

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

Part II Basic Plan Information —enter all requested information		
1a Name of plan <u>SEABORNE PR RETIREMENT PLAN</u>	1b Three-digit plan number (PN) ▶	<u>002</u>
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) <u>SEABORNE VIRGIN ISLANDS</u> <u>SEABORNE VIRGIN ISLANDS</u> <u>1210 WATERGUT</u> <u>CHRISTIANSTED, VI 00820</u>	1c Effective date of plan <u>07/01/2016</u>	2b Employer Identification Number (EIN) <u>66-0555458</u>
	2c Plan Sponsor's telephone number <u>340-773-5991</u>	2d Business code (see instructions) <u>481000</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 HERE	Filed with authorized/valid electronic signature.	10/12/2023	JAHALLAH YEARWOOD
	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

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3a Plan administrator's name and address ☒ Same as Plan Sponsor	3b Administrator's EIN 3c Administrator's telephone number
4 If the name and/or EIN of the plan sponsor or the plan name has changed since the last return/report filed for this plan, enter the plan sponsor's name, EIN, the plan name and the plan number from the last return/report: a Sponsor's name c Plan Name	4b EIN 4d PN
5 Total number of participants at the beginning of the plan year	5 224
6 Number of participants as of the end of the plan year unless otherwise stated (welfare plans complete only lines 6a(1) , 6a(2) , 6b , 6c , and 6d). a(1) Total number of active participants at the beginning of the plan year a(2) Total number of active participants at the end of the plan year b Retired or separated participants receiving benefits c Other retired or separated participants entitled to future benefits..... d Subtotal. Add lines 6a(2) , 6b , and 6c e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits. f Total. Add lines 6d and 6e g Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item)..... h Number of participants who terminated employment during the plan year with accrued benefits that were less than 100% vested.....	 6a(1) 208 6a(2) 173 6b 7 6c 27 6d 207 6e 0 6f 207 6g 125 6h 7
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 2J 3C 3D b If the plan provides welfare benefits, enter the applicable welfare feature codes from the List of Plan Characteristics Codes in the instructions:	
9a Plan funding arrangement (check all that apply) (1) ☐ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☒ Trust (4) ☐ General assets of the sponsor	9b Plan benefit arrangement (check all that apply) (1) ☐ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☒ Trust (4) ☐ General assets of the sponsor
10 Check all applicable boxes in 10a and 10b to indicate which schedules are attached, and, where indicated, enter the number attached. (See instructions)	
a Pension Schedules (1) ☒ R (Retirement Plan Information) (2) ☐ MB (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary (3) ☐ SB (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary	b General Schedules (1) ☒ H (Financial Information) (2) ☐ I (Financial Information – Small Plan) (3) ☐ 0 A (Insurance Information) (4) ☐ C (Service Provider Information) (5) ☐ D (DFE/Participating Plan Information) (6) ☐ G (Financial Transaction Schedules)

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

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

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

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

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

Receipt Confirmation Code _____

SCHEDULE H (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Financial Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA), and section 6058(a) of the Internal Revenue Code (the Code). ► File as an attachment to Form 5500.	OMB No. 1210-0110 2022 This Form is Open to Public Inspection
For calendar plan year 2022 or fiscal plan year beginning <u>01/01/2022</u> and ending <u>12/31/2022</u>		
A Name of plan <u>SEABORNE PR RETIREMENT PLAN</u>	B Three-digit plan number (PN) ►	<u>002</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>SEABORNE VIRGIN ISLANDS</u>	D Employer Identification Number (EIN) <u>66-0555458</u>	

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

Assets		(a) Beginning of Year	(b) End of Year
a Total noninterest-bearing cash.....	1a		
b Receivables (less allowance for doubtful accounts):			
(1) Employer contributions.....	1b(1)		
(2) Participant contributions.....	1b(2)	0	2842
(3) Other.....	1b(3)	0	14348
c General investments:			
(1) Interest-bearing cash (include money market accounts & certificates of deposit).....	1c(1)	6655	0
(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)	40823	60751
(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)	866991	740015
(14) Value of funds held in insurance company general account (unallocated contracts).....	1c(14)		
(15) Other	1c(15)		

1d Employer-related investments:		(a) Beginning of Year	(b) End of Year
(1) Employer securities	1d(1)		
(2) Employer real property	1d(2)		
e Buildings and other property used in plan operation	1e		
f Total assets (add all amounts in lines 1a through 1e)	1f	914469	817956

Liabilities

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

Net Assets

l Net assets (subtract line 1k from line 1f)	1l	914469	817956
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Part II Income and Expense Statement

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

Income

		(a) Amount	(b) Total
a Contributions:			
(1) Received or receivable in cash from: (A) Employers	2a(1)(A)	60628	
(B) Participants	2a(1)(B)	266804	
(C) Others (including rollovers)	2a(1)(C)		
(2) Noncash contributions	2a(2)		
(3) Total contributions. Add lines 2a(1)(A) , (B) , (C) , and line 2a(2)	2a(3)		327432
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)		-215746
c Other income	2c		
d Total income. Add all income amounts in column (b) and enter total	2d		111686
Expenses			
e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	208199	
(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)		208199
f Corrective distributions (see instructions)	2f		
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)		
(3) Investment advisory and management fees	2i(3)		
(4) Other	2i(4)		
(5) Total administrative expenses. Add lines 2i(1) through (4)	2i(5)		0
j Total expenses. Add all expense amounts in column (b) and enter total	2j		208199
Net Income and Reconciliation			
k Net income (loss). Subtract line 2j from line 2d	2k		-96513
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: **HECTOR O RAMOS AYESTARAN**

(2) EIN: **58-3809249**

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

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

Part IV Compliance Questions

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

During the plan year:

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

	Yes	No	Amount
4a		X	

	Yes	No	Amount
b Were any loans by the plan or fixed income obligations due the plan in default as of the close of the plan year or classified during the year as uncollectible? Disregard participant loans secured by participant's account balance. (Attach Schedule G (Form 5500) Part I if "Yes" is checked.)			
4b		X	
c Were any leases to which the plan was a party in default or classified during the year as uncollectible? (Attach Schedule G (Form 5500) Part II if "Yes" is checked.)			
4c		X	
d Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 4a. Attach Schedule G (Form 5500) Part III if "Yes" is checked.)			
4d		X	
e Was this plan covered by a fidelity bond?	X		1000000
f Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?		X	
4f		X	
g Did the plan hold any assets whose current value was neither readily determinable on an established market nor set by an independent third party appraiser?			
4g		X	
h Did the plan receive any noncash contributions whose value was neither readily determinable on an established market nor set by an independent third party appraiser?			
4h		X	
i Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.)	X		
4i	X		
j Were any plan transactions or series of transactions in excess of 5% of the current value of plan assets? (Attach schedule of transactions if "Yes" is checked and see instructions for format requirements.)			
4j		X	
k Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?			
4k		X	
l Has the plan failed to provide any benefit when due under the plan?			
4l		X	
m If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.)			
4m		X	
n If 4m was answered "Yes," check the "Yes" box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3.			
4n			

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

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

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

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

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

SCHEDULE R (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Retirement Plan Information This schedule is required to be filed under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6058(a) of the Internal Revenue Code (the Code). ► File as an attachment to Form 5500.	OMB No. 1210-0110 2022 This Form is Open to Public Inspection.
For calendar plan year 2022 or fiscal plan year beginning 01/01/2022 and ending 12/31/2022		
A Name of plan SEABORNE PR RETIREMENT PLAN		B Three-digit plan number (PN) ► 002
C Plan sponsor's name as shown on line 2a of Form 5500 SEABORNE VIRGIN ISLANDS		D Employer Identification Number (EIN) 66-0555458
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		
For Paperwork Reduction Act Notice, see the Instructions for Form 5500.		
Schedule R (Form 5500) 2022 v. 220413		

