# Form 5500

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

## Annual Return/Report of Employee Benefit Plan

This form is required to be filed for employee benefit plans under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and sections 6057(b) and 6058(a) of the Internal Revenue Code (the Code).

▶ **Complete all entries in accordance with the instructions to the Form 5500.**

OMB Nos. 1210-0110
1210-0089

**2022**

**This Form is Open to Public Inspection**

## Part I Annual Report Identification Information

For calendar plan year 2022 or fiscal plan year beginning 01/01/2022 and ending 12/31/2022

**A** This return/report is for:
- [ ] a multiemployer plan
- [ ] a multiple-employer plan (Filers checking this box must attach a list of participating employer information in accordance with the form instructions.)
- [X] a single-employer plan
- [ ] a DFE (specify) ____

**B** This return/report is:
- [ ] the first return/report
- [ ] the final return/report
- [ ] an amended return/report
- [ ] a short plan year return/report (less than 12 months)

**C** If the plan is a collectively-bargained plan, check here. . . . . ▶ [ ]

**D** Check box if filing under:
- [X] Form 5558
- [ ] automatic extension
- [ ] the DFVC program
- [ ] special extension (enter description)

**E** If this is a retroactively adopted plan permitted by SECURE Act section 201, check here. . . . . ▶ [ ]

## Part II Basic Plan Information—enter all requested information

**1a** Name of plan
SARCO EMPLOYEES RETIREMENT PLAN

**1b** Three-digit plan number (PN) ▶ 002

**1c** Effective date of plan 07/01/2006

**2a** Plan sponsor's name (employer, if for a single-employer plan)
Mailing address (include room, apt., suite no. and street, or P.O. Box)
City or town, state or province, country, and ZIP or foreign postal code (if foreign, see instructions)
SOUTH AMERICAN RESTAURANT CORP.

PO BOX 360597
SAN JUAN, PR 00936-0597

**2b** Employer Identification Number (EIN)
66-0357499

**2c** Plan Sponsor's telephone number
787-788-8811

**2d** Business code (see instructions)
722513

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

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

| | | | |
|---|---|---|---|
| **SIGN HERE** | Filed with authorized/valid electronic signature. | 10/12/2023 | CRISELYRIS MELENDEZ |
| | **Signature of plan administrator** | Date | Enter name of individual signing as plan administrator |
| **SIGN HERE** | | | |
| | **Signature of employer/plan sponsor** | Date | Enter name of individual signing as employer or plan sponsor |
| **SIGN HERE** | | | |
| | **Signature of DFE** | Date | Enter name of individual signing as DFE |

| | | | |
|---|---|---|---|
| **3a** | Plan administrator's name and address [X] Same as Plan Sponsor | **3b** | Administrator's EIN |
| | | **3c** | Administrator's telephone number |
| **4** | If the name and/or EIN of the plan sponsor or the plan name has changed since the last return/report filed for this plan, enter the plan sponsor's name, EIN, the plan name and the plan number from the last return/report: | **4b** | EIN |
| **a** | Sponsor's name | **4d** | PN |
| **c** | Plan Name | | |
| **5** | Total number of participants at the beginning of the plan year | **5** | 2783 |
| **6** | Number of participants as of the end of the plan year unless otherwise stated (welfare plans complete only lines **6a(1), 6a(2), 6b, 6c,** and **6d**). | | |
| **a(1)** | Total number of active participants at the beginning of the plan year | **6a(1)** | 2101 |
| **a(2)** | Total number of active participants at the end of the plan year | **6a(2)** | 2002 |
| **b** | Retired or separated participants receiving benefits | **6b** | 165 |
| **c** | Other retired or separated participants entitled to future benefits | **6c** | 692 |
| **d** | Subtotal. Add lines **6a(2)**, **6b**, and **6c** | **6d** | 2859 |
| **e** | Deceased participants whose beneficiaries are receiving or are entitled to receive benefits. | **6e** | 0 |
| **f** | Total. Add lines **6d** and **6e**. | **6f** | 2859 |
| **g** | Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item) | **6g** | 2446 |
| **h** | Number of participants who terminated employment during the plan year with accrued benefits that were less than 100% vested | **6h** | 480 |
| **7** | Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item) | **7** | |

**8a** If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristics Codes in the instructions:

2E 2G 2T 3C

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

**9a** Plan funding arrangement (check all that apply)

- **(1)** [ ] Insurance
- **(2)** [ ] Code section 412(e)(3) insurance contracts
- **(3)** [X] Trust
- **(4)** [ ] General assets of the sponsor

**9b** Plan benefit arrangement (check all that apply)

- **(1)** [ ] Insurance
- **(2)** [ ] Code section 412(e)(3) insurance contracts
- **(3)** [X] Trust
- **(4)** [ ] General assets of the sponsor

**10** Check all applicable boxes in 10a and 10b to indicate which schedules are attached, and, where indicated, enter the number attached. (See instructions)

**a Pension Schedules**

- **(1)** [X] **R** (Retirement Plan Information)
- **(2)** [ ] **MB** (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary
- **(3)** [ ] **SB** (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary

**b General Schedules**

- **(1)** [X] **H** (Financial Information)
- **(2)** [ ] **I** (Financial Information – Small Plan)
- **(3)** [ ] 0 **A** (Insurance Information)
- **(4)** [X] **C** (Service Provider Information)
- **(5)** [ ] **D** (DFE/Participating Plan Information)
- **(6)** [ ] **G** (Financial Transaction Schedules)

