Form 5500

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

Annual Return/Report of Employee Benefit Plan

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

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

OMB Nos. 1210-0110
1210-0089

2022

This Form is Open to Public Inspection

Part I Annual Report Identification Information

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

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

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

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

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

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

Part II Basic Plan Information—enter all requested information

1a Name of plan
SCHIMENTI CONSTRUCTION EMPLOYEE STOCK OWNERSHIP PLAN

1b Three-digit plan number (PN) ▶ 002

1c Effective date of plan 01/01/2022

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)
SCHIMENTI CONSTRUCTION HOLDINGS, INC.

3 INTERNATIONAL DR
3RD FLOOR
RYE BROOK, NY 10573

2b Employer Identification Number (EIN)
92-0852321

2c Plan Sponsor's telephone number
914-244-9100

2d Business code (see instructions)
236200

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.	10/16/2023	NADIA SALGADO
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE	Filed with authorized/valid electronic signature.	10/16/2023	NADIA SALGADO
	Signature of employer/plan sponsor	Date	Enter name of individual signing as employer or plan sponsor
SIGN HERE			
	Signature of DFE	Date	Enter name of individual signing as DFE

3a Plan administrator's name and address [X] Same as Plan Sponsor

3b Administrator's EIN

3c Administrator's telephone number

4 If the name and/or EIN of the plan sponsor or the plan name has changed since the last return/report filed for this plan, enter the plan sponsor's name, EIN, the plan name and the plan number from the last return/report:

a Sponsor's name

4b EIN

c Plan Name

4d PN

5	Total number of participants at the beginning of the plan year	**5**	289
6	Number of participants as of the end of the plan year unless otherwise stated (welfare plans complete only lines **6a(1), 6a(2), 6b, 6c,** and **6d**).		
a(1)	Total number of active participants at the beginning of the plan year	**6a(1)**	289
a(2)	Total number of active participants at the end of the plan year	**6a(2)**	220
b	Retired or separated participants receiving benefits	**6b**	0
c	Other retired or separated participants entitled to future benefits	**6c**	1
d	Subtotal. Add lines **6a(2)**, **6b**, and **6c**	**6d**	221
e	Deceased participants whose beneficiaries are receiving or are entitled to receive benefits.	**6e**	0
f	Total. Add lines **6d** and **6e**.	**6f**	221
g	Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item)	**6g**	219
h	Number of participants who terminated employment during the plan year with accrued benefits that were less than 100% vested	**6h**	0
7	Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item)	**7**	

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

2I 2P 3I

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

9a Plan funding arrangement (check all that apply)

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

9b Plan benefit arrangement (check all that apply)

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

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

a Pension Schedules

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

b General Schedules

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

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

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

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

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

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

Receipt Confirmation Code_____

SCHEDULE C (Form 5500)	Service Provider Information	OMB No. 1210-0110
Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA). ▶ **File as an attachment to Form 5500.**	**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	**B** Three-digit plan number (PN) ▶
SCHIMENTI CONSTRUCTION EMPLOYEE STOCK OWNERSHIP PLAN	002
C Plan sponsor's name as shown on line 2a of Form 5500	**D** Employer Identification Number (EIN)
SCHIMENTI CONSTRUCTION HOLDINGS, INC.	92-0852321

Part I Service Provider Information (see instructions)

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

1 Information on Persons Receiving Only Eligible Indirect Compensation

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

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

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

PRINCIPAL LIFE INSURANCE COMPANY

42-0127290

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

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

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

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

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

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

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

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

Part I Service Provider Information (continued)

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

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

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

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

Part II Service Providers Who Fail or Refuse to Provide Information

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

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

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

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

(complete as many entries as needed)

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

Explanation:

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

Explanation:

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

Explanation:

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

Explanation:

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

Explanation:

SCHEDULE H (Form 5500)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

Financial Information

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

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

OMB No. 1210-0110

2022

This Form is Open to Public Inspection

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

A Name of plan
SCHIMENTI CONSTRUCTION EMPLOYEE STOCK OWNERSHIP PLAN

B Three-digit plan number (PN) ▶ 002

C Plan sponsor's name as shown on line 2a of Form 5500
SCHIMENTI CONSTRUCTION HOLDINGS, INC.

D Employer Identification Number (EIN)
92-0852321

Part I Asset and Liability Statement

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

Assets		(a) Beginning of Year	(b) End of Year
a Total noninterest-bearing cash	1a		
b Receivables (less allowance for doubtful accounts):			
(1) Employer contributions	1b(1)		6575179
(2) Participant contributions	1b(2)		
(3) Other	1b(3)		
c General investments:			
(1) Interest-bearing cash (include money market accounts & certificates of deposit)	1c(1)		
(2) U.S. Government securities	1c(2)		
(3) Corporate debt instruments (other than employer securities):			
(A) Preferred	1c(3)(A)		
(B) All other	1c(3)(B)		
(4) Corporate stocks (other than employer securities):			
(A) Preferred	1c(4)(A)		
(B) Common	1c(4)(B)		
(5) Partnership/joint venture interests	1c(5)		
(6) Real estate (other than employer real property)	1c(6)		
(7) Loans (other than to participants)	1c(7)		
(8) Participant loans	1c(8)		
(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)		
(14) Value of funds held in insurance company general account (unallocated contracts)	1c(14)		
(15) Other	1c(15)		

		(a) Beginning of Year	(b) End of Year
1d Employer-related investments:			
(1) Employer securities	1d(1)		1197900
(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	0	7773079
Liabilities			
g Benefit claims payable	1g		
h Operating payables	1h		
i Acquisition indebtedness	1i		
j Other liabilities	1j		119220534
k Total liabilities (add all amounts in lines 1g through1j)	1k	0	119220534
Net Assets			
l Net assets (subtract line 1k from line 1f)	1l	0	-111447455

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)	6575179	
(B) Participants	2a(1)(B)		
(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)		6575179
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)	-118022634	
(C) Total unrealized appreciation of assets. Add lines **2b(5)(A)** and **(B)**	2b(5)(C)		-118022634

		(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)		
c Other income	2c		
d Total income. Add all **income** amounts in column (b) and enter total	2d		-111447455
Expenses			
e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	0	
(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)		0
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		0
Net Income and Reconciliation			
k Net income (loss). Subtract line **2j** from line **2d**	2k		-111447455
l Transfers of assets:			
(1) To this plan	2l(1)		
(2) From this plan	2l(2)		

Part III Accountant's Opinion

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

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

(1) [X] Unmodified **(2)** [ ] Qualified **(3)** [ ] Disclaimer **(4)** [ ] Adverse

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

(1) [ ] DOL Regulation 2520.103-8 **(2)** [ ] DOL Regulation 2520.103-12(d) **(3)** [X] 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: CAPOSSELA, COHEN, LLC **(2)** EIN: 06-1415579

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

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

Part IV Compliance Questions

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

During the plan year:

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

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

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

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

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

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

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

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

SCHEDULE R (Form 5500)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

Retirement Plan Information

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

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

OMB No. 1210-0110

2022

This Form is Open to Public Inspection.

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

A Name of plan
SCHIMENTI CONSTRUCTION EMPLOYEE STOCK OWNERSHIP PLAN

B Three-digit plan number (PN) ▶ 002

C Plan sponsor's name as shown on line 2a of Form 5500
SCHIMENTI CONSTRUCTION HOLDINGS, INC.

D Employer Identification Number (EIN)
92-0852321

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): _____ _____

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

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

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

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

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

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

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

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

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

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

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

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

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

Part III Amendments

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

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

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

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

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

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

Part V Additional Information for Multiemployer Defined Benefit Pension Plans

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

a Name of contributing employer

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

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

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

---

a Name of contributing employer

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

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

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

---

a Name of contributing employer

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

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

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

---

a Name of contributing employer

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

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

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

---

a Name of contributing employer

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

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

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

---

a Name of contributing employer

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

☐ Yes.

