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
- [ ] 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
- [X] 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
HENICK-LANE SERVICE CORP. EMPLOYEE STOCK OWNERSHIP PLAN

1b Three-digit plan number (PN) ▶ 003

1c Effective date of plan
01/01/2017

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)
HENICK-LANE SERVICE CORP.

45-39 DAVIS STREET
LONG ISLAND CITY, NY 11101

2b Employer Identification Number (EIN)
11-2193554

2c Plan Sponsor's telephone number
718-786-7277

2d Business code (see instructions)
238220

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.	12/23/2025	ERNEST HENICK
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE			
	Signature of employer/plan sponsor	Date	Enter name of individual signing as employer or plan sponsor
SIGN HERE			
	Signature of DFE	Date	Enter name of individual signing as DFE

3a Plan administrator's name and address [X] Same as Plan Sponsor	**3b** Administrator's EIN	
	3c Administrator's telephone number	
4 If the name and/or EIN of the plan sponsor or the plan name has changed since the last return/report filed for this plan, enter the plan sponsor's name, EIN, the plan name and the plan number from the last return/report:	**4b** EIN	
a Sponsor's name		
c Plan Name	**4d** PN	
5 Total number of participants at the beginning of the plan year	**5**	253
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)**	21
a(2) Total number of active participants at the end of the plan year	**6a(2)**	27
b Retired or separated participants receiving benefits	**6b**	0
c Other retired or separated participants entitled to future benefits	**6c**	221
d Subtotal. Add lines **6a(2)**, **6b**, and **6c**.	**6d**	248
e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits.	**6e**	0
f Total. Add lines **6d** and **6e**.	**6f**	248
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)**	246
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)**	248
h Number of participants who terminated employment during the plan year with accrued benefits that were less than 100% vested	**6h**	1
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:

2P

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 ______
- (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) [ ] **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 H (Form 5500)	Financial 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), and section 6058(a) of the Internal Revenue Code (the Code). ▶ **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
HENICK-LANE SERVICE CORP. EMPLOYEE STOCK OWNERSHIP PLAN

B Three-digit plan number (PN) ▶ 003

C Plan sponsor's name as shown on line 2a of Form 5500
HENICK-LANE SERVICE CORP.

D Employer Identification Number (EIN)
11-2193554

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	0	0
b Receivables (less allowance for doubtful accounts):			
(1) Employer contributions	1b(1)	0	0
(2) Participant contributions	1b(2)	0	0
(3) Other	1b(3)	0	0
c General investments:			
(1) Interest-bearing cash (include money market accounts & certificates of deposit)	1c(1)	125559	131810
(2) U.S. Government securities	1c(2)	0	0
(3) Corporate debt instruments (other than employer securities):			
(A) Preferred	1c(3)(A)	0	0
(B) All other	1c(3)(B)	0	0
(4) Corporate stocks (other than employer securities):			
(A) Preferred	1c(4)(A)	0	0
(B) Common	1c(4)(B)	0	0
(5) Partnership/joint venture interests	1c(5)	0	0
(6) Real estate (other than employer real property)	1c(6)	0	0
(7) Loans (other than to participants)	1c(7)	0	0
(8) Participant loans	1c(8)	0	0
(9) Value of interest in common/collective trusts	1c(9)	0	0
(10) Value of interest in pooled separate accounts	1c(10)	0	0
(11) Value of interest in master trust investment accounts	1c(11)	0	0
(12) Value of interest in 103-12 investment entities	1c(12)	0	0
(13) Value of interest in registered investment companies (e.g., mutual funds)	1c(13)	0	0
(14) Value of funds held in insurance company general account (unallocated contracts)	1c(14)	0	0
(15) Other	1c(15)	0	0

		(a) Beginning of Year	(b) End of Year
1d Employer-related investments:			
(1) Employer securities	1d(1)	1620234	2585979
(2) Employer real property	1d(2)	0	0
e Buildings and other property used in plan operation	1e	0	0
f Total assets (add all amounts in lines 1a through 1e)	1f	1745793	2717789
Liabilities			
g Benefit claims payable	1g	0	0
h Operating payables	1h	0	0
i Acquisition indebtedness	1i	14141051	13810388
j Other liabilities	1j	0	0
k Total liabilities (add all amounts in lines 1g through1j)	1k	14141051	13810388
Net Assets			
l Net assets (subtract line 1k from line 1f)	1l	-12395258	-11092599

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)	1142890	
(B) Participants	2a(1)(B)	0	
(C) Others (including rollovers)	2a(1)(C)	0	
(2) Noncash contributions	2a(2)	0	
(3) Total contributions. Add lines **2a(1)(A), (B), (C),** and line **2a(2)**	2a(3)		1142890
b Earnings on investments:			
(1) Interest:			
(A) Interest-bearing cash (including money market accounts and certificates of deposit)	2b(1)(A)	6251	
(B) U.S. Government securities	2b(1)(B)	0	
(C) Corporate debt instruments	2b(1)(C)	0	
(D) Loans (other than to participants)	2b(1)(D)	0	
(E) Participant loans	2b(1)(E)	0	
(F) Other	2b(1)(F)	0	
(G) Total interest. Add lines **2b(1)(A)** through **(F)**	2b(1)(G)		6251
(2) Dividends: (A) Preferred stock	2b(2)(A)	0	
(B) Common stock	2b(2)(B)	0	
(C) Registered investment company shares (e.g. mutual funds)	2b(2)(C)	0	
(D) Total dividends. Add lines **2b(2)(A)**, **(B)**, and **(C)**	2b(2)(D)		0
(3) Rents	2b(3)		0
(4) Net gain (loss) on sale of assets: (A) Aggregate proceeds	2b(4)(A)	0	
(B) Aggregate carrying amount (see instructions)	2b(4)(B)	0	
(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)	0	
(B) Other	2b(5)(B)	965745	
(C) Total unrealized appreciation of assets. Add lines **2b(5)(A)** and **(B)**	2b(5)(C)		965745

		(a) Amount	**(b)** Total
(6) Net investment gain (loss) from common/collective trusts	**2b(6)**		0
(7) Net investment gain (loss) from pooled separate accounts	**2b(7)**		0
(8) Net investment gain (loss) from master trust investment accounts	**2b(8)**		0
(9) Net investment gain (loss) from 103-12 investment entities	**2b(9)**		0
(10) Net investment gain (loss) from registered investment companies (e.g., mutual funds)	**2b(10)**		0
c Other income	**2c**		0
d Total income. Add all **income** amounts in column (b) and enter total	**2d**		2114886

Expenses

e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	**2e(1)**	0	
(2) To insurance carriers for the provision of benefits	**2e(2)**	0	
(3) Other	**2e(3)**	0	
(4) Total benefit payments. Add lines **2e(1)** through **(3)**	**2e(4)**		0
f Corrective distributions (see instructions)	**2f**		0
g Certain deemed distributions of participant loans (see instructions)	**2g**		0
h Interest expense	**2h**		812227
i Administrative expenses:			
(1) Salaries and allowances	**2i(1)**	0	
(2) Contract administrator fees	**2i(2)**	0	
(3) Recordkeeping fees	**2i(3)**	0	
(4) IQPA audit fees	**2i(4)**	0	
(5) Investment advisory and investment management fees	**2i(5)**	0	
(6) Bank or trust company trustee/custodial fees	**2i(6)**	0	
(7) Actuarial fees	**2i(7)**	0	
(8) Legal fees	**2i(8)**	0	
(9) Valuation/appraisal fees	**2i(9)**	0	
(10) Other trustee fees and expenses	**2i(10)**	0	
(11) Other expenses	**2i(11)**	0	
(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**		812227

Net Income and Reconciliation

k Net income (loss). Subtract line **2j** from line **2d**	**2k**		1302659
l Transfers of assets:			
(1) To this plan	**2l(1)**		0
(2) From this plan	**2l(2)**		0

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: GRASSI & CO., CPAS, PC **(2)** EIN: 11-3266576

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	
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
HENICK-LANE SERVICE CORP. EMPLOYEE STOCK OWNERSHIP PLAN

B Three-digit plan number (PN) ▶ 003

C Plan sponsor's name as shown on line 2a of Form 5500
HENICK-LANE SERVICE CORP.