Part V Additional Information for Multiemployer Defined Benefit Pension Plans

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

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

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

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

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

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

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

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

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

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

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

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

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

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

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

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

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

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

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

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

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

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

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

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

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

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

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

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

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

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

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

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

Part VI	Additional Information for Single-Employer and Multiemployer Defined Benefit Pension Plans
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18	If any liabilities to participants or their beneficiaries under the plan as of the end of the plan year consist (in whole or in part) of liabilities to such participants and beneficiaries under two or more pension plans as of immediately before such plan year, check box and see instructions regarding supplemental information to be included as an attachment ☐
19	If the total number of participants is 1,000 or more, complete lines (a) through (c) a Enter the percentage of plan assets held as: Stock: _____% Investment-Grade Debt: _____% High-Yield Debt: _____% Real Estate: _____% Other: _____% b Provide the average duration of the combined investment-grade and high-yield debt: ☐ 0-3 years ☐ 3-6 years ☐ 6-9 years ☐ 9-12 years ☐ 12-15 years ☐ 15-18 years ☐ 18-21 years ☐ 21 years or more c What duration measure was used to calculate line 19(b)? ☐ Effective duration ☐ Macaulay duration ☐ Modified duration ☐ Other (specify): _____
20	PBGC missed contribution reporting requirements. If this is a multiemployer plan or a single-employer plan that is not covered by PBGC, skip line 20. a Is the amount of unpaid minimum required contributions for all years from Schedule SB (Form 5500) line 40 greater than zero? ☐ Yes ☐ No b If line 20a is "Yes," has PBGC been notified as required by ERISA sections 4043(c)(5) and/or 303(k)(4)? Check the applicable box: ☐ Yes. ☐ No. Reporting was waived under 29 CFR 4043.25(c)(2) because contributions equal to or exceeding the unpaid minimum required contribution were made by the 30th day after the due date. ☐ No. The 30-day period referenced in 29 CFR 4043.25(c)(2) has not yet ended, and the sponsor intends to make a contribution equal to or exceeding the unpaid minimum required contribution by the 30th day after the due date. ☐ No. Other. Provide explanation _____

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INDEPENDENT AUDITOR'S REPORT

To the Plan Administrator of
Seaborne PR 1081.01 (d) Plan
San Juan, Puerto Rico

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

I have performed audits of the financial statements of Seaborne PR 1081.01 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 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 Seaborne PR 1081.01 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 Rules and Regulations for Reporting and Disclosure under ERISA. As permitted by ERISA Section 103(a)(3)(C), my audits need not extend to any statements or information related to assets held for investment of the plan (investment information) by a bank or similar institution or insurance carrier that is regulated, supervised, and subject to periodic examination by a state or federal agency, provided that the statements or information regarding assets so held are prepared and certified to by the bank or similar institution or insurance carrier in accordance with 29 CFR 2520.103-5 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA (qualified institution).

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

Opinion

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

Basis for Opinion

I conducted my audits in accordance with auditing standards generally accepted in the United States of America (GAAS). My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am required to be independent of Seaborne PR 1081.01 Plan and to meet my other ethical responsibilities, in accordance with the relevant ethical requirements relating to my audits. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my 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 Seaborne PR 1081.01 Plan's ability to continue as a going concern for the period required to cover its obligations.

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 my report, my 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 my 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, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users made on the basis of these financial statements. In performing an audit in accordance with GAAS, I:

- 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 Seaborne PR 1081.01 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 my judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Seaborne PR 1081.01 Plan's ability to continue as a going concern for a reasonable period of time.

My 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 are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America.

I am 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 I identified during the audit.

Other Matter — Supplemental Schedules Required by ERISA

The supplemental schedules of invested assets as of December 31, 2022, and 2021 are presented for purposes of additional analysis and are not a required part of the financial statements but are supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information included in the supplemental schedules, other than that agreed to or derived from the certified investment information, has been subjected to auditing procedures applied in the audits of the financial statements and certain additional procedures, including comparing and reconciling such

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

In forming my opinion on the supplemental schedules, I 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 my opinion:

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



CPA Héctor O. Ramos-Ayestarán
September 14, 2023
San Juan, Puerto Rico
License #1417



Seaborne PR 1081.01 (d) Plan
Statements of Net Assets Available for Benefits
December 31, 2022, and 2021

	<u>2022</u>	<u>2021</u>
ASSETS		
Participants' loans	\$ 60,751	\$ 40,823
Receivables	17,190	- 0 -
Investments, at fair value	740,015	866,991
Cash	<u>- 0 -</u>	<u>6,655</u>
Total Assets	<u>\$817,956</u>	<u>\$914,469</u>
 NET ASSETS AVAILABLE FOR BENEFITS AT FAIR VALUE	 <u>\$817,956</u>	 <u>\$914,469</u>

**The accompanying notes are an integral part of these financial statements.
See independent auditor's report.**

Seaborne PR 1081.01 (d) Plan
Statement of Changes in Net Assets Available for Benefits
Year ended December 31, 2022, and 2021

	<u>2022</u>	<u>2021</u>
ADDITIONS:		
Additions to net assets attributed to:		
Investment income:		
Net investment gains and earnings	\$ - 0 -	\$ 98,478
Interest on participants' loans	<u>- 0 -</u>	<u>1,108</u>
Sub-total	- 0 -	99,586
Contributions:		
Employer	\$ 60,628	\$ 59,091
Participants' deposits	<u>266,804</u>	<u>184,569</u>
TOTAL ADDITIONS	<u>\$ 327,432</u>	<u>\$343,246</u>
DEDUCTIONS:		
Deductions to net assets attributed to:		
Benefits paid to participants	\$ 208,199	\$ 29,939
Administrative Expenses	- 0 -	915
Market devaluation of investments	<u>215,746</u>	<u>- 0 -</u>
TOTAL DEDUCTIONS	<u>423,945</u>	<u>30,854</u>
NET INCREASE (DECREASE) IN NET ASSETS	(96,513)	312,392
Net assets available for benefits, beginning of year	<u>914,469</u>	<u>602,077</u>
Net assets available for benefits, end of year	<u>\$817,956</u>	<u>\$914,469</u>

The accompanying notes are an integral part of these financial statements.
See independent auditor's report.

Seaborne PR 1081.01 (d) Plan
Notes to the Audited Financial Statements
December 31, 2022, and 2021

NOTE A – DESCRIPTION OF PLAN

The following description of the Seaborne Virgin Islands, Inc. 1081.01 (d) Plan ("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 qualified retirement plan (refer to the Plan document), a 1081.01 (d) profit sharing plan covering, on an elective basis, all full-time employees of Seaborne Virgin Islands, Inc. (the Company) who have been employed for three-months, no hours' requirement and are age eighteen or older. It is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA).

Contributions:

Once an employee become eligible participant may contribute from 2% up to 100% of their compensation or the annual limit of \$15,000, effective January 1, 2016 and thereafter the amount established by Puerto Rico Tax Code. However, compensation is limited to \$265,000 for the Plan year beginning in 2016; and will thereafter be the amount set annually by regulation. The administrator will notify the maximum percentage that they may defer. Participants who have attained age 50 before the end of the Plan year are eligible to make catch-up contributions, up to \$1,500 since calendar year 2016 and thereafter the amount established by Puerto Rico Tax Code. Participants may also contribute amounts representing distributions from other qualified defined benefit or defined contribution plans. Participants can make non-deductible Voluntary Employee Contributions to the Plan of up to 10% of their Compensation for each Plan year since they entered the Plan offset by Voluntary Employee Contributions they have made to date. Participants direct the investment of their contributions into various investment options offered by the Plan. The Plan currently offers various mutual funds as investment options for participants. The Company may elect to make a Matching Contribution to the Plan for any Plan year. However, the Matching Contribution allocated to participants Matching Contribution Account cannot exceed 50% which does not exceed 7% of participants Compensation. Any Matching Contribution shall be made on an annual basis shortly after the end of the Plan year. The participants must complete a year of service (1,000 hours of service) during the Plan Year to share in this discretionary Matching Contribution.

Seaborne PR 1081.01 (d) Plan
Notes to the Audited Financial Statements
December 31, 2022, and 2021

Note A – DESCRIPTION OF PLAN (Cont'd.)

Participant Accounts:

Each participant's account is credited with the participant's contribution and allocations of (a) the Company's contribution and, (b) Plan earnings, and charged with an allocation of administrative expenses. Allocations are based on participant earnings or account balances, as defined. The amount of Contributions and forfeitures that can be allocated to participants account for any Plan year is limited by the law to the lesser of 100% of compensation or the annual dollar limit of \$53,000 beginning in 2016, and will thereafter be the amount set annually by regulation.