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

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

☐ No. Other. Provide explanation_____

SCHIMENTI CONSTRUCTION
EMPLOYEE STOCK OWNERSHIP PLAN

FINANCIAL STATEMENTS AND SUPPLEMENTAL SCHEDULES

For the Year Ended
December 31, 2022

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Capossela, Cohen, LLC
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Independent Auditor's Report

To the Trustees of
Schimenti Construction
Employee Stock Ownership Plan
Ryebrook, NY

Opinion

We have audited the accompanying financial statements of Schimenti Construction Employee Stock Ownership Plan (the "Plan"), an employee benefit plan subject to the Employee Retirement Income Security Act of 1974 (ERISA), which comprise the statement of net assets available for benefits as of December 31, 2022, and the related statement of changes in net assets available for benefits for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the net assets available for benefits of Schimenti Construction Employee Stock Ownership Plan as of December 31, 2022, and the changes in its net assets available for benefits for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Schimenti Construction Employee Stock Ownership Plan and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our 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.

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 Schimenti Construction Employee Stock Ownership Plan's ability to continue as a going concern for one year after the date the financial statements are available to be issued.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards, we:

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

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

Supplemental Schedules Required by ERISA

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The supplemental Schedule of Assets Held at End of Year and Schedule of Reportable Transactions 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 has been subjected to the 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 generally accepted auditing standards.

In forming our opinion on the supplemental schedules, we evaluated whether the supplemental schedules, including their form and content, are presented in conformity with the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA.

In our opinion, the information in the accompanying schedules is fairly stated, in all material respects, in relation to the financial statements as a whole, and the form and content are presented in conformity with the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA.

Capossela, Cohen, LLC

Southport, Connecticut
October 6, 2023

SCHIMENTI CONSTRUCTION
EMPLOYEE STOCK OWNERSHIP PLAN
STATEMENT OF NET ASSETS AVAILABLE FOR BENEFITS
December 31, 2022

	Allocated	Unallocated	Total
Assets			
Investments, at fair value			
Schimenti Construction Holdings, Inc. common stock	$ 23,385	$ 1,174,515	$ 1,197,900
Employer contribution receivable	-	6,575,179	6,575,179
Total assets	23,385	7,749,694	7,773,079
Liabilities			
Loan payable	-	119,220,534	119,220,534
Net assets (deficit) available for benefits	$ 23,385	$ (111,470,840)	$(111,447,455)

See accompanying independent auditor's report and notes to financial statements

SCHIMENTI CONSTRUCTION
EMPLOYEE STOCK OWNERSHIP PLAN
STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS
For the Year Ended December 31, 2022

	Allocated	Unallocated	Total
Additions to net assets			
Net change in fair value of investments	$ -	$ (118,022,634)	$ (118,022,634)
Employer contributions	-	6,575,179	6,575,179
Allocation of 19,326.69 shares of Schimenti Construction Holdings, Inc. stock at fair value	23,385	-	23,385
Total additions to net assets	23,385	(111,447,455)	(111,424,070)
Deductions from net assets			
Allocation of 19,326.69 shares of Schimenti Construction Holdings, Inc. stock at fair value	-	23,385	23,385
Total deductions from net assets	-	23,385	23,385
Net increase (decrease) in assets	23,385	(111,470,840)	(111,447,455)
Net assets available for benefits at beginning of year	-	-	-
Net assets available for benefits at end of year	$ 23,385	$ (111,470,840)	$ (111,447,455)

See accompanying independent auditor's report and notes to financial statements

Note A - Description of the Plan

The following description of the Schimenti Construction Employee Stock Ownership Plan ("Plan") provides only general information. Participants should refer to the Plan agreement for a more complete description of the Plan's provisions.

General

The Plan, which was created on January 1, 2022 by Schimenti Construction Holdings, Inc. (the "Company"), is classified as a defined-contribution plan, covering all employees of the Company who have completed one (1) year of service and have attained age 18. The Plan operates as a leveraged employee stock ownership plan ("ESOP"), and is designed to comply with section 4975(e)(7) and the regulations thereunder of the Internal Revenue Code of 1986, as amended, and is subject to the applicable provisions of the Employee Retirement Income Security Act of 1974 (ERISA).

On January 1, 2022, the Plan purchased 990,000 shares, representing 100%, of Schimenti Construction Holdings, Inc.'s outstanding common stock through the issuance of a note payable to the Company in the amount of $119,220,534. The note bears interest at the rate of 4.34% per annum and is payable in sixty equal annual installments of $5,309,453 of principal and interest. Repayments of the borrowings are made from fully deductible contributions from the Company to the Plan. The shares are held in a trust established under the terms of the ESOP. As the ESOP makes each payment of principal and interest, an appropriate percentage of stock is released as collateral for the loans. Released shares from employer contributions are allocated to eligible participants' accounts at the end of each Plan year based on the relative compensation of each participant to the total compensation of all participants. On December 31, 2022 the Company recorded a contribution receivable to the plan in the amount of $6,575,179 and 19,326.69 shares were released and allocated to eligible participants' accounts.

The above shares were acquired simultaneously by the Company with the execution of a shareholder stock redemption agreement for all outstanding shares of the Company's common stock for a purchase price of $119,220,534. As part of the transaction, the sellers held two tranches of subordinated debt in the amount of $22,633,116 and $96,587,418, in connection with this redemption. The Company paid the $22,633,116 debt in full, in connection with bank financing.

The borrowings are collateralized by the unallocated shares of the Company's stock held by the Plan. The Company, as lender, has no rights against the shares once they are released for allocation to the participants. Accordingly, the financial statements of the ESOP present separately the assets and liabilities and changes therein pertaining to:

(a)Amounts released for allocation or allocated to employees (allocated), and
(b)Amounts not yet released for allocation (unallocated)

Note A - Description of the Plan (continued)

Contributions

The Company shall contribute to the Plan an amount that, at minimum, shall serve to finance the Plan's obligation under its outstanding borrowing from the Company. The Company may contribute additional amounts to the Plan, which shall be applied as a prepayment of principal or interest for the outstanding borrowing from the Company. Any additional contributions approved, shall be treated as a Plan contribution and shall be allocated among the accounts of eligible participants in accordance with a pre-established formula. Participant contributions are not permitted.

Participant accounts

Under the Plan, a separate account is maintained for each participant, and each participant account is credited with an allocation of Company shares held by the Plan, if any, and an allocation of Plan earnings or loss. Allocations to participants' accounts are based on participants' annual compensation, as defined by the provisions of the Plan.

Allocation of shares to participant accounts

As of the last day of each Plan year during the duration of the loan from the Company, the number of shares of Company stock allocated to participants shall equal the number of encumbered shares, as defined, held immediately prior to the current year allocation multiplied by a fraction, the numerator of which is the amount of principal and interest paid for the Plan year and the denominator of which is the sum of the numerator plus the principal and interest to be paid for all future plan years. During the year ended December 31, 2022, 19,326.69 shares were released. For the initial release of shares upon the completion of the acquisition transaction, the formula used to release the shares was the amount of principal paid divided by the amount of principal and interest due. There were 970,673.31 unallocated shares at December 31, 2022. Released shares are allocated pro rata to eligible participants based upon eligible annual compensation and years of service, as defined by the provisions of the Plan. Only participants who have completed a year of service during the Plan year, are at least 18 years of age, have completed 1,000 hours of service and are actively employed on the last day of the Plan year shall be eligible to receive an allocation. Participants who are not actively employed on the last day of the Plan year due to retirement (normal or late), total and permanent disability or death shall share in the allocation of contributions for that Plan year.

Vesting

If a participant's employment with the Company ends for any reason other than retirement, permanent disability, or death, the participant will vest in the balance in their account based on total years of service with the Company. A participant is 20% vested after two (2) years of service, 40% after three (3) years, 60% after four (4), 80% after five (5) and 100% vested after six (6) years of service. In the event of a participant's death or total and permanent disability prior to their retirement date, as defined, the participant shall become fully vested in their account balance.

Note A - Description of the Plan (continued)

Payment of benefits

No distributions from the Plan will be made until a participant retires, dies (in which case, payment shall be made to his or her beneficiary or, if none, his or her legal representatives), is considered permanently disabled, or otherwise terminates employment with the Company. Distributions are made in cash. Payments may be made in one lump-sum payment or in installments. Forfeitures of unvested allocated shares and cash are allocated to active participants based on the provisions of the Plan.

