Employer will make a Qualified Automatic Contribution Arrangement (“QACA”) Contributions based on the amount that employees choose to contribute into the Plan as deferral. The Employer matches 100% of the first 1% of eligible compensation the participant defers into the Plan and 50% of deferrals above 1% to 6% of eligible compensation (maximum matching contribution is 3.5%).

Under the Plan, the Employer may make discretionary profit-sharing contributions. The Company’s board of directors determines the profit-sharing amount based upon guidelines as defined in the Plan document. For 2022, the Company’s board approved a profit-sharing contribution of 1.75% of hourly and overtime wages for all eligible employees.

# **The Retirement Plan and Trust for the Employees of Freese and Nichols, Inc.**

## **Notes to Financial Statements**

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### ***Plan Investments***

Participants direct the investment of their contributions, rollover contributions, if applicable, and the Company's matching and profit-sharing contributions, if any, into various investment options offered by the Plan.

### ***Participant Accounts***

Each participant account is credited with the participant contribution and allocations of (a) the Company contributions, (b) Plan earnings, and (c) charged with an allocation of administrative expenses, when not paid by the Company. Allocations are based on participant earnings or account balances, as defined. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account.

### ***Vesting***

Participants are vested immediately in their contributions, plus actual earnings thereon. Vesting in the Company's contribution and profit-sharing portion of their accounts is based on years of continuous service. A participant vests 50% per year and is 100% vested after two years of credited service.

### ***Forfeited Accounts***

In accordance with Plan provisions, forfeited accounts are used to offset Company contributions. Forfeited, non-allocated accounts totaled \$37,078 and \$37,624 at December 31, 2022 and 2021, respectively. Forfeitures of \$36,202 were allocated to participant accounts during 2022 as an additional profit-sharing contribution.

### ***Benefits Paid to Participants***

On termination of service due to death, disability or retirement, a participant may elect to receive either a lump-sum amount equal to the value of the participant's vested interest in his or her account, or installments over a period of time not to exceed the life expectancy of the participant or (designated beneficiary). For termination of service due to other reasons, a participant may receive the value of the vested interest in his or her account as a lump-sum distribution or installments over a period of time not to exceed the life expectancy of the participant. Contributions made by the Company which are not vested are subject to forfeiture.

In addition, participants are allowed to make in service withdrawals from the participant's account balance due to certain financial hardships as defined in the Plan document.

### ***Notes Receivable from Participants***

Participants are allowed to borrow from their account, subject to a minimum of \$750 up to a maximum equal to the lesser of \$50,000 or 50 percent of their vested account balance. Loan transactions are treated as a transfer to (from) the investment fund from (to) the participant loans receivable fund. Loan terms are 5 years for general purpose loans and 10 years for principal residence loans. The loans are secured by the balance in the participant's account and bear interest at a rate commensurate with local prevailing rates (prime rate plus 1%) as determined quarterly by the plan administrator and are fixed for the term of the loan. Principal and interest is paid ratably

# **The Retirement Plan and Trust for the Employees of Freese and Nichols, Inc.**

## **Notes to Financial Statements**

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through bi-weekly payroll deductions. As of December 31, 2022, the interest rates on outstanding loan balances were 4.25% to 8.50% with maturities ranging from January 2023 to September 2030.

## **2. Summary of Significant Accounting Policies**

### ***Basis of Accounting***

The accompanying financial statements of the Plan have been prepared on the accrual basis of accounting.

### ***Use of Estimates***

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America ("GAAP") requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of additions and deductions during the reporting period. Actual results may differ from those estimates.

### ***Investment Valuation and Income Recognition***

The plan's 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. The Plan's Administrative Committee determines the Plan's valuation policies utilizing information provided by the investment advisors, and trustee. See Note 3 for discussion of fair value measurements.

Shares of registered investment companies (mutual funds) are valued at quoted market prices which represent the net asset value ("NAV") of shares held by the Plan at each year end. The fair value of investments in the common collective trust is measured by using NAV as a practical expedient to estimate fair value and is determined by each fund trustee at year end based on the fair value of the underlying securities within that trust.

Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date. The Plan presents, in the Statement of Changes in Net Assets Available for Benefits, the net appreciation (depreciation) in fair value of its investments which consists of realized gains and losses and unrealized appreciation and depreciation on these investments.

### ***Contributions Receivable***

Participant contributions and any related employer matching contributions are recognized in the period during which the Company makes the respective payroll deduction from the participant's compensation. Non-elective/Profit sharing contributions are recorded in the relevant period in accordance with the terms in the Plan document.

### ***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.

# The Retirement Plan and Trust for the Employees of Freese and Nichols, Inc.

## Notes to Financial Statements

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### ***Benefit Payments***

Benefit payments are recorded when paid.

### ***Administrative Expenses***

Certain expenses of maintaining the Plan are paid directly by the Company and are excluded from these financial statements. Fees related to the administration of notes receivable from participants and for standard annual maintenance are charged directly to the participant's account and are included in administrative expenses. Investment related expenses paid to investment advisors, transfer agents, and others described in each fund prospectus or other published documents are deducted by the investment funds or accounts prior to the allocation of the Plans' investment earnings activity and are therefore included in net appreciation (depreciation) of fair value of investments.

## **3. Fair Value Measurements**

The accounting standards establish a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements).