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

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

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

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

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

Receipt Confirmation Code_____

| SCHEDULE C (Form 5500) | Service Provider Information | OMB No. 1210-0110 |
|---|---|---|
| Department of the Treasury<br>Internal Revenue Service<br>Department of Labor<br>Employee Benefits Security Administration<br>Pension Benefit Guaranty Corporation | This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA).<br>▶ **File as an attachment to Form 5500.** | **2022**<br>**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 | **B** Three-digit plan number (PN) ▶ |
|---|---|
| SARCO EMPLOYEES RETIREMENT PLAN | 002 |

| **C** Plan sponsor's name as shown on line 2a of Form 5500 | **D** Employer Identification Number (EIN) |
|---|---|
| SOUTH AMERICAN RESTAURANT CORP. | 66-0357499 |

## 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

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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)

ORIENTAL BANK

PO BOX 191429
SAN JUAN, PR 00919-1429

| (b) Service Code(s) | (c) Relationship to employer, employee organization, or person known to be a party-in-interest | (d) Enter direct compensation paid by the plan. If none, enter -0-. | (e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor) | (f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures? | (g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-. | (h) Did the service provider give you a formula instead of an amount or estimated amount? |
|---|---|---|---|---|---|---|
| 21 | TRUSTEE | 26789 | Yes [X] No [ ] | Yes [X] No [ ] | 0 | Yes [X] No [ ] |

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

ORIENTAL PENSION CONSULTANTS

59-2356441

| (b) Service Code(s) | (c) Relationship to employer, employee organization, or person known to be a party-in-interest | (d) Enter direct compensation paid by the plan. If none, enter -0-. | (e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor) | (f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures? | (g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-. | (h) Did the service provider give you a formula instead of an amount or estimated amount? |
|---|---|---|---|---|---|---|
| 15 | RECORDKEEPER | 25037 | Yes [X] No [ ] | Yes [X] No [ ] | 0 | Yes [X] No [ ] |

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

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

## Part I Service Provider Information (continued)

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

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

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

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

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

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

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

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

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

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

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

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

## Part III Termination Information on Accountants and Enrolled Actuaries (see instructions)

(complete as many entries as needed)

| | |
|---|---|
| **a** Name: | **b** EIN: |
| **c** Position: | |
| **d** Address: | **e** Telephone: |

Explanation:

| | |
|---|---|
| **a** Name: | **b** EIN: |
| **c** Position: | |
| **d** Address: | **e** Telephone: |

Explanation:

| | |
|---|---|
| **a** Name: | **b** EIN: |
| **c** Position: | |
| **d** Address: | **e** Telephone: |

Explanation:

| | |
|---|---|
| **a** Name: | **b** EIN: |
| **c** Position: | |
| **d** Address: | **e** Telephone: |

Explanation:

| | |
|---|---|
| **a** Name: | **b** EIN: |
| **c** Position: | |
| **d** Address: | **e** Telephone: |

Explanation:

# SCHEDULE H (Form 5500)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

## Financial Information

This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA), and section 6058(a) of the Internal Revenue Code (the Code).

▶ **File as an attachment to Form 5500.**

OMB No. 1210-0110

**2022**

**This Form is Open to Public Inspection**

For calendar plan year 2022 or fiscal plan year beginning 01/01/2022 and ending 12/31/2022

**A** Name of plan
SARCO EMPLOYEES RETIREMENT PLAN

**B** Three-digit plan number (PN) ▶ 002

**C** Plan sponsor's name as shown on line 2a of Form 5500
SOUTH AMERICAN RESTAURANT CORP.

**D** Employer Identification Number (EIN)
66-0357499

## Part I Asset and Liability Statement

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

| Assets | | (a) Beginning of Year | (b) End of Year |
|---|---|---|---|
| **a** Total noninterest-bearing cash | 1a | 5310 | 5158 |
| **b** Receivables (less allowance for doubtful accounts): | | | |
| **(1)** Employer contributions | 1b(1) | 24464 | 3174 |
| **(2)** Participant contributions | 1b(2) | 0 | 7155 |
| **(3)** Other | 1b(3) | 94 | 3879 |
| **c** General investments: | | | |
| **(1)** Interest-bearing cash (include money market accounts & certificates of deposit) | 1c(1) | | |
| **(2)** U.S. Government securities | 1c(2) | | |
| **(3)** Corporate debt instruments (other than employer securities): | | | |
| **(A)** Preferred | 1c(3)(A) | | |
| **(B)** All other | 1c(3)(B) | | |
| **(4)** Corporate stocks (other than employer securities): | | | |
| **(A)** Preferred | 1c(4)(A) | | |
| **(B)** Common | 1c(4)(B) | | |
| **(5)** Partnership/joint venture interests | 1c(5) | | |
| **(6)** Real estate (other than employer real property) | 1c(6) | | |
| **(7)** Loans (other than to participants) | 1c(7) | | |
| **(8)** Participant loans | 1c(8) | | |
| **(9)** Value of interest in common/collective trusts | 1c(9) | | |
| **(10)** Value of interest in pooled separate accounts | 1c(10) | | |
| **(11)** Value of interest in master trust investment accounts | 1c(11) | | |
| **(12)** Value of interest in 103-12 investment entities | 1c(12) | | |
| **(13)** Value of interest in registered investment companies (e.g., mutual funds) | 1c(13) | 23061338 | 19288596 |
| **(14)** Value of funds held in insurance company general account (unallocated contracts) | 1c(14) | | |
| **(15)** Other | 1c(15) | | |

| | | | (a) Beginning of Year | (b) End of Year |
|---|---|---|---|---|
| **1d** | Employer-related investments: | | | |
| | **(1)** Employer securities | 1d(1) | | |
| | **(2)** Employer real property | 1d(2) | | |
| **e** | Buildings and other property used in plan operation | 1e | | |
| **f** | Total assets (add all amounts in lines 1a through 1e) | 1f | 23091206 | 19307962 |
| | **Liabilities** | | | |
| **g** | Benefit claims payable | 1g | | |
| **h** | Operating payables | 1h | 14148 | 0 |
| **i** | Acquisition indebtedness | 1i | | |
| **j** | Other liabilities | 1j | 0 | 12736 |
| **k** | Total liabilities (add all amounts in lines 1g through1j) | 1k | 14148 | 12736 |
| | **Net Assets** | | | |
| **l** | Net assets (subtract line 1k from line 1f) | 1l | 23077058 | 19295226 |