Forfeitures

The non-vested portion of the participant's account will be forfeited as of the date in which the participant incurs five or more consecutive one year breaks in service. Plan forfeitures are allocated to each participant's account based upon the relation of the participant's eligible compensation to total eligible compensation for the Plan year. There were no plan forfeitures during the year ended December 31, 2022.

Voting rights

Each participant is entitled to exercise voting rights attributable to the shares allocated to his or her account and is notified by the Trustee prior to the time that such rights are to be exercised and are expected to provide instructions to the Plan Administrator on their vote direction. The Trustee is entitled to vote on behalf of the collective best interests of Plan participants and beneficiaries in absence of such instructions given by participants.

Put option

Under federal income tax regulations, the employer stock that is held by the Plan and its participants and is not readily tradable on an established market, or is subject to trading limitations, includes a put option. The put option is a right to demand that the Company buy any shares of its stock distributed to participants for which there is no market. The put price is representative of the current appraised value of the stock. The Company can pay for the purchase with interest over a period of five years. The purpose of the put option is to ensure that the participant has the ability to ultimately obtain cash.

Diversification

Diversification is offered to participants close to retirement so that they may have the opportunity to move part of the value of their investment in Company common stock into investments that are more diversified. Participants who are at least age fifty-five with at least ten years of participation in the Plan may elect to diversify a portion of their account. Diversification is offered to each eligible participant over a six year period. In each of the first five years, a participant may diversify up to twenty-five percent of the number of post-1986 shares allocated to his or her account, less any shares previously diversified. In the sixth year, the percentage changes to seventy-five percent. Participants who elect to diversify may; (a) receive a cash distribution, (b) transfer the value of the participant's account subject to the election to the Company's 401(k) plan or (c) invest in the Plan's three diversified investment options that may be offered by the plan administrator. The election to diversify is made subsequent to year-end based upon the shares of employer stock in the participant's account at year-end.

Note B - Significant Accounting Policies

Basis of accounting

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

Investment valuation and income recognition

The Plan's investments are stated at fair value and they are maintained and allocated to each participant by the Principal, the Plan's third-party administrator. Investments in company stock are valued by an independent stock appraiser who considers factors such as capitalization of earnings, public market comparables, book value and discounted cash flows.

In accordance with the Plan's policy of stating marketable securities at fair value, the appreciation or depreciation for each year is reflected in the Plan's statement of changes in net assets available for benefits as net change in fair value of investments. The net change in fair value during the year ended December 31, 2022, was a decrease of $118,022,634.

The valuation methods used by the Plan may produce a fair value calculation that may not be indicative of net realizable value 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.

Administrative expenses

Administrative expenses are paid by the Company as provided in the Plan document.

Use of estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and changes therein and disclosure of contingent assets and liabilities. Actual results could differ from those estimates.
The most significant estimate is the value of the Plan's holdings in the Company's common stock. This value is based on an independent appraisal of the common stock.

Note B - Significant Accounting Policies (continued)

Credit risk

The Plan's investments are not insured by the Plan's Trustee, the Company, Federal Deposit Insurance Corporation, or any other governmental agency; accordingly, the Plan is subject to the normal investment risks associated with employer stock, money market funds, and other similar types of investments that it may elect to invest in.

Financial instruments which potentially subject the Plan to concentrations of credit risk consist of the Plan's investments. The Plan's investments consist entirely of Schimenti Construction Holdings, Inc.'s common stock.

Plan termination

Although it has not expressed any intent to do so, the Company reserves the right to terminate the Plan at any time, subject to Plan provisions. Upon termination of the Plan, the Employee Benefits Administration Committee directs the Trustee to pay all liabilities and expenses of the ESOP and to sell shares of financed common stock held as collateral to the extent it determines such sale to be necessary in order to repay the loan. Subsequently, the interest of each participant in the trust fund will be distributed to such participant or his or her beneficiary at the time prescribed by the Plan terms and the Internal Revenue Code ("IRC").

Payment of benefits

Benefit payments to participants are recorded upon distribution.

Investment risk

The Plan's investments are not insured and are subject to credit and market risks. The Plan's investment holdings consist solely of one equity security. Investment securities are exposed to various risks, such as interest rate, market, and credit risks. Due to the level of risk associated with investment securities, and market volatility, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect participants' account balances and the amounts reported in the statements of net assets available for benefits.

Note C - Investments

The Plan investment, as of December 31, 2022, is presented in the following table:

Stock Description	Allocated	Unallocated
Schimenti Construction Holdings, Inc. Common Stock		
Number of Shares	19,326.69	970,673.31
Cost	$ 2,327,321	$ 116,893,213
Fair Value	$ 23,385	$ 1,174,515

During the year ended December 31, 2022, the Plan purchased 990,000 shares of the Company's common stock at a price of $120.42 per share from the Company. This purchase was financed by the Company through the issuance of a sixty year note payable by the Plan. The stock was valued at $1.21 per share as of December 31, 2022 to reflect the post closing fully leveraged stock value.

Note D - Fair Value Measurements

Accounting standards establish a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. This 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 fair value hierarchy are described below:

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 that are observable, either directly or indirectly, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.

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 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.

Note D - Fair Value Measurements (continued)

Following is a description of the valuation methodologies used for assets measured at fair value. These methods may produce a fair value calculation that may not be indicative of net realizable value 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.

Employer's common stock

Employer's common stock is valued at estimated fair value as determined at the end of the year by an independent appraisal. The independent appraisal's valuation is based upon the financial performance of the Company and the financial markets as of the valuation date. Information used in the appraisal includes but is not limited to the Company's audited financial statements, capitalization of earnings, public market comparables, book value and discounted cash flows.

In accordance with the Plan document, shares are valued only at the end of each Plan year. Accordingly, the allocation of common stock is reflected in the statement of changes in net assets available for benefits at the fair value of the shares at the end of the Plan year.

The following table sets forth by level within the fair value hierarchy a summary of the Plan's investments measured at fair value on a recurring basis at the dates indicated:

	Fair Value Measurements based on:		
December 31, 2022	**Quoted Prices In Active Markets For Identical Assets (Level 1)**	**Significant Unobservable Inputs (Level 3)**	**Total**
Schimenti Construction Holdings, Inc. common stock	$ -	$ 1,197,900	$ 1,197,900

Note D - Fair Value Measurements (continued)

The following table presents a summary of changes in the Plan's Level 3 assets for the year ended December 31, 2022:

	Company's Common Stock
Balance at January 1, 2022	$ -
Net purchases, sales, issuances, and settlements	119,220,534
Unrealized appreciation (depreciation)	(118,022,634)
Balance at December 31, 2022	$ 1,197,900

The depreciation in value for the year ended December 31, 2022 reflects the post transaction, fully leveraged value of the Company stock.

Note E - Loan Payable

On January 1, 2022, the Plan entered into an $119,220,534 term loan agreement with Schimenti Construction Holdings, Inc. The proceeds of the loan were used to purchase the Company's common stock. Unallocated shares are collateral for the loan. Shares are released from collateral and allocated to participants as payments of principal and interest are made. The number of shares released in any year is the number of shares held as collateral, times the ratio of the current year payments divided by the total of this year's payments, plus all future years' principal and interest payments. On December 31, 2022 the Plan recorded a contribution receivable from the Company in the amount of $6,575,179. This resulted in 19,326.69 shares being released and allocated for the plan year ended December 31, 2022.

The loan agreement provides for an initial principal only payment of $6,575,179 and subsequent sixty equal annual payments of $5,309,453 of principal and interest, with the final payment due on December 31, 2082. Interest accrues at the rate of 4.34 %.

Long-term aggregate maturities of debt for the next five (5) years as of December 31, 2022 are as follows:

December 31,	Amount
2023	$ 6,859,006
2024	432,963
2025	451,753
2026	471,360
2027	491,817
Thereafter	110,513,635
	$ 119,220,534

Note F - Income Tax Status

The Plan is intended to be a qualified trust under the IRC and is subject to the provisions of ERISA. The Plan has not received a determination letter from the Internal Revenue Service ("IRS") as of October 16, 2023, stating that the Plan is qualified under the IRC; however, the Plan administrator believes that the Plan is currently designed, and being operated, in compliance with the applicable requirements of the IRC. Therefore, they believe that the Plan was qualified, and the related trust was tax-exempt. Accordingly, no provision or liability for income taxes has been included in the Plan's financial statements.