The three levels of the fair value hierarchy are described below:

### ***Basis of Fair Value Measurement***

|         |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
|---------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 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 | <div>Inputs to the valuation methodology include<ul style="list-style-type: none"><li>• quoted prices for similar assets or liabilities in active markets;</li><li>• quoted prices for identical or similar assets or liabilities in inactive markets;</li><li>• inputs other than quoted prices that are observable for the asset or liability;</li><li>• inputs that are derived principally from or corroborated by observable market data by correlation or other means.</li></ul></div> <div>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.</div> |
| 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.

# The Retirement Plan and Trust for the Employees of Freese and Nichols, Inc.

## Notes to Financial Statements

### *Registered Investment Companies (Mutual Funds)*

Investments in registered investment companies are valued at the daily closing price as reported by the fund. Funds held by the Plan are open-end mutual funds that are registered with the Securities and Exchange Commission. These funds are required to publish their daily NAV and to transact at that price. The funds held by the Plan are deemed to be actively traded.

### *Common Collective Trust*

The investments underlying the common/collective trust fund investments generally include shares of common stock and fixed income investments whose values are determined on the basis of quoted prices in an active market. The Plan's common/collective trust fund investments are valued at NAV per share or unit as a practical expedient as reported by the fund manager, multiplied by the number of shares or units held as of the measurement date.

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

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

| Investment Assets at Fair Value as of December 31, 2022 |                |         |         |                       |
|---------------------------------------------------------|----------------|---------|---------|-----------------------|
|                                                         | Level 1        | Level 2 | Level 3 | Total                 |
| Registered investment companies                         | \$ 184,547,290 | \$ -    | \$ -    | \$ 184,547,290        |
| Investments measured at net asset value*                |                |         |         |                       |
| Common collective trust                                 |                |         |         | 7,696,503             |
| <b>Total investments</b>                                |                |         |         | <b>\$ 192,243,793</b> |

| Investment Assets at Fair Value as of December 31, 2021 |                |         |         |                       |
|---------------------------------------------------------|----------------|---------|---------|-----------------------|
|                                                         | Level 1        | Level 2 | Level 3 | Total                 |
| Registered investment companies                         | \$ 228,887,547 | \$ -    | \$ -    | \$ 228,887,547        |
| Investments measured at net asset value*                |                |         |         |                       |
| Common collective trust                                 |                |         |         | 7,724,374             |
| <b>Total investments</b>                                |                |         |         | <b>\$ 236,611,921</b> |

# **The Retirement Plan and Trust for the Employees of Freese and Nichols, Inc.**

## **Notes to Financial Statements**

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\* Certain investments that are measured at fair value using the net asset value per share (or its equivalent) practical expedient have not been categorized in the fair value hierarchy. The fair value amounts presented in this table are provided to permit reconciliation of the fair value hierarchy to the amounts presented in the Statement of Net Assets Available for Benefits.

### ***Fair Value of Investments in Entities that use Net Asset Value***

The collective trust funds held by the Plan provide for daily redemptions by the Plan at reported NAV with no advance notice requirement. The Plan is permitted to redeem investment units at NAV on the measurement date. There are no unfunded commitments.

## **4. Information Prepared and Certified by the Plan's Trustee**

The Plan administrator has elected the method of annual reporting compliance permitted by ERISA Section 103(a)(3)(c) pursuant to 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA. Certain information related to investments disclosed in the accompanying financial statements and supplemental schedule, including investments and notes receivable from participants at December 31, 2022 and 2021, and net appreciation (depreciation) in fair value of investments, interest and dividend income, and interest income on notes receivable from participants for the year ended December 31, 2022, was obtained or derived from information supplied to the Plan administrator and certified as complete and accurate by the Trustee, a qualified institution.

The plan administrator instructed the Plan's independent auditors not to perform, and they did not perform, any auditing procedures with respect to this certified information, except for comparing such information to the related information included in the financial statements and supplemental schedule.

## **5. Related Party and Party in Interest Transactions**

Plan investments include shares of mutual funds managed by Vanguard the Trustee. Fees of \$216,080 were paid to the Trustee for loan, distribution and record keeper services during the year ending December 31, 2022. Fees incurred by the Plan for the investment management services are included in net appreciation (depreciation) in fair value of the investments, as they are paid through revenue sharing, rather than a direct payment other than a standard annual maintenance fee paid by participants. The Company pays directly any other fees related to the Plan's operations. In addition, notes receivable from participants are considered party-in-interest transactions.

## **6. Plan Termination**

Although it has not expressed any intent to do so, the Company has the right under the Plan to discontinue its contributions at any time and to terminate the Plan subject to the provision of ERISA. In the event of Plan termination, participants will become 100 percent vested in the Company contribution portion of their accounts.

# **The Retirement Plan and Trust for the Employees of Freese and Nichols, Inc.**

## **Notes to Financial Statements**

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### **7. Tax Status**

The Plan uses a pre-approved plan document sponsored by Trustee. Trustee received an opinion letter from the IRS, dated June 30, 2020, which states that the pre-approved plan document, as then designed, satisfies the applicable provisions of the IRC. Although the Plan has been amended since the date of the opinion letter, Plan management believes that the Plan is currently designed and being operated in compliance with the applicable requirements of the IRC.