D Employer Identification Number (EIN)
11-2193554

Part I Distributions

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

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

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

EIN(s): ______________ ______________

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

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

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

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

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

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

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

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

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

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

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

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

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

Part III Amendments

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

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

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

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

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

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

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

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

a Name of contributing employer

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

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

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

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

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

a Name of contributing employer

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

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

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

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

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

a Name of contributing employer

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

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

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

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

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

a Name of contributing employer

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

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

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

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

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

a Name of contributing employer

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

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

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

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

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

a Name of contributing employer

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

HENICK-LANE SERVICE CORP.
EMPLOYEE STOCK OWNERSHIP PLAN

FINANCIAL STATEMENTS

DECEMBER 31, 2023

HENICK-LANE SERVICE CORP.
EMPLOYEE STOCK OWNERSHIP PLAN

CONTENTS

GRASSI

INDEPENDENT AUDITORS' REPORT

To The Board of Trustees
Henick-Lane Service Corp. Employee Stock Ownership Plan
Long Island City, New York

Opinion

We have audited the accompanying financial statements of Henick-Lane Service Corp. 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 (deficit) available for benefits as of December 31, 2023 and 2022, and the related statement of changes in net assets (deficit) 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 net assets available for benefits of Henick-Lane Service Corp. Employee Stock Ownership 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 the Plan and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our 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.

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.

50 JERICHO QUADRANGLE, STE. 200, JERICHO, NY 11753
P: 516.256.3500 • F: 516.256.3510 • GRASSIADVISORS.COM

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 judgment made by a reasonable user based on the financial statements.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of 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 Schedule Required by ERISA

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The supplemental Schedule H, Part IV, Line 4i - Schedule of Assets (Held at End of Year) at December 31, 2023 is presented for purposes of additional analysis and is not a required part of the financial statements but is 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 schedule, we evaluated whether the supplemental schedule, including its form and content, is 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 schedule 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.

Grassi & Co, CPAs, P.C.

GRASSI & CO., CPAs, P.C.

Jericho, New York
December 19, 2025

HENICK-LANE SERVICE CORP.
EMPLOYEE STOCK OWNERSHIP PLAN
STATEMENTS OF NET ASSETS (DEFICIT) AVAILABLE FOR BENEFITS
DECEMBER 31, 2023 AND 2022

	2023			2022		
	Allocated	Unallocated	Total	Allocated	Unallocated	Total
ASSETS:						
Investment in Plan Sponsor common stock, at fair value	$ 1,103,873	$ 1,482,106	$ 2,585,979	$ 632,055	$ 988,179	$ 1,620,234
Cash and cash equivalents	131,810	-	131,810	125,559	-	125,559
Total Assets	1,235,683	1,482,106	2,717,789	757,614	988,179	1,745,793
LIABILITIES:						
Loans payable to Plan Sponsor	-	13,810,388	13,810,388	-	14,141,051	14,141,051
NET ASSETS (DEFICIT) AVAILABLE FOR BENEFITS	$ 1,235,683	$ (12,328,282)	$ (11,092,599)	$ 757,614	$ (13,152,872)	$ (12,395,258)

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

HENICK-LANE SERVICE CORP.
EMPLOYEE STOCK OWNERSHIP PLAN
STATEMENT OF CHANGES IN NET ASSETS (DEFICIT) AVAILABLE FOR BENEFITS
FOR THE YEAR ENDED DECEMBER 31, 2023

	Allocated	Unallocated	Total
ADDITIONS TO NET ASSETS:			
Investment income:			
Unrealized appreciation in fair value of investment in Plan Sponsor common stock	$ 376,758	$ 588,987	$ 965,745
Interest income	6,251	-	6,251
Total Investment Income	383,009	588,987	971,996
Employer contributions	-	1,142,891	1,142,891
Allocation of 363.92 shares of Plan Sponsor common stock	95,060	-	95,060
Total Additions	478,069	1,731,878	2,209,947
DEDUCTIONS FROM NET ASSETS:			
Interest expense	-	812,228	812,228
Allocation of 363.92 shares of Plan Sponsor common stock	-	95,060	95,060
Total Deductions	-	907,288	907,288
NET INCREASE	478,069	824,590	1,302,659
NET ASSETS (DEFICIT) AVAILABLE FOR BENEFITS:			
Beginning of year	757,614	(13,152,872)	(12,395,258)
End of year	$ 1,235,683	$ (12,328,282)	$ (11,092,599)

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

Note 1 - Plan Description

The following brief description of Henick-Lane Service Corp. Employee Stock Ownership Plan (the "Plan") is provided for general information purposes only. Participants should refer to the Plan Agreement for complete information.

General

Henick Lane, Inc. and Subsidiaries ("HLI") is a construction company engaged in the design, installation and maintenance of heating, ventilation and air conditioning systems. HLI established the Henick-Lane Inc. Employee Stock Ownership Plan (the "HLI Plan") effective as of January 1, 2017 (the "Effective Date"). The HLI Plan was intended to satisfy the retirement plan qualification requirements of Section 401(a) of the Internal Revenue Code of 1986, as amended (the "Code"). The HLI Plan was intended to be an employee stock ownership plan within the meaning of Section 4975(e)(7) of the Code, and Section 407(d)(6) of the Employee Retirement Income Security Act of 1974, as amended ("ERISA"), and was intended to enable eligible employees to acquire ownership interests in HLI by investing primarily in HLI stock. The HLI Plan was specifically permitted and designed to invest up to 100% of its assets in HLI stock. HLI's Board of Directors appointed Aegis Fiduciary Services, LLC ("Aegis") and Robert E. Lesser (the "Trustee") to administer the Plan and Danziger & Markhoff, LLP as the recordkeeper ("Recordkeeper"). Argent Institutional Trust Company serves as custodian for Aegis.

On September 13, 2018, the HLI Plan purchased 75,000 shares of HLI's issued and outstanding stock (Class A common stock) (the "Stock") from the two stockholders of HLI for $27,500,000, resulting in a purchase price of $366.67 per share. The HLI Plan financed the purchase with two loans from the stockholders in the aggregate amount of $27,500,000. All of the HLI stock owned by the HLI Plan was held in a trust established under the HLI Plan. HLI immediately purchased Stock from participants in the HLI Plan, who received distributions thereof, which HLI held as treasury stock.

