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

2023

This Form is Open to Public Inspection

Part I Annual Report Identification Information

For calendar plan year 2023 or fiscal plan year beginning 01/01/2023 and ending 12/31/2023

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

B This return/report is:
- [ ] the first return/report
- [ ] the final return/report
- [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
KEENAN, HOPKINS, SUDER & STOWELL CONTRACTORS, INC. EMPLOYEE STOCK

1b Three-digit plan number (PN) ▶ 002

1c Effective date of plan 01/01/2006

2a Plan sponsor's name (employer, if for a single-employer plan)
Mailing address (include room, apt., suite no. and street, or P.O. Box)
City or town, state or province, country, and ZIP or foreign postal code (if foreign, see instructions)
KEENAN, HOPKINS, SUDER & STOWELL CONTRACTORS, INC.

5109 E LA PALMA AVE STE A
ANAHEIM, CA 92807-2066

2b Employer Identification Number (EIN) 58-2279196

2c Plan Sponsor's telephone number 714-695-3670

2d Business code (see instructions) 238300

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.	10/15/2024	DOMINIQUE FISHER
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE	Filed with authorized/valid electronic signature.	10/15/2024	DOMINIQUE FISHER
	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**	311
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)**	144
a(2)	Total number of active participants at the end of the plan year	**6a(2)**	136
b	Retired or separated participants receiving benefits	**6b**	56
c	Other retired or separated participants entitled to future benefits	**6c**	87
d	Subtotal. Add lines **6a(2)**, **6b**, and **6c**.	**6d**	279
e	Deceased participants whose beneficiaries are receiving or are entitled to receive benefits.	**6e**	1
f	Total. Add lines **6d** and **6e**.	**6f**	280
g(1)	Number of participants with account balances as of the beginning of the plan year (only defined contribution plans complete this item)	**6g(1)**	301
g(2)	Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item)	**6g(2)**	280
h	Number of participants who terminated employment during the plan year with accrued benefits that were less than 100% vested	**6h**	14
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 2Q 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
- **(4)** [ ] **DCG** (Individual Plan Information) – Number Attached 0
- **(5)** [ ] **MEP** (Multiple-Employer Retirement Plan Information)

b General Schedules

- **(1)** [X] **H** (Financial Information)
- **(2)** [ ] **I** (Financial Information – Small Plan)
- **(3)** [ ] **A** (Insurance Information) – Number Attached _____
- **(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 2023 Form M-1 annual report. If the plan was not required to file the 2023 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.**	**2023** **This Form is Open to Public Inspection.**

For calendar plan year 2023 or fiscal plan year beginning 01/01/2023 and ending 12/31/2023

A Name of plan	**B** Three-digit plan number (PN) ▶	
KEENAN, HOPKINS, SUDER & STOWELL CONTRACTORS, INC. EMPLOYEE STOCK		002
C Plan sponsor's name as shown on line 2a of Form 5500	**D** Employer Identification Number (EIN)	
KEENAN, HOPKINS, SUDER & STOWELL CONTRACTORS, INC.	58-2279196	

Part I Service Provider Information (see instructions)

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

1 Information on Persons Receiving Only Eligible Indirect Compensation

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

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

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

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

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

(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

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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

2023

This Form is Open to Public Inspection

For calendar plan year 2023 or fiscal plan year beginning 01/01/2023 and ending 12/31/2023

A Name of plan
KEENAN, HOPKINS, SUDER & STOWELL CONTRACTORS, INC. EMPLOYEE STOCK

B Three-digit plan number (PN) ▶ 002

C Plan sponsor's name as shown on line 2a of Form 5500
KEENAN, HOPKINS, SUDER & STOWELL CONTRACTORS, INC.

D Employer Identification Number (EIN)
58-2279196

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)		
(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)	1	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)	13050000	10625000
	(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	13050001	10625001
	Liabilities			
g	Benefit claims payable	1g		
h	Operating payables	1h		
i	Acquisition indebtedness	1i		
j	Other liabilities	1j	6460000	5050799
k	Total liabilities (add all amounts in lines 1g through1j)	1k	6460000	5050799
	Net Assets			
l	Net assets (subtract line 1k from line 1f)	1l	6590001	5574202

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)	1028705	
	(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)		1028705
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)	-2425000	
	(C) Total unrealized appreciation of assets. Add lines **2b(5)(A)** and **(B)**	2b(5)(C)		-2425000

		(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		1239999
d Total income. Add all **income** amounts in column (b) and enter total	2d		-156296
Expenses			
e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	640507	
(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)		640507
f Corrective distributions (see instructions)	2f		
g Certain deemed distributions of participant loans (see instructions)	2g		
h Interest expense	2h		218996
i Administrative expenses:			
(1) Salaries and allowances	2i(1)		
(2) Contract administrator fees	2i(2)		
(3) Recordkeeping fees	2i(3)		
(4) IQPA audit fees	2i(4)		
(5) Investment advisory and investment management fees	2i(5)		
(6) Bank or trust company trustee/custodial fees	2i(6)		
(7) Actuarial fees	2i(7)		
(8) Legal fees	2i(8)		
(9) Valuation/appraisal fees	2i(9)		
(10) Other trustee fees and expenses	2i(10)		
(11) Other expenses	2i(11)		
(12) Total administrative expenses. Add lines **2i(1)** through **(11)**	2i(12)		0
j Total expenses. Add all **expense** amounts in column (b) and enter total	2j		859503
Net Income and Reconciliation			
k Net income (loss). Subtract line **2j** from line **2d**	2k		-1015799
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: FARBER HASS HURLEY LLP **(2)** EIN: 20-4207759

d The opinion of an independent qualified public accountant is **not attached** as part of Schedule H because:

(1) [ ] This form is filed for a CCT, PSA, DCG 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. DCGs do not complete lines 4e, 4f, 4k, 4l, and 5, and DCGs generally complete the rest of Part IV collectively for all plans in the DCG, except as otherwise provided (see instructions).

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	
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		2000000
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 [X] 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

2023

This Form is Open to Public Inspection.

For calendar plan year 2023 or fiscal plan year beginning 01/01/2023 and ending 12/31/2023

A Name of plan
KEENAN, HOPKINS, SUDER & STOWELL CONTRACTORS, INC. EMPLOYEE STOCK

B Three-digit plan number (PN) ▶ 002

C Plan sponsor's name as shown on line 2a of Form 5500
KEENAN, HOPKINS, SUDER & STOWELL CONTRACTORS, INC.