Accounting principles generally accepted in the United States of America require plan management to evaluate tax positions taken by the Plan and recognize a tax liability if the Plan has taken a significant uncertain position that more likely than not would not be sustained upon examination by the IRS. The Plan remains subject to examination by U.S. federal taxing authorities.

Note G - Related Party and Party in Interest Transactions

The Plan invests in Company common stock and has a note payable to the Company. These are related party and party in interest transactions. As described in Note A, the Company pays all plan expenses. The Plan has a number of service providers. Such providers are parties in interest under ERISA.

Note H - Subsequent Events

Plan management has evaluated subsequent events through October 6, 2023 the date on which the financial statements were available to be issued.

Supplemental Schedules

SCHIMENTI CONSTRUCTION
EMPLOYEE STOCK OWNERSHIP PLAN
SCHEDULE H, LINE 4I - SCHEDULE OF ASSETS (HELD AT END OF YEAR)
December 31, 2022

Form 5500, Schedule H, Line 4i
Schedule of Assets (Held at End of Year)
As of December 31, 2022 (Unaudited)
EIN: 92-0852321
PN: 002

(A)	(B) Identity of issue, borrower, lessor, or similar party	(C) Description of investment including maturity date, rate of interest, collateral, par or maturity value	(D) Cost	(E) Current value
*	Schimenti Construction Holdings, Inc.	Company Common Stock	$ 119,220,534	$ 1,197,900

*Denotes party-in-interest

See accompanying independent auditor's report

SCHIMENTI CONSTRUCTION
EMPLOYEE STOCK OWNERSHIP PLAN
SCHEDULE H, Line 4J - SCHEDULE OF REPORTABLE TRANSACTIONS
December 31, 2022

Form 5500, Schedule H, Line 4j
Schedule of Reportable Transactions
EIN: 92-0852321
PN: 002

(A) Identity of Party Involved	(B) Description of Asset	(C) Purchase Price ($)	(D) Selling Price ($)	(E) Lease Rental ($)	(F) Expense Incurred With Transaction ($)	(G) Cost of Asset/Book Value ($)	(H) Current Value of Asset on Transaction Date ($)	(I) Net Gain or (Loss) ($)
Schimenti Construction Holdings, Inc.	Purchase of 990,000 shares of Plan Sponsor common stock	$120.42	-	-	-	$119,220,534	$119,220,534	$ -

See accompanying independent auditor's report

SCHIMENTI CONSTRUCTION
EMPLOYEE STOCK OWNERSHIP PLAN

FINANCIAL STATEMENTS AND SUPPLEMENTAL SCHEDULES

For the Year Ended
December 31, 2022

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Capossela, Cohen, LLC
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Independent Auditor's Report

To the Trustees of
Schimenti Construction
Employee Stock Ownership Plan
Ryebrook, NY

Opinion

We have audited the accompanying financial statements of Schimenti Construction Employee Stock Ownership Plan (the "Plan"), an employee benefit plan subject to the Employee Retirement Income Security Act of 1974 (ERISA), which comprise the statement of net assets available for benefits as of December 31, 2022, and the related statement of changes in net assets available for benefits for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the net assets available for benefits of Schimenti Construction Employee Stock Ownership Plan as of December 31, 2022, and the changes in its net assets available for benefits for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Schimenti Construction Employee Stock Ownership Plan and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our 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.

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 Schimenti Construction Employee Stock Ownership Plan's ability to continue as a going concern for one year after the date the financial statements are available to be issued.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards, we:

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

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

Supplemental Schedules Required by ERISA

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The supplemental Schedule of Assets Held at End of Year and Schedule of Reportable Transactions 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 has been subjected to the 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 generally accepted auditing standards.

In forming our opinion on the supplemental schedules, we evaluated whether the supplemental schedules, including their form and content, are presented in conformity with the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA.

In our opinion, the information in the accompanying schedules is fairly stated, in all material respects, in relation to the financial statements as a whole, and the form and content are presented in conformity with the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA.

Capossela, Cohen, LLC

Southport, Connecticut
October 6, 2023

SCHIMENTI CONSTRUCTION
EMPLOYEE STOCK OWNERSHIP PLAN
STATEMENT OF NET ASSETS AVAILABLE FOR BENEFITS
December 31, 2022

	Allocated	Unallocated	Total
Assets			
Investments, at fair value			
Schimenti Construction Holdings, Inc. common stock	$ 23,385	$ 1,174,515	$ 1,197,900
Employer contribution receivable	-	6,575,179	6,575,179
Total assets	23,385	7,749,694	7,773,079
Liabilities			
Loan payable	-	119,220,534	119,220,534
Net assets (deficit) available for benefits	$ 23,385	$ (111,470,840)	$(111,447,455)

See accompanying independent auditor's report and notes to financial statements

SCHIMENTI CONSTRUCTION
EMPLOYEE STOCK OWNERSHIP PLAN
STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS
For the Year Ended December 31, 2022

	Allocated	Unallocated	Total
Additions to net assets			
Net change in fair value of investments	$ -	$ (118,022,634)	$ (118,022,634)
Employer contributions	-	6,575,179	6,575,179
Allocation of 19,326.69 shares of Schimenti Construction Holdings, Inc. stock at fair value	23,385	-	23,385
Total additions to net assets	23,385	(111,447,455)	(111,424,070)
Deductions from net assets			
Allocation of 19,326.69 shares of Schimenti Construction Holdings, Inc. stock at fair value	-	23,385	23,385
Total deductions from net assets	-	23,385	23,385
Net increase (decrease) in assets	23,385	(111,470,840)	(111,447,455)
Net assets available for benefits at beginning of year	-	-	-
Net assets available for benefits at end of year	$ 23,385	$ (111,470,840)	$ (111,447,455)

See accompanying independent auditor's report and notes to financial statements

Note A - Description of the Plan

The following description of the Schimenti Construction Employee Stock Ownership Plan ("Plan") provides only general information. Participants should refer to the Plan agreement for a more complete description of the Plan's provisions.

General

The Plan, which was created on January 1, 2022 by Schimenti Construction Holdings, Inc. (the "Company"), is classified as a defined-contribution plan, covering all employees of the Company who have completed one (1) year of service and have attained age 18. The Plan operates as a leveraged employee stock ownership plan ("ESOP"), and is designed to comply with section 4975(e)(7) and the regulations thereunder of the Internal Revenue Code of 1986, as amended, and is subject to the applicable provisions of the Employee Retirement Income Security Act of 1974 (ERISA).

On January 1, 2022, the Plan purchased 990,000 shares, representing 100%, of Schimenti Construction Holdings, Inc.'s outstanding common stock through the issuance of a note payable to the Company in the amount of $119,220,534. The note bears interest at the rate of 4.34% per annum and is payable in sixty equal annual installments of $5,309,453 of principal and interest. Repayments of the borrowings are made from fully deductible contributions from the Company to the Plan. The shares are held in a trust established under the terms of the ESOP. As the ESOP makes each payment of principal and interest, an appropriate percentage of stock is released as collateral for the loans. Released shares from employer contributions are allocated to eligible participants' accounts at the end of each Plan year based on the relative compensation of each participant to the total compensation of all participants. On December 31, 2022 the Company recorded a contribution receivable to the plan in the amount of $6,575,179 and 19,326.69 shares were released and allocated to eligible participants' accounts.

The above shares were acquired simultaneously by the Company with the execution of a shareholder stock redemption agreement for all outstanding shares of the Company's common stock for a purchase price of $119,220,534. As part of the transaction, the sellers held two tranches of subordinated debt in the amount of $22,633,116 and $96,587,418, in connection with this redemption. The Company paid the $22,633,116 debt in full, in connection with bank financing.