Effective April 2022, HLI sold substantially all its assets and liabilities to Henick-Lane Service Corp. ("HLS") for 99% of the outstanding capital stock. HLS adopted the HLI Plan, kept it intact, and assumed its sponsorship upon becoming a member of the HLS controlled group. HLI distributed the common stock assumed under the purchase agreement of HLS to the HLI Plan's Trust. In addition, HLI's management became the new management of HLS and assumed the employees of HLI. Any prior agreements and Plan documents were authorized, approved, adopted, ratified and confirmed to now fall under HLS. In addition, both the HLI Plan and trust were amended and restated to the Henick-Lane Service Corp. Employee Stock Ownership Plan and the Henick-Lane Service Corp. Employee Stock Ownership Trust, with HLS as the Plan's sponsor (the "Plan Sponsor").

Note 1 - Plan Description (cont'd.)

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 shares of the Plan Sponsor's common stock released by the Trustee from the unallocated account and forfeitures of terminated participants' nonvested accounts.

Only those participants who are eligible employees of the Plan Sponsor as of the last day of the Plan year will receive an allocation. 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, relative to total compensation. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account.

Vesting

If a participant's employment with the Plan Sponsor ends for any reason other than retirement, permanent disability or death, he or she will vest in the balances in his or her account based on total years of service with the Plan Sponsor. Participants vest 20% per year of service after the first year and are 100% vested after five years of service.

In addition, participants shall be 100% vested upon reaching the age of 65 and completing five years of service, becoming permanently disabled, or upon death, each while employed by the Plan Sponsor. As discussed in Note 11, during 2023, the Plan experienced a partial plan termination in which all employer contributions became fully vested at that time.

Put Option

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

Note 1 - Plan Description (cont'd.)

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 Plan Sponsor's 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. The diversification election must be made during the first 90 days of each Plan year in which the participant is eligible to make such an election. 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% 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%. Participants who elect to diversify receive a cash distribution.

Forfeitures

Plan forfeitures may be used to pay Plan expenses or may be allocated to each participant's account based upon the same method used to allocate discretionary contributions. There were forfeited shares of terminated nonvested account balances in the amount of $2,617 for the year ended December 31, 2023, which were allocated to remaining participants. There were no forfeited nonvested accounts as of December 31, 2023.

Administrative Expenses

As provided in the Plan agreement, all administrative expenses will be paid by the Plan Sponsor.

Use of Estimates

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

Cash and Cash Equivalents

The Plan considers securities purchased with initial maturities of three months or less to be cash equivalents. As of December 31, 2023 and 2022, cash and cash equivalents amounted to $131,810 and $125,559, respectively.

Note 2 - Summary of Significant Accounting Policies

Basis of Accounting

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

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.

Investment Valuation and Income Recognition

The shares of Plan Sponsor's common stock are valued at estimated fair value. See Note 8 for a discussion of fair value measurement.

Purchases and sales of securities are recorded on a trade-date basis. Realized gains and losses from securities transactions are reported on the average cost method. Net appreciation or depreciation includes the Plan's gains and losses on investments bought and sold as well as held during the year.

Note 3 - Information Prepared and Certified by Custodian

The following information included in the accompanying financial statements was obtained from data that has been prepared and certified to as complete and accurate by Argent Institutional Trust, as custodian of the Plan, at December 31, 2023 and 2022 and for the year ended December 31, 2023.

	2023	2022
Investments:		
Investment in Plan Sponsor common stock,		
at fair value	$ 2,585,979	$ 1,620,234
Cash and cash equivalents	131,810	125,559
	$ 2,717,789	$ 1,745,793
Investment income:		
Unrealized appreciation in fair value of		
Plan Sponsor common stock	$ 965,745	
Interest income	6,251	
	$ 971,996	

Note 4 - Concentration of Credit Risk

The Plan maintains cash balances in a financial institution. Such balances are insured by the Federal Deposit Insurance Corporation ("FDIC") for up to $250,000. From time to time, the Plan's balances may exceed this limit.

The Plan's assets available for benefits at December 31, 2023 and 2022 include $2,585,979 and $1,620,234, respectively, in the Plan Sponsor's common stock at fair value. If the Plan Sponsor were to become insolvent, the value of these assets could be reduced significantly and have a material effect on the Plan and the participants' account values. The Plan makes no assurance of the future value of Plan assets.

Note 5 - Tax Status

The Internal Revenue Service ("IRS") has determined and informed the Plan Sponsor by a letter dated July 21, 2021 that the Plan is qualified, and the trust established under the Plan is tax-exempt, under the appropriate sections of the Code. The Plan has not been amended since receiving the determination letter.

U.S. GAAP requires Plan management to evaluate uncertain tax positions taken by the Plan and recognize a tax benefit only if it is more likely than not that the tax position would be sustained upon examination by the IRS.

The Plan administrator has analyzed the tax positions taken by the Plan and has concluded that at December 31, 2023, there are no uncertain positions taken or expected to be taken that would require recognition of a liability (or asset) or disclosure in the financial statements. The Plan is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. The Plan administrator believes the Plan is no longer subject to income tax examinations for years prior to 2020.

Note 6 - Administration of Plan Assets

The Plan's assets and Plan Sponsor's contributions, which consist principally of the Plan Sponsor's common stock, are held and managed by the Trustee of the Plan, who invests cash received, interest and dividend income, and makes distributions to participants.

Certain administrative functions are performed by officers or employees of the Plan Sponsor or its affiliates. No such officer or employee receives compensation from the Plan. Administrative expenses for the Trustee's and Recordkeeper's fees are paid directly by the Plan Sponsor.

Note 7 - Plan Sponsor Common Stock

The Plan's investments in the Plan Sponsor's common stock at December 31, 2023 and 2022, are presented in the following tables:

	December 31, 2023		
	Allocated	Unallocated	Total
Plan Sponsor common stock:			
Number of shares	79,226	5,674	84,900
Cost	$ 10,885,825	$ 14,614,175	$ 25,500,000
Fair market value	$ 1,103,873	$ 1,482,106	$ 2,585,979

	December 31, 2022		
	Allocated	Unallocated	Total
Plan Sponsor common stock:			
Number of shares	78,862	6,038	84,900
Cost	$ 9,948,442	$ 15,551,558	$ 25,500,000
Fair market value	$ 632,055	$ 988,179	$ 1,620,234

Note 8 - Fair Value Measurement

Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") Topic 820, *Fair Value Measurement*, provides the framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy under FASB ASC Topic 820 are described as follows:

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

Level 2 - Inputs to the valuation methodology include:

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

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

Note 8 - Fair Value Measurement (cont'd.)

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

The asset's 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.

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in methodologies used at December 31, 2023.

The fair value of the Plan Sponsor's common stock held by the Plan is valued using Level 3 inputs based upon an independent appraisal. This appraisal was based upon a combination of the market and income valuation techniques consistent with prior years. The appraiser took into account historical and projected cash flow and net income, return on assets, return on equity, market comparable, weighted average cost of capital, discount rate, EBITDA multiples, and estimated fair value of the Plan Sponsor's assets and liabilities.