D Employer Identification Number (EIN)
58-2279196

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): 42-0127290

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) and (b):

a Enter the percentage of plan assets held as:
Public Equity: _____% Private Equity: _____% Investment-Grade Debt and Interest Rate Hedging Assets: _____%
High-Yield Debt: _____% Real Assets: _____% Cash or Cash Equivalents: _____% Other: _____%

b Provide the average duration of the Investment-Grade Debt and Interest Rate Hedging Assets:
☐ 0-5 years ☐ 5-10 years ☐ 10-15 years ☐ 15 years or more

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._____

Part VII IRS Compliance Questions

21a Does the plan satisfy the coverage and nondiscrimination tests of Code sections 410(b) and 401(a)(4) by combining this plan with any other plans under the permissive aggregation rules? ☐ Yes ☒ No

21b If this is a Code section 401(k) plan, check all boxes that apply to indicate how the plan is intended to satisfy the nondiscrimination requirements for employee deferrals and employer matching contributions (as applicable) under Code sections 401(k)(3) and 401(m)(2).

☐ Design-based safe harbor method

☐ "Prior year" ADP test

☐ "Current year" ADP test

☐ N/A

22 If the plan sponsor is an adopter of a pre-approved plan that received a favorable IRS Opinion Letter, enter the date of the Opinion Letter ___/___/_____ (MM/DD/YYYY) and the Opinion Letter serial number_____.

FINANCIAL STATEMENTS

KEENAN, HOPKINS, SUDER & STOWELL CONTRACTORS, INC. EMPLOYEE STOCK OWNERSHIP PLAN

DECEMBER 31, 2023 AND 2022

FARBER HASS HURLEY LLP
Certified Public Accountants

KEENAN, HOPKINS, SUDER & STOWELL CONTRACTORS, INC. EMPLOYEE STOCK OWNERSHIP PLAN

INDEX

INDEPENDENT AUDITORS' REPORT	1 - 3
FINANCIAL STATEMENTS	
Statements of Net Assets Available for Benefits - December 31, 2023 and 2022	4
Statement of Changes in Net Assets Available for Benefits - December 31, 2023	5
NOTES TO FINANCIAL STATEMENTS	6 - 14
SUPPLEMENTAL SCHEDULES FURNISHED PURSUANT TO DOL REGULATIONS UNDER ERISA – YEAR ENDED DECEMBER 31, 2023	
Schedule H, line 4i - Schedule of Assets (Held at End of Year)	16
Schedule H, line 4j - Schedule of Reportable Transactions	17

FARBER HASS HURLEY LLP
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITORS' REPORT

To the Administrative Committee of
Keenan, Hopkins, Suder & Stowell Contractors, Inc.
Employee Stock Ownership Plan

Opinion

We have audited the accompanying financial statements of Keenan, Hopkins, Suder & Stowell Contractors, Inc. Employee Stock Ownership Plan (the "Plan"), an employee benefit plan subject to the Employee Retirement Income Security Act of 1974 ("ERISA"), which comprise the statements of net assets available for benefits as of December 31, 2023 and 2022, and the related statement of changes in net assets available for benefits for the year ended December 31, 2023, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the statement of net assets available for benefits of the Plan as of December 31, 2023 and 2022, and the changes in its net assets available for benefits for the year ended December 31, 2023, in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Keenan, Hopkins, Suder & Stowell Contractors, Inc. Employee Stock Ownership Plan and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our 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 the Plan's ability to continue as a going concern for one year after the date the financial statements are available to be issued.

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

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with 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 judgement made by a reasonable user based on these 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 the Plan's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Plan's ability to continue as a going concern for a reasonable period of time.

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 schedules of: Schedule H, line 4i - Schedule of Assets (Held at End of Year) and Schedule H, line 4j - Schedule of Reportable Transactions as of or for the year ended December 31, 2023

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.



Farber Hass Hurley LLP

Chatsworth, California
October 14, 2024

KEENAN, HOPKINS, SUDER & STOWELL CONTRACTORS, INC.
EMPLOYEE STOCK OWNERSHIP PLAN
STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS
DECEMBER 31, 2023 AND 2022

	2023			2022		
	Allocated	Unallocated	Total	Allocated	Unallocated	Total
ASSETS:						
Investments at fair value:						
Keenan, Hopkins, Suder & Stowell Contractors, Inc. common stock	$ 6,583,585	$ 4,041,415	$ 10,625,000	$ 7,830,000	$ 5,220,000	$ 13,050,000
Total assets	6,583,585	4,041,415	10,625,000	7,830,000	5,220,000	13,050,000
LIABILITIES:						
Inside loan payable	-	5,050,798	5,050,798	-	6,460,000	6,460,000
Total liabilities	-	5,050,798	5,050,798	-	6,460,000	6,460,000
Net assets (deficit) available for benefits	$ 6,583,585	$ (1,009,383)	$ 5,574,202	$ 7,830,000	$ (1,240,000)	$ 6,590,000

The accompanying notes are an integral part of these financial statements.

KEENAN, HOPKINS, SUDER & STOWELL CONTRACTORS, INC.
EMPLOYEE STOCK OWNERSHIP PLAN
STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS
FOR THE YEAR ENDED DECEMBER 31, 2023

	Allocated	Unallocated	Total
Additions (reductions) to net assets attributed to:			
Investment income (loss) :			
Net depreciation in fair value of investments	$ (1,455,000)	$ (970,000)	$ (2,425,000)
Total investment income	(1,455,000)	(970,000)	(2,425,000)
Adjustment to the purchase price	-	1,240,000	1,240,000
Employer contributions	640,507	388,197	1,028,704
Allocation of 49,079 shares of common stock, at fair value	208,585	-	208,585
Total net additions (reductions)	(605,908)	658,197	52,289
Deductions from net assets attributed to:			
Interest expense	-	218,995	218,995
Benefits paid to participants	640,507	-	640,507
Administrative expenses	-	-	-
Allocation of 49,079 shares of common stock, at fair value	-	208,585	208,585
Total deductions	640,507	427,580	1,068,087
Net decrease	(1,246,415)	230,617	(1,015,798)
Net assets available for benefits:			
Beginning of year	7,830,000	(1,240,000)	6,590,000
End of year	$ 6,583,585	$ (1,009,383)	$ 5,574,202

The accompanying notes are an integral part of this financial statement.