The borrowings are collateralized by the unallocated shares of the Company's stock held by the Plan. The Company, as lender, has no rights against the shares once they are released for allocation to the participants. Accordingly, the financial statements of the ESOP present separately the assets and liabilities and changes therein pertaining to:

(a)Amounts released for allocation or allocated to employees (allocated), and
(b)Amounts not yet released for allocation (unallocated)

Note A - Description of the Plan (continued)

Contributions

The Company shall contribute to the Plan an amount that, at minimum, shall serve to finance the Plan's obligation under its outstanding borrowing from the Company. The Company may contribute additional amounts to the Plan, which shall be applied as a prepayment of principal or interest for the outstanding borrowing from the Company. Any additional contributions approved, shall be treated as a Plan contribution and shall be allocated among the accounts of eligible participants in accordance with a pre-established formula. Participant contributions are not permitted.

Participant accounts

Under the Plan, a separate account is maintained for each participant, and each participant account is credited with an allocation of Company shares held by the Plan, if any, and an allocation of Plan earnings or loss. Allocations to participants' accounts are based on participants' annual compensation, as defined by the provisions of the Plan.

Allocation of shares to participant accounts

As of the last day of each Plan year during the duration of the loan from the Company, the number of shares of Company stock allocated to participants shall equal the number of encumbered shares, as defined, held immediately prior to the current year allocation multiplied by a fraction, the numerator of which is the amount of principal and interest paid for the Plan year and the denominator of which is the sum of the numerator plus the principal and interest to be paid for all future plan years. During the year ended December 31, 2022, 19,326.69 shares were released. For the initial release of shares upon the completion of the acquisition transaction, the formula used to release the shares was the amount of principal paid divided by the amount of principal and interest due. There were 970,673.31 unallocated shares at December 31, 2022. Released shares are allocated pro rata to eligible participants based upon eligible annual compensation and years of service, as defined by the provisions of the Plan. Only participants who have completed a year of service during the Plan year, are at least 18 years of age, have completed 1,000 hours of service and are actively employed on the last day of the Plan year shall be eligible to receive an allocation. Participants who are not actively employed on the last day of the Plan year due to retirement (normal or late), total and permanent disability or death shall share in the allocation of contributions for that Plan year.

Vesting

If a participant's employment with the Company ends for any reason other than retirement, permanent disability, or death, the participant will vest in the balance in their account based on total years of service with the Company. A participant is 20% vested after two (2) years of service, 40% after three (3) years, 60% after four (4), 80% after five (5) and 100% vested after six (6) years of service. In the event of a participant's death or total and permanent disability prior to their retirement date, as defined, the participant shall become fully vested in their account balance.

Note A - Description of the Plan (continued)

Payment of benefits

No distributions from the Plan will be made until a participant retires, dies (in which case, payment shall be made to his or her beneficiary or, if none, his or her legal representatives), is considered permanently disabled, or otherwise terminates employment with the Company. Distributions are made in cash. Payments may be made in one lump-sum payment or in installments. Forfeitures of unvested allocated shares and cash are allocated to active participants based on the provisions of the Plan.

Forfeitures

The non-vested portion of the participant's account will be forfeited as of the date in which the participant incurs five or more consecutive one year breaks in service. Plan forfeitures are allocated to each participant's account based upon the relation of the participant's eligible compensation to total eligible compensation for the Plan year. There were no plan forfeitures during the year ended December 31, 2022.

Voting rights

Each participant is entitled to exercise voting rights attributable to the shares allocated to his or her account and is notified by the Trustee prior to the time that such rights are to be exercised and are expected to provide instructions to the Plan Administrator on their vote direction. The Trustee is entitled to vote on behalf of the collective best interests of Plan participants and beneficiaries in absence of such instructions given by participants.

Put option

Under federal income tax regulations, the employer stock that is held by the Plan and its participants and is not readily tradable on an established market, or is subject to trading limitations, includes a put option. The put option is a right to demand that the Company buy any shares of its stock distributed to participants for which there is no market. The put price is representative of the current appraised value of the stock. The Company can pay for the purchase with interest over a period of five years. The purpose of the put option is to ensure that the participant has the ability to ultimately obtain cash.

Diversification

Diversification is offered to participants close to retirement so that they may have the opportunity to move part of the value of their investment in Company common stock into investments that are more diversified. Participants who are at least age fifty-five with at least ten years of participation in the Plan may elect to diversify a portion of their account. Diversification is offered to each eligible participant over a six year period. In each of the first five years, a participant may diversify up to twenty-five percent of the number of post-1986 shares allocated to his or her account, less any shares previously diversified. In the sixth year, the percentage changes to seventy-five percent. Participants who elect to diversify may; (a) receive a cash distribution, (b) transfer the value of the participant's account subject to the election to the Company's 401(k) plan or (c) invest in the Plan's three diversified investment options that may be offered by the plan administrator. The election to diversify is made subsequent to year-end based upon the shares of employer stock in the participant's account at year-end.

Note B - Significant Accounting Policies

Basis of accounting

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

Investment valuation and income recognition

The Plan's investments are stated at fair value and they are maintained and allocated to each participant by the Principal, the Plan's third-party administrator. Investments in company stock are valued by an independent stock appraiser who considers factors such as capitalization of earnings, public market comparables, book value and discounted cash flows.

In accordance with the Plan's policy of stating marketable securities at fair value, the appreciation or depreciation for each year is reflected in the Plan's statement of changes in net assets available for benefits as net change in fair value of investments. The net change in fair value during the year ended December 31, 2022, was a decrease of $118,022,634.

The valuation methods used by the Plan may produce a fair value calculation that may not be indicative of net realizable value 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.

Administrative expenses

Administrative expenses are paid by the Company as provided in the Plan document.

Use of estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and changes therein and disclosure of contingent assets and liabilities. Actual results could differ from those estimates.
The most significant estimate is the value of the Plan's holdings in the Company's common stock. This value is based on an independent appraisal of the common stock.

Note B - Significant Accounting Policies (continued)

Credit risk

The Plan's investments are not insured by the Plan's Trustee, the Company, Federal Deposit Insurance Corporation, or any other governmental agency; accordingly, the Plan is subject to the normal investment risks associated with employer stock, money market funds, and other similar types of investments that it may elect to invest in.

Financial instruments which potentially subject the Plan to concentrations of credit risk consist of the Plan's investments. The Plan's investments consist entirely of Schimenti Construction Holdings, Inc.'s common stock.

Plan termination

Although it has not expressed any intent to do so, the Company reserves the right to terminate the Plan at any time, subject to Plan provisions. Upon termination of the Plan, the Employee Benefits Administration Committee directs the Trustee to pay all liabilities and expenses of the ESOP and to sell shares of financed common stock held as collateral to the extent it determines such sale to be necessary in order to repay the loan. Subsequently, the interest of each participant in the trust fund will be distributed to such participant or his or her beneficiary at the time prescribed by the Plan terms and the Internal Revenue Code ("IRC").

Payment of benefits

Benefit payments to participants are recorded upon distribution.

Investment risk

The Plan's investments are not insured and are subject to credit and market risks. The Plan's investment holdings consist solely of one equity security. Investment securities are exposed to various risks, such as interest rate, market, and credit risks. Due to the level of risk associated with investment securities, and market volatility, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect participants' account balances and the amounts reported in the statements of net assets available for benefits.

Note C - Investments

The Plan investment, as of December 31, 2022, is presented in the following table:

Stock Description	Allocated	Unallocated
Schimenti Construction Holdings, Inc. Common Stock		
Number of Shares	19,326.69	970,673.31
Cost	$ 2,327,321	$ 116,893,213
Fair Value	$ 23,385	$ 1,174,515

During the year ended December 31, 2022, the Plan purchased 990,000 shares of the Company's common stock at a price of $120.42 per share from the Company. This purchase was financed by the Company through the issuance of a sixty year note payable by the Plan. The stock was valued at $1.21 per share as of December 31, 2022 to reflect the post closing fully leveraged stock value.

Note D - Fair Value Measurements

Accounting standards establish a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. This 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 fair value hierarchy are described below:

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 that are observable, either directly or indirectly, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.

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 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.

Note D - Fair Value Measurements (continued)

Following is a description of the valuation methodologies used for assets measured at fair value. These methods may produce a fair value calculation that may not be indicative of net realizable value 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.