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

### **8. 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 the values of investment securities will occur in the near term and that such changes could materially affect participants' account balances and the amounts reported in the statements of net assets available for benefits.

### **9. Reconciliation of Financial Statements to Schedule H of Form 5500**

The following is a reconciliation of net assets available for benefits per the financial statements to Form 5500:

| <i>December 31,</i>                                            | <b>2022</b>           | <b>2021</b>           |
|----------------------------------------------------------------|-----------------------|-----------------------|
| Net assets available for benefits per the financial statements | <b>\$ 195,370,665</b> | <b>\$ 239,738,424</b> |
| Certain deemed distributions of participant loans*             | <b>(39,478)</b>       | <b>(23,199)</b>       |
| Net assets available for benefits per Schedule H of Form 5500  | <b>\$ 195,331,187</b> | <b>\$ 239,715,225</b> |

# **The Retirement Plan and Trust for the Employees of Freese and Nichols, Inc.**

## **Notes to Financial Statements**

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The following is a reconciliation of the change in net assets available for benefits per the financial statements to Schedule H of Form 5500 for the year ended December 31, 2022:

| <i>Year Ended December 31,</i>                                                 | <i>2022</i>     |
|--------------------------------------------------------------------------------|-----------------|
| Net decrease in net assets available for benefits per the financial statements | \$ (44,367,759) |
| Less: Deemed Loan offset in 2022                                               | (16,279)        |
| Net increase in net assets available for benefits per Schedule H of Form 5500  | \$ (44,384,038) |

- \* Deemed distributions are defaulted and unpaid notes receivable from participants recorded as distributions on form 5500 but held by the plan until a distributable event occurs.

### **10. Subsequent Events**

The date to which events occurring after December 31, 2022, the date of the most recent statement of net assets available for benefits, have been evaluated for possible adjustment to the financial statements or disclosure is October 5, 2023, which is the date on which the financial statements were available to be issued. There were no events or transactions discovered during this evaluation that require recognition or disclosure in the financial statements, other than noted below.

## **ERISA-Required Supplemental Schedule**

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# The Retirement Plan and Trust for the Employees of Freese and Nichols, Inc.

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

| December 31, 2022                                        |                                                                                                               | EIN: 75-1531935<br>Plan Number: 001 |                       |
|----------------------------------------------------------|---------------------------------------------------------------------------------------------------------------|-------------------------------------|-----------------------|
|                                                          |                                                                                                               | (d)                                 | (e)                   |
| (a)(b)                                                   | (c)                                                                                                           | (d)                                 | (e)                   |
| Identity of Issuer, Borrower,<br>Lessor or Similar Party | Description of Investment, including<br>Maturity Date, Rate of Interest, Collateral,<br>Par or Maturity Value | Cost                                | Current<br>Value      |
| <b>Registered Investment Companies</b>                   |                                                                                                               |                                     |                       |
| * Vanguard Fiduciary Trust Company                       | Vanguard Explorer Fund Admiral Shares                                                                         | ** \$                               | 11,031,735            |
| * Vanguard Fiduciary Trust Company                       | Vanguard PRIMECAP Fund Admiral Shares                                                                         | **                                  | 21,417,505            |
| * Vanguard Fiduciary Trust Company                       | Vanguard Total Stock Mkt Indx Fund: Inst Shares                                                               | **                                  | 21,815,759            |
| * Vanguard Fiduciary Trust Company                       | Vanguard Windsor II Fund Admiral Shares                                                                       | **                                  | 17,742,751            |
| * Vanguard Fiduciary Trust Company                       | Vanguard Wellington Fund Admiral Shares                                                                       | **                                  | 11,025,341            |
| * Vanguard Fiduciary Trust Company                       | Vanguard Inst Target Retirement 2020 Fund                                                                     | **                                  | 5,506,987             |
| * Vanguard Fiduciary Trust Company                       | Vanguard Inst Target Retirement 2025 Fund                                                                     | **                                  | 6,280,492             |
| * Vanguard Fiduciary Trust Company                       | Vanguard Inst Target Retirement 2030 Fund                                                                     | **                                  | 5,285,945             |
| * Vanguard Fiduciary Trust Company                       | Vanguard Inst Target Retirement 2035 Fund                                                                     | **                                  | 9,977,925             |
| * Vanguard Fiduciary Trust Company                       | Vanguard Inst Target Retirement 2040 Fund                                                                     | **                                  | 6,908,141             |
| * Vanguard Fiduciary Trust Company                       | Vanguard Inst Target Retirement 2045 Fund                                                                     | **                                  | 15,052,296            |
| * Vanguard Fiduciary Trust Company                       | Vanguard Inst Target Retirement 2050 Fund                                                                     | **                                  | 11,267,589            |
| * Vanguard Fiduciary Trust Company                       | Vanguard Inst Target Retirement 2055 Fund                                                                     | **                                  | 8,149,004             |
| * Vanguard Fiduciary Trust Company                       | Vanguard Inst Target Retirement 2060 Fund                                                                     | **                                  | 5,122,137             |
| * Vanguard Fiduciary Trust Company                       | Vanguard Inst Target Retirement 2065 Fund                                                                     | **                                  | 815,073               |
| * Vanguard Fiduciary Trust Company                       | Vanguard Intl Growth Fund Admiral Shares                                                                      | **                                  | 8,381,526             |
| * Vanguard Fiduciary Trust Company                       | Vanguard Total Bond Mkt Index Fund: Inst Shares                                                               | **                                  | 8,569,628             |
| * Vanguard Fiduciary Trust Company                       | Vanguard Intermediate-Term Treasury Fund:<br>Admiral Shares                                                   | **                                  | 2,355,371             |
| * Vanguard Fiduciary Trust Company                       | Vanguard Inst Target Retirement Income Fund                                                                   | **                                  | 2,306,744             |
| * Vanguard Fiduciary Trust Company                       | Vanguard Total Intl Stock Index Fund Admiral<br>Shares                                                        | **                                  | 4,423,611             |
| , * Vanguard Fiduciary Trust Company                     | Vanguard Total Intl Bond Index Fund Admiral<br>Shares                                                         | **                                  | 1,070,843             |
| * Vanguard Fiduciary Trust Company                       | Vanguard Federal Money Market Fund                                                                            | **                                  | 40,887                |
| Total registered investment companies                    |                                                                                                               |                                     | <b>184,547,290</b>    |
| <b>Common/Collective Trust</b>                           |                                                                                                               |                                     |                       |
| * Vanguard Fiduciary Trust Company                       | Vanguard Retirement Savings Trust                                                                             | **                                  | <b>7,696,503</b>      |
| * Participant Loans                                      | Interest rates ranging from 4.25% to 8.50%; -<br>maturities ranging from January 2023 to<br>September 2030    |                                     | <b>1,398,996</b>      |
|                                                          |                                                                                                               |                                     | <b>\$ 193,642,789</b> |