Plan management has concluded that a market participant would also recognize a discount for lack of marketability. Plan management accumulates the data for the appraiser from the internally prepared financial statements of the Plan Sponsor. The appraiser prepares a preliminary report which Plan management, along with the Plan trustee, reviews in detail, discusses and approves. The results of this process are documented in the minutes of the Plan fiduciary.

The valuation process involves the selection of an independent appraiser under an annual contract with the right to cancel such contract at any time. Plan management accumulates the data for the appraiser from historical and projected financial information of the Plan Sponsor. The information used in determining fair value of the Plan Sponsor's common stock was provided by the following information as related to the Plan Sponsor: historical internally prepared combined financial statements; a five-year financial forecast; conversations with management; and related calculations, reviews, analyses, and research as deemed necessary. The appraiser prepares a report of estimated per share value that a participant will receive upon distribution.

The Trustee is responsible for reviewing and approving the appraisal report and the valuation of the Plan Sponsor common stock to be included in the reporting of the Plan's financial statements as of December 31, 2023. This process is completed annually, and the Plan trustee evaluates and analyzes the changes in fair value measurements from period to period as well as the unobservable inputs and methods used in the fair value measurement.

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although 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.

Note 8 - Fair Value Measurement (cont'd.)

The following table sets forth by level, within the fair value hierarchy, the Plan's assets at fair value at December 31, 2023 and 2022:

	2023		2022	
	Level 3	Total	Level 3	Total
Investment in Plan Sponsor common stock	$ 2,585,979	$ 2,585,979	$ 1,620,234	$ 1,620,234
Total Assets at Fair Value	$ 2,585,979	$ 2,585,979	$ 1,620,234	$ 1,620,234

The following table represents the changes in the Plan's Level 3 assets for the year ended December 31, 2023:

	Investment in Plan Sponsor Common Stock
Balance, January 1, 2023	$ 1,620,234
Contributions	1,142,891
Allocations to pay debt	(1,142,891)
Unrealized gains relating to assets held at the reporting date	965,745
Balance, December 31, 2023	$ 2,585,979
The amount of total gains for the period included in changes in net assets attributable to unrealized gains relating to assets held at the reporting date.	$ 965,745

Unrealized gains included in changes in net assets for the period above are reported in "Unrealized appreciation in fair value of investments" in the statement of changes in net assets (deficit) available for benefits.

Note 9 - Loans Payable

As described in Note 1, the HLI Plan entered into two term loans totaling $27,500,000 with the former stockholders of HLI. The proceeds of the loans were used to purchase 75,000 shares of HLI common stock, and unallocated shares were collateral for the loans. On September 17, 2018, the loans were refinanced with a loan under similar terms with a lower interest rate. Shares were released from collateral and allocated to participants as payments of principal and interest were made. The refinanced agreement provides for the loan to be repaid over 25 years at a fixed interest rate of 3.02% per annum.

Effective April 2022, the HLI Plan loan was assigned to HLS under the purchase agreement described in Note 1. HLS assumed the loan terms, and no new amortization schedule was created. Additionally, as a result of the Plan Sponsor's failure to achieve certain EBITDA targets (as defined in the original purchase agreement), the Plan was entitled to a downward adjustment, which was a reduction in the purchase price of $2,000,000.

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 the current year's payments, plus all future years' principal and interest payments. This resulted in 363.92 shares being released and allocated for the Plan year ended December 31, 2023.

The scheduled amortization of the loan for the next five years and thereafter is as follows as of December 31, 2023:

Years Ending December 31:	
2024	$ 295,050
2025	1,351,534
2026	675,767
2027	675,767
2028	675,767
Thereafter	10,136,503
	$ 13,810,388

Note 10 - Related Party and Party-In-Interest Transactions

The Plan invests in Plan Sponsor common stock. These transactions are considered related party and party-in-interest transactions. The Plan has a number of service providers such as the Trustee, the Plan administrator, and the firm that provides the valuation of the Plan Sponsor. Such service providers are also considered parties-in-interest under ERISA. As described in Notes 1 and 6, the Plan Sponsor pays all Plan expenses.

Note 11 - Partial Plan Termination

As a result of a reduction in the Plan Sponsor's workforce in 2023, the Plan experienced a partial plan termination as defined by ERISA. Under ERISA, a partial plan termination may occur if a significant percentage of the Plan's participants are terminated because of an action taken by the Plan Sponsor. As such, all employer contributions became fully vested at the time of the partial plan termination.

Note 12 - Risks and Uncertainties

The Plan's investments consist primarily of the Plan Sponsor's common stock, which is exposed to various risks, such as interest rate, market, and credit risks, as well as valuation assumptions based on earnings, cash flows, and other such techniques.

Due to the level of risk associated with the investment in the common stock and to uncertainties inherent in estimates and assumptions, it is at least reasonably possible that changes in the value of the common stock will occur in the near term and that such changes could materially affect the amounts reported in the statements of net assets (deficit) available for benefits.

Note 13 - Form 5500 Filing Status

As of the date of this report, the Plan's Form 5500 for the Plan year ended December 31, 2023 has not been filed with the Department of Labor. Management intends to complete and file the Form 5500 within the next 30 days.

Note 14 - Subsequent Events

The Plan administrator has evaluated all events or transactions that occurred after December 31, 2023 through December 19, 2025, which is the date that the financial statements were available to be issued. During this period, there were no material subsequent events requiring disclosure.

SUPPLEMENTAL SCHEDULE

Schedule H - Part IV - Line 4i - Schedule of Assets (Held at End of Year)
Attachment - Form 5500
Plan EIN: 11-2028211
Plan Number: 003

HENICK-LANE SERVICE CORP.
EMPLOYEE STOCK OWNERSHIP PLAN
SUPPLEMENTAL SCHEDULE
SCHEDULE OF ASSETS (HELD AT END OF YEAR)
AT DECEMBER 31, 2023

(a)	(b) Identity of Issuer	(c) Description of Investment	(d) Cost	(e) Current Value
		COMMON STOCK		
*	Henick-Lane Inc.	Common Stock	$ -	$ -
*	Henick-Lane Service Corp.	Common Stock	25,500,000	2,585,979
		CASH		
*	Henick-Lane Service Corp.	Cash	131,810	131,810
	Total Assets		$ 25,631,810	$ 2,717,789

* Party-in-interest

HENICK-LANE SERVICE CORP.
EMPLOYEE STOCK OWNERSHIP PLAN

FINANCIAL STATEMENTS

DECEMBER 31, 2023

HENICK-LANE SERVICE CORP.
EMPLOYEE STOCK OWNERSHIP PLAN

CONTENTS

GRASSI

<u>INDEPENDENT AUDITORS' REPORT</u>

To The Board of Trustees
Henick-Lane Service Corp. Employee Stock Ownership Plan
Long Island City, New York

Opinion

We have audited the accompanying financial statements of Henick-Lane Service Corp. 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 (deficit) available for benefits as of December 31, 2023 and 2022, and the related statement of changes in net assets (deficit) 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 net assets available for benefits of Henick-Lane Service Corp. Employee Stock Ownership 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 the Plan and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our 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.

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.