Employer's common stock

Employer's common stock is valued at estimated fair value as determined at the end of the year by an independent appraisal. The independent appraisal's valuation is based upon the financial performance of the Company and the financial markets as of the valuation date. Information used in the appraisal includes but is not limited to the Company's audited financial statements, capitalization of earnings, public market comparables, book value and discounted cash flows.

In accordance with the Plan document, shares are valued only at the end of each Plan year. Accordingly, the allocation of common stock is reflected in the statement of changes in net assets available for benefits at the fair value of the shares at the end of the Plan year.

The following table sets forth by level within the fair value hierarchy a summary of the Plan's investments measured at fair value on a recurring basis at the dates indicated:

	Fair Value Measurements based on:		
December 31, 2022	**Quoted Prices In Active Markets For Identical Assets (Level 1)**	**Significant Unobservable Inputs (Level 3)**	**Total**
Schimenti Construction Holdings, Inc. common stock	$ -	$ 1,197,900	$ 1,197,900

Note D - Fair Value Measurements (continued)

The following table presents a summary of changes in the Plan's Level 3 assets for the year ended December 31, 2022:

	Company's Common Stock
Balance at January 1, 2022	$ -
Net purchases, sales, issuances, and settlements	119,220,534
Unrealized appreciation (depreciation)	(118,022,634)
Balance at December 31, 2022	$ 1,197,900

The depreciation in value for the year ended December 31, 2022 reflects the post transaction, fully leveraged value of the Company stock.

Note E - Loan Payable

On January 1, 2022, the Plan entered into an $119,220,534 term loan agreement with Schimenti Construction Holdings, Inc. The proceeds of the loan were used to purchase the Company's common stock. Unallocated shares are collateral for the loan. Shares are released from collateral and allocated to participants as payments of principal and interest are made. The number of shares released in any year is the number of shares held as collateral, times the ratio of the current year payments divided by the total of this year's payments, plus all future years' principal and interest payments. On December 31, 2022 the Plan recorded a contribution receivable from the Company in the amount of $6,575,179. This resulted in 19,326.69 shares being released and allocated for the plan year ended December 31, 2022.

The loan agreement provides for an initial principal only payment of $6,575,179 and subsequent sixty equal annual payments of $5,309,453 of principal and interest, with the final payment due on December 31, 2082. Interest accrues at the rate of 4.34 %.

Long-term aggregate maturities of debt for the next five (5) years as of December 31, 2022 are as follows:

December 31,	Amount
2023	$ 6,859,006
2024	432,963
2025	451,753
2026	471,360
2027	491,817
Thereafter	110,513,635
	$ 119,220,534

Note F - Income Tax Status

The Plan is intended to be a qualified trust under the IRC and is subject to the provisions of ERISA. The Plan has not received a determination letter from the Internal Revenue Service ("IRS") as of October 16, 2023, stating that the Plan is qualified under the IRC; however, the Plan administrator believes that the Plan is currently designed, and being operated, in compliance with the applicable requirements of the IRC. Therefore, they believe that the Plan was qualified, and the related trust was tax-exempt. Accordingly, no provision or liability for income taxes has been included in the Plan's financial statements.

Accounting principles generally accepted in the United States of America require plan management to evaluate tax positions taken by the Plan and recognize a tax liability if the Plan has taken a significant uncertain position that more likely than not would not be sustained upon examination by the IRS. The Plan remains subject to examination by U.S. federal taxing authorities.

Note G - Related Party and Party in Interest Transactions

The Plan invests in Company common stock and has a note payable to the Company. These are related party and party in interest transactions. As described in Note A, the Company pays all plan expenses. The Plan has a number of service providers. Such providers are parties in interest under ERISA.

Note H - Subsequent Events

Plan management has evaluated subsequent events through October 6, 2023 the date on which the financial statements were available to be issued.

Supplemental Schedules

SCHIMENTI CONSTRUCTION
EMPLOYEE STOCK OWNERSHIP PLAN
SCHEDULE H, LINE 4I - SCHEDULE OF ASSETS (HELD AT END OF YEAR)
December 31, 2022

Form 5500, Schedule H, Line 4i
Schedule of Assets (Held at End of Year)
As of December 31, 2022 (Unaudited)
EIN: 92-0852321
PN: 002

(A)	(B) Identity of issue, borrower, lessor, or similar party	(C) Description of investment including maturity date, rate of interest, collateral, par or maturity value	(D) Cost	(E) Current value
*	Schimenti Construction Holdings, Inc.	Company Common Stock	$ 119,220,534	$ 1,197,900

*Denotes party-in-interest

See accompanying independent auditor's report

SCHIMENTI CONSTRUCTION
EMPLOYEE STOCK OWNERSHIP PLAN
SCHEDULE H, Line 4J - SCHEDULE OF REPORTABLE TRANSACTIONS
December 31, 2022

Form 5500, Schedule H, Line 4j
Schedule of Reportable Transactions
EIN: 92-0852321
PN: 002

(A) Identity of Party Involved	(B) Description of Asset	(C) Purchase Price ($)	(D) Selling Price ($)	(E) Lease Rental ($)	(F) Expense Incurred With Transaction ($)	(G) Cost of Asset/Book Value ($)	(H) Current Value of Asset on Transaction Date ($)	(I) Net Gain or (Loss) ($)
Schimenti Construction Holdings, Inc.	Purchase of 990,000 shares of Plan Sponsor common stock	$120.42	-	-	-	$119,220,534	$119,220,534	$ -

See accompanying independent auditor's report

SCHIMENTI CONSTRUCTION
EMPLOYEE STOCK OWNERSHIP PLAN

FINANCIAL STATEMENTS AND SUPPLEMENTAL SCHEDULES

For the Year Ended
December 31, 2022

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Capossela, Cohen, LLC
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Independent Auditor's Report

To the Trustees of
Schimenti Construction
Employee Stock Ownership Plan
Ryebrook, NY

Opinion

We have audited the accompanying financial statements of Schimenti Construction Employee Stock Ownership Plan (the "Plan"), an employee benefit plan subject to the Employee Retirement Income Security Act of 1974 (ERISA), which comprise the statement of net assets available for benefits as of December 31, 2022, and the related statement of changes in net assets available for benefits for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the net assets available for benefits of Schimenti Construction Employee Stock Ownership Plan as of December 31, 2022, and the changes in its net assets available for benefits for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Schimenti Construction Employee Stock Ownership Plan and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our 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.

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 Schimenti Construction Employee Stock Ownership Plan's ability to continue as a going concern for one year after the date the financial statements are available to be issued.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards, we:

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

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

Supplemental Schedules Required by ERISA

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The supplemental Schedule of Assets Held at End of Year and Schedule of Reportable Transactions 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 has been subjected to the 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 generally accepted auditing standards.

In forming our opinion on the supplemental schedules, we evaluated whether the supplemental schedules, including their form and content, are presented in conformity with the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA.

In our opinion, the information in the accompanying schedules is fairly stated, in all material respects, in relation to the financial statements as a whole, and the form and content are presented in conformity with the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA.

Capossela, Cohen, LLC

Southport, Connecticut
October 6, 2023

SCHIMENTI CONSTRUCTION
EMPLOYEE STOCK OWNERSHIP PLAN
STATEMENT OF NET ASSETS AVAILABLE FOR BENEFITS
December 31, 2022

	Allocated	Unallocated	Total
Assets			
Investments, at fair value			
Schimenti Construction Holdings, Inc. common stock	$ 23,385	$ 1,174,515	$ 1,197,900
Employer contribution receivable	-	6,575,179	6,575,179
Total assets	23,385	7,749,694	7,773,079
Liabilities			
Loan payable	-	119,220,534	119,220,534
Net assets (deficit) available for benefits	$ 23,385	$ (111,470,840)	$(111,447,455)

See accompanying independent auditor's report and notes to financial statements

SCHIMENTI CONSTRUCTION
EMPLOYEE STOCK OWNERSHIP PLAN
STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS
For the Year Ended December 31, 2022

	Allocated	Unallocated	Total
Additions to net assets			
Net change in fair value of investments	$ -	$ (118,022,634)	$ (118,022,634)
Employer contributions	-	6,575,179	6,575,179
Allocation of 19,326.69 shares of Schimenti Construction Holdings, Inc. stock at fair value	23,385	-	23,385
Total additions to net assets	23,385	(111,447,455)	(111,424,070)
Deductions from net assets			
Allocation of 19,326.69 shares of Schimenti Construction Holdings, Inc. stock at fair value	-	23,385	23,385
Total deductions from net assets	-	23,385	23,385
Net increase (decrease) in assets	23,385	(111,470,840)	(111,447,455)
Net assets available for benefits at beginning of year	-	-	-
Net assets available for benefits at end of year	$ 23,385	$ (111,470,840)	$ (111,447,455)

See accompanying independent auditor's report and notes to financial statements

Note A - Description of the Plan

The following description of the Schimenti Construction Employee Stock Ownership Plan ("Plan") provides only general information. Participants should refer to the Plan agreement for a more complete description of the Plan's provisions.