NOTE A - DESCRIPTION OF THE PLAN

The following brief description of the Keenan, Hopkins, Suder & Stowell Contractors, Inc. Employee Stock Ownership Plan ("ESOP" or "Plan") is provided for general information purposes only. Participants should refer to the Plan agreement for complete information.

1. General

The ESOP was established by Keenan, Hopkins, Suder & Stowell Contractors, Inc. ("Company") effective as of January 1, 2006, to enable eligible employees to share in the Company's growth and accumulate a beneficial ownership interest in its stock. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 ("ERISA"). The ESOP is administered by the Company. GreatBanc Trust Company is the Trustee for the ESOP. The ESOP was amended and restated in September 2023 to be in compliance with the Internal Revenue Code ("IRC") for certain statutory, regulatory, and guidance changes.

On December 30, 2022, the Plan purchased an additional 1 million shares of common stock from the Company at an original purchase price of $6.46 per share. The original purchase price was based on the Company's most recent common stock transaction with a former shareholder's beneficiary. The purchase price of $6,460,000 was funded in the form of secured nonrecourse promissory note payable to the Company. As the Plan makes debt payments, an appropriate percentage of stock will be allocated to eligible employees' accounts in accordance with the applicable regulations under the IRC. Based upon information that was provided during the appraisal as of December 31, 2022, but not available at the time of the sale of shares to the Plan, the Trustee and the Company agreed, effective October 2023, to reduce the purchase price of the 1 million shares purchased in 2022 and the Inside Loan balance to $5,220,000, a reduction of $1,240,000. The reduction is presented as an adjustment to the purchase price in the statement of changes in net assets.

The borrowing is collateralized by the unallocated shares of common stock. The lender has no rights against shares of common stock once they are allocated to participants in accordance with the terms of the ESOP. Accordingly, the financial statements of the Plan as of and for the year ended December 31, 2023 and2022, present separately the assets and liabilities and changes therein pertaining to:

a. the accounts of employees with rights in allocated common stock (allocated), and
b. common stock not yet allocated to employees (unallocated).

2. Eligibility

Employees of the Company are generally eligible to participate in the Plan, if they are at least 21 years of age and have completed one year of service provided they worked at least 1,000 hours during such plan year prior to the entry dates of January 1 and July 1, except for those covered by a collective bargaining agreement (with certain exceptions as defined by the Plan), nonresident aliens, or leased employee. Participants who do not have at least 1,000 hours of service during a plan year or are not employed on the last day of a plan year are generally not eligible for an allocation of Company contributions for such year.

NOTE A - DESCRIPTION OF THE PLAN (Continued)

3. Employer Contributions

Under the provisions of the Plan, the Company may make a contribution to the Plan in either cash or shares of Company Stock. The Plan is noncontributory for participants. The amount of the Company contribution is discretionary and is determined by the Company's board of directors; provided, however, that the Company is obligated to make contributions to the Plan, which, when combined with dividends or earnings, distributions (if any), equal the amount necessary to enable the Plan to make payments on all outstanding acquisition loans. The Company made a contribution to the ESOP of $640,507 during the year ended December 31, 2023. Contributions on allocated shares were utilized for stock repurchases of distributed shares.

4. Participant Accounts

The Plan is a defined contribution plan under which a separate individual account is established for each participant. Each participant's account is credited as of the last day of each plan year with an allocation of employer contributions and forfeitures, if any, and earnings of plan assets. Only those participants who are eligible employees of the Company as of the last day of the Plan year and who worked at least 1,000 hours during the plan year will receive an allocation of Company contributions and forfeitures. Allocations are based on a participant's eligible compensation, relative to total eligible compensation. Plan earnings are allocated to each participant's account based on the ratio of the participant's account balance to all participants' balances.

5. Vesting

Participants vest 20% upon two years of service and 20% for each year after that. Participants are 100% vested after six years of service. If an employee works 1,000 hours during the year, the employee will be credited with a year of service even if employment is terminated before the last day of the plan year. A participant will become 100% vested in their account upon death, disability, or reaching normal retirement while employed by the Company.

6. Forfeitures

Plan forfeitures of unvested balances of terminated participants are first made available to reinstate previously forfeited accounts of former participants. Remaining forfeitures, if any, shall be allocated on a basis similar to the Company's contribution for the plan year. During the year ended December 31, 2023, 10,678 shares valued at $45,385 were forfeited and allocated to eligible participant accounts. There were no unallocated forfeitures at December 31, 2023 and 2022.

NOTE A - DESCRIPTION OF THE PLAN (Continued)

7. Voting Rights

Each participant is entitled to exercise voting rights attributable to the shares allocated to his or her account with respect to any corporate matter which involves the approval or disapproval of any corporate merger or consolidation, recapitalization, reclassification, liquidation, dissolution, sale of substantially all assets of the business, or such similar transaction as the Department of Treasury may prescribe in Treasury Regulations. On other corporate matters requiring a vote of shareholders, the Trustee shall vote such company stock at its sole discretion. The Trustee is required to vote in the collective best interest of the Plan participants and beneficiaries. The Trustee shall vote any unallocated shares of Company stock and any allocated shares for which instructions are neither received from participants nor required from participants due to the matters being voted.

8. Payment of Benefits

Distributions to terminated participants with vested account balances under $5,000 shall be made as soon as administratively feasible after the end of the plan year in which the participant has a severance from the Company.

For participants with vested account balances over $5,000, distributions commence on the fifth plan year following the separation from service and are generally made in five equal, annual installments. Distributions on account of death, disability, or retirement will commence no later than the end of the plan year following the plan year of the event. The amount to be distributed is based upon the account valuation date immediately preceding the distribution. In the event that the ESOP committee and Company Board of Directors determines, in their discretion, that the ESOP has sufficient available cash, the minimum installment threshold of $5,000 may be increased.

9. 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 which are more diversified. Participants who are at least age 55 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 25 percent of the number of shares allocated to his or her account, less any shares previously diversified. In the sixth year, the percentage changes to 50 percent. Participants who elect to diversify receive a cash distribution.