50 JERICHO QUADRANGLE, STE. 200, JERICHO, NY 11753
P: 516.256.3500 • F: 516.256.3510 • GRASSIADVISORS.COM

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 judgment made by a reasonable user based on the financial statements.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of 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 Schedule Required by ERISA

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The supplemental Schedule H, Part IV, Line 4i - Schedule of Assets (Held at End of Year) at December 31, 2023 is presented for purposes of additional analysis and is not a required part of the financial statements but is 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 schedule, we evaluated whether the supplemental schedule, including its form and content, is 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 schedule 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.

Grassi & Co, CPAs, P.C.

GRASSI & CO., CPAs, P.C.

Jericho, New York
December 19, 2025

HENICK-LANE SERVICE CORP.
EMPLOYEE STOCK OWNERSHIP PLAN
STATEMENTS OF NET ASSETS (DEFICIT) AVAILABLE FOR BENEFITS
DECEMBER 31, 2023 AND 2022

	2023			2022		
	Allocated	Unallocated	Total	Allocated	Unallocated	Total
ASSETS:						
Investment in Plan Sponsor common stock, at fair value	$ 1,103,873	$ 1,482,106	$ 2,585,979	$ 632,055	$ 988,179	$ 1,620,234
Cash and cash equivalents	131,810	-	131,810	125,559	-	125,559
Total Assets	1,235,683	1,482,106	2,717,789	757,614	988,179	1,745,793
LIABILITIES:						
Loans payable to Plan Sponsor	-	13,810,388	13,810,388	-	14,141,051	14,141,051
NET ASSETS (DEFICIT) AVAILABLE FOR BENEFITS	$ 1,235,683	$ (12,328,282)	$ (11,092,599)	$ 757,614	$ (13,152,872)	$ (12,395,258)

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

HENICK-LANE SERVICE CORP.
EMPLOYEE STOCK OWNERSHIP PLAN
STATEMENT OF CHANGES IN NET ASSETS (DEFICIT) AVAILABLE FOR BENEFITS
FOR THE YEAR ENDED DECEMBER 31, 2023

	Allocated	Unallocated	Total
ADDITIONS TO NET ASSETS:			
Investment income:			
Unrealized appreciation in fair value of investment in Plan Sponsor common stock	$ 376,758	$ 588,987	$ 965,745
Interest income	6,251	-	6,251
Total Investment Income	383,009	588,987	971,996
Employer contributions	-	1,142,891	1,142,891
Allocation of 363.92 shares of Plan Sponsor common stock	95,060	-	95,060
Total Additions	478,069	1,731,878	2,209,947
DEDUCTIONS FROM NET ASSETS:			
Interest expense	-	812,228	812,228
Allocation of 363.92 shares of Plan Sponsor common stock	-	95,060	95,060
Total Deductions	-	907,288	907,288
NET INCREASE	478,069	824,590	1,302,659
NET ASSETS (DEFICIT) AVAILABLE FOR BENEFITS:			
Beginning of year	757,614	(13,152,872)	(12,395,258)
End of year	$ 1,235,683	$ (12,328,282)	$ (11,092,599)

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

Note 1 - Plan Description

The following brief description of Henick-Lane Service Corp. Employee Stock Ownership Plan (the “Plan”) is provided for general information purposes only. Participants should refer to the Plan Agreement for complete information.

General

Henick Lane, Inc. and Subsidiaries (“HLI”) is a construction company engaged in the design, installation and maintenance of heating, ventilation and air conditioning systems. HLI established the Henick-Lane Inc. Employee Stock Ownership Plan (the “HLI Plan”) effective as of January 1, 2017 (the "Effective Date"). The HLI Plan was intended to satisfy the retirement plan qualification requirements of Section 401(a) of the Internal Revenue Code of 1986, as amended (the "Code"). The HLI Plan was intended to be an employee stock ownership plan within the meaning of Section 4975(e)(7) of the Code, and Section 407(d)(6) of the Employee Retirement Income Security Act of 1974, as amended ("ERISA"), and was intended to enable eligible employees to acquire ownership interests in HLI by investing primarily in HLI stock. The HLI Plan was specifically permitted and designed to invest up to 100% of its assets in HLI stock. HLI’s Board of Directors appointed Aegis Fiduciary Services, LLC (“Aegis”) and Robert E. Lesser (the “Trustee”) to administer the Plan and Danziger & Markhoff, LLP as the recordkeeper (“Recordkeeper”). Argent Institutional Trust Company serves as custodian for Aegis.

On September 13, 2018, the HLI Plan purchased 75,000 shares of HLI’s issued and outstanding stock (Class A common stock) (the “Stock”) from the two stockholders of HLI for $27,500,000, resulting in a purchase price of $366.67 per share. The HLI Plan financed the purchase with two loans from the stockholders in the aggregate amount of $27,500,000. All of the HLI stock owned by the HLI Plan was held in a trust established under the HLI Plan. HLI immediately purchased Stock from participants in the HLI Plan, who received distributions thereof, which HLI held as treasury stock.

Effective April 2022, HLI sold substantially all its assets and liabilities to Henick-Lane Service Corp. (“HLS”) for 99% of the outstanding capital stock. HLS adopted the HLI Plan, kept it intact, and assumed its sponsorship upon becoming a member of the HLS controlled group. HLI distributed the common stock assumed under the purchase agreement of HLS to the HLI Plan’s Trust. In addition, HLI’s management became the new management of HLS and assumed the employees of HLI. Any prior agreements and Plan documents were authorized, approved, adopted, ratified and confirmed to now fall under HLS. In addition, both the HLI Plan and trust were amended and restated to the Henick-Lane Service Corp. Employee Stock Ownership Plan and the Henick-Lane Service Corp. Employee Stock Ownership Trust, with HLS as the Plan's sponsor (the "Plan Sponsor").

Note 1 - Plan Description (cont'd.)

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 shares of the Plan Sponsor's common stock released by the Trustee from the unallocated account and forfeitures of terminated participants' nonvested accounts.

Only those participants who are eligible employees of the Plan Sponsor as of the last day of the Plan year will receive an allocation. 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, relative to total compensation. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account.

Vesting

If a participant's employment with the Plan Sponsor ends for any reason other than retirement, permanent disability or death, he or she will vest in the balances in his or her account based on total years of service with the Plan Sponsor. Participants vest 20% per year of service after the first year and are 100% vested after five years of service.

In addition, participants shall be 100% vested upon reaching the age of 65 and completing five years of service, becoming permanently disabled, or upon death, each while employed by the Plan Sponsor. As discussed in Note 11, during 2023, the Plan experienced a partial plan termination in which all employer contributions became fully vested at that time.

Put Option

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

Note 1 - Plan Description (cont'd.)

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 Plan Sponsor's 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. The diversification election must be made during the first 90 days of each Plan year in which the participant is eligible to make such an election. 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% 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%. Participants who elect to diversify receive a cash distribution.

Forfeitures

Plan forfeitures may be used to pay Plan expenses or may be allocated to each participant's account based upon the same method used to allocate discretionary contributions. There were forfeited shares of terminated nonvested account balances in the amount of $2,617 for the year ended December 31, 2023, which were allocated to remaining participants. There were no forfeited nonvested accounts as of December 31, 2023.

Administrative Expenses

As provided in the Plan agreement, all administrative expenses will be paid by the Plan Sponsor.

Use of Estimates

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

Cash and Cash Equivalents

The Plan considers securities purchased with initial maturities of three months or less to be cash equivalents. As of December 31, 2023 and 2022, cash and cash equivalents amounted to $131,810 and $125,559, respectively.