## Part II Income and Expense Statement

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

| | Income | | (a) Amount | (b) Total |
|---|---|---|---|---|
| **a** | **Contributions:** | | | |
| | **(1)** Received or receivable in cash from: **(A)** Employers | 2a(1)(A) | 879088 | |
| | **(B)** Participants | 2a(1)(B) | 1387924 | |
| | **(C)** Others (including rollovers) | 2a(1)(C) | 9810 | |
| | **(2)** Noncash contributions | 2a(2) | | |
| | **(3)** Total contributions. Add lines **2a(1)(A), (B), (C),** and line **2a(2)** | 2a(3) | | 2276822 |
| **b** | **Earnings on investments:** | | | |
| | **(1)** Interest: | | | |
| | **(A)** Interest-bearing cash (including money market accounts and certificates of deposit) | 2b(1)(A) | | |
| | **(B)** U.S. Government securities | 2b(1)(B) | | |
| | **(C)** Corporate debt instruments | 2b(1)(C) | | |
| | **(D)** Loans (other than to participants) | 2b(1)(D) | | |
| | **(E)** Participant loans | 2b(1)(E) | | |
| | **(F)** Other | 2b(1)(F) | | |
| | **(G)** Total interest. Add lines **2b(1)(A)** through **(F)** | 2b(1)(G) | | 0 |
| | **(2)** Dividends: **(A)** Preferred stock | 2b(2)(A) | | |
| | **(B)** Common stock | 2b(2)(B) | | |
| | **(C)** Registered investment company shares (e.g. mutual funds) | 2b(2)(C) | | |
| | **(D)** Total dividends. Add lines **2b(2)(A)**, **(B)**, and **(C)** | 2b(2)(D) | | 0 |
| | **(3)** Rents | 2b(3) | | |
| | **(4)** Net gain (loss) on sale of assets: **(A)** Aggregate proceeds | 2b(4)(A) | | |
| | **(B)** Aggregate carrying amount (see instructions) | 2b(4)(B) | | |
| | **(C)** Subtract line **2b(4)(B)** from line **2b(4)(A)** and enter result | 2b(4)(C) | | 0 |
| | **(5)** Unrealized appreciation (depreciation) of assets: **(A)** Real estate | 2b(5)(A) | | |
| | **(B)** Other | 2b(5)(B) | | |
| | **(C)** Total unrealized appreciation of assets. Add lines **2b(5)(A)** and **(B)** | 2b(5)(C) | | 0 |

| | | (a) Amount | (b) Total |
|---|---|---|---|
| (6) Net investment gain (loss) from common/collective trusts | 2b(6) | | |
| (7) Net investment gain (loss) from pooled separate accounts | 2b(7) | | |
| (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) | | -3794601 |
| c Other income | 2c | | |
| d Total income. Add all **income** amounts in column (b) and enter total | 2d | | -1517779 |
| **Expenses** | | | |
| e Benefit payment and payments to provide benefits: | | | |
| (1) Directly to participants or beneficiaries, including direct rollovers | 2e(1) | 2199511 | |
| (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) | | 2199511 |
| f Corrective distributions (see instructions) | 2f | | 12716 |
| g Certain deemed distributions of participant loans (see instructions) | 2g | | |
| h Interest expense | 2h | | |
| i Administrative expenses: (1) Professional fees | 2i(1) | | |
| (2) Contract administrator fees | 2i(2) | 51826 | |
| (3) Investment advisory and management fees | 2i(3) | | |
| (4) Other | 2i(4) | | |
| (5) Total administrative expenses. Add lines **2i(1)** through **(4)** | 2i(5) | | 51826 |
| j Total expenses. Add all **expense** amounts in column (b) and enter total | 2j | | 2264053 |
| **Net Income and Reconciliation** | | | |
| k Net income (loss). Subtract line **2j** from line **2d** | 2k | | -3781832 |
| 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)** [X] 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)** [X] 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: CROWE PR PSC **(2)** EIN: 66-0539048

**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:

| | | Yes | No | Amount |
|---|---|---|---|---|
| **a** Was there a failure to transmit to the plan any participant contributions within the time period described in 29 CFR 2510.3-102? Continue to answer "Yes" for any prior year failures until fully corrected. (See instructions and DOL's Voluntary Fiduciary Correction Program.) | 4a | X | | 7155 |