For the year ended December 31, 2023, total Diversification distributions were $33,151.

NOTE A - DESCRIPTION OF THE PLAN (Continued)

10. Put Option

Under federal income tax regulations, the employer stock that is held by the Plan and its participants and which is not readily tradable on an established market, or is subject to trading limitations, includes a put option (liquidity put). The liquidity put is a right to demand that the Company buy any shares of its stock distributed to participants for which there is no market. The Plan may also honor the put, although it is not required to do so. The put price is representative of the current value of the stock. The purpose of the liquidity put is to ensure that the participant has the ability to ultimately obtain cash.

11. Administration of Plan Assets

The trust department of an independent third-party bank serves as the ESOP's Trustee. The Plan is administered by an ESOP Committee ("Committee") comprising of two officers of the Company and the Trustee. The Committee determines the investment policy of the Plan.

Company contributions are managed by the Committee. Certain other administrative functions are performed by officers or employees of the Company. No such officer or employee receives compensation from the Plan. Administrative expenses are paid directly by the Company. Plan administrative expenses may be paid either by the Plan or by the Company. The Company has historically paid substantially all of the operating expenses for the Plan.

12. Plan Termination

The Company reserves the right to terminate the Plan at any time, subject to Plan provisions of ERISA. Upon termination of the Plan, the Committee directs the ESOP 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 IRC.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1. Basis of Accounting

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

2. Investment Valuation and Income Recognition

The shares of Company common stock are valued at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Committee determines the Plan's valuation policies. See Note D for discussion of fair value measurements.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2. Investment Valuation and Income Recognition (Continued)

Dividend income, if any, is accrued on the ex-dividend date. Purchases and sales of securities are recorded on a trade-date basis. Interest income, if any, is recorded on the accrual basis. Net appreciation/(depreciation) includes the Plan's gains and losses on investments bought and sold as well as held during the year.

3. Payment of Benefits

Benefits are recorded when paid.

4. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of net assets and the changes therein and disclosures. Actual results can differ from those estimates. The Plan relies significantly on the use of estimates in determining the valuation of the Company's common stock, which is the Plan's primary investment (see Note D).

5. Allocations

The financial statements of the Plan present separately the assets and liabilities and changes therein pertaining to *(a)* the accounts of employees with rights in allocated stock ("allocated") and *(b)* stock not yet allocated to employees ("unallocated"), including shares that are committed to be released. Shares are released from collateral and become allocated generally in the period in which debt service is actually paid.

6. Nature of Business of the Plan Sponsor

The Company is an interior and exterior contractor.

NOTE C – INVESTMENTS

During the year ended December 31, 2023 and 2022, Plan investments consisted entirely of Company common stock.

The Plan's investment in the Company's common stock at December 31, 2023 and 2022 is presented in the following table:

NOTE C – INVESTMENTS (Continued)

	2023		2022	
	Allocated	Unallocated	Allocated	Unallocated
Number of Shares	1,549,079	950,921	1,500,000	1,000,000
Cost	$ 14,056,192	$ 4,963,808	$ 13,800,000	$ 6,460,000
Estimated fair value	$ 6,583,585	$ 4,041,415	$ 7,830,000	$ 5,220,000

NOTE D – FAIR VALUE MEASUREMENTS

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

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

Level 2 Inputs to the valuation methodology include:

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

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

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

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

Company Common-stock: The fair value of the Keenan, Hopkins, Suder & Stowell Contractors, Inc. ("KHS&S") common stock held by the Plan is valued at fair value based upon an independent appraisal. As of December 31, 2023 and 2022, the appraisal applied the income approach utilizing the discounted cash flow technique.

NOTE D - FAIR VALUE MEASUREMENTS (Continued)

The preceding method described 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.

The following tables set forth by level, within the fair value hierarchy, the Plan's assets at fair value as of December 31, 2023 and 2022:

	Assets at Fair Value as of December 31, 2023			
	Level 1	*Level 2*	*Level 3*	*Total*
Common stock of KHS&S	$ -	$ -	$ 10,625,000	$ 10,625,000
Investments at fair value	$ -	$ -	$ 10,625,000	$ 10,625,000

	Assets at Fair Value as of December 31, 2022			
	Level 1	*Level 2*	*Level 3*	*Total*
Common stock of KHS&S	$ -	$ -	$ 13,050,000	$ 13,050,000
Investments at fair value	$ -	$ -	$ 13,050,000	$ 13,050,000

Changes in Fair Value of Level 3 Assets

For the year ended December 31, 2023, there were no transfers into or out of level 3, nor were there any purchases, issuances, or sales of Company common stock.

The fair value for the Common stock as of December 31, 2023 was valued as illustrated in the following table:

Instrument	Fair Value	Principle Valuation Technique	Unobservable Inputs
Keenan, Hopkins, Suder & Stowell Contractors, Inc. common stock	$ 10,625,000	Income approach - Discounted cash flow	EBITDA exit multiple approach Weighted average cost of capital EBITDA projection Revenue projection Discount rate

NOTE E – RISKS AND UNCERTAINTIES

The Plan's investments have exposure to risk to the extent that the investments are subject to market and interest rate fluctuations that may materially affect the value of the investment balances. Investment securities in general are exposed to various risks, such as interest rate, credit, and overall market volatility. The fair value of the Company common stock is subject to significant changes as a result of changes in the Company's operating results. The Plan is subject to the same risks as the Company's operations and related concentrations. A significant change in market value of the Company's common stock will significantly affect the net assets available for plan benefits.

The appraisal for the Company common stock, like all appraisals, contains many subjective judgements, assessments, uncertainties and unknowns. The appraisal as of December 31, 2023 contains certain assumptions related to future earnings, working capital, and stability of Company operations. Should these assumptions not be realized, then the value of the Company common stock could be valued at amounts that are materially different than the amounts contained in the appraisal; thus, uncertainties exist related to the valuations.

NOTE F - RELATED PARTY AND PARTY-IN-INTEREST TRANSACTIONS

The Plan invests in Company common shares, which approximates 74% of the outstanding shares issued by the Company. These are related party and party-in-interest transactions. As described in Note A, the Plan has a number of service providers. Such parties are parties-in-interest under ERISA.