The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account.

Vesting:

A year of service (12 consecutive months with at least 1,000 hours of service) is the period of time used to determine a participant's eligibility to participate in the Plan and to determine vested interest. Participants are vested in their contributions plus actual earnings thereon. Vesting in the Company's contribution portion of their accounts is based on years of continuous service. A participant is 100% vested after four years of credited service.

Participant Loans:

Participants may borrow from their fund accounts up to a maximum equal to the lesser of \$50,000 or 50% of their vested account balance. The loans are secured by the balance in the participant's account and bear interest at reasonable rates, which are determined by the Plan administrator. Loans must be repaid within five years by equal payments made at least quarterly (or more frequently as required by loan policy), or a longer repayment may be permitted for a loan used to buy primary residence.

Payment of Benefits:

On termination of service due to death, disability or retirement, a participant will receive a lump-sum payment in cash equal to the value of the participant's vested interest in his or her account. For termination of service due to other reasons, a participant will also receive the value of the vested interest in his or her account as a lump-sum distribution.

Seaborne PR 1081.01 (d) Plan
Notes to the Audited Financial Statements
December 31, 2022, and 2021

Note A – DESCRIPTION OF PLAN (Cont'd.)

Payment of Benefits:

Instead of a lump-sum distribution, participants may elect two other forms of payment:

- a. Installment payments
- b. Partial payments as requested by participants.

Forfeited Accounts:

At December 31, 2022 there were \$3,129 in forfeitures, in 2021 there were \$2,427.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting:

The financial statements of the plan are prepared on the accrual basis of accounting. Investment contracts held by a defined-contribution plan are required to be reported at fair value. However, contract value is the relevant measurement attribute for that portion of the net assets available for benefits of a defined-contribution plan attributable to fully benefit-responsive investment contracts because contract value is the amount participants would receive if they were to initiate permitted transactions under the terms of the plan. The Statement of Net Assets Available for Benefits presents the fair value of the investment contracts as well as the adjustment of the fully benefit-responsive investment contracts from fair value to contract value. The Statement of Changes in Net Assets Available for Benefits is prepared on a contract value basis.

Use of Estimates:

The preparation of financial statements in conformity with generally accepted accounting principles requires the plan administrator 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.

Seaborne PR 1081.01 (d) Plan
Notes to the Audited Financial Statements
December 31, 2022, and 2021

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd.)

Investment Valuation and Income Recognition:

Investments are stated 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 participants at the measurement date. See Note D for discussion of fair value measurements. Purchase 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. Net appreciation or depreciation includes the plan's gains and losses on investments bought and sold as held during the year.

Payment of Benefits:

Benefits are recorded when paid.

Operating Expenses:

All expenses of maintaining the Plan are paid by the Company.

Subsequent Events:

The Plan has evaluated subsequent events through September 27, 2022, the date the financial statements were available to be issued.

Invested assets are shown as Supplementary Information at the end of this report.

NOTE C – RECEIVABLES

The following amounts are receivables from:

- Participants'	\$ 2,842
- Other	14,348
Total	<u>\$17,190</u>

These receivables are considered fully collectible and represent contributions due but not yet deposited as of the date of this report.

NOTE D - INVESTMENTS

The Plan's investments that represent in the aggregate 5% or more of the Plan's net assets as of December 31, 2022, and 2021 are shown as part of the Supplementary Information which includes all invested funds. These securities have been entrusted to Oriental Financial Group, a division of Oriental Bank, and certified by them.

Seaborne Virgin Islands, Inc. 1081.01 (d) Plan
Notes to the Audited Financial Statements
December 31, 2022, and 2021

NOTE E - FAIR VALUE MEASUREMENTS

During 2022 the Plan's investment positions devalued by \$215,746 while the Plan's investments (including gains and losses on investments bought and sold), as well as held during the year, appreciated by \$98,478 in 2021.

Financial Accounting Standards Board (FASB) *Accounting Standards Codification* (ASC) 820, *Fair Value Measurements and Disclosures*, provides the framework for measuring fair value. That framework 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 measurements) and the lowest priority to unobservable inputs (level 3 measurements).

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 used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Seaborne PR 1081.01 (d) Plan
Notes to the Audited Financial Statements
December 31, 2022, and 2021

NOTE E – FAIR VALUE MEASUREMENTS (Cont'd.)

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:

Common stocks, corporate bonds and U.S government securities: Valued at the closing price reported on the active market on which the individual securities are traded.

Mutual funds: Valued at the net asset value (NAV) of shares held by the plan at year end.

Participant loans: Valued at amortized cost, which approximates fair value.

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

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

	<u>Assets at Fair Value as of December 31, 2022</u>		
	<u>Level 1</u>	<u>Level 3</u>	<u>Total</u>
Mutual funds	\$740,015	-	\$740,015
Participants' loans		60,751	60,751
Receivables		<u>17,190</u>	<u>17,190</u>
	<u>\$740,015</u>	<u>\$ 77,941</u>	<u>\$817,956</u>

Seaborne PR 1081.01 (d) Plan
Notes to the Audited Financial Statements
December 31, 2022, and 2021

NOTE E – FAIR VALUE MEASUREMENTS (Cont'd.)

Assets at Fair Value as of December 31, 2021

	<u>Level 1</u>	<u>Level 3</u>	<u>Total</u>
- Mutual funds	\$866,991	-	\$866,991
Participants' loans	- 0 -	40,823	40,823
Cash	6,655		6,655
	<u>\$873,646</u>	<u>\$40,823</u>	<u>\$914,469</u>

Level 3 Gains and Losses:

The following table sets forth a summary of changes in the fair value of the Plan's level 3 assets for the year ended December 31, 2022:

Participant Loans
Year Ended December 31, 2022

Balance, beginning of year	\$40,823
Loans issued	34,538
Interest on loans	1,382
Loan payments	<u>(15,992)</u>
Balance, end of year	<u>\$60,751</u>

The following table sets forth a summary of changes in the fair value of the Plan's level 3 assets for the year ended December 31, 2021:

Participant Loans
Year Ended December 31, 2021

Balance, beginning of year	\$13,513
Loans issued	40,935
Interest on loans	1,108
Loan payments	<u>(14,733)</u>
Balance, end of year	<u>\$40,823</u>

Seaborne PR 1081.01 (d) Plan
Notes to the Audited Financial Statements
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NOTE F - GUARANTEED INVESTMENT CONTRACT WITH ORIENTAL FINANCIAL GROUP

On December 1, 2015, the Plan entered into a contract with Oriental Bank (Oriental). Oriental maintains the contributions in various accounts holding plan contributions. The accounts are credited with earnings on the underlying investments and charged for participant withdrawals and administrative expenses.

Contract value is the relevant measurement attribute for that portion of the net assets available for benefits attributable to the contract. Contract value is similar to market.

Contract value, as reported to the Plan by Oriental, represents contributions made under the contract, plus earnings, less participant withdrawals and administrative expenses. Participants may ordinarily direct the withdrawal or transfer of all or a portion of their investment at contract value.

There are no reserves against contract value for credit risk of the contract issuer or otherwise. The fair market value of the investment contract at December 31, 2022 and 2021 was \$736,848 and \$866,991, respectively.

The average yield of the investment portfolio based on actual earnings was 4.75% and 12.98% for the years 2022 and 2021, respectively.

NOTE G - 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, either totally or partially, 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.

NOTE H - TAX STATUS

The Plan received a ruling from the Puerto Rico Treasury Department on February 7, 2018 as to the exempt status of the Plan. The Plan also requested and has received letters from the Treasury Department accepting various amendments to the plan's sponsor's name, from Seaborne Virgin Islands, Inc. to SB USVI Acquisition, Inc.; changing the federal employer identification number and removing an existing employer, Seaborne Puerto Rico, LLC and add an existing employer, Silver Airlines, LLC. The letters indicate that the ruling issued on February 7, 2018 is not affected.

Seaborne PR 1081.01 (d) Plan
Notes to the Audited Financial Statements
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NOTE I - RISKS AND UNCERTAINTIES

The Plan invests in various investment securities, which are exposed to 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 participant's account balances and the amounts reported in the statement of net assets available for benefits.