\* A party in interest as defined by ERISA.

\*\* Cost information is omitted for participant-directed investments.



# **The Retirement Plan and Trust for the Employees of Freese and Nichols, Inc.**

## **Financial Statements and ERISA - Required Supplemental Schedule**

**As of December 31, 2022 and 2021  
and for the Year Ended December 31, 2022**

**The Retirement Plan and Trust for the Employees of  
Freese and Nichols, Inc.**

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Financial Statements and ERISA-Required Supplemental Schedule  
As of December 31, 2022 and 2021  
and for the Year Ended December 31, 2022

# The Retirement Plan and Trust for the Employees of Freese and Nichols, Inc.

## Contents

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|                                                                                                   |    |
|---------------------------------------------------------------------------------------------------|----|
| Independent Auditor's Report                                                                      | 1  |
| <b>Financial Statements</b>                                                                       |    |
| Statements of Net Assets Available for Benefits<br>as of December 31, 2022 and 2021               | 5  |
| Statement of Changes in Net Assets Available for Benefits<br>for the Year ended December 31, 2022 | 6  |
| Notes to Financial Statements                                                                     | 7  |
| <b>ERISA - Required Supplemental Schedule</b>                                                     |    |
| Schedule H, line 4i - Schedule of Assets (Held at End of Year)<br>December 31, 2022               | 15 |

*Note: Other schedules required by Section 2520.103.10 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA have been omitted because they are not applicable.*



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## **Independent Auditor's Report**

To the Plan Administrator  
The Retirement Plan and Trust for Employees of Freese and Nichols, Inc.  
Fort Worth, Texas

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

We have performed audits of the financial statements of The Retirement Plan and Trust for the Employees of Freese and Nichols, Inc. (the Plan), an employee benefit plan subject to the Employee Retirement Income Security Act of 1974 (ERISA), as permitted by ERISA Section 103(a)(3)(C). 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 (ERISA Section 103(a)(3)(C) audit). 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 (qualified institution), provided that the investment information is prepared and certified to by the qualified institution in accordance with 29 CFR 2520.103-5 of the DOL's Rules and Regulations for Reporting and Disclosure under ERISA.

Management has obtained a certification 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 the procedures performed as described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report:

- 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 accounting principles generally accepted in the United States of America (GAAP); and
- the certified investment information in the accompanying financial statements agrees to, or is derived from, in all material respects, the information prepared and certified by a qualified institution that management determined meet 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 *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of the Plan and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our 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 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 within one year after the date that the financial statements are issued or available to be issued.

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

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

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



In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- 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 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 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 as of December 31, 2022 is presented for purposes of additional analysis and is not a required part of the financial statements but is supplementary information required by the DOL's Rules and Regulations for Reporting and Disclosure under ERISA. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information included in the supplemental schedule, other than that agreed to or derived from the certified investment information, has been subjected to auditing procedures applied in the audits of the financial statements and certain additional procedures,



including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with GAAS. For information included in the supplemental schedule that agreed to or is derived from the certified investment information, we compared such information to the related certified investment information.

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

In our opinion

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

*BDO USA P.C.*

October 5, 2023

## Financial Statements

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# The Retirement Plan and Trust for the Employees of Freese and Nichols, Inc.