| | | Yes | No | Amount |
|---|---|---|---|---|
| **b** Were any loans by the plan or fixed income obligations due the plan in default as of the close of the plan year or classified during the year as uncollectible? Disregard participant loans secured by participant's account balance. (Attach Schedule G (Form 5500) Part I if "Yes" is checked.) | 4b | | X | |
| **c** Were any leases to which the plan was a party in default or classified during the year as uncollectible? (Attach Schedule G (Form 5500) Part II if "Yes" is checked.) | 4c | | X | |
| **d** Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 4a. Attach Schedule G (Form 5500) Part III if "Yes" is checked.) | 4d | | X | |
| **e** Was this plan covered by a fidelity bond? | 4e | X | | 500000 |
| **f** Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty? | 4f | | X | |
| **g** Did the plan hold any assets whose current value was neither readily determinable on an established market nor set by an independent third party appraiser? | 4g | | X | |
| **h** Did the plan receive any noncash contributions whose value was neither readily determinable on an established market nor set by an independent third party appraiser? | 4h | | X | |
| **i** Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.) | 4i | X | | |
| **j** Were any plan transactions or series of transactions in excess of 5% of the current value of plan assets? (Attach schedule of transactions if "Yes" is checked and see instructions for format requirements.) | 4j | | X | |
| **k** Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC? | 4k | | X | |
| **l** Has the plan failed to provide any benefit when due under the plan? | 4l | | X | |
| **m** If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.) | 4m | | X | |
| **n** If 4m was answered "Yes," check the "Yes" box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3. | 4n | | | |

**5a** Has a resolution to terminate the plan been adopted during the plan year or any prior plan year? ☐ Yes ☒ No

If "Yes," enter the amount of any plan assets that reverted to the employer this year _____.

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

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

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

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

# SCHEDULE R (Form 5500)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

## Retirement Plan Information

This schedule is required to be filed under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6058(a) of the Internal Revenue Code (the Code).

▶ **File as an attachment to Form 5500.**

OMB No. 1210-0110

**2022**

**This Form is Open to Public Inspection.**

For calendar plan year 2022 or fiscal plan year beginning 01/01/2022 and ending 12/31/2022

**A** Name of plan
SARCO EMPLOYEES RETIREMENT PLAN

**B** Three-digit plan number (PN) ▶ 002

**C** Plan sponsor's name as shown on line 2a of Form 5500
SOUTH AMERICAN RESTAURANT CORP.

**D** Employer Identification Number (EIN)
66-0357499

## Part I Distributions

**All references to distributions relate only to payments of benefits during the plan year.**

1 Total value of distributions paid in property other than in cash or the forms of property specified in the instructions ..... 1 | 0

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

EIN(s): 66-0259436 _____

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

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

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

4 Is the plan administrator making an election under Code section 412(d)(2) or ERISA section 302(d)(2)? ..... ☐ Yes ☐ No ☐ N/A

**If the plan is a defined benefit plan, go to line 8.**

5 If a waiver of the minimum funding standard for a prior year is being amortized in this plan year, see instructions and enter the date of the ruling letter granting the waiver. **Date:** Month _____ Day _____ Year _____

**If you completed line 5, complete lines 3, 9, and 10 of Schedule MB and do not complete the remainder of this schedule.**

6 a Enter the minimum required contribution for this plan year (include any prior year accumulated funding deficiency not waived) ..... 6a

b Enter the amount contributed by the employer to the plan for this plan year ..... 6b

c Subtract the amount in line 6b from the amount in line 6a. Enter the result (enter a minus sign to the left of a negative amount) ..... 6c

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

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

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

## Part III Amendments

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

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

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

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

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

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

## Part V Additional Information for Multiemployer Defined Benefit Pension Plans

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

**a** Name of contributing employer

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

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

**e** Contribution rate information *(If more than one rate applies, check this box* ☐ *and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify):

---

**a** Name of contributing employer

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

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

**e** Contribution rate information *(If more than one rate applies, check this box* ☐ *and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

---

**a** Name of contributing employer

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

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

**e** Contribution rate information *(If more than one rate applies, check this box* ☐ *and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

---

**a** Name of contributing employer

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

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

**e** Contribution rate information *(If more than one rate applies, check this box* ☐ *and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

---

**a** Name of contributing employer

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

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

**e** Contribution rate information *(If more than one rate applies, check this box* ☐ *and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

---

**a** Name of contributing employer

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

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

**e** Contribution rate information *(If more than one rate applies, check this box* ☐ *and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

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

| | | |
|---|---|---|
| **a** The current plan year. Check the box to indicate the counting method used to determine the number of inactive participants: ☐ last contributing employer ☐ alternative ☐ reasonable approximation (see instructions for required attachment) | **14a** | |
| **b** The plan year immediately preceding the current plan year. ☐ Check the box if the number reported is a change from what was previously reported (see instructions for required attachment) | **14b** | |
| **c** The second preceding plan year. ☐ Check the box if the number reported is a change from what was previously reported (see instructions for required attachment) | **14c** | |

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

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

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

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

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

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

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

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

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

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

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

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

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

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

☐ Yes.

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

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

☐ No. Other. Provide explanation_____

# SARCO EMPLOYEES RETIREMENT PLAN

## FINANCIAL STATEMENTS AND INDEPENDENT AUDITOR'S REPORT

## YEARS ENDED DECEMBER 31, 2022 AND 2021

**SARCO EMPLOYEES RETIREMENT PLAN**

**YEARS ENDED DECEMBER 31, 2022 AND 2021**

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# INDEPENDENT AUDITOR'S REPORT

**To the Administrative Committee of the**
**SARCO Employees Retirement Plan**
**Guaynabo, Puerto Rico**

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

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

Management, having determined it is permissible in the circumstances, has elected to have the audits of **SARCO Employees Retirement Plan's** financial statements performed in accordance with ERISA Section 103(a)(3)(C) pursuant to 29 CFR 2520.103-8 of the Departments of Labor's Rules and Regulations for Reporting and Disclosure under ERISA. As permitted by ERISA Section 103(a)(3)(C), our audits need not extend to any statements or information related to assets held for investment of the plan (investment information) by a bank or similar institution or insurance carrier that is regulated, supervised, and subject to periodic examination by a state or federal agency, provided that the statements or information regarding assets so held are prepared and certified to by the bank or similar institution or insurance carrier in accordance with 29 CFR 2520.103-5 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA (qualified institution).