NOTE G – TAX STATUS

The ESOP received its favorable determination letter dated September 14, 2017, from the Internal Revenue Service ("IRS"), stating that the ESOP is designed in accordance with applicable sections of the IRC and, therefore, the related trust is exempt from taxation. Effective with the Plan restatement in September 2023, the Plan adopted a pre-approved ESOP which received its opinion letter dated June 30, 2020. Once qualified, the Plan is required to operate in conformity with the IRC to maintain its qualification. The plan administrator and its advisors believe that the Plan is currently operated in compliance with the applicable requirements of the IRC, and therefore, believe that the Plan is qualified and the related trust is tax-exempt.

Accounting principles generally accepted in the United States of America require Plan management to evaluate tax positions taken by the Plan and recognize a tax liability if the Plan has taken an uncertain position that more likely than not would not be sustained upon examination by the applicable taxing authorities. The Plan is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress.

NOTE H – INSIDE LOAN

In connection with the acquisition of the 1 million shares of the Company's common stock (see Note A.1), purchased on December 30, 2022, the ESOP entered into a nonrecourse Loan and Pledge Agreement with the Company ("Inside Loan"). Unallocated shares are collateral for the Inside 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 current year's payments, plus all future years' principal and interest payments. During the year ended December 31, 2023, the Company made the required debt payment of $388,197, which resulted in the release of 49,079 collateralized shares.

The Inside Loan, as amended (see Note A.1), bears interest at an annual rate of 4.34%. Principal and interest payments will be paid in 20 consecutive annual payments beginning on December 31, 2023 through December 31, 2042. The ESOP may pre-pay the principal balance in part or in whole without premium or penalty.

Future maturities of ESOP principal payments for the Inside Loan, as amended, are as follows:

December 31		
2024	$	176,545
2025		184,207
2026		192,201
2027		200,543
2028		209,246
Thereafter		4,088,056
	$	5,050,798

NOTE I – SUBSEQUENT EVENTS

Management has evaluated subsequent events through October 14, 2024, the date on which the financial statements were available to be issued.

SUPPLEMENTAL SCHEDULES FURNISHED
PURSUANT TO DOL REGULATIONS UNDER ERISA
DECEMBER 31, 2023

KEENAN, HOPKINS, SUDER & STOWELL CONTRACTORS, INC.

EMPLOYEE STOCK OWNERSHIP PLAN

Plan Number: 002 EIN: 58-2279196

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

December 31, 2023

(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
*	Keenan, Hopkins, Suder & Stowell Contractors, Inc.	2,500,000 shares of common stock	$ 19,020,000	$ 10,625,000
		Total Investments	$ 19,020,000	$ 10,625,000

* A party-in-interest as defined by ERISA.

** Based on the adjusted purchase price

KEENAN, HOPKINS, SUDER & STOWELL CONTRACTORS, INC.
EMPLOYEE STOCK OWNERSHIP PLAN
Plan Number: 002 EIN: 58-2279196
Schedule H, line 4j - Schedule of Reportable Transactions
For the Year Ended December 31, 2023

(a) Identity of party involved	(b) Description of asset (include interest rate and maturity in case of a loan)	(c) Purchase price	(d) Selling price	(e) Lease rental	(f) Expenses incurred with transaction	(g) Cost of asset	(h) Current value of asset on transaction date	(i) Net gain or (loss)
Goldman Sachs	Financial Square Government Fund, 2 transactions	$ 640,508	$ -	-	-	$ 640,508	$ 640,508	$ -
Goldman Sachs	Financial Square Government Fund, 2 transactions	$ -	$ 640,508	-	-	$ 640,508	$ 640,508	$ -

FINANCIAL STATEMENTS

KEENAN, HOPKINS, SUDER & STOWELL CONTRACTORS, INC. EMPLOYEE STOCK OWNERSHIP PLAN

DECEMBER 31, 2023 AND 2022

FARBER HASS HURLEY LLP
Certified Public Accountants

KEENAN, HOPKINS, SUDER & STOWELL CONTRACTORS, INC. EMPLOYEE STOCK OWNERSHIP PLAN

INDEX

INDEPENDENT AUDITORS' REPORT	1 - 3
FINANCIAL STATEMENTS	
Statements of Net Assets Available for Benefits - December 31, 2023 and 2022	4
Statement of Changes in Net Assets Available for Benefits - December 31, 2023	5
NOTES TO FINANCIAL STATEMENTS	6 - 14
SUPPLEMENTAL SCHEDULES FURNISHED PURSUANT TO DOL REGULATIONS UNDER ERISA – YEAR ENDED DECEMBER 31, 2023	
Schedule H, line 4i - Schedule of Assets (Held at End of Year)	16
Schedule H, line 4j - Schedule of Reportable Transactions	17

FARBER HASS HURLEY LLP
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITORS' REPORT

To the Administrative Committee of
Keenan, Hopkins, Suder & Stowell Contractors, Inc.
Employee Stock Ownership Plan

Opinion

We have audited the accompanying financial statements of Keenan, Hopkins, Suder & Stowell Contractors, Inc. Employee Stock Ownership Plan (the "Plan"), an employee benefit plan subject to the Employee Retirement Income Security Act of 1974 ("ERISA"), which comprise the statements of net assets available for benefits as of December 31, 2023 and 2022, and the related statement of changes in net assets available for benefits for the year ended December 31, 2023, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the statement of net assets available for benefits of the Plan as of December 31, 2023 and 2022, and the changes in its net assets available for benefits for the year ended December 31, 2023, in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Keenan, Hopkins, Suder & Stowell Contractors, Inc. Employee Stock Ownership Plan and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our 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 the Plan's ability to continue as a going concern for one year after the date the financial statements are available to be issued.

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

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with 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 judgement made by a reasonable user based on these 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 the Plan's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Plan's ability to continue as a going concern for a reasonable period of time.

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 schedules of: Schedule H, line 4i - Schedule of Assets (Held at End of Year) and Schedule H, line 4j - Schedule of Reportable Transactions as of or for the year ended December 31, 2023

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.