## Statements of Net Assets Available for Benefits

| <i>As of December 31,</i>                | <b>2022</b>           | <b>2021</b>           |
|------------------------------------------|-----------------------|-----------------------|
| <b>Assets</b>                            |                       |                       |
| <b>Investments at fair value:</b>        |                       |                       |
| Registered investment companies          | \$ 184,547,290        | \$ 228,887,547        |
| Common collective trust                  | 7,696,503             | 7,724,374             |
| <b>Total investments</b>                 | <b>192,243,793</b>    | <b>236,611,921</b>    |
| <b>Receivables:</b>                      |                       |                       |
| Employer contributions                   | 1,727,876             | 1,642,505             |
| Notes receivable from participants       | 1,398,996             | 1,483,998             |
| <b>Total receivables</b>                 | <b>3,126,872</b>      | <b>3,126,503</b>      |
| <b>Net assets available for benefits</b> | <b>\$ 195,370,665</b> | <b>\$ 239,738,424</b> |

*See accompanying notes to financial statements.*

# The Retirement Plan and Trust for the Employees of Freese and Nichols, Inc.

## Statement of Changes in Net Assets Available for Benefits

| <i>For the Year ended December 31,</i>                | <b>2022</b>    |
|-------------------------------------------------------|----------------|
| Additions:                                            |                |
| Investment income (loss):                             |                |
| Interest and dividend income                          | \$ 9,117,789   |
| Net depreciation in fair value of investments         | (48,860,273)   |
| Total investment loss                                 | (39,742,484)   |
| Interest income on notes receivable from participants | 61,350         |
| Contributions:                                        |                |
| Employer                                              | 5,308,435      |
| Participant                                           | 10,301,951     |
| Rollover                                              | 675,168        |
| Total contributions                                   | 16,285,554     |
| Other income                                          | 2,254          |
| Deductions:                                           |                |
| Benefits paid to participants                         | 20,758,353     |
| Administrative expenses                               | 216,080        |
| Total deductions                                      | 20,974,433     |
| Net decrease in net assets available for benefits     | (44,367,759)   |
| Net assets available for benefits, beginning of year  | 239,738,424    |
| Net assets available for benefits, end of year        | \$ 195,370,665 |

*See accompanying notes to financial statements.*

# **The Retirement Plan and Trust for the Employees of Freese and Nichols, Inc.**

## **Notes to Financial Statements**

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### **1. Description of Plan**

The following brief description of The Retirement Plan and Trust for the Employees of Freese and Nichols, Inc. (the “Plan”) provides only general information. Participants should refer to the plan document for a more complete description of the Plan’s provisions.

#### ***General***

The Plan is a defined contribution plan established to provide retirement, disability, and death benefits for qualified employees of Freese and Nichols, Inc. (the “Company” or “Employer”) under the provision of Section 401(a) of the Internal Revenue Code (“IRC”), which includes a qualified cash or deferred arrangement as described in Section 401(k) of the IRC, for the benefit of eligible employees of the Company. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974, as amended (“ERISA”). This plan is operated as a safe harbor 401(k) Plan.

The Plan is administered by a committee (the “Administrative Committee”) whose members are appointed by management of the Company. Under the plan document, Vanguard Fiduciary Trust Company (the “Trustee”) holds the Plan’s investment assets and executes investment transactions and maintains the accounting of participant accounts.

#### ***Eligibility***

The Plan covers all employees of the Company who have one hour of service and have reached age twenty-one (21), excluding leased employees, cooperative education employees and interns. Eligible plan participants may begin making contributions as of any of the prospective payroll entry dates on the first day of the regular pay period.

#### ***Contributions***

Eligible participants are automatically enrolled in the plan with a 6% deferral rate, which can be adjusted at the employee’s discretion. The deferral rate percentage will be automatically increased during the month of February for each period up to a deferral rate of 12%. Participants may contribute a voluntary percent of pretax annual compensation, as defined in the plan document, subject to the maximum dollar amount allowable under the IRC. The Plan does allow Roth in plan conversions for pre-tax contributions. Participants who have attained age 50 before the end of the plan year are eligible to make catch-up contributions into the Plan as a pre-tax and/or Roth contribution. Participants may also contribute amounts representing distributions from other qualified defined contribution plans.

The Employer will make a Qualified Automatic Contribution Arrangement (“QACA”) Contributions based on the amount that employees choose to contribute into the Plan as deferral. The Employer matches 100% of the first 1% of eligible compensation the participant defers into the Plan and 50% of deferrals above 1% to 6% of eligible compensation (maximum matching contribution is 3.5%).

Under the Plan, the Employer may make discretionary profit-sharing contributions. The Company’s board of directors determines the profit-sharing amount based upon guidelines as defined in the Plan document. For 2022, the Company’s board approved a profit-sharing contribution of 1.75% of hourly and overtime wages for all eligible employees.

# **The Retirement Plan and Trust for the Employees of Freese and Nichols, Inc.**

## **Notes to Financial Statements**

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### ***Plan Investments***

Participants direct the investment of their contributions, rollover contributions, if applicable, and the Company's matching and profit-sharing contributions, if any, into various investment options offered by the Plan.

### ***Participant Accounts***

Each participant account is credited with the participant contribution and allocations of (a) the Company contributions, (b) Plan earnings, and (c) charged with an allocation of administrative expenses, when not paid by the Company. Allocations are based on participant earnings or account balances, as defined. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account.

### ***Vesting***

Participants are vested immediately in their contributions, plus actual earnings thereon. Vesting in the Company's contribution and profit-sharing portion of their accounts is based on years of continuous service. A participant vests 50% per year and is 100% vested after two years of credited service.

### ***Forfeited Accounts***

In accordance with Plan provisions, forfeited accounts are used to offset Company contributions. Forfeited, non-allocated accounts totaled \$37,078 and \$37,624 at December 31, 2022 and 2021, respectively. Forfeitures of \$36,202 were allocated to participant accounts during 2022 as an additional profit-sharing contribution.