Management has obtained certification from a qualified institution as of and for the years ended December 31, 2022 and 2021, stating that the certified investment information, as described in Note 3 to the financial statements, is complete and accurate.

## *Opinion*

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

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

***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 **SARCO Employees Retirement Plan** and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our ERISA Section 103(a)(3)(C) audit opinion.

***Responsibilities of Management for the Financial Statements***

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

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

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

***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.

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of **SARCO Employees Retirement 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 **SARCO Employees Retirement Plan's** ability to continue as a going concern for a reasonable period of time.

Our audits did not extend to the certified investment information, except for obtaining and reading the certification, comparing the certified investment information with the related information presented and disclosed in the financial statements, and reading the disclosures relating to the certified investment information to assess whether they are in accordance with the presentation and disclosure requirements of accounting principles generally accepted in the United States of America.

Accordingly, the objective of an ERISA Section 103(a)(3)(C) audit is not to express an opinion about whether the financial statements as a whole are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America.

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

***Other Matters -Supplemental Schedules Required by ERISA***

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

***Other Matters -Supplemental Schedules Required by ERISA (Continued)***

In forming our opinion on the supplemental schedules, we evaluated whether the supplemental schedules, other than the information agreed to or derived from the certified investment information, including their form and content, are presented in conformity with the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA.

In our opinion:

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

October 10, 2023

Crowe PR PSC

Stamp number E540455 was affixed to the original of this report.

**SARCO EMPLOYEES RETIREMENT PLAN**

**STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS**

**DECEMBER 31, 2022 AND 2021**

| | 2022 | 2021 |
|---|---|---|
| **Assets** | | |
| Investments, at fair value | $ 19,288,596 | $ 23,061,338 |
| Receivables: | | |
| Employer contributions | 3,174 | - |
| Participant contributions | 7,155 | - |
| Other employer contributions receivable | - | 24,464 |
| Accrued interest and dividends | 3,879 | 94 |
| Total receivables | 14,208 | 24,558 |
| Cash - noninterest bearing | 5,158 | 5,310 |
| **Total assets** | 19,307,962 | 23,091,206 |
| **Liabilities** | | |
| Accrued administrative expenses | - | 14,148 |
| Excess contributions payable | 12,736 | - |
| **Total liabilities** | 12,736 | 14,148 |
| **Net assets available for benefits** | $ 19,295,226 | $ 23,077,058 |

See notes to financial statements.

**SARCO EMPLOYEES RETIREMENT PLAN**

**STATEMENTS OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS**

**YEARS ENDED DECEMBER 31, 2022 AND 2021**

| | 2022 | 2021 |
|---|---|---|
| **Additions** | | |
| **Investment income (loss)** | | |
| Interest and dividends | $ 231,951 | $ 174,990 |
| Net appreciation (depreciation) in fair value of investments | ( 4,026,552) | 3,072,477 |
| | ( 3,794,601) | 3,247,467 |
| **Contributions** | | |
| Employer | 878,785 | 681,349 |
| Participants | 1,375,208 | 1,304,495 |
| Rollovers | 9,810 | 3,114 |
| Other employer | 303 | 24,134 |
| | 2,264,106 | 2,013,092 |
| Total investment income (loss) and contributions | ( 1,530,495) | 5,260,559 |
| **Deductions** | | |
| Benefits paid to participants | 2,199,511 | 3,078,448 |
| Administrative expenses | 51,826 | 107,754 |
| Total deductions | 2,251,337 | 3,186,202 |
| **Net increase (decrease)** | ( 3,781,832) | 2,074,357 |
| **Net assets available for benefits** | | |
| Beginning of year | 23,077,058 | 21,002,701 |
| End of year | $ 19,295,226 | $ 23,077,058 |

See notes to financial statements.

## 1. DESCRIPTION OF THE PLAN

The following description of the SARCO Employees Retirement Plan ("the Plan") provides only general information. Participants should refer to the Plan Agreement for a more complete description of the Plan's provisions.

### General

On July 1, 2006, South American Restaurants Corp. ("the Company") adopted a Savings and Retirement Plan in the form of the UBS Trust of Puerto Rico Standard Prototype Cash and Deferred Profit Sharing Plan, as amended, for the purpose of providing retirement benefits to its employees and to encourage and assist them in adopting a regular savings program by means of payroll deduction through a plan that qualifies under applicable laws of the Commonwealth of Puerto Rico. It is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA). The employer and participants commenced contributing to the Plan in September 2006. On April 1, 2017, the Plan Agreement was amended to adopt the Oriental Pension Consultants, Inc. Prototype Defined Contribution Retirement Plan, as amended.

### Eligibility

Employees of the Company are eligible to participate in the Plan after six months of service, have attained eighteen years of age, and are residents of the Commonwealth of Puerto Rico.

### Contributions

Each year, participants may contribute pre-tax annual compensation, excluding Christmas Bonus, lump-sum payment of vacations, sick, and maternity leave, up to the maximum deferral amount of $15,000, as defined in the Plan based on the Puerto Rico Internal Revenue Code, as amended. Participants who have attained age 50 before the end of the plan year may contribute an additional $1,500 catch-up contribution, annually. Participants may also contribute amounts representing distributions from other qualified defined benefit or defined contribution plans (rollover). Participants direct the investment of their contributions into various investment options offered by the Plan. The Company matches participants' saving contributions at the rate of one dollar for each dollar of a participant's pre-tax contribution, up to a maximum of 3% of participant's compensation. Additionally, the Company can make additional contributions to the Plan as determined by the Board of Directors such as the profit-sharing contribution, as defined.