NOTE J – RECONCILIATION WITH FORM 5500

There is a difference of \$3,156 between the net value of invested assets as of December 31, 2022 and the amount shown in the Form 5500. This difference arises from the beginning balance of invested assets and will be adjusted in the year 2023. As of December 31, 2021 there is no reconciling difference between the documents.

NOTE K – SUBSEQUENT EVENTS

Management has adopted the provisions of FASB ASC 855- "Subsequent Events". This establishes general accounting and disclosure standards of events that occur after the date of the accounting closing but prior to the date of issuance of the financial statements or the date when they are ready for issuance. This topic introduces the concept of financial statements which are complete in form and content and that comply with the generally accepted accounting principles in the United States of America.

FASB ASC 855 establishes the disclosure of the date in which the entity evaluated the subsequent events and the basis for the statements' date, which means the date in which the financial statements are issued or are ready to be issued. Management of the Plan evaluated the subsequent events up to September 14, 2023.

COVID19:

In December of 2019, the Corona Virus was discovered in the province of Wuhan, China. The virus spread worldwide causing a pandemic with medical and economic effects on the world population. Puerto Rico and the United States Virgin Islands have not been an exception. The local government imposed several lockdowns and established restrictions to the way businesses are conducted. Although the governmental measures have eased up, the long-term economic effects of this pandemic are not anticipated as of the date of this report.

Seaborne Puerto Rico 1081.01 (d) Plan
Schedule of Invested Assets – Supplementary Information
December 31, 2022, and 2021

Following are the Plan's investments that represent 5% or more of the Plan's net assets as of December 31, 2022, and 2021, which have been entrusted to Oriental Financial Group and certified by them:

	<u>2022</u>	<u>2021</u>
American Funds 2015 Target Date	\$ 7,598	\$ 3,829
American Funds 2020 Target Date	1,298	897
American Funds 2025 Target Date	16,689	26,264
American Funds 2030 Target Date	32,190	51,903
American Funds 2035 Target Date	84,102	106,236
American Funds 2040 Target Date	42,867	50,624
American Funds 2045 Target Date	17,867	20,096
American Funds 2050 Target Date	7,340	6,240
American Funds 2055 Target Date	12,682	12,633
American Funds American Balanced	23,742	28,931
American Funds Euro Pacific Growth	4,519	6,161
Columbia Large Cap. Enhanced	10,804	2,488
Columbia Mid. Cap. Index A	3	2,179
Frost Total Return Bond Fund Investor	2,431	2,397
Galliard Retirement Inc. Fund	18,715	17,631
Global Bond Fund Class A	- 0 -	114
Ivy High Income Fund Class Y	5,686	6,053
Metropolitan West Total Return Bond	163	306
MFS Value Fund Class R4	121,437	97,275
PIMCO Total Return Class A	4,986	5,396
Small Cap Growth Index	- 0 -	69,486
Small Cap Value Index	- 0 -	40,166
T. Rowe Price Blue Chip Growth	219,383	296,148
Templeton Global Bond Class A	228	- 0 -
Vanguard Small Cap. Index	39,942	- 0 -
Vanguard Small Cap. Growth Index	51,199	- 0 -
Allspring Utility and Telecommunication	10,978	- 0 -
WF Utility and Telecom	- 0	11,111
	<u>\$736,849</u>	<u>\$864,564</u>
Forfeiture account	3,129	2,427
Total investments	739,978	866,991
Participants' loans	60,751	40,823
Plan assets available for distribution	\$800,729	\$907,814
Cash available	37*	6,655
Receivables	17,190	- 0 -
Total net asset value	<u>\$817,956</u>	<u>\$914,469</u>

*cash of \$37 appears in the reports but was not included in Form 5500.

Seaborne Puerto Rico 1081.01 (d) Plan
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INDEPENDENT AUDITOR'S REPORT

To the Plan Administrator of
Seaborne PR 1081.01 (d) Plan
San Juan, Puerto Rico

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

I have performed audits of the financial statements of Seaborne PR 1081.01 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 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 Seaborne PR 1081.01 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 Rules and Regulations for Reporting and Disclosure under ERISA. As permitted by ERISA Section 103(a)(3)(C), my audits need not extend to any statements or information related to assets held for investment of the plan (investment information) by a bank or similar institution or insurance carrier that is regulated, supervised, and subject to periodic examination by a state or federal agency, provided that the statements or information regarding assets so held are prepared and certified to by the bank or similar institution or insurance carrier in accordance with 29 CFR 2520.103-5 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA (qualified institution).

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

Opinion

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

Basis for Opinion

I conducted my audits in accordance with auditing standards generally accepted in the United States of America (GAAS). My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am required to be independent of Seaborne PR 1081.01 Plan and to meet my other ethical responsibilities, in accordance with the relevant ethical requirements relating to my audits. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my 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 Seaborne PR 1081.01 Plan's ability to continue as a going concern for the period required to cover its obligations.

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 my report, my 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 my 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, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users made on the basis of these financial statements. In performing an audit in accordance with GAAS, I:

- 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 Seaborne PR 1081.01 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 my judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Seaborne PR 1081.01 Plan's ability to continue as a going concern for a reasonable period of time.

My 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 are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America.

I am 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 I identified during the audit.

Other Matter — Supplemental Schedules Required by ERISA

The supplemental schedules of invested assets as of December 31, 2022, and 2021 are presented for purposes of additional analysis and are not a required part of the financial statements but are supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information included in the supplemental schedules, other than that agreed to or derived from the certified investment information, has been subjected to auditing procedures applied in the audits of the financial statements and certain additional procedures, including comparing and reconciling such

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

In forming my opinion on the supplemental schedules, I 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 my opinion:

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



CPA Héctor O. Ramos-Ayestarán
September 14, 2023
San Juan, Puerto Rico
License #1417



Seaborne PR 1081.01 (d) Plan
Statements of Net Assets Available for Benefits
December 31, 2022, and 2021

	<u>2022</u>	<u>2021</u>
ASSETS		
Participants' loans	\$ 60,751	\$ 40,823
Receivables	17,190	- 0 -
Investments, at fair value	740,015	866,991
Cash	<u>- 0 -</u>	<u>6,655</u>
Total Assets	<u>\$817,956</u>	<u>\$914,469</u>
 NET ASSETS AVAILABLE FOR BENEFITS AT FAIR VALUE	 <u>\$817,956</u>	 <u>\$914,469</u>

The accompanying notes are an integral part of these financial statements.
See independent auditor's report.

Seaborne PR 1081.01 (d) Plan
Statement of Changes in Net Assets Available for Benefits
Year ended December 31, 2022, and 2021

	<u>2022</u>	<u>2021</u>
ADDITIONS:		
Additions to net assets attributed to:		
Investment income:		
Net investment gains and earnings	\$ - 0 -	\$ 98,478
Interest on participants' loans	<u>- 0 -</u>	<u>1,108</u>
Sub-total	- 0 -	99,586
Contributions:		
Employer	\$ 60,628	\$ 59,091
Participants' deposits	<u>266,804</u>	<u>184,569</u>
TOTAL ADDITIONS	<u>\$ 327,432</u>	<u>\$343,246</u>
DEDUCTIONS:		
Deductions to net assets attributed to:		
Benefits paid to participants	\$ 208,199	\$ 29,939
Administrative Expenses	- 0 -	915
Market devaluation of investments	<u>215,746</u>	<u>- 0 -</u>
TOTAL DEDUCTIONS	<u>423,945</u>	<u>30,854</u>
NET INCREASE (DECREASE) IN NET ASSETS	(96,513)	312,392
Net assets available for benefits, beginning of year	<u>914,469</u>	<u>602,077</u>
Net assets available for benefits, end of year	<u>\$817,956</u>	<u>\$914,469</u>

The accompanying notes are an integral part of these financial statements.
See independent auditor's report.

Seaborne PR 1081.01 (d) Plan
Notes to the Audited Financial Statements
December 31, 2022, and 2021

NOTE A – DESCRIPTION OF PLAN

The following description of the Seaborne Virgin Islands, Inc. 1081.01 (d) Plan ("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 qualified retirement plan (refer to the Plan document), a 1081.01 (d) profit sharing plan covering, on an elective basis, all full-time employees of Seaborne Virgin Islands, Inc. (the Company) who have been employed for three-months, no hours' requirement and are age eighteen or older. It is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA).