### ***Benefits Paid to Participants***

On termination of service due to death, disability or retirement, a participant may elect to receive either a lump-sum amount equal to the value of the participant's vested interest in his or her account, or installments over a period of time not to exceed the life expectancy of the participant or (designated beneficiary). For termination of service due to other reasons, a participant may receive the value of the vested interest in his or her account as a lump-sum distribution or installments over a period of time not to exceed the life expectancy of the participant. Contributions made by the Company which are not vested are subject to forfeiture.

In addition, participants are allowed to make in service withdrawals from the participant's account balance due to certain financial hardships as defined in the Plan document.

### ***Notes Receivable from Participants***

Participants are allowed to borrow from their account, subject to a minimum of \$750 up to a maximum equal to the lesser of \$50,000 or 50 percent of their vested account balance. Loan transactions are treated as a transfer to (from) the investment fund from (to) the participant loans receivable fund. Loan terms are 5 years for general purpose loans and 10 years for principal residence loans. The loans are secured by the balance in the participant's account and bear interest at a rate commensurate with local prevailing rates (prime rate plus 1%) as determined quarterly by the plan administrator and are fixed for the term of the loan. Principal and interest is paid ratably

# **The Retirement Plan and Trust for the Employees of Freese and Nichols, Inc.**

## **Notes to Financial Statements**

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through bi-weekly payroll deductions. As of December 31, 2022, the interest rates on outstanding loan balances were 4.25% to 8.50% with maturities ranging from January 2023 to September 2030.

## **2. Summary of Significant Accounting Policies**

### ***Basis of Accounting***

The accompanying financial statements of the Plan have been prepared on the accrual basis of accounting.

### ***Use of Estimates***

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America ("GAAP") requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of additions and deductions during the reporting period. Actual results may differ from those estimates.

### ***Investment Valuation and Income Recognition***

The plan's 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. The Plan's Administrative Committee determines the Plan's valuation policies utilizing information provided by the investment advisors, and trustee. See Note 3 for discussion of fair value measurements.

Shares of registered investment companies (mutual funds) are valued at quoted market prices which represent the net asset value ("NAV") of shares held by the Plan at each year end. The fair value of investments in the common collective trust is measured by using NAV as a practical expedient to estimate fair value and is determined by each fund trustee at year end based on the fair value of the underlying securities within that trust.

Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date. The Plan presents, in the Statement of Changes in Net Assets Available for Benefits, the net appreciation (depreciation) in fair value of its investments which consists of realized gains and losses and unrealized appreciation and depreciation on these investments.

### ***Contributions Receivable***

Participant contributions and any related employer matching contributions are recognized in the period during which the Company makes the respective payroll deduction from the participant's compensation. Non-elective/Profit sharing contributions are recorded in the relevant period in accordance with the terms in the Plan document.

### ***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.

# The Retirement Plan and Trust for the Employees of Freese and Nichols, Inc.

## Notes to Financial Statements

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### ***Benefit Payments***

Benefit payments are recorded when paid.

### ***Administrative Expenses***

Certain expenses of maintaining the Plan are paid directly by the Company and are excluded from these financial statements. Fees related to the administration of notes receivable from participants and for standard annual maintenance are charged directly to the participant's account and are included in administrative expenses. Investment related expenses paid to investment advisors, transfer agents, and others described in each fund prospectus or other published documents are deducted by the investment funds or accounts prior to the allocation of the Plans' investment earnings activity and are therefore included in net appreciation (depreciation) of fair value of investments.

## **3. Fair Value Measurements**

The accounting standards establish a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements).

The three levels of the fair value hierarchy are described below:

### ***Basis of Fair Value Measurement***

|         |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
|---------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 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 | <div>Inputs to the valuation methodology include<ul style="list-style-type: none"><li>• quoted prices for similar assets or liabilities in active markets;</li><li>• quoted prices for identical or similar assets or liabilities in inactive markets;</li><li>• inputs other than quoted prices that are observable for the asset or liability;</li><li>• inputs that are derived principally from or corroborated by observable market data by correlation or other means.</li></ul></div> <div>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.</div> |
| 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.

# The Retirement Plan and Trust for the Employees of Freese and Nichols, Inc.

## Notes to Financial Statements

### *Registered Investment Companies (Mutual Funds)*

Investments in registered investment companies are valued at the daily closing price as reported by the fund. Funds held by the Plan are open-end mutual funds that are registered with the Securities and Exchange Commission. These funds are required to publish their daily NAV and to transact at that price. The funds held by the Plan are deemed to be actively traded.

### *Common Collective Trust*

The investments underlying the common/collective trust fund investments generally include shares of common stock and fixed income investments whose values are determined on the basis of quoted prices in an active market. The Plan's common/collective trust fund investments are valued at NAV per share or unit as a practical expedient as reported by the fund manager, multiplied by the number of shares or units held as of the measurement date.