Note 2 - Summary of Significant Accounting Policies

Basis of Accounting

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

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.

Investment Valuation and Income Recognition

The shares of Plan Sponsor's common stock are valued at estimated fair value. See Note 8 for a discussion of fair value measurement.

Purchases and sales of securities are recorded on a trade-date basis. Realized gains and losses from securities transactions are reported on the average cost method. Net appreciation or depreciation includes the Plan's gains and losses on investments bought and sold as well as held during the year.

Note 3 - Information Prepared and Certified by Custodian

The following information included in the accompanying financial statements was obtained from data that has been prepared and certified to as complete and accurate by Argent Institutional Trust, as custodian of the Plan, at December 31, 2023 and 2022 and for the year ended December 31, 2023.

	2023	2022
Investments:		
Investment in Plan Sponsor common stock, at fair value	$ 2,585,979	$ 1,620,234
Cash and cash equivalents	131,810	125,559
	$ 2,717,789	$ 1,745,793

	2023
Investment income:	
Unrealized appreciation in fair value of Plan Sponsor common stock	$ 965,745
Interest income	6,251
	$ 971,996

Note 4 - Concentration of Credit Risk

The Plan maintains cash balances in a financial institution. Such balances are insured by the Federal Deposit Insurance Corporation ("FDIC") for up to $250,000. From time to time, the Plan's balances may exceed this limit.

The Plan's assets available for benefits at December 31, 2023 and 2022 include $2,585,979 and $1,620,234, respectively, in the Plan Sponsor's common stock at fair value. If the Plan Sponsor were to become insolvent, the value of these assets could be reduced significantly and have a material effect on the Plan and the participants' account values. The Plan makes no assurance of the future value of Plan assets.

Note 5 - Tax Status

The Internal Revenue Service ("IRS") has determined and informed the Plan Sponsor by a letter dated July 21, 2021 that the Plan is qualified, and the trust established under the Plan is tax-exempt, under the appropriate sections of the Code. The Plan has not been amended since receiving the determination letter.

U.S. GAAP requires Plan management to evaluate uncertain tax positions taken by the Plan and recognize a tax benefit only if it is more likely than not that the tax position would be sustained upon examination by the IRS.

The Plan administrator has analyzed the tax positions taken by the Plan and has concluded that at December 31, 2023, there are no uncertain positions taken or expected to be taken that would require recognition of a liability (or asset) or disclosure in the financial statements. The Plan is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. The Plan administrator believes the Plan is no longer subject to income tax examinations for years prior to 2020.

Note 6 - Administration of Plan Assets

The Plan's assets and Plan Sponsor's contributions, which consist principally of the Plan Sponsor's common stock, are held and managed by the Trustee of the Plan, who invests cash received, interest and dividend income, and makes distributions to participants.

Certain administrative functions are performed by officers or employees of the Plan Sponsor or its affiliates. No such officer or employee receives compensation from the Plan. Administrative expenses for the Trustee's and Recordkeeper's fees are paid directly by the Plan Sponsor.

Note 7 - Plan Sponsor Common Stock

The Plan's investments in the Plan Sponsor's common stock at December 31, 2023 and 2022, are presented in the following tables:

	December 31, 2023		
	Allocated	Unallocated	Total
Plan Sponsor common stock:			
Number of shares	79,226	5,674	84,900
Cost	$ 10,885,825	$ 14,614,175	$ 25,500,000
Fair market value	$ 1,103,873	$ 1,482,106	$ 2,585,979

	December 31, 2022		
	Allocated	Unallocated	Total
Plan Sponsor common stock:			
Number of shares	78,862	6,038	84,900
Cost	$ 9,948,442	$ 15,551,558	$ 25,500,000
Fair market value	$ 632,055	$ 988,179	$ 1,620,234

Note 8 - Fair Value Measurement

Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") Topic 820, *Fair Value Measurement*, provides the framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy under FASB ASC Topic 820 are described as follows:

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

Level 2 - Inputs to the valuation methodology include:

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

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

Note 8 - Fair Value Measurement (cont'd.)

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

The asset's 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.

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in methodologies used at December 31, 2023.

The fair value of the Plan Sponsor's common stock held by the Plan is valued using Level 3 inputs based upon an independent appraisal. This appraisal was based upon a combination of the market and income valuation techniques consistent with prior years. The appraiser took into account historical and projected cash flow and net income, return on assets, return on equity, market comparable, weighted average cost of capital, discount rate, EBITDA multiples, and estimated fair value of the Plan Sponsor's assets and liabilities.

Plan management has concluded that a market participant would also recognize a discount for lack of marketability. Plan management accumulates the data for the appraiser from the internally prepared financial statements of the Plan Sponsor. The appraiser prepares a preliminary report which Plan management, along with the Plan trustee, reviews in detail, discusses and approves. The results of this process are documented in the minutes of the Plan fiduciary.

The valuation process involves the selection of an independent appraiser under an annual contract with the right to cancel such contract at any time. Plan management accumulates the data for the appraiser from historical and projected financial information of the Plan Sponsor. The information used in determining fair value of the Plan Sponsor's common stock was provided by the following information as related to the Plan Sponsor: historical internally prepared combined financial statements; a five-year financial forecast; conversations with management; and related calculations, reviews, analyses, and research as deemed necessary. The appraiser prepares a report of estimated per share value that a participant will receive upon distribution.

The Trustee is responsible for reviewing and approving the appraisal report and the valuation of the Plan Sponsor common stock to be included in the reporting of the Plan's financial statements as of December 31, 2023. This process is completed annually, and the Plan trustee evaluates and analyzes the changes in fair value measurements from period to period as well as the unobservable inputs and methods used in the fair value measurement.

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although 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.

Note 8 - Fair Value Measurement (cont'd.)

The following table sets forth by level, within the fair value hierarchy, the Plan's assets at fair value at December 31, 2023 and 2022:

	2023		2022	
	Level 3	Total	Level 3	Total
Investment in Plan Sponsor common stock	$ 2,585,979	$ 2,585,979	$ 1,620,234	$ 1,620,234
Total Assets at Fair Value	$ 2,585,979	$ 2,585,979	$ 1,620,234	$ 1,620,234

The following table represents the changes in the Plan's Level 3 assets for the year ended December 31, 2023:

	Investment in Plan Sponsor Common Stock
Balance, January 1, 2023	$ 1,620,234
Contributions	1,142,891
Allocations to pay debt	(1,142,891)
Unrealized gains relating to assets held at the reporting date	965,745
Balance, December 31, 2023	$ 2,585,979
The amount of total gains for the period included in changes in net assets attributable to unrealized gains relating to assets held at the reporting date.	$ 965,745

Unrealized gains included in changes in net assets for the period above are reported in "Unrealized appreciation in fair value of investments" in the statement of changes in net assets (deficit) available for benefits.

Note 9 - Loans Payable

As described in Note 1, the HLI Plan entered into two term loans totaling $27,500,000 with the former stockholders of HLI. The proceeds of the loans were used to purchase 75,000 shares of HLI common stock, and unallocated shares were collateral for the loans. On September 17, 2018, the loans were refinanced with a loan under similar terms with a lower interest rate. Shares were released from collateral and allocated to participants as payments of principal and interest were made. The refinanced agreement provides for the loan to be repaid over 25 years at a fixed interest rate of 3.02% per annum.