Contributions:

Once an employee become eligible participant may contribute from 2% up to 100% of their compensation or the annual limit of \$15,000, effective January 1, 2016 and thereafter the amount established by Puerto Rico Tax Code. However, compensation is limited to \$265,000 for the Plan year beginning in 2016; and will thereafter be the amount set annually by regulation. The administrator will notify the maximum percentage that they may defer. Participants who have attained age 50 before the end of the Plan year are eligible to make catch-up contributions, up to \$1,500 since calendar year 2016 and thereafter the amount established by Puerto Rico Tax Code. Participants may also contribute amounts representing distributions from other qualified defined benefit or defined contribution plans. Participants can make non-deductible Voluntary Employee Contributions to the Plan of up to 10% of their Compensation for each Plan year since they entered the Plan offset by Voluntary Employee Contributions they have made to date. Participants direct the investment of their contributions into various investment options offered by the Plan. The Plan currently offers various mutual funds as investment options for participants. The Company may elect to make a Matching Contribution to the Plan for any Plan year. However, the Matching Contribution allocated to participants Matching Contribution Account cannot exceed 50% which does not exceed 7% of participants Compensation. Any Matching Contribution shall be made on an annual basis shortly after the end of the Plan year. The participants must complete a year of service (1,000 hours of service) during the Plan Year to share in this discretionary Matching Contribution.

Seaborne PR 1081.01 (d) Plan
Notes to the Audited Financial Statements
December 31, 2022, and 2021

Note A – DESCRIPTION OF PLAN (Cont'd.)

Participant Accounts:

Each participant's account is credited with the participant's contribution and allocations of (a) the Company's contribution and, (b) Plan earnings, and charged with an allocation of administrative expenses. Allocations are based on participant earnings or account balances, as defined. The amount of Contributions and forfeitures that can be allocated to participants account for any Plan year is limited by the law to the lesser of 100% of compensation or the annual dollar limit of \$53,000 beginning in 2016, and will thereafter be the amount set annually by regulation.

The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account.

Vesting:

A year of service (12 consecutive months with at least 1,000 hours of service) is the period of time used to determine a participant's eligibility to participate in the Plan and to determine vested interest. Participants are vested in their contributions plus actual earnings thereon. Vesting in the Company's contribution portion of their accounts is based on years of continuous service. A participant is 100% vested after four years of credited service.

Participant Loans:

Participants may borrow from their fund accounts up to a maximum equal to the lesser of \$50,000 or 50% of their vested account balance. The loans are secured by the balance in the participant's account and bear interest at reasonable rates, which are determined by the Plan administrator. Loans must be repaid within five years by equal payments made at least quarterly (or more frequently as required by loan policy), or a longer repayment may be permitted for a loan used to buy primary residence.

Payment of Benefits:

On termination of service due to death, disability or retirement, a participant will receive a lump-sum payment in cash equal to the value of the participant's vested interest in his or her account. For termination of service due to other reasons, a participant will also receive the value of the vested interest in his or her account as a lump-sum distribution.

Seaborne PR 1081.01 (d) Plan
Notes to the Audited Financial Statements
December 31, 2022, and 2021

Note A – DESCRIPTION OF PLAN (Cont'd.)

Payment of Benefits:

Instead of a lump-sum distribution, participants may elect two other forms of payment:

- a. Installment payments
- b. Partial payments as requested by participants.

Forfeited Accounts:

At December 31, 2022 there were \$3,129 in forfeitures, in 2021 there were \$2,427.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting:

The financial statements of the plan are prepared on the accrual basis of accounting. Investment contracts held by a defined-contribution plan are required to be reported at fair value. However, contract value is the relevant measurement attribute for that portion of the net assets available for benefits of a defined-contribution plan attributable to fully benefit-responsive investment contracts because contract value is the amount participants would receive if they were to initiate permitted transactions under the terms of the plan. The Statement of Net Assets Available for Benefits presents the fair value of the investment contracts as well as the adjustment of the fully benefit-responsive investment contracts from fair value to contract value. The Statement of Changes in Net Assets Available for Benefits is prepared on a contract value basis.

Use of Estimates:

The preparation of financial statements in conformity with generally accepted accounting principles requires the plan administrator 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.

Seaborne PR 1081.01 (d) Plan
Notes to the Audited Financial Statements
December 31, 2022, and 2021

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd.)

Investment Valuation and Income Recognition:

Investments are stated 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 participants at the measurement date. See Note D for discussion of fair value measurements. Purchase 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. Net appreciation or depreciation includes the plan's gains and losses on investments bought and sold as held during the year.

Payment of Benefits:

Benefits are recorded when paid.

Operating Expenses:

All expenses of maintaining the Plan are paid by the Company.

Subsequent Events:

The Plan has evaluated subsequent events through September 27, 2022, the date the financial statements were available to be issued.

Invested assets are shown as Supplementary Information at the end of this report.

NOTE C – RECEIVABLES

The following amounts are receivables from:

- Participants'	\$ 2,842
- Other	14,348
Total	<u>\$17,190</u>

These receivables are considered fully collectible and represent contributions due but not yet deposited as of the date of this report.

NOTE D - INVESTMENTS

The Plan's investments that represent in the aggregate 5% or more of the Plan's net assets as of December 31, 2022, and 2021 are shown as part of the Supplementary Information which includes all invested funds. These securities have been entrusted to Oriental Financial Group, a division of Oriental Bank, and certified by them.

Seaborne Virgin Islands, Inc. 1081.01 (d) Plan
Notes to the Audited Financial Statements
December 31, 2022, and 2021

NOTE E - FAIR VALUE MEASUREMENTS

During 2022 the Plan's investment positions devalued by \$215,746 while the Plan's investments (including gains and losses on investments bought and sold), as well as held during the year, appreciated by \$98,478 in 2021.

Financial Accounting Standards Board (FASB) *Accounting Standards Codification* (ASC) 820, *Fair Value Measurements and Disclosures*, provides the framework for measuring fair value. That framework 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 measurements) and the lowest priority to unobservable inputs (level 3 measurements).

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 used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Seaborne PR 1081.01 (d) Plan
Notes to the Audited Financial Statements
December 31, 2022, and 2021

NOTE E – FAIR VALUE MEASUREMENTS (Cont'd.)

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:

Common stocks, corporate bonds and U.S government securities: Valued at the closing price reported on the active market on which the individual securities are traded.

Mutual funds: Valued at the net asset value (NAV) of shares held by the plan at year end.

Participant loans: Valued at amortized cost, which approximates fair value.

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

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

	<u>Assets at Fair Value as of December 31, 2022</u>		
	<u>Level 1</u>	<u>Level 3</u>	<u>Total</u>
Mutual funds	\$740,015	-	\$740,015
Participants' loans		60,751	60,751
Receivables		<u>17,190</u>	<u>17,190</u>
	<u>\$740,015</u>	<u>\$ 77,941</u>	<u>\$817,956</u>

Seaborne PR 1081.01 (d) Plan
Notes to the Audited Financial Statements
December 31, 2022, and 2021

NOTE E – FAIR VALUE MEASUREMENTS (Cont'd.)

Assets at Fair Value as of December 31, 2021

	<u>Level 1</u>	<u>Level 3</u>	<u>Total</u>
- Mutual funds	\$866,991	-	\$866,991
Participants' loans	<u>- 0 -</u>	<u>40,823</u>	<u>40,823</u>
Cash	<u>6,655</u>		<u>6,655</u>
	<u>\$873,646</u>	<u>\$40,823</u>	<u>\$914,469</u>

Level 3 Gains and Losses:

The following table sets forth a summary of changes in the fair value of the Plan's level 3 assets for the year ended December 31, 2022:

Participant Loans
Year Ended December 31, 2022

Balance, beginning of year	\$40,823
Loans issued	34,538
Interest on loans	1,382
Loan payments	<u>(15,992)</u>
Balance, end of year	<u>\$60,751</u>

The following table sets forth a summary of changes in the fair value of the Plan's level 3 assets for the year ended December 31, 2021:

Participant Loans
Year Ended December 31, 2021

Balance, beginning of year	\$13,513
Loans issued	40,935
Interest on loans	1,108
Loan payments	<u>(14,733)</u>
Balance, end of year	<u>\$40,823</u>

Seaborne PR 1081.01 (d) Plan
Notes to the Audited Financial Statements
December 31, 2022, and 2021

NOTE F - GUARANTEED INVESTMENT CONTRACT WITH ORIENTAL FINANCIAL GROUP

On December 1, 2015, the Plan entered into a contract with Oriental Bank (Oriental). Oriental maintains the contributions in various accounts holding plan contributions. The accounts are credited with earnings on the underlying investments and charged for participant withdrawals and administrative expenses.