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

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

| Investment Assets at Fair Value as of December 31, 2022 |                |         |         |                       |
|---------------------------------------------------------|----------------|---------|---------|-----------------------|
|                                                         | Level 1        | Level 2 | Level 3 | Total                 |
| Registered investment companies                         | \$ 184,547,290 | \$ -    | \$ -    | \$ 184,547,290        |
| Investments measured at net asset value*                |                |         |         |                       |
| Common collective trust                                 |                |         |         | 7,696,503             |
| <b>Total investments</b>                                |                |         |         | <b>\$ 192,243,793</b> |

| Investment Assets at Fair Value as of December 31, 2021 |                |         |         |                       |
|---------------------------------------------------------|----------------|---------|---------|-----------------------|
|                                                         | Level 1        | Level 2 | Level 3 | Total                 |
| Registered investment companies                         | \$ 228,887,547 | \$ -    | \$ -    | \$ 228,887,547        |
| Investments measured at net asset value*                |                |         |         |                       |
| Common collective trust                                 |                |         |         | 7,724,374             |
| <b>Total investments</b>                                |                |         |         | <b>\$ 236,611,921</b> |

# **The Retirement Plan and Trust for the Employees of Freese and Nichols, Inc.**

## **Notes to Financial Statements**

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\* Certain investments that are measured at fair value using the net asset value per share (or its equivalent) practical expedient have not been categorized in the fair value hierarchy. The fair value amounts presented in this table are provided to permit reconciliation of the fair value hierarchy to the amounts presented in the Statement of Net Assets Available for Benefits.

### ***Fair Value of Investments in Entities that use Net Asset Value***

The collective trust funds held by the Plan provide for daily redemptions by the Plan at reported NAV with no advance notice requirement. The Plan is permitted to redeem investment units at NAV on the measurement date. There are no unfunded commitments.

## **4. Information Prepared and Certified by the Plan's Trustee**

The Plan administrator has elected the method of annual reporting compliance permitted by ERISA Section 103(a)(3)(c) pursuant to 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA. Certain information related to investments disclosed in the accompanying financial statements and supplemental schedule, including investments and notes receivable from participants at December 31, 2022 and 2021, and net appreciation (depreciation) in fair value of investments, interest and dividend income, and interest income on notes receivable from participants for the year ended December 31, 2022, was obtained or derived from information supplied to the Plan administrator and certified as complete and accurate by the Trustee, a qualified institution.

The plan administrator instructed the Plan's independent auditors not to perform, and they did not perform, any auditing procedures with respect to this certified information, except for comparing such information to the related information included in the financial statements and supplemental schedule.

## **5. Related Party and Party in Interest Transactions**

Plan investments include shares of mutual funds managed by Vanguard the Trustee. Fees of \$216,080 were paid to the Trustee for loan, distribution and record keeper services during the year ending December 31, 2022. Fees incurred by the Plan for the investment management services are included in net appreciation (depreciation) in fair value of the investments, as they are paid through revenue sharing, rather than a direct payment other than a standard annual maintenance fee paid by participants. The Company pays directly any other fees related to the Plan's operations. In addition, notes receivable from participants are considered party-in-interest transactions.

## **6. Plan Termination**

Although it has not expressed any intent to do so, the Company has the right under the Plan to discontinue its contributions at any time and to terminate the Plan subject to the provision of ERISA. In the event of Plan termination, participants will become 100 percent vested in the Company contribution portion of their accounts.

# The Retirement Plan and Trust for the Employees of Freese and Nichols, Inc.

## Notes to Financial Statements

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### 7. Tax Status

The Plan uses a pre-approved plan document sponsored by Trustee. Trustee received an opinion letter from the IRS, dated June 30, 2020, which states that the pre-approved plan document, as then designed, satisfies the applicable provisions of the IRC. Although the Plan has been amended since the date of the opinion letter, Plan management believes that the Plan is currently designed and being operated in compliance with the applicable requirements of the IRC.

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

### 8. 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 the values of investment securities will occur in the near term and that such changes could materially affect participants' account balances and the amounts reported in the statements of net assets available for benefits.

### 9. Reconciliation of Financial Statements to Schedule H of Form 5500

The following is a reconciliation of net assets available for benefits per the financial statements to Form 5500:

| <i>December 31,</i>                                            | <b>2022</b>           | <b>2021</b>           |
|----------------------------------------------------------------|-----------------------|-----------------------|
| Net assets available for benefits per the financial statements | <b>\$ 195,370,665</b> | <b>\$ 239,738,424</b> |
| Certain deemed distributions of participant loans*             | <b>(39,478)</b>       | <b>(23,199)</b>       |
| Net assets available for benefits per Schedule H of Form 5500  | <b>\$ 195,331,187</b> | <b>\$ 239,715,225</b> |

# **The Retirement Plan and Trust for the Employees of Freese and Nichols, Inc.**

## **Notes to Financial Statements**

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The following is a reconciliation of the change in net assets available for benefits per the financial statements to Schedule H of Form 5500 for the year ended December 31, 2022:

| <i>Year Ended December 31,</i>                                                 | <i>2022</i>     |
|--------------------------------------------------------------------------------|-----------------|
| Net decrease in net assets available for benefits per the financial statements | \$ (44,367,759) |
| Less: Deemed Loan offset in 2022                                               | (16,279)        |
| Net increase in net assets available for benefits per Schedule H of Form 5500  | \$ (44,384,038) |

- \* Deemed distributions are defaulted and unpaid notes receivable from participants recorded as distributions on form 5500 but held by the plan until a distributable event occurs.