### Participant Accounts

The Plan is a defined contribution plan under which a separate individual account is established for each participant. Each participant account is credited with the participant's contributions and Company matching contributions, as well as allocations of the Company's profit-sharing contributions, if any, and Plan earnings. Participant accounts are charged with an allocation of administrative expenses that are paid by the Plan. Allocations are based on participant earnings, account balances, or specific participant transactions, as defined. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account.

## 1. DESCRIPTION OF THE PLAN (CONTINUED)

### Vesting

Participants are vested immediately in their contributions plus actual earnings thereon. Vesting in the Company's contribution portion of their accounts is based on years of continuous service according to the following vesting schedule:

| Years of continuous service at date of termination | Vested benefit |
|---|---|
| Less than 1 | 0% |
| Between 1 and 2 | 20% |
| Between 2 and 3 | 40% |
| Between 3 and 4 | 60% |
| Between 4 and 5 | 80% |
| 5 or more years | 100% |

Notwithstanding the above, a participant will become fully vested in his or her Company's contributions and their earnings upon the earlier of (i) reaching normal retirement age while still employed by the Company, (ii) retirement at normal or early retirement age, (iii) disability, (iv) death while employed by the Company, (v) termination of the Plan, or (vi) complete discontinuance of contributions by the Company.

### Payment of Benefits

On termination of service due to death, disability, or retirement, a participant may elect to receive an amount equal to the participant's vested interest in his or her account in either a lump-sum amount or periodic installment payments. For termination of service for other reasons, a participant may receive the value of the vested interest in his or her account as a lump-sum distribution.

### Participants' Hardship Withdrawals

A participant may not retire money from his/her Plan account, until the participant is capable of receiving payments for benefits on the Plan. The only circumstances in which the participant may retire money from his/her Plan account are the following:

- The purchase (excluding mortgage payments) of a principal residence for the participant;
- major medical expenses of the participant or his spouse, or dependent that is not covered by insurance or otherwise;
- payment of tuition and related expenses for the following twelve months of post-secondary education for the participant, spouse, or children or dependent;
- payment of amounts necessary to prevent the eviction of the participants from his principal residence or foreclosure on the mortgage of the participant's principal residence; and

## 1. DESCRIPTION OF THE PLAN (CONTINUED)

### Participants' Hardship Withdrawals (Continued)

- any other event or circumstance that the Secretary of the Treasury of Puerto Rico allows through regulations and is authorized by the Plan's administrator.

If a participant makes an in-service hardship withdrawal of Pre-Tax Contributions, such participant cannot make future Pre-Tax Contributions for a 12-month period following the in-service withdrawal. In addition, in-service withdrawals after the participant has attained the age of 59 1/2 will not be subject to the limitation on future contributions.

### Forfeited Accounts

As of the years ended December 31, 2022, and 2021, there were no outstanding forfeited non-vested accounts. These accounts, when available, are used to reduce the Plan's administrative expenses and employer matching or profit-sharing contributions. During the years ended December 31, 2022 and 2021, the Plan used forfeited accounts to reduce employer contributions by $71,095 and $214,738, respectively.

## 2. SUMMARY OF ACCOUNTING POLICIES

### Basis of Accounting

The accompanying financial statements have been prepared following the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (US GAAP).

### Use of Estimates

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

### Investment Valuation and Income Recognition

Investments are reported at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Plan's management determines the Plan's valuation policies utilizing information provided by the trustee. See Note 4 for discussion of fair value measurements.

Purchases and sales of securities are recorded on a trade-date basis. Dividends are recorded on the ex-dividend date, while interest income is recorded when earned. Net appreciation (depreciation) includes the Plan's gains and losses on investments bought and sold as well as held during the year.

## 2. SUMMARY OF ACCOUNTING POLICIES (CONTINUED)

### Payment of Benefits

Benefits are recorded when paid. Separated participant's vested benefit may not be paid without written consent if the value exceeds $5,000.

### Benefits Payable

The Plan accounts for benefits payable in accordance with the guidelines provided by the *AICPA Audit and Accounting Guide, Audits of Employee Benefit Plans*. This guidance requires that benefits payable to persons who have withdrawn from participation in the defined contribution plan be disclosed in the notes to the financial statements rather than recorded as a liability of the Plan.

### Expenses

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

### Subsequent Events

The Plan has evaluated subsequent events through October 10, 2023, the date the financial statements were available to be issued. The Plan has determined that there are no events occurring in this period that required disclosure in or adjustment to the accompanying financial statements.

## 3. CERTIFIED INVESTMENTS

Certain information related to investments disclosed in the accompanying financial statements and ERISA-required supplemental schedules, including investments held at December 31, 2022 and 2021, and net appreciation (depreciation) in fair value of investments, and interest and dividends for the years then ended, was obtained by management and agreed to or derived from information certified as complete and accurate by Oriental Bank and Trust (the trustee of the Plan) as agent for Mid Atlantic Capital Corp (custodian of the Plan).

## 4. FAIR VALUE MEASUREMENTS (UNAUDITED)

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

The three levels of the fair value hierarchy under FASB ASC 820 are described as follows:

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

**Level 2** Inputs to the valuation methodology include:

- quoted prices for similar assets or liabilities in active markets;
- quoted prices for identical or similar assets or liabilities in inactive markets;
- inputs other than quoted prices that are observable for the asset or liability;
- inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.