Contract value is the relevant measurement attribute for that portion of the net assets available for benefits attributable to the contract. Contract value is similar to market.

Contract value, as reported to the Plan by Oriental, represents contributions made under the contract, plus earnings, less participant withdrawals and administrative expenses. Participants may ordinarily direct the withdrawal or transfer of all or a portion of their investment at contract value.

There are no reserves against contract value for credit risk of the contract issuer or otherwise. The fair market value of the investment contract at December 31, 2022 and 2021 was \$736,848 and \$866,991, respectively.

The average yield of the investment portfolio based on actual earnings was 4.75% and 12.98% for the years 2022 and 2021, respectively.

NOTE G - 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, either totally or partially, 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.

NOTE H - TAX STATUS

The Plan received a ruling from the Puerto Rico Treasury Department on February 7, 2018 as to the exempt status of the Plan. The Plan also requested and has received letters from the Treasury Department accepting various amendments to the plan's sponsor's name, from Seaborne Virgin Islands, Inc. to SB USVI Acquisition, Inc.; changing the federal employer identification number and removing an existing employer, Seaborne Puerto Rico, LLC and add an existing employer, Silver Airlines, LLC. The letters indicate that the ruling issued on February 7, 2018 is not affected.

Seaborne PR 1081.01 (d) Plan
Notes to the Audited Financial Statements
December 31, 2022, and 2021

NOTE I - RISKS AND UNCERTAINTIES

The Plan invests in various investment securities, which are exposed to 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 participant's account balances and the amounts reported in the statement of net assets available for benefits.

NOTE J – RECONCILIATION WITH FORM 5500

There is a difference of \$3,156 between the net value of invested assets as of December 31, 2022 and the amount shown in the Form 5500. This difference arises from the beginning balance of invested assets and will be adjusted in the year 2023. As of December 31, 2021 there is no reconciling difference between the documents.

NOTE K – SUBSEQUENT EVENTS

Management has adopted the provisions of FASB ASC 855- "Subsequent Events". This establishes general accounting and disclosure standards of events that occur after the date of the accounting closing but prior to the date of issuance of the financial statements or the date when they are ready for issuance. This topic introduces the concept of financial statements which are complete in form and content and that comply with the generally accepted accounting principles in the United States of America.

FASB ASC 855 establishes the disclosure of the date in which the entity evaluated the subsequent events and the basis for the statements' date, which means the date in which the financial statements are issued or are ready to be issued. Management of the Plan evaluated the subsequent events up to September 14, 2023.

COVID19:

In December of 2019, the Corona Virus was discovered in the province of Wuhan, China. The virus spread worldwide causing a pandemic with medical and economic effects on the world population. Puerto Rico and the United States Virgin Islands have not been an exception. The local government imposed several lockdowns and established restrictions to the way businesses are conducted. Although the governmental measures have eased up, the long-term economic effects of this pandemic are not anticipated as of the date of this report.

Seaborne Puerto Rico 1081.01 (d) Plan
Schedule of Invested Assets – Supplementary Information
December 31, 2022, and 2021

Following are the Plan's investments that represent 5% or more of the Plan's net assets as of December 31, 2022, and 2021, which have been entrusted to Oriental Financial Group and certified by them:

	<u>2022</u>	<u>2021</u>
American Funds 2015 Target Date	\$ 7,598	\$ 3,829
American Funds 2020 Target Date	1,298	897
American Funds 2025 Target Date	16,689	26,264
American Funds 2030 Target Date	32,190	51,903
American Funds 2035 Target Date	84,102	106,236
American Funds 2040 Target Date	42,867	50,624
American Funds 2045 Target Date	17,867	20,096
American Funds 2050 Target Date	7,340	6,240
American Funds 2055 Target Date	12,682	12,633
American Funds American Balanced	23,742	28,931
American Funds Euro Pacific Growth	4,519	6,161
Columbia Large Cap. Enhanced	10,804	2,488
Columbia Mid. Cap. Index A	3	2,179
Frost Total Return Bond Fund Investor	2,431	2,397
Galliard Retirement Inc. Fund	18,715	17,631
Global Bond Fund Class A	- 0 -	114
Ivy High Income Fund Class Y	5,686	6,053
Metropolitan West Total Return Bond	163	306
MFS Value Fund Class R4	121,437	97,275
PIMCO Total Return Class A	4,986	5,396
Small Cap Growth Index	- 0 -	69,486
Small Cap Value Index	- 0 -	40,166
T. Rowe Price Blue Chip Growth	219,383	296,148
Templeton Global Bond Class A	228	- 0 -
Vanguard Small Cap. Index	39,942	- 0 -
Vanguard Small Cap. Growth Index	51,199	- 0 -
Allspring Utility and Telecommunication	10,978	- 0 -
WF Utility and Telecom	- 0	11,111
	<u>\$736,849</u>	<u>\$864,564</u>
Forfeiture account	3,129	2,427
Total investments	739,978	866,991
Participants' loans	60,751	40,823
Plan assets available for distribution	\$800,729	\$907,814
Cash available	37*	6,655
Receivables	17,190	- 0 -
Total net asset value	<u>\$817,956</u>	<u>\$914,469</u>

*cash of \$37 appears in the reports but was not included in Form 5500.

Seaborne Puerto Rico 1081.01 (d) Plan
Audited Financial Statements
& Independent Auditor's Report
December 31, 2022, and 2021

Seaborne Puerto Rico 1081.01 (d) Plan
Audited Financial Statements & Independent Auditor's
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INDEPENDENT AUDITOR'S REPORT

To the Plan Administrator of
Seaborne PR 1081.01 (d) Plan
San Juan, Puerto Rico

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

I have performed audits of the financial statements of Seaborne PR 1081.01 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 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 Seaborne PR 1081.01 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 Rules and Regulations for Reporting and Disclosure under ERISA. As permitted by ERISA Section 103(a)(3)(C), my audits need not extend to any statements or information related to assets held for investment of the plan (investment information) by a bank or similar institution or insurance carrier that is regulated, supervised, and subject to periodic examination by a state or federal agency, provided that the statements or information regarding assets so held are prepared and certified to by the bank or similar institution or insurance carrier in accordance with 29 CFR 2520.103-5 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA (qualified institution).

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

Opinion

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

Basis for Opinion

I conducted my audits in accordance with auditing standards generally accepted in the United States of America (GAAS). My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am required to be independent of Seaborne PR 1081.01 Plan and to meet my other ethical responsibilities, in accordance with the relevant ethical requirements relating to my audits. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my 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 Seaborne PR 1081.01 Plan's ability to continue as a going concern for the period required to cover its obligations.

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 my report, my 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 my 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, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users made on the basis of these financial statements. In performing an audit in accordance with GAAS, I:

- 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 Seaborne PR 1081.01 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 my judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Seaborne PR 1081.01 Plan's ability to continue as a going concern for a reasonable period of time.

My 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 are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America.

I am 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 I identified during the audit.