Farber Hass Hurley LLP

Chatsworth, California
October 14, 2024

KEENAN, HOPKINS, SUDER & STOWELL CONTRACTORS, INC.
EMPLOYEE STOCK OWNERSHIP PLAN
STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS
DECEMBER 31, 2023 AND 2022

	2023			2022		
	Allocated	Unallocated	Total	Allocated	Unallocated	Total
ASSETS:						
Investments at fair value:						
Keenan, Hopkins, Suder & Stowell Contractors, Inc. common stock	$ 6,583,585	$ 4,041,415	$ 10,625,000	$ 7,830,000	$ 5,220,000	$ 13,050,000
Total assets	6,583,585	4,041,415	10,625,000	7,830,000	5,220,000	13,050,000
LIABILITIES:						
Inside loan payable	-	5,050,798	5,050,798	-	6,460,000	6,460,000
Total liabilities	-	5,050,798	5,050,798	-	6,460,000	6,460,000
Net assets (deficit) available for benefits	$ 6,583,585	$ (1,009,383)	$ 5,574,202	$ 7,830,000	$ (1,240,000)	$ 6,590,000

The accompanying notes are an integral part of these financial statements.

KEENAN, HOPKINS, SUDER & STOWELL CONTRACTORS, INC.
EMPLOYEE STOCK OWNERSHIP PLAN
STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS
FOR THE YEAR ENDED DECEMBER 31, 2023

	Allocated	Unallocated	Total
Additions (reductions) to net assets attributed to:			
Investment income (loss) :			
Net depreciation in fair value of investments	$ (1,455,000)	$ (970,000)	$ (2,425,000)
Total investment income	(1,455,000)	(970,000)	(2,425,000)
Adjustment to the purchase price	-	1,240,000	1,240,000
Employer contributions	640,507	388,197	1,028,704
Allocation of 49,079 shares of common stock, at fair value	208,585	-	208,585
Total net additions (reductions)	(605,908)	658,197	52,289
Deductions from net assets attributed to:			
Interest expense	-	218,995	218,995
Benefits paid to participants	640,507	-	640,507
Administrative expenses	-	-	-
Allocation of 49,079 shares of common stock, at fair value	-	208,585	208,585
Total deductions	640,507	427,580	1,068,087
Net decrease	(1,246,415)	230,617	(1,015,798)
Net assets available for benefits:			
Beginning of year	7,830,000	(1,240,000)	6,590,000
End of year	$ 6,583,585	$ (1,009,383)	$ 5,574,202

The accompanying notes are an integral part of this financial statement.

NOTE A - DESCRIPTION OF THE PLAN

The following brief description of the Keenan, Hopkins, Suder & Stowell Contractors, Inc. Employee Stock Ownership Plan ("ESOP" or "Plan") is provided for general information purposes only. Participants should refer to the Plan agreement for complete information.

1. General

The ESOP was established by Keenan, Hopkins, Suder & Stowell Contractors, Inc. ("Company") effective as of January 1, 2006, to enable eligible employees to share in the Company's growth and accumulate a beneficial ownership interest in its stock. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 ("ERISA"). The ESOP is administered by the Company. GreatBanc Trust Company is the Trustee for the ESOP. The ESOP was amended and restated in September 2023 to be in compliance with the Internal Revenue Code ("IRC") for certain statutory, regulatory, and guidance changes.

On December 30, 2022, the Plan purchased an additional 1 million shares of common stock from the Company at an original purchase price of $6.46 per share. The original purchase price was based on the Company's most recent common stock transaction with a former shareholder's beneficiary. The purchase price of $6,460,000 was funded in the form of secured nonrecourse promissory note payable to the Company. As the Plan makes debt payments, an appropriate percentage of stock will be allocated to eligible employees' accounts in accordance with the applicable regulations under the IRC. Based upon information that was provided during the appraisal as of December 31, 2022, but not available at the time of the sale of shares to the Plan, the Trustee and the Company agreed, effective October 2023, to reduce the purchase price of the 1 million shares purchased in 2022 and the Inside Loan balance to $5,220,000, a reduction of $1,240,000. The reduction is presented as an adjustment to the purchase price in the statement of changes in net assets.

The borrowing is collateralized by the unallocated shares of common stock. The lender has no rights against shares of common stock once they are allocated to participants in accordance with the terms of the ESOP. Accordingly, the financial statements of the Plan as of and for the year ended December 31, 2023 and2022, present separately the assets and liabilities and changes therein pertaining to:

a. the accounts of employees with rights in allocated common stock (allocated), and
b. common stock not yet allocated to employees (unallocated).

2. Eligibility

Employees of the Company are generally eligible to participate in the Plan, if they are at least 21 years of age and have completed one year of service provided they worked at least 1,000 hours during such plan year prior to the entry dates of January 1 and July 1, except for those covered by a collective bargaining agreement (with certain exceptions as defined by the Plan), nonresident aliens, or leased employee. Participants who do not have at least 1,000 hours of service during a plan year or are not employed on the last day of a plan year are generally not eligible for an allocation of Company contributions for such year.

NOTE A - DESCRIPTION OF THE PLAN (Continued)

3. Employer Contributions

Under the provisions of the Plan, the Company may make a contribution to the Plan in either cash or shares of Company Stock. The Plan is noncontributory for participants. The amount of the Company contribution is discretionary and is determined by the Company's board of directors; provided, however, that the Company is obligated to make contributions to the Plan, which, when combined with dividends or earnings, distributions (if any), equal the amount necessary to enable the Plan to make payments on all outstanding acquisition loans. The Company made a contribution to the ESOP of $640,507 during the year ended December 31, 2023. Contributions on allocated shares were utilized for stock repurchases of distributed shares.

4. Participant Accounts

The Plan is a defined contribution plan under which a separate individual account is established for each participant. Each participant's account is credited as of the last day of each plan year with an allocation of employer contributions and forfeitures, if any, and earnings of plan assets. Only those participants who are eligible employees of the Company as of the last day of the Plan year and who worked at least 1,000 hours during the plan year will receive an allocation of Company contributions and forfeitures. Allocations are based on a participant's eligible compensation, relative to total eligible compensation. Plan earnings are allocated to each participant's account based on the ratio of the participant's account balance to all participants' balances.

5. Vesting

Participants vest 20% upon two years of service and 20% for each year after that. Participants are 100% vested after six years of service. If an employee works 1,000 hours during the year, the employee will be credited with a year of service even if employment is terminated before the last day of the plan year. A participant will become 100% vested in their account upon death, disability, or reaching normal retirement while employed by the Company.