**Level 3** Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

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

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

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

## 4. FAIR VALUE MEASUREMENTS (UNAUDITED) (CONTINUED)

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

| | *Assets at Fair Value as of December 31, 2022* | | | |
|---|---|---|---|---|
| | ***Level 1*** | ***Level 2*** | ***Level 3*** | ***Total*** |
| Mutual Funds: | | | | |
| Bonds | $ 860,256 | $ - | $ - | $ 860,256 |
| Equities | 7,833,255 | - | - | 7,833,255 |
| Balanced | 9,341,261 | - | - | 9,341,261 |
| Money market | 1,253,824 | - | - | 1,253,824 |
| | $19,288,596 | $ - | $ - | $19,288,596 |

| | *Assets at Fair Value as of December 31, 2021* | | | |
|---|---|---|---|---|
| | ***Level 1*** | ***Level 2*** | ***Level 3*** | ***Total*** |
| Mutual Funds: | | | | |
| Bonds | $ 1,088,300 | $ - | $ - | $ 1,088,300 |
| Equities | 9,960,327 | - | - | 9,960,327 |
| Balanced | 10,986,352 | - | - | 10,986,352 |
| Money market | 1,026,359 | - | - | 1,026,359 |
| | $23,061,338 | $ - | $ - | $23,061,338 |

## 5. RELATED-PARTY TRANSACTIONS AND PARTY-IN-INTEREST TRANSACTIONS

Fees incurred by the Plan for the investment management services are included in the net appreciation (depreciation) in fair value of the investments, as they are paid through revenue sharing, rather than a direct payment. The Company pays directly any other fees related to the Plan's operations.

## 6. TAX STATUS

The Plan is exempt from United States income taxes by Section 1022 (i)(1) of the Employment Income Security Act of 1974. In addition, the Plan is exempt from Puerto Rico income taxes as part of the exemption granted by the Puerto Rico Internal Revenue Code of 2011 (the Code), as amended. Upon the enactment of the Code, the Puerto Rico Treasury Department released Circular 11-10, that stated that pension plans that had obtained an administrative determination letter qualifying the plan under the prior Internal Revenue Code, will be considered as qualified under the Section 1801.01 of the Code. Notwithstanding the above, to maintain the qualified status, the Plan is required to ascertain new provisions of the current code are being met; otherwise, a recertification will need to be filed. On February 11, 2014, the Plan filed a request for a favorable Determination Letter regarding the qualified status of the Plan under Section 1801.01 of the Code. On April 1, 2017, the Plan adopted the Oriental Pension Consultants, Inc. Prototype Defined Contribution Retirement Plan, as amended (Oriental Master Trust). The Oriental Master Trust had already obtained a favorable determination letter from the Puerto Rico Treasury Department as to its qualified status under the Code, as amended.

## 6. TAX STATUS (CONTINUED)

On July 12, 2018, the Plan received a letter from the Puerto Rico Treasury Department which indicates that the Department has no objection to the participation of the Plan in the Oriental Master Trust Plan. In addition, to maintain the tax-exempt status, the Plan must comply with certain Minimum Coverage and Nondiscrimination test. The Plan complied with said test requirements after using the available correction method, as of December 31, 2022 and 2021.

Accounting principles generally accepted in the United States of America require Plan management to evaluate tax positions taken by the Plan and recognize a tax liability if the plan has taken an uncertain position that more likely than not would be sustained upon examination by the taxing authorities. The Plan administrator has evaluated the tax positions taken by the Plan, and has concluded that as of December 31, 2022, there are no uncertain tax positions taken or expected to be taken that would require recognition of an asset or liability or disclosure in the financial statements. In addition, the Plan is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax period in progress. The Plan administrator believes it is no longer subject to income tax examinations for years prior to 2019.

## 7. PLAN TERMINATION

Although it has not expressed any intent to do so, the Company has the right under the Plan Agreement to discontinue its contributions at any time and to terminate the Plan subject to the provisions of ERISA. In the event of Plan termination, participants would become 100% vested in their employer contributions.

## 8. RISK AND UNCERTAINTIES

The Plan invests in various investments securities, including mutual funds within various markets. 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 value 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 statement of net assets available for benefits.

## 9. RECONCILIATION OF FINANCIAL STATEMENT TO FORM 5500

| | 2022 |
|---|---|
| Participant contributions per the financial statements | $ 1,375,208 |
| Add: Excess contributions payable to participants presented as corrective distributions in Form 5500 | 12,716 |
| Participant contributions per Form 5500 | $ 1,387,924 |

**SARCO EMPLOYEES RETIREMENT PLAN**
**EIN 66-0357499**
**PN 002**

**SCHEDULE OF DELINQUENT PARTICIPANTS' CONTRIBUTIONS**
**(SCHEDULE H, PART IV, LINE 4a ON FORM 5500)**

**FOR THE YEAR ENDED DECEMBER 31, 2022**

| | Total that Constitute Nonexempt Prohibited Transactions | | | |
|---|---|---|---|---|
| Participant contributions transferred late to Plan (Check here if late participant loan repayments are included ( ) | Contributions not Corrected | Contributions Corrected Outside VFCP | Contributions Pending Corrections in VFCP | Total Fully Corrected Under VFCP and PTE 2002-51 |
| $ 7,155 | $ 7,155 | $ - | $ - | $ - |