Other Matter — Supplemental Schedules Required by ERISA

The supplemental schedules of invested assets as of December 31, 2022, and 2021 are presented for purposes of additional analysis and are not a required part of the financial statements but are supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information included in the supplemental schedules, other than that agreed to or derived from the certified investment information, has been subjected to auditing procedures applied in the audits of the financial statements and certain additional procedures, including comparing and reconciling such

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

In forming my opinion on the supplemental schedules, I 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 my opinion:

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



CPA Héctor O. Ramos-Ayestarán
September 14, 2023
San Juan, Puerto Rico
License #1417



Seaborne PR 1081.01 (d) Plan
Statements of Net Assets Available for Benefits
December 31, 2022, and 2021

	<u>2022</u>	<u>2021</u>
ASSETS		
Participants' loans	\$ 60,751	\$ 40,823
Receivables	17,190	- 0 -
Investments, at fair value	740,015	866,991
Cash	<u>- 0 -</u>	<u>6,655</u>
Total Assets	<u>\$817,956</u>	<u>\$914,469</u>
 NET ASSETS AVAILABLE FOR BENEFITS AT FAIR VALUE	 <u>\$817,956</u>	 <u>\$914,469</u>

**The accompanying notes are an integral part of these financial statements.
See independent auditor's report.**

Seaborne PR 1081.01 (d) Plan
Statement of Changes in Net Assets Available for Benefits
Year ended December 31, 2022, and 2021

	<u>2022</u>	<u>2021</u>
ADDITIONS:		
Additions to net assets attributed to:		
Investment income:		
Net investment gains and earnings	\$ - 0 -	\$ 98,478
Interest on participants' loans	<u>- 0 -</u>	<u>1,108</u>
Sub-total	- 0 -	99,586
Contributions:		
Employer	\$ 60,628	\$ 59,091
Participants' deposits	<u>266,804</u>	<u>184,569</u>
TOTAL ADDITIONS	<u>\$ 327,432</u>	<u>\$343,246</u>
DEDUCTIONS:		
Deductions to net assets attributed to:		
Benefits paid to participants	\$ 208,199	\$ 29,939
Administrative Expenses	- 0 -	915
Market devaluation of investments	<u>215,746</u>	<u>- 0 -</u>
TOTAL DEDUCTIONS	<u>423,945</u>	<u>30,854</u>
NET INCREASE (DECREASE) IN NET ASSETS	(96,513)	312,392
Net assets available for benefits, beginning of year	<u>914,469</u>	<u>602,077</u>
Net assets available for benefits, end of year	<u>\$817,956</u>	<u>\$914,469</u>

The accompanying notes are an integral part of these financial statements.
See independent auditor's report.

Seaborne PR 1081.01 (d) Plan
Notes to the Audited Financial Statements
December 31, 2022, and 2021

NOTE A – DESCRIPTION OF PLAN

The following description of the Seaborne Virgin Islands, Inc. 1081.01 (d) Plan ("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 qualified retirement plan (refer to the Plan document), a 1081.01 (d) profit sharing plan covering, on an elective basis, all full-time employees of Seaborne Virgin Islands, Inc. (the Company) who have been employed for three-months, no hours' requirement and are age eighteen or older. It is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA).

Contributions:

Once an employee become eligible participant may contribute from 2% up to 100% of their compensation or the annual limit of \$15,000, effective January 1, 2016 and thereafter the amount established by Puerto Rico Tax Code. However, compensation is limited to \$265,000 for the Plan year beginning in 2016; and will thereafter be the amount set annually by regulation. The administrator will notify the maximum percentage that they may defer. Participants who have attained age 50 before the end of the Plan year are eligible to make catch-up contributions, up to \$1,500 since calendar year 2016 and thereafter the amount established by Puerto Rico Tax Code. Participants may also contribute amounts representing distributions from other qualified defined benefit or defined contribution plans. Participants can make non-deductible Voluntary Employee Contributions to the Plan of up to 10% of their Compensation for each Plan year since they entered the Plan offset by Voluntary Employee Contributions they have made to date. Participants direct the investment of their contributions into various investment options offered by the Plan. The Plan currently offers various mutual funds as investment options for participants. The Company may elect to make a Matching Contribution to the Plan for any Plan year. However, the Matching Contribution allocated to participants Matching Contribution Account cannot exceed 50% which does not exceed 7% of participants Compensation. Any Matching Contribution shall be made on an annual basis shortly after the end of the Plan year. The participants must complete a year of service (1,000 hours of service) during the Plan Year to share in this discretionary Matching Contribution.

Seaborne PR 1081.01 (d) Plan
Notes to the Audited Financial Statements
December 31, 2022, and 2021

Note A – DESCRIPTION OF PLAN (Cont'd.)

Participant Accounts:

Each participant's account is credited with the participant's contribution and allocations of (a) the Company's contribution and, (b) Plan earnings, and charged with an allocation of administrative expenses. Allocations are based on participant earnings or account balances, as defined. The amount of Contributions and forfeitures that can be allocated to participants account for any Plan year is limited by the law to the lesser of 100% of compensation or the annual dollar limit of \$53,000 beginning in 2016, and will thereafter be the amount set annually by regulation.

The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account.

Vesting:

A year of service (12 consecutive months with at least 1,000 hours of service) is the period of time used to determine a participant's eligibility to participate in the Plan and to determine vested interest. Participants are vested in their contributions plus actual earnings thereon. Vesting in the Company's contribution portion of their accounts is based on years of continuous service. A participant is 100% vested after four years of credited service.

Participant Loans:

Participants may borrow from their fund accounts up to a maximum equal to the lesser of \$50,000 or 50% of their vested account balance. The loans are secured by the balance in the participant's account and bear interest at reasonable rates, which are determined by the Plan administrator. Loans must be repaid within five years by equal payments made at least quarterly (or more frequently as required by loan policy), or a longer repayment may be permitted for a loan used to buy primary residence.

Payment of Benefits:

On termination of service due to death, disability or retirement, a participant will receive a lump-sum payment in cash equal to the value of the participant's vested interest in his or her account. For termination of service due to other reasons, a participant will also receive the value of the vested interest in his or her account as a lump-sum distribution.

Seaborne PR 1081.01 (d) Plan
Notes to the Audited Financial Statements
December 31, 2022, and 2021

Note A – DESCRIPTION OF PLAN (Cont'd.)

Payment of Benefits:

Instead of a lump-sum distribution, participants may elect two other forms of payment:

- a. Installment payments
- b. Partial payments as requested by participants.

Forfeited Accounts:

At December 31, 2022 there were \$3,129 in forfeitures, in 2021 there were \$2,427.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting:

The financial statements of the plan are prepared on the accrual basis of accounting. Investment contracts held by a defined-contribution plan are required to be reported at fair value. However, contract value is the relevant measurement attribute for that portion of the net assets available for benefits of a defined-contribution plan attributable to fully benefit-responsive investment contracts because contract value is the amount participants would receive if they were to initiate permitted transactions under the terms of the plan. The Statement of Net Assets Available for Benefits presents the fair value of the investment contracts as well as the adjustment of the fully benefit-responsive investment contracts from fair value to contract value. The Statement of Changes in Net Assets Available for Benefits is prepared on a contract value basis.

Use of Estimates:

The preparation of financial statements in conformity with generally accepted accounting principles requires the plan administrator 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.

Seaborne PR 1081.01 (d) Plan
Notes to the Audited Financial Statements
December 31, 2022, and 2021

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd.)

Investment Valuation and Income Recognition:

Investments are stated 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 participants at the measurement date. See Note D for discussion of fair value measurements. Purchase 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. Net appreciation or depreciation includes the plan's gains and losses on investments bought and sold as held during the year.

Payment of Benefits:

Benefits are recorded when paid.

Operating Expenses:

All expenses of maintaining the Plan are paid by the Company.

Subsequent Events:

The Plan has evaluated subsequent events through September 27, 2022, the date the financial statements were available to be issued.

Invested assets are shown as Supplementary Information at the end of this report.

NOTE C – RECEIVABLES

The following amounts are receivables from:

- Participants'	\$ 2,842
- Other	14,348
Total	<u>\$17,190</u>

These receivables are considered fully collectible and represent contributions due but not yet deposited as of the date of this report.

NOTE D - INVESTMENTS

The Plan's investments that represent in the aggregate 5% or more of the Plan's net assets as of December 31, 2022, and 2021 are shown as part of the Supplementary Information which includes all invested funds. These securities have been entrusted to Oriental Financial Group, a division of Oriental Bank, and certified by them.

Seaborne Virgin Islands, Inc. 1081.01 (d) Plan
Notes to the Audited Financial Statements
December 31, 2022, and 2021

NOTE E - FAIR VALUE MEASUREMENTS

During 2022 the Plan's investment positions devalued by \$215,746 while the Plan's investments (including gains and losses on investments bought and sold), as well as held during the year, appreciated by \$98,478 in 2021.