6. Forfeitures

Plan forfeitures of unvested balances of terminated participants are first made available to reinstate previously forfeited accounts of former participants. Remaining forfeitures, if any, shall be allocated on a basis similar to the Company's contribution for the plan year. During the year ended December 31, 2023, 10,678 shares valued at $45,385 were forfeited and allocated to eligible participant accounts. There were no unallocated forfeitures at December 31, 2023 and 2022.

NOTE A - DESCRIPTION OF THE PLAN (Continued)

7. Voting Rights

Each participant is entitled to exercise voting rights attributable to the shares allocated to his or her account with respect to any corporate matter which involves the approval or disapproval of any corporate merger or consolidation, recapitalization, reclassification, liquidation, dissolution, sale of substantially all assets of the business, or such similar transaction as the Department of Treasury may prescribe in Treasury Regulations. On other corporate matters requiring a vote of shareholders, the Trustee shall vote such company stock at its sole discretion. The Trustee is required to vote in the collective best interest of the Plan participants and beneficiaries. The Trustee shall vote any unallocated shares of Company stock and any allocated shares for which instructions are neither received from participants nor required from participants due to the matters being voted.

8. Payment of Benefits

Distributions to terminated participants with vested account balances under $5,000 shall be made as soon as administratively feasible after the end of the plan year in which the participant has a severance from the Company.

For participants with vested account balances over $5,000, distributions commence on the fifth plan year following the separation from service and are generally made in five equal, annual installments. Distributions on account of death, disability, or retirement will commence no later than the end of the plan year following the plan year of the event. The amount to be distributed is based upon the account valuation date immediately preceding the distribution. In the event that the ESOP committee and Company Board of Directors determines, in their discretion, that the ESOP has sufficient available cash, the minimum installment threshold of $5,000 may be increased.

9. 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 which are more diversified. Participants who are at least age 55 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 25 percent of the number of shares allocated to his or her account, less any shares previously diversified. In the sixth year, the percentage changes to 50 percent. Participants who elect to diversify receive a cash distribution.

For the year ended December 31, 2023, total Diversification distributions were $33,151.

NOTE A - DESCRIPTION OF THE PLAN (Continued)

10. Put Option

Under federal income tax regulations, the employer stock that is held by the Plan and its participants and which is not readily tradable on an established market, or is subject to trading limitations, includes a put option (liquidity put). The liquidity put is a right to demand that the Company buy any shares of its stock distributed to participants for which there is no market. The Plan may also honor the put, although it is not required to do so. The put price is representative of the current value of the stock. The purpose of the liquidity put is to ensure that the participant has the ability to ultimately obtain cash.

11. Administration of Plan Assets

The trust department of an independent third-party bank serves as the ESOP's Trustee. The Plan is administered by an ESOP Committee ("Committee") comprising of two officers of the Company and the Trustee. The Committee determines the investment policy of the Plan.

Company contributions are managed by the Committee. Certain other administrative functions are performed by officers or employees of the Company. No such officer or employee receives compensation from the Plan. Administrative expenses are paid directly by the Company. Plan administrative expenses may be paid either by the Plan or by the Company. The Company has historically paid substantially all of the operating expenses for the Plan.

12. Plan Termination

The Company reserves the right to terminate the Plan at any time, subject to Plan provisions of ERISA. Upon termination of the Plan, the Committee directs the ESOP 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 IRC.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1. Basis of Accounting

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

2. Investment Valuation and Income Recognition

The shares of Company common stock are valued at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Committee determines the Plan's valuation policies. See Note D for discussion of fair value measurements.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2. Investment Valuation and Income Recognition (Continued)

Dividend income, if any, is accrued on the ex-dividend date. Purchases and sales of securities are recorded on a trade-date basis. Interest income, if any, is recorded on the accrual basis. Net appreciation/(depreciation) includes the Plan's gains and losses on investments bought and sold as well as held during the year.

3. Payment of Benefits

Benefits are recorded when paid.

4. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of net assets and the changes therein and disclosures. Actual results can differ from those estimates. The Plan relies significantly on the use of estimates in determining the valuation of the Company's common stock, which is the Plan's primary investment (see Note D).

5. Allocations

The financial statements of the Plan present separately the assets and liabilities and changes therein pertaining to *(a)* the accounts of employees with rights in allocated stock ("allocated") and *(b)* stock not yet allocated to employees ("unallocated"), including shares that are committed to be released. Shares are released from collateral and become allocated generally in the period in which debt service is actually paid.

6. Nature of Business of the Plan Sponsor

The Company is an interior and exterior contractor.

NOTE C – INVESTMENTS

During the year ended December 31, 2023 and 2022, Plan investments consisted entirely of Company common stock.

The Plan's investment in the Company's common stock at December 31, 2023 and 2022 is presented in the following table:

NOTE C – INVESTMENTS (Continued)

	2023		2022	
	Allocated	Unallocated	Allocated	Unallocated
Number of Shares	1,549,079	950,921	1,500,000	1,000,000
Cost	$ 14,056,192	$ 4,963,808	$ 13,800,000	$ 6,460,000
Estimated fair value	$ 6,583,585	$ 4,041,415	$ 7,830,000	$ 5,220,000

NOTE D – FAIR VALUE MEASUREMENTS

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

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

Level 2 Inputs to the valuation methodology include:

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

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

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

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

Company Common-stock: The fair value of the Keenan, Hopkins, Suder & Stowell Contractors, Inc. ("KHS&S") common stock held by the Plan is valued at fair value based upon an independent appraisal. As of December 31, 2023 and 2022, the appraisal applied the income approach utilizing the discounted cash flow technique.

NOTE D - FAIR VALUE MEASUREMENTS (Continued)

The preceding method described 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.

The following tables set forth by level, within the fair value hierarchy, the Plan's assets at fair value as of December 31, 2023 and 2022:

	Assets at Fair Value as of December 31, 2023			
	Level 1	*Level 2*	*Level 3*	*Total*
Common stock of KHS&S	$ -	$ -	$ 10,625,000	$ 10,625,000
Investments at fair value	$ -	$ -	$ 10,625,000	$ 10,625,000

	Assets at Fair Value as of December 31, 2022			
	Level 1	*Level 2*	*Level 3*	*Total*
Common stock of KHS&S	$ -	$ -	$ 13,050,000	$ 13,050,000
Investments at fair value	$ -	$ -	$ 13,050,000	$ 13,050,000

Changes in Fair Value of Level 3 Assets

For the year ended December 31, 2023, there were no transfers into or out of level 3, nor were there any purchases, issuances, or sales of Company common stock.