**SARCO EMPLOYEES RETIREMENT PLAN**
**EIN 66-0357499**
**PN 002**

**SCHEDULE OF ASSETS (HELD AT THE END OF YEAR)**

**(SCHEDULE H, PART IV, LINE 4(i) ON FORM 5500)**

**DECEMBER 31, 2022**

| (a) | (b) Identity of Issue | (c) Description of Investment | (d) Cost | (e) Current Value |
|---|---|---|---|---|
| | American Funds EuroPacific Growth Fund Class R-4 | * | ** | $ 728,058 |
| | American Funds The Growth Fund of America Class R-4 | * | ** | 1,084,655 |
| | BlackRock Natural Resources Trust Institutional Shares | * | ** | 603,212 |
| | Davis New York Venture Fund Class Y | * | ** | 518,928 |
| | Deposit Management Program I | * | ** | 1,253,824 |
| | Invesco Comstock Fund Class Y | * | ** | 659,739 |
| | Invesco Emerging Markets All Cap Fund Class Y | * | ** | 461,630 |
| | Invesco International Growth Fund Class Y | * | ** | 337,011 |
| | Mainstay Balanced Fund Class I | * | ** | 788,947 |
| | Victory Munder Mid-Cap Core Growth Fund Class Y | * | ** | 1,781,226 |
| | Nuveen Real Estate Securities Fund Class I | * | ** | 568,495 |
| | PIMCO Total Return Fund Administrative Class | * | ** | 433,154 |
| | Touchstone Small Company NY Fund Class Y | * | ** | 1,090,299 |
| | T. Rowe Price Retirement 2030 Fund | * | ** | 2,241,236 |
| | T. Rowe Price Retirement 2040 Fund | * | ** | 2,067,160 |
| | T. Rowe Price Retirement 2050 Fund | * | ** | 3,542,610 |
| | T. Rowe Price Retirement 2060 Fund | * | ** | 701,310 |
| | Metropolitan West Total Return Bond Fund Class I | * | ** | 427,102 |
| | | | | $ 19,288,596 |

* Value of Interest in Registered Investment Companies.
** Cost information is not required for participant-directed investments, and therefore, is not included.

Note: The data included above is based upon information that has been certified as complete and accurate by Oriental Bank and Trust, the trustee, as permitted by 29 CFR 2520.103-8 of the U.S. Department of Labor's Rules and Regulation for Reporting and Disclosures under the Employee Retirement Income Security Act of 1974. See accompanying independent auditor's report.

**SARCO EMPLOYEES RETIREMENT PLAN**
**EIN 66-0357499**
**PN 002**

**SCHEDULE OF DELINQUENT PARTICIPANTS' CONTRIBUTIONS**
**(SCHEDULE H, PART IV, LINE 4a ON FORM 5500)**

**FOR THE YEAR ENDED DECEMBER 31, 2022**

| | Total that Constitute Nonexempt Prohibited Transactions | | | |
|---|---|---|---|---|
| Participant contributions transferred late to Plan (Check here if late participant loan repayments are included ( ) | Contributions not Corrected | Contributions Corrected Outside VFCP | Contributions Pending Corrections in VFCP | Total Fully Corrected Under VFCP and PTE 2002-51 |
| $ 7,155 | $ 7,155 | $ - | $ - | $ - |

**SARCO EMPLOYEES RETIREMENT PLAN**
**EIN 66-0357499**
**PN 002**

**SCHEDULE OF ASSETS (HELD AT THE END OF YEAR)**

**(SCHEDULE H, PART IV, LINE 4(i) ON FORM 5500)**

**DECEMBER 31, 2022**

| (a) | (b) Identity of Issue | (c) Description of Investment | (d) Cost | (e) Current Value |
|---|---|---|---|---|
| | American Funds EuroPacific Growth Fund Class R-4 | * | ** | $ 728,058 |
| | American Funds The Growth Fund of America Class R-4 | * | ** | 1,084,655 |
| | BlackRock Natural Resources Trust Institutional Shares | * | ** | 603,212 |
| | Davis New York Venture Fund Class Y | * | ** | 518,928 |
| | Deposit Management Program I | * | ** | 1,253,824 |
| | Invesco Comstock Fund Class Y | * | ** | 659,739 |
| | Invesco Emerging Markets All Cap Fund Class Y | * | ** | 461,630 |
| | Invesco International Growth Fund Class Y | * | ** | 337,011 |
| | Mainstay Balanced Fund Class I | * | ** | 788,947 |
| | Victory Munder Mid-Cap Core Growth Fund Class Y | * | ** | 1,781,226 |
| | Nuveen Real Estate Securities Fund Class I | * | ** | 568,495 |
| | PIMCO Total Return Fund Administrative Class | * | ** | 433,154 |
| | Touchstone Small Company NY Fund Class Y | * | ** | 1,090,299 |
| | T. Rowe Price Retirement 2030 Fund | * | ** | 2,241,236 |
| | T. Rowe Price Retirement 2040 Fund | * | ** | 2,067,160 |
| | T. Rowe Price Retirement 2050 Fund | * | ** | 3,542,610 |
| | T. Rowe Price Retirement 2060 Fund | * | ** | 701,310 |
| | Metropolitan West Total Return Bond Fund Class I | * | ** | 427,102 |
| | | | | $ 19,288,596 |

* Value of Interest in Registered Investment Companies.
** Cost information is not required for participant-directed investments, and therefore, is not included.

Note: The data included above is based upon information that has been certified as complete and accurate by Oriental Bank and Trust, the trustee, as permitted by 29 CFR 2520.103-8 of the U.S. Department of Labor's Rules and Regulation for Reporting and Disclosures under the Employee Retirement Income Security Act of 1974. See accompanying independent auditor's report.