Financial Accounting Standards Board (FASB) *Accounting Standards Codification* (ASC) 820, *Fair Value Measurements and Disclosures*, provides the framework for measuring fair value. That framework 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 measurements) and the lowest priority to unobservable inputs (level 3 measurements).

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 used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Seaborne PR 1081.01 (d) Plan
Notes to the Audited Financial Statements
December 31, 2022, and 2021

NOTE E – FAIR VALUE MEASUREMENTS (Cont'd.)

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:

Common stocks, corporate bonds and U.S government securities: Valued at the closing price reported on the active market on which the individual securities are traded.

Mutual funds: Valued at the net asset value (NAV) of shares held by the plan at year end.

Participant loans: Valued at amortized cost, which approximates fair value.

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

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

	<u>Assets at Fair Value as of December 31, 2022</u>		
	<u>Level 1</u>	<u>Level 3</u>	<u>Total</u>
Mutual funds	\$740,015	-	\$740,015
Participants' loans		60,751	60,751
Receivables		<u>17,190</u>	<u>17,190</u>
	<u>\$740,015</u>	<u>\$ 77,941</u>	<u>\$817,956</u>

Seaborne PR 1081.01 (d) Plan
Notes to the Audited Financial Statements
December 31, 2022, and 2021

NOTE E – FAIR VALUE MEASUREMENTS (Cont'd.)

Assets at Fair Value as of December 31, 2021

	<u>Level 1</u>	<u>Level 3</u>	<u>Total</u>
- Mutual funds	\$866,991	-	\$866,991
Participants' loans	- 0 -	40,823	40,823
Cash	6,655		6,655
	<u>\$873,646</u>	<u>\$40,823</u>	<u>\$914,469</u>

Level 3 Gains and Losses:

The following table sets forth a summary of changes in the fair value of the Plan's level 3 assets for the year ended December 31, 2022:

Participant Loans
Year Ended December 31, 2022

Balance, beginning of year	\$40,823
Loans issued	34,538
Interest on loans	1,382
Loan payments	<u>(15,992)</u>
Balance, end of year	<u>\$60,751</u>

The following table sets forth a summary of changes in the fair value of the Plan's level 3 assets for the year ended December 31, 2021:

Participant Loans
Year Ended December 31, 2021

Balance, beginning of year	\$13,513
Loans issued	40,935
Interest on loans	1,108
Loan payments	<u>(14,733)</u>
Balance, end of year	<u>\$40,823</u>

Seaborne PR 1081.01 (d) Plan
Notes to the Audited Financial Statements
December 31, 2022, and 2021

NOTE F - GUARANTEED INVESTMENT CONTRACT WITH ORIENTAL FINANCIAL GROUP

On December 1, 2015, the Plan entered into a contract with Oriental Bank (Oriental). Oriental maintains the contributions in various accounts holding plan contributions. The accounts are credited with earnings on the underlying investments and charged for participant withdrawals and administrative expenses.

Contract value is the relevant measurement attribute for that portion of the net assets available for benefits attributable to the contract. Contract value is similar to market.

Contract value, as reported to the Plan by Oriental, represents contributions made under the contract, plus earnings, less participant withdrawals and administrative expenses. Participants may ordinarily direct the withdrawal or transfer of all or a portion of their investment at contract value.

There are no reserves against contract value for credit risk of the contract issuer or otherwise. The fair market value of the investment contract at December 31, 2022 and 2021 was \$736,848 and \$866,991, respectively.

The average yield of the investment portfolio based on actual earnings was 4.75% and 12.98% for the years 2022 and 2021, respectively.

NOTE G - 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, either totally or partially, 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.

NOTE H - TAX STATUS

The Plan received a ruling from the Puerto Rico Treasury Department on February 7, 2018 as to the exempt status of the Plan. The Plan also requested and has received letters from the Treasury Department accepting various amendments to the plan's sponsor's name, from Seaborne Virgin Islands, Inc. to SB USVI Acquisition, Inc.; changing the federal employer identification number and removing an existing employer, Seaborne Puerto Rico, LLC and add an existing employer, Silver Airlines, LLC. The letters indicate that the ruling issued on February 7, 2018 is not affected.

Seaborne PR 1081.01 (d) Plan
Notes to the Audited Financial Statements
December 31, 2022, and 2021

NOTE I - RISKS AND UNCERTAINTIES

The Plan invests in various investment securities, which are exposed to 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 participant's account balances and the amounts reported in the statement of net assets available for benefits.

NOTE J – RECONCILIATION WITH FORM 5500

There is a difference of \$3,156 between the net value of invested assets as of December 31, 2022 and the amount shown in the Form 5500. This difference arises from the beginning balance of invested assets and will be adjusted in the year 2023. As of December 31, 2021 there is no reconciling difference between the documents.

NOTE K – SUBSEQUENT EVENTS

Management has adopted the provisions of FASB ASC 855- "Subsequent Events". This establishes general accounting and disclosure standards of events that occur after the date of the accounting closing but prior to the date of issuance of the financial statements or the date when they are ready for issuance. This topic introduces the concept of financial statements which are complete in form and content and that comply with the generally accepted accounting principles in the United States of America.

FASB ASC 855 establishes the disclosure of the date in which the entity evaluated the subsequent events and the basis for the statements' date, which means the date in which the financial statements are issued or are ready to be issued. Management of the Plan evaluated the subsequent events up to September 14, 2023.

COVID19:

In December of 2019, the Corona Virus was discovered in the province of Wuhan, China. The virus spread worldwide causing a pandemic with medical and economic effects on the world population. Puerto Rico and the United States Virgin Islands have not been an exception. The local government imposed several lockdowns and established restrictions to the way businesses are conducted. Although the governmental measures have eased up, the long-term economic effects of this pandemic are not anticipated as of the date of this report.

Seaborne Puerto Rico 1081.01 (d) Plan
Schedule of Invested Assets – Supplementary Information
December 31, 2022, and 2021

Following are the Plan's investments that represent 5% or more of the Plan's net assets as of December 31, 2022, and 2021, which have been entrusted to Oriental Financial Group and certified by them:

	<u>2022</u>	<u>2021</u>
American Funds 2015 Target Date	\$ 7,598	\$ 3,829
American Funds 2020 Target Date	1,298	897
American Funds 2025 Target Date	16,689	26,264
American Funds 2030 Target Date	32,190	51,903
American Funds 2035 Target Date	84,102	106,236
American Funds 2040 Target Date	42,867	50,624
American Funds 2045 Target Date	17,867	20,096
American Funds 2050 Target Date	7,340	6,240
American Funds 2055 Target Date	12,682	12,633
American Funds American Balanced	23,742	28,931
American Funds Euro Pacific Growth	4,519	6,161
Columbia Large Cap. Enhanced	10,804	2,488
Columbia Mid. Cap. Index A	3	2,179
Frost Total Return Bond Fund Investor	2,431	2,397
Galliard Retirement Inc. Fund	18,715	17,631
Global Bond Fund Class A	- 0 -	114
Ivy High Income Fund Class Y	5,686	6,053
Metropolitan West Total Return Bond	163	306
MFS Value Fund Class R4	121,437	97,275
PIMCO Total Return Class A	4,986	5,396
Small Cap Growth Index	- 0 -	69,486
Small Cap Value Index	- 0 -	40,166
T. Rowe Price Blue Chip Growth	219,383	296,148
Templeton Global Bond Class A	228	- 0 -
Vanguard Small Cap. Index	39,942	- 0 -
Vanguard Small Cap. Growth Index	51,199	- 0 -
Allspring Utility and Telecommunication	10,978	- 0 -
WF Utility and Telecom	- 0	11,111
	<u>\$736,849</u>	<u>\$864,564</u>
Forfeiture account	3,129	2,427
Total investments	739,978	866,991
Participants' loans	60,751	40,823
Plan assets available for distribution	\$800,729	\$907,814
Cash available	37*	6,655
Receivables	17,190	- 0 -
Total net asset value	<u>\$817,956</u>	<u>\$914,469</u>

*cash of \$37 appears in the reports but was not included in Form 5500.