The fair value for the Common stock as of December 31, 2023 was valued as illustrated in the following table:

Instrument	Fair Value	Principle Valuation Technique	Unobservable Inputs
Keenan, Hopkins, Suder & Stowell Contractors, Inc. common stock	$ 10,625,000	Income approach - Discounted cash flow	EBITDA exit multiple approach Weighted average cost of capital EBITDA projection Revenue projection Discount rate

NOTE E – RISKS AND UNCERTAINTIES

The Plan's investments have exposure to risk to the extent that the investments are subject to market and interest rate fluctuations that may materially affect the value of the investment balances. Investment securities in general are exposed to various risks, such as interest rate, credit, and overall market volatility. The fair value of the Company common stock is subject to significant changes as a result of changes in the Company's operating results. The Plan is subject to the same risks as the Company's operations and related concentrations. A significant change in market value of the Company's common stock will significantly affect the net assets available for plan benefits.

The appraisal for the Company common stock, like all appraisals, contains many subjective judgements, assessments, uncertainties and unknowns. The appraisal as of December 31, 2023 contains certain assumptions related to future earnings, working capital, and stability of Company operations. Should these assumptions not be realized, then the value of the Company common stock could be valued at amounts that are materially different than the amounts contained in the appraisal; thus, uncertainties exist related to the valuations.

NOTE F - RELATED PARTY AND PARTY-IN-INTEREST TRANSACTIONS

The Plan invests in Company common shares, which approximates 74% of the outstanding shares issued by the Company. These are related party and party-in-interest transactions. As described in Note A, the Plan has a number of service providers. Such parties are parties-in-interest under ERISA.

NOTE G – TAX STATUS

The ESOP received its favorable determination letter dated September 14, 2017, from the Internal Revenue Service ("IRS"), stating that the ESOP is designed in accordance with applicable sections of the IRC and, therefore, the related trust is exempt from taxation. Effective with the Plan restatement in September 2023, the Plan adopted a pre-approved ESOP which received its opinion letter dated June 30, 2020. Once qualified, the Plan is required to operate in conformity with the IRC to maintain its qualification. The plan administrator and its advisors believe that the Plan is currently operated in compliance with the applicable requirements of the IRC, and therefore, believe that the Plan is qualified and the related trust is tax-exempt.

Accounting principles generally accepted in the United States of America require Plan management to evaluate tax positions taken by the Plan and recognize a tax liability if the Plan has taken an uncertain position that more likely than not would not be sustained upon examination by the applicable taxing authorities. The Plan is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress.

NOTE H – INSIDE LOAN

In connection with the acquisition of the 1 million shares of the Company's common stock (see Note A.1), purchased on December 30, 2022, the ESOP entered into a nonrecourse Loan and Pledge Agreement with the Company ("Inside Loan"). Unallocated shares are collateral for the Inside 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 current year's payments, plus all future years' principal and interest payments. During the year ended December 31, 2023, the Company made the required debt payment of $388,197, which resulted in the release of 49,079 collateralized shares.

The Inside Loan, as amended (see Note A.1), bears interest at an annual rate of 4.34%. Principal and interest payments will be paid in 20 consecutive annual payments beginning on December 31, 2023 through December 31, 2042. The ESOP may pre-pay the principal balance in part or in whole without premium or penalty.

Future maturities of ESOP principal payments for the Inside Loan, as amended, are as follows:

December 31		
2024	$	176,545
2025		184,207
2026		192,201
2027		200,543
2028		209,246
Thereafter		4,088,056
	$	5,050,798

NOTE I – SUBSEQUENT EVENTS

Management has evaluated subsequent events through October 14, 2024, the date on which the financial statements were available to be issued.

SUPPLEMENTAL SCHEDULES FURNISHED
PURSUANT TO DOL REGULATIONS UNDER ERISA
DECEMBER 31, 2023

KEENAN, HOPKINS, SUDER & STOWELL CONTRACTORS, INC.

EMPLOYEE STOCK OWNERSHIP PLAN

Plan Number: 002 EIN: 58-2279196

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

December 31, 2023

(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
*	Keenan, Hopkins, Suder & Stowell Contractors, Inc.	2,500,000 shares of common stock	$ 19,020,000	$ 10,625,000
		Total Investments	$ 19,020,000	$ 10,625,000

* A party-in-interest as defined by ERISA.

** Based on the adjusted purchase price

KEENAN, HOPKINS, SUDER & STOWELL CONTRACTORS, INC.
EMPLOYEE STOCK OWNERSHIP PLAN
Plan Number: 002 EIN: 58-2279196
Schedule H, line 4j - Schedule of Reportable Transactions
For the Year Ended December 31, 2023

(a) Identity of party involved	(b) Description of asset (include interest rate and maturity in case of a loan)	(c) Purchase price	(d) Selling price	(e) Lease rental	(f) Expenses incurred with transaction	(g) Cost of asset	(h) Current value of asset on transaction date	(i) Net gain or (loss)
Goldman Sachs	Financial Square Government Fund, 2 transactions	$ 640,508	$ -	-	-	$ 640,508	$ 640,508	$ -
Goldman Sachs	Financial Square Government Fund, 2 transactions	$ -	$ 640,508	-	-	$ 640,508	$ 640,508	$ -

KEENAN, HOPKINS, SUDER & STOWELL CONTRACTORS, INC.
EMPLOYEE STOCK OWNERSHIP PLAN
Plan Number: 002 EIN: 58-2279196
Schedule H, line 4j - Schedule of Reportable Transactions
For the Year Ended December 31, 2023

(a) Identity of party involved	(b) Description of asset (include interest rate and maturity in case of a loan)	(c) Purchase price	(d) Selling price	(e) Lease rental	(f) Expenses incurred with transaction	(g) Cost of asset	(h) Current value of asset on transaction date	(i) Net gain or (loss)
Goldman Sachs	Financial Square Government Fund, 2 transactions	$ 640,508	$ -	-	-	$ 640,508	$ 640,508	$ -
Goldman Sachs	Financial Square Government Fund, 2 transactions	$ -	$ 640,508	-	-	$ 640,508	$ 640,508	$ -