Effective April 2022, the HLI Plan loan was assigned to HLS under the purchase agreement described in Note 1. HLS assumed the loan terms, and no new amortization schedule was created. Additionally, as a result of the Plan Sponsor's failure to achieve certain EBITDA targets (as defined in the original purchase agreement), the Plan was entitled to a downward adjustment, which was a reduction in the purchase price of $2,000,000.

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 the current year's payments, plus all future years' principal and interest payments. This resulted in 363.92 shares being released and allocated for the Plan year ended December 31, 2023.

The scheduled amortization of the loan for the next five years and thereafter is as follows as of December 31, 2023:

Years Ending December 31:	
2024	$ 295,050
2025	1,351,534
2026	675,767
2027	675,767
2028	675,767
Thereafter	10,136,503
	$ 13,810,388

Note 10 - Related Party and Party-In-Interest Transactions

The Plan invests in Plan Sponsor common stock. These transactions are considered related party and party-in-interest transactions. The Plan has a number of service providers such as the Trustee, the Plan administrator, and the firm that provides the valuation of the Plan Sponsor. Such service providers are also considered parties-in-interest under ERISA. As described in Notes 1 and 6, the Plan Sponsor pays all Plan expenses.

Note 11 - Partial Plan Termination

As a result of a reduction in the Plan Sponsor's workforce in 2023, the Plan experienced a partial plan termination as defined by ERISA. Under ERISA, a partial plan termination may occur if a significant percentage of the Plan's participants are terminated because of an action taken by the Plan Sponsor. As such, all employer contributions became fully vested at the time of the partial plan termination.

Note 12 - Risks and Uncertainties

The Plan's investments consist primarily of the Plan Sponsor's common stock, which is exposed to various risks, such as interest rate, market, and credit risks, as well as valuation assumptions based on earnings, cash flows, and other such techniques.

Due to the level of risk associated with the investment in the common stock and to uncertainties inherent in estimates and assumptions, it is at least reasonably possible that changes in the value of the common stock will occur in the near term and that such changes could materially affect the amounts reported in the statements of net assets (deficit) available for benefits.

Note 13 - Form 5500 Filing Status

As of the date of this report, the Plan's Form 5500 for the Plan year ended December 31, 2023 has not been filed with the Department of Labor. Management intends to complete and file the Form 5500 within the next 30 days.

Note 14 - Subsequent Events

The Plan administrator has evaluated all events or transactions that occurred after December 31, 2023 through December 19, 2025, which is the date that the financial statements were available to be issued. During this period, there were no material subsequent events requiring disclosure.

SUPPLEMENTAL SCHEDULE

Schedule H - Part IV - Line 4i - Schedule of Assets (Held at End of Year)
Attachment - Form 5500
Plan EIN: 11-2028211
Plan Number: 003

HENICK-LANE SERVICE CORP.
EMPLOYEE STOCK OWNERSHIP PLAN
SUPPLEMENTAL SCHEDULE
SCHEDULE OF ASSETS (HELD AT END OF YEAR)
AT DECEMBER 31, 2023

(a)	(b) Identity of Issuer	(c) Description of Investment	(d) Cost	(e) Current Value
		COMMON STOCK		
*	Henick-Lane Inc.	Common Stock	$ -	$ -
*	Henick-Lane Service Corp.	Common Stock	25,500,000	2,585,979
		CASH		
*	Henick-Lane Service Corp.	Cash	131,810	131,810
	Total Assets		$ 25,631,810	$ 2,717,789

* Party-in-interest

HENICK-LANE SERVICE CORP.
EMPLOYEE STOCK OWNERSHIP PLAN

FINANCIAL STATEMENTS

DECEMBER 31, 2023

HENICK-LANE SERVICE CORP.
EMPLOYEE STOCK OWNERSHIP PLAN

CONTENTS

GRASSI

INDEPENDENT AUDITORS' REPORT

To The Board of Trustees
Henick-Lane Service Corp. Employee Stock Ownership Plan
Long Island City, New York

Opinion

We have audited the accompanying financial statements of Henick-Lane Service Corp. 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 (deficit) available for benefits as of December 31, 2023 and 2022, and the related statement of changes in net assets (deficit) 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 net assets available for benefits of Henick-Lane Service Corp. Employee Stock Ownership 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 the Plan and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our 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.

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.

50 JERICHO QUADRANGLE, STE. 200, JERICHO, NY 11753
P: 516.256.3500 • F: 516.256.3510 • GRASSIADVISORS.COM

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 judgment made by a reasonable user based on the financial statements.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of 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 Schedule Required by ERISA

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The supplemental Schedule H, Part IV, Line 4i - Schedule of Assets (Held at End of Year) at December 31, 2023 is presented for purposes of additional analysis and is not a required part of the financial statements but is 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 schedule, we evaluated whether the supplemental schedule, including its form and content, is 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 schedule 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.

Grassi & Co., CPAs, P.C.

GRASSI & CO., CPAs, P.C.

Jericho, New York
December 19, 2025

HENICK-LANE SERVICE CORP.
EMPLOYEE STOCK OWNERSHIP PLAN
STATEMENTS OF NET ASSETS (DEFICIT) AVAILABLE FOR BENEFITS
DECEMBER 31, 2023 AND 2022

	2023			2022		
	Allocated	Unallocated	Total	Allocated	Unallocated	Total
ASSETS:						
Investment in Plan Sponsor common stock, at fair value	$ 1,103,873	$ 1,482,106	$ 2,585,979	$ 632,055	$ 988,179	$ 1,620,234
Cash and cash equivalents	131,810	-	131,810	125,559	-	125,559
Total Assets	1,235,683	1,482,106	2,717,789	757,614	988,179	1,745,793
LIABILITIES:						
Loans payable to Plan Sponsor	-	13,810,388	13,810,388	-	14,141,051	14,141,051
NET ASSETS (DEFICIT) AVAILABLE FOR BENEFITS	$ 1,235,683	$ (12,328,282)	$ (11,092,599)	$ 757,614	$ (13,152,872)	$ (12,395,258)

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

HENICK-LANE SERVICE CORP.
EMPLOYEE STOCK OWNERSHIP PLAN
STATEMENT OF CHANGES IN NET ASSETS (DEFICIT) AVAILABLE FOR BENEFITS
FOR THE YEAR ENDED DECEMBER 31, 2023

	Allocated	Unallocated	Total
ADDITIONS TO NET ASSETS:			
Investment income:			
Unrealized appreciation in fair value of investment in Plan Sponsor common stock	$ 376,758	$ 588,987	$ 965,745
Interest income	6,251	-	6,251
Total Investment Income	383,009	588,987	971,996
Employer contributions	-	1,142,891	1,142,891
Allocation of 363.92 shares of Plan Sponsor common stock	95,060	-	95,060
Total Additions	478,069	1,731,878	2,209,947
DEDUCTIONS FROM NET ASSETS:			
Interest expense	-	812,228	812,228
Allocation of 363.92 shares of Plan Sponsor common stock	-	95,060	95,060
Total Deductions	-	907,288	907,288
NET INCREASE	478,069	824,590	1,302,659
NET ASSETS (DEFICIT) AVAILABLE FOR BENEFITS:			
Beginning of year	757,614	(13,152,872)	(12,395,258)
End of year	$ 1,235,683	$ (12,328,282)	$ (11,092,599)

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

Note 1 - Plan Description

The following brief description of Henick-Lane Service Corp. Employee Stock Ownership Plan (the “Plan”) is provided for general information purposes only. Participants should refer to the Plan Agreement for complete information.