General

The Plan, which was created on January 1, 2022 by Schimenti Construction Holdings, Inc. (the "Company"), is classified as a defined-contribution plan, covering all employees of the Company who have completed one (1) year of service and have attained age 18. The Plan operates as a leveraged employee stock ownership plan ("ESOP"), and is designed to comply with section 4975(e)(7) and the regulations thereunder of the Internal Revenue Code of 1986, as amended, and is subject to the applicable provisions of the Employee Retirement Income Security Act of 1974 (ERISA).

On January 1, 2022, the Plan purchased 990,000 shares, representing 100%, of Schimenti Construction Holdings, Inc.'s outstanding common stock through the issuance of a note payable to the Company in the amount of $119,220,534. The note bears interest at the rate of 4.34% per annum and is payable in sixty equal annual installments of $5,309,453 of principal and interest. Repayments of the borrowings are made from fully deductible contributions from the Company to the Plan. The shares are held in a trust established under the terms of the ESOP. As the ESOP makes each payment of principal and interest, an appropriate percentage of stock is released as collateral for the loans. Released shares from employer contributions are allocated to eligible participants' accounts at the end of each Plan year based on the relative compensation of each participant to the total compensation of all participants. On December 31, 2022 the Company recorded a contribution receivable to the plan in the amount of $6,575,179 and 19,326.69 shares were released and allocated to eligible participants' accounts.

The above shares were acquired simultaneously by the Company with the execution of a shareholder stock redemption agreement for all outstanding shares of the Company's common stock for a purchase price of $119,220,534. As part of the transaction, the sellers held two tranches of subordinated debt in the amount of $22,633,116 and $96,587,418, in connection with this redemption. The Company paid the $22,633,116 debt in full, in connection with bank financing.

The borrowings are collateralized by the unallocated shares of the Company's stock held by the Plan. The Company, as lender, has no rights against the shares once they are released for allocation to the participants. Accordingly, the financial statements of the ESOP present separately the assets and liabilities and changes therein pertaining to:

(a)Amounts released for allocation or allocated to employees (allocated), and
(b)Amounts not yet released for allocation (unallocated)

Note A - Description of the Plan (continued)

Contributions

The Company shall contribute to the Plan an amount that, at minimum, shall serve to finance the Plan's obligation under its outstanding borrowing from the Company. The Company may contribute additional amounts to the Plan, which shall be applied as a prepayment of principal or interest for the outstanding borrowing from the Company. Any additional contributions approved, shall be treated as a Plan contribution and shall be allocated among the accounts of eligible participants in accordance with a pre-established formula. Participant contributions are not permitted.

Participant accounts

Under the Plan, a separate account is maintained for each participant, and each participant account is credited with an allocation of Company shares held by the Plan, if any, and an allocation of Plan earnings or loss. Allocations to participants' accounts are based on participants' annual compensation, as defined by the provisions of the Plan.

Allocation of shares to participant accounts

As of the last day of each Plan year during the duration of the loan from the Company, the number of shares of Company stock allocated to participants shall equal the number of encumbered shares, as defined, held immediately prior to the current year allocation multiplied by a fraction, the numerator of which is the amount of principal and interest paid for the Plan year and the denominator of which is the sum of the numerator plus the principal and interest to be paid for all future plan years. During the year ended December 31, 2022, 19,326.69 shares were released. For the initial release of shares upon the completion of the acquisition transaction, the formula used to release the shares was the amount of principal paid divided by the amount of principal and interest due. There were 970,673.31 unallocated shares at December 31, 2022. Released shares are allocated pro rata to eligible participants based upon eligible annual compensation and years of service, as defined by the provisions of the Plan. Only participants who have completed a year of service during the Plan year, are at least 18 years of age, have completed 1,000 hours of service and are actively employed on the last day of the Plan year shall be eligible to receive an allocation. Participants who are not actively employed on the last day of the Plan year due to retirement (normal or late), total and permanent disability or death shall share in the allocation of contributions for that Plan year.

Vesting

If a participant's employment with the Company ends for any reason other than retirement, permanent disability, or death, the participant will vest in the balance in their account based on total years of service with the Company. A participant is 20% vested after two (2) years of service, 40% after three (3) years, 60% after four (4), 80% after five (5) and 100% vested after six (6) years of service. In the event of a participant's death or total and permanent disability prior to their retirement date, as defined, the participant shall become fully vested in their account balance.

Note A - Description of the Plan (continued)

Payment of benefits

No distributions from the Plan will be made until a participant retires, dies (in which case, payment shall be made to his or her beneficiary or, if none, his or her legal representatives), is considered permanently disabled, or otherwise terminates employment with the Company. Distributions are made in cash. Payments may be made in one lump-sum payment or in installments. Forfeitures of unvested allocated shares and cash are allocated to active participants based on the provisions of the Plan.

Forfeitures

The non-vested portion of the participant's account will be forfeited as of the date in which the participant incurs five or more consecutive one year breaks in service. Plan forfeitures are allocated to each participant's account based upon the relation of the participant's eligible compensation to total eligible compensation for the Plan year. There were no plan forfeitures during the year ended December 31, 2022.

Voting rights

Each participant is entitled to exercise voting rights attributable to the shares allocated to his or her account and is notified by the Trustee prior to the time that such rights are to be exercised and are expected to provide instructions to the Plan Administrator on their vote direction. The Trustee is entitled to vote on behalf of the collective best interests of Plan participants and beneficiaries in absence of such instructions given by participants.

Put option

Under federal income tax regulations, the employer stock that is held by the Plan and its participants and is not readily tradable on an established market, or is subject to trading limitations, includes a put option. The put option is a right to demand that the Company buy any shares of its stock distributed to participants for which there is no market. The put price is representative of the current appraised value of the stock. The Company can pay for the purchase with interest over a period of five years. The purpose of the put option is to ensure that the participant has the ability to ultimately obtain cash.

Diversification

Diversification is offered to participants close to retirement so that they may have the opportunity to move part of the value of their investment in Company common stock into investments that are more diversified. Participants who are at least age fifty-five with at least ten years of participation in the Plan may elect to diversify a portion of their account. Diversification is offered to each eligible participant over a six year period. In each of the first five years, a participant may diversify up to twenty-five percent of the number of post-1986 shares allocated to his or her account, less any shares previously diversified. In the sixth year, the percentage changes to seventy-five percent. Participants who elect to diversify may; (a) receive a cash distribution, (b) transfer the value of the participant's account subject to the election to the Company's 401(k) plan or (c) invest in the Plan's three diversified investment options that may be offered by the plan administrator. The election to diversify is made subsequent to year-end based upon the shares of employer stock in the participant's account at year-end.

Note B - Significant Accounting Policies

Basis of accounting

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

Investment valuation and income recognition

The Plan's investments are stated at fair value and they are maintained and allocated to each participant by the Principal, the Plan's third-party administrator. Investments in company stock are valued by an independent stock appraiser who considers factors such as capitalization of earnings, public market comparables, book value and discounted cash flows.

In accordance with the Plan's policy of stating marketable securities at fair value, the appreciation or depreciation for each year is reflected in the Plan's statement of changes in net assets available for benefits as net change in fair value of investments. The net change in fair value during the year ended December 31, 2022, was a decrease of $118,022,634.

The valuation methods used by the Plan may produce a fair value calculation that may not be indicative of net realizable value 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.