### **10. Subsequent Events**

The date to which events occurring after December 31, 2022, the date of the most recent statement of net assets available for benefits, have been evaluated for possible adjustment to the financial statements or disclosure is October 5, 2023, which is the date on which the financial statements were available to be issued. There were no events or transactions discovered during this evaluation that require recognition or disclosure in the financial statements, other than noted below.

## **ERISA-Required Supplemental Schedule**

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# The Retirement Plan and Trust for the Employees of Freese and Nichols, Inc.

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

| December 31, 2022                                        |                                                                                                               | EIN: 75-1531935<br>Plan Number: 001 |                       |
|----------------------------------------------------------|---------------------------------------------------------------------------------------------------------------|-------------------------------------|-----------------------|
|                                                          |                                                                                                               | (d)                                 | (e)                   |
| (a)(b)                                                   | (c)                                                                                                           | (d)                                 | (e)                   |
| Identity of Issuer, Borrower,<br>Lessor or Similar Party | Description of Investment, including<br>Maturity Date, Rate of Interest, Collateral,<br>Par or Maturity Value | Cost                                | Current<br>Value      |
| <b>Registered Investment Companies</b>                   |                                                                                                               |                                     |                       |
| * Vanguard Fiduciary Trust Company                       | Vanguard Explorer Fund Admiral Shares                                                                         | ** \$                               | 11,031,735            |
| * Vanguard Fiduciary Trust Company                       | Vanguard PRIMECAP Fund Admiral Shares                                                                         | **                                  | 21,417,505            |
| * Vanguard Fiduciary Trust Company                       | Vanguard Total Stock Mkt Indx Fund: Inst Shares                                                               | **                                  | 21,815,759            |
| * Vanguard Fiduciary Trust Company                       | Vanguard Windsor II Fund Admiral Shares                                                                       | **                                  | 17,742,751            |
| * Vanguard Fiduciary Trust Company                       | Vanguard Wellington Fund Admiral Shares                                                                       | **                                  | 11,025,341            |
| * Vanguard Fiduciary Trust Company                       | Vanguard Inst Target Retirement 2020 Fund                                                                     | **                                  | 5,506,987             |
| * Vanguard Fiduciary Trust Company                       | Vanguard Inst Target Retirement 2025 Fund                                                                     | **                                  | 6,280,492             |
| * Vanguard Fiduciary Trust Company                       | Vanguard Inst Target Retirement 2030 Fund                                                                     | **                                  | 5,285,945             |
| * Vanguard Fiduciary Trust Company                       | Vanguard Inst Target Retirement 2035 Fund                                                                     | **                                  | 9,977,925             |
| * Vanguard Fiduciary Trust Company                       | Vanguard Inst Target Retirement 2040 Fund                                                                     | **                                  | 6,908,141             |
| * Vanguard Fiduciary Trust Company                       | Vanguard Inst Target Retirement 2045 Fund                                                                     | **                                  | 15,052,296            |
| * Vanguard Fiduciary Trust Company                       | Vanguard Inst Target Retirement 2050 Fund                                                                     | **                                  | 11,267,589            |
| * Vanguard Fiduciary Trust Company                       | Vanguard Inst Target Retirement 2055 Fund                                                                     | **                                  | 8,149,004             |
| * Vanguard Fiduciary Trust Company                       | Vanguard Inst Target Retirement 2060 Fund                                                                     | **                                  | 5,122,137             |
| * Vanguard Fiduciary Trust Company                       | Vanguard Inst Target Retirement 2065 Fund                                                                     | **                                  | 815,073               |
| * Vanguard Fiduciary Trust Company                       | Vanguard Intl Growth Fund Admiral Shares                                                                      | **                                  | 8,381,526             |
| * Vanguard Fiduciary Trust Company                       | Vanguard Total Bond Mkt Index Fund: Inst Shares                                                               | **                                  | 8,569,628             |
| * Vanguard Fiduciary Trust Company                       | Vanguard Intermediate-Term Treasury Fund:<br>Admiral Shares                                                   | **                                  | 2,355,371             |
| * Vanguard Fiduciary Trust Company                       | Vanguard Inst Target Retirement Income Fund                                                                   | **                                  | 2,306,744             |
| * Vanguard Fiduciary Trust Company                       | Vanguard Total Intl Stock Index Fund Admiral<br>Shares                                                        | **                                  | 4,423,611             |
| , * Vanguard Fiduciary Trust Company                     | Vanguard Total Intl Bond Index Fund Admiral<br>Shares                                                         | **                                  | 1,070,843             |
| * Vanguard Fiduciary Trust Company                       | Vanguard Federal Money Market Fund                                                                            | **                                  | 40,887                |
| Total registered investment companies                    |                                                                                                               |                                     | <b>184,547,290</b>    |
| <b>Common/Collective Trust</b>                           |                                                                                                               |                                     |                       |
| * Vanguard Fiduciary Trust Company                       | Vanguard Retirement Savings Trust                                                                             | **                                  | <b>7,696,503</b>      |
| * Participant Loans                                      | Interest rates ranging from 4.25% to 8.50%; -<br>maturities ranging from January 2023 to<br>September 2030    |                                     | <b>1,398,996</b>      |
|                                                          |                                                                                                               |                                     | <b>\$ 193,642,789</b> |

\* A party in interest as defined by ERISA.

\*\* Cost information is omitted for participant-directed investments.