Administrative expenses

Administrative expenses are paid by the Company as provided in the Plan document.

Use of estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and changes therein and disclosure of contingent assets and liabilities. Actual results could differ from those estimates.
The most significant estimate is the value of the Plan's holdings in the Company's common stock. This value is based on an independent appraisal of the common stock.

Note B - Significant Accounting Policies (continued)

Credit risk

The Plan's investments are not insured by the Plan's Trustee, the Company, Federal Deposit Insurance Corporation, or any other governmental agency; accordingly, the Plan is subject to the normal investment risks associated with employer stock, money market funds, and other similar types of investments that it may elect to invest in.

Financial instruments which potentially subject the Plan to concentrations of credit risk consist of the Plan's investments. The Plan's investments consist entirely of Schimenti Construction Holdings, Inc.'s common stock.

Plan termination

Although it has not expressed any intent to do so, the Company reserves the right to terminate the Plan at any time, subject to Plan provisions. Upon termination of the Plan, the Employee Benefits Administration Committee directs the Trustee to pay all liabilities and expenses of the ESOP and to sell shares of financed common stock held as collateral to the extent it determines such sale to be necessary in order to repay the loan. Subsequently, the interest of each participant in the trust fund will be distributed to such participant or his or her beneficiary at the time prescribed by the Plan terms and the Internal Revenue Code ("IRC").

Payment of benefits

Benefit payments to participants are recorded upon distribution.

Investment risk

The Plan's investments are not insured and are subject to credit and market risks. The Plan's investment holdings consist solely of one equity security. Investment securities are exposed to various risks, such as interest rate, market, and credit risks. Due to the level of risk associated with investment securities, and market volatility, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect participants' account balances and the amounts reported in the statements of net assets available for benefits.

Note C - Investments

The Plan investment, as of December 31, 2022, is presented in the following table:

Stock Description	Allocated	Unallocated
Schimenti Construction Holdings, Inc. Common Stock		
Number of Shares	19,326.69	970,673.31
Cost	$ 2,327,321	$ 116,893,213
Fair Value	$ 23,385	$ 1,174,515

During the year ended December 31, 2022, the Plan purchased 990,000 shares of the Company's common stock at a price of $120.42 per share from the Company. This purchase was financed by the Company through the issuance of a sixty year note payable by the Plan. The stock was valued at $1.21 per share as of December 31, 2022 to reflect the post closing fully leveraged stock value.

Note D - Fair Value Measurements

Accounting standards establish a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. This 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 fair value hierarchy are described below:

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 that are observable, either directly or indirectly, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.

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 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.

Note D - Fair Value Measurements (continued)

Following is a description of the valuation methodologies used for assets measured at fair value. These methods may produce a fair value calculation that may not be indicative of net realizable value 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.

Employer's common stock

Employer's common stock is valued at estimated fair value as determined at the end of the year by an independent appraisal. The independent appraisal's valuation is based upon the financial performance of the Company and the financial markets as of the valuation date. Information used in the appraisal includes but is not limited to the Company's audited financial statements, capitalization of earnings, public market comparables, book value and discounted cash flows.

In accordance with the Plan document, shares are valued only at the end of each Plan year. Accordingly, the allocation of common stock is reflected in the statement of changes in net assets available for benefits at the fair value of the shares at the end of the Plan year.

The following table sets forth by level within the fair value hierarchy a summary of the Plan's investments measured at fair value on a recurring basis at the dates indicated:

	Fair Value Measurements based on:		
December 31, 2022	**Quoted Prices In Active Markets For Identical Assets (Level 1)**	**Significant Unobservable Inputs (Level 3)**	**Total**
Schimenti Construction Holdings, Inc. common stock	$ -	$ 1,197,900	$ 1,197,900

Note D - Fair Value Measurements (continued)

The following table presents a summary of changes in the Plan's Level 3 assets for the year ended December 31, 2022:

	Company's Common Stock
Balance at January 1, 2022	$ -
Net purchases, sales, issuances, and settlements	119,220,534
Unrealized appreciation (depreciation)	(118,022,634)
Balance at December 31, 2022	$ 1,197,900

The depreciation in value for the year ended December 31, 2022 reflects the post transaction, fully leveraged value of the Company stock.

Note E - Loan Payable

On January 1, 2022, the Plan entered into an $119,220,534 term loan agreement with Schimenti Construction Holdings, Inc. The proceeds of the loan were used to purchase the Company's common stock. Unallocated shares are collateral for the loan. Shares are released from collateral and allocated to participants as payments of principal and interest are made. The number of shares released in any year is the number of shares held as collateral, times the ratio of the current year payments divided by the total of this year's payments, plus all future years' principal and interest payments. On December 31, 2022 the Plan recorded a contribution receivable from the Company in the amount of $6,575,179. This resulted in 19,326.69 shares being released and allocated for the plan year ended December 31, 2022.

The loan agreement provides for an initial principal only payment of $6,575,179 and subsequent sixty equal annual payments of $5,309,453 of principal and interest, with the final payment due on December 31, 2082. Interest accrues at the rate of 4.34 %.

Long-term aggregate maturities of debt for the next five (5) years as of December 31, 2022 are as follows:

December 31,	Amount
2023	$ 6,859,006
2024	432,963
2025	451,753
2026	471,360
2027	491,817
Thereafter	110,513,635
	$ 119,220,534

Note F - Income Tax Status

The Plan is intended to be a qualified trust under the IRC and is subject to the provisions of ERISA. The Plan has not received a determination letter from the Internal Revenue Service ("IRS") as of October 16, 2023, stating that the Plan is qualified under the IRC; however, the Plan administrator believes that the Plan is currently designed, and being operated, in compliance with the applicable requirements of the IRC. Therefore, they believe that the Plan was qualified, and the related trust was tax-exempt. Accordingly, no provision or liability for income taxes has been included in the Plan's financial statements.

Accounting principles generally accepted in the United States of America require plan management to evaluate tax positions taken by the Plan and recognize a tax liability if the Plan has taken a significant uncertain position that more likely than not would not be sustained upon examination by the IRS. The Plan remains subject to examination by U.S. federal taxing authorities.

Note G - Related Party and Party in Interest Transactions

The Plan invests in Company common stock and has a note payable to the Company. These are related party and party in interest transactions. As described in Note A, the Company pays all plan expenses. The Plan has a number of service providers. Such providers are parties in interest under ERISA.

Note H - Subsequent Events

Plan management has evaluated subsequent events through October 6, 2023 the date on which the financial statements were available to be issued.

Supplemental Schedules

SCHIMENTI CONSTRUCTION
EMPLOYEE STOCK OWNERSHIP PLAN
SCHEDULE H, LINE 4I - SCHEDULE OF ASSETS (HELD AT END OF YEAR)
December 31, 2022

Form 5500, Schedule H, Line 4i
Schedule of Assets (Held at End of Year)
As of December 31, 2022 (Unaudited)
EIN: 92-0852321
PN: 002

(A)	(B) Identity of issue, borrower, lessor, or similar party	(C) Description of investment including maturity date, rate of interest, collateral, par or maturity value	(D) Cost	(E) Current value
*	Schimenti Construction Holdings, Inc.	Company Common Stock	$ 119,220,534	$ 1,197,900

*Denotes party-in-interest

See accompanying independent auditor's report

SCHIMENTI CONSTRUCTION
EMPLOYEE STOCK OWNERSHIP PLAN
SCHEDULE H, Line 4J - SCHEDULE OF REPORTABLE TRANSACTIONS
December 31, 2022

Form 5500, Schedule H, Line 4j
Schedule of Reportable Transactions
EIN: 92-0852321
PN: 002

(A) Identity of Party Involved	(B) Description of Asset	(C) Purchase Price ($)	(D) Selling Price ($)	(E) Lease Rental ($)	(F) Expense Incurred With Transaction ($)	(G) Cost of Asset/Book Value ($)	(H) Current Value of Asset on Transaction Date ($)	(I) Net Gain or (Loss) ($)
Schimenti Construction Holdings, Inc.	Purchase of 990,000 shares of Plan Sponsor common stock	$120.42	-	-	-	$119,220,534	$119,220,534	$ -

See accompanying independent auditor's report