General

Henick Lane, Inc. and Subsidiaries (“HLI”) is a construction company engaged in the design, installation and maintenance of heating, ventilation and air conditioning systems. HLI established the Henick-Lane Inc. Employee Stock Ownership Plan (the “HLI Plan”) effective as of January 1, 2017 (the "Effective Date"). The HLI Plan was intended to satisfy the retirement plan qualification requirements of Section 401(a) of the Internal Revenue Code of 1986, as amended (the "Code"). The HLI Plan was intended to be an employee stock ownership plan within the meaning of Section 4975(e)(7) of the Code, and Section 407(d)(6) of the Employee Retirement Income Security Act of 1974, as amended ("ERISA"), and was intended to enable eligible employees to acquire ownership interests in HLI by investing primarily in HLI stock. The HLI Plan was specifically permitted and designed to invest up to 100% of its assets in HLI stock. HLI’s Board of Directors appointed Aegis Fiduciary Services, LLC (“Aegis”) and Robert E. Lesser (the “Trustee”) to administer the Plan and Danziger & Markhoff, LLP as the recordkeeper (“Recordkeeper”). Argent Institutional Trust Company serves as custodian for Aegis.

On September 13, 2018, the HLI Plan purchased 75,000 shares of HLI’s issued and outstanding stock (Class A common stock) (the “Stock”) from the two stockholders of HLI for $27,500,000, resulting in a purchase price of $366.67 per share. The HLI Plan financed the purchase with two loans from the stockholders in the aggregate amount of $27,500,000. All of the HLI stock owned by the HLI Plan was held in a trust established under the HLI Plan. HLI immediately purchased Stock from participants in the HLI Plan, who received distributions thereof, which HLI held as treasury stock.

Effective April 2022, HLI sold substantially all its assets and liabilities to Henick-Lane Service Corp. (“HLS”) for 99% of the outstanding capital stock. HLS adopted the HLI Plan, kept it intact, and assumed its sponsorship upon becoming a member of the HLS controlled group. HLI distributed the common stock assumed under the purchase agreement of HLS to the HLI Plan’s Trust. In addition, HLI’s management became the new management of HLS and assumed the employees of HLI. Any prior agreements and Plan documents were authorized, approved, adopted, ratified and confirmed to now fall under HLS. In addition, both the HLI Plan and trust were amended and restated to the Henick-Lane Service Corp. Employee Stock Ownership Plan and the Henick-Lane Service Corp. Employee Stock Ownership Trust, with HLS as the Plan's sponsor (the "Plan Sponsor").

Note 1 - Plan Description (cont'd.)

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 shares of the Plan Sponsor's common stock released by the Trustee from the unallocated account and forfeitures of terminated participants' nonvested accounts.

Only those participants who are eligible employees of the Plan Sponsor as of the last day of the Plan year will receive an allocation. 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, relative to total compensation. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account.

Vesting

If a participant's employment with the Plan Sponsor ends for any reason other than retirement, permanent disability or death, he or she will vest in the balances in his or her account based on total years of service with the Plan Sponsor. Participants vest 20% per year of service after the first year and are 100% vested after five years of service.

In addition, participants shall be 100% vested upon reaching the age of 65 and completing five years of service, becoming permanently disabled, or upon death, each while employed by the Plan Sponsor. As discussed in Note 11, during 2023, the Plan experienced a partial plan termination in which all employer contributions became fully vested at that time.

Put Option

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

Note 1 - Plan Description (cont'd.)

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 Plan Sponsor's 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. The diversification election must be made during the first 90 days of each Plan year in which the participant is eligible to make such an election. 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% 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%. Participants who elect to diversify receive a cash distribution.

Forfeitures

Plan forfeitures may be used to pay Plan expenses or may be allocated to each participant's account based upon the same method used to allocate discretionary contributions. There were forfeited shares of terminated nonvested account balances in the amount of $2,617 for the year ended December 31, 2023, which were allocated to remaining participants. There were no forfeited nonvested accounts as of December 31, 2023.

Administrative Expenses

As provided in the Plan agreement, all administrative expenses will be paid by the Plan Sponsor.

Use of Estimates

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

Cash and Cash Equivalents

The Plan considers securities purchased with initial maturities of three months or less to be cash equivalents. As of December 31, 2023 and 2022, cash and cash equivalents amounted to $131,810 and $125,559, respectively.

Note 2 - Summary of Significant Accounting Policies

Basis of Accounting

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

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.

Investment Valuation and Income Recognition

The shares of Plan Sponsor's common stock are valued at estimated fair value. See Note 8 for a discussion of fair value measurement.

Purchases and sales of securities are recorded on a trade-date basis. Realized gains and losses from securities transactions are reported on the average cost method. Net appreciation or depreciation includes the Plan's gains and losses on investments bought and sold as well as held during the year.

Note 3 - Information Prepared and Certified by Custodian

The following information included in the accompanying financial statements was obtained from data that has been prepared and certified to as complete and accurate by Argent Institutional Trust, as custodian of the Plan, at December 31, 2023 and 2022 and for the year ended December 31, 2023.

	2023	2022
Investments:		
Investment in Plan Sponsor common stock, at fair value	$ 2,585,979	$ 1,620,234
Cash and cash equivalents	131,810	125,559
	$ 2,717,789	$ 1,745,793

	2023
Investment income:	
Unrealized appreciation in fair value of Plan Sponsor common stock	$ 965,745
Interest income	6,251
	$ 971,996

Note 4 - Concentration of Credit Risk

The Plan maintains cash balances in a financial institution. Such balances are insured by the Federal Deposit Insurance Corporation ("FDIC") for up to $250,000. From time to time, the Plan's balances may exceed this limit.

The Plan's assets available for benefits at December 31, 2023 and 2022 include $2,585,979 and $1,620,234, respectively, in the Plan Sponsor's common stock at fair value. If the Plan Sponsor were to become insolvent, the value of these assets could be reduced significantly and have a material effect on the Plan and the participants' account values. The Plan makes no assurance of the future value of Plan assets.

Note 5 - Tax Status

The Internal Revenue Service ("IRS") has determined and informed the Plan Sponsor by a letter dated July 21, 2021 that the Plan is qualified, and the trust established under the Plan is tax-exempt, under the appropriate sections of the Code. The Plan has not been amended since receiving the determination letter.

U.S. GAAP requires Plan management to evaluate uncertain tax positions taken by the Plan and recognize a tax benefit only if it is more likely than not that the tax position would be sustained upon examination by the IRS.

The Plan administrator has analyzed the tax positions taken by the Plan and has concluded that at December 31, 2023, there are no uncertain positions taken or expected to be taken that would require recognition of a liability (or asset) or disclosure in the financial statements. The Plan is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. The Plan administrator believes the Plan is no longer subject to income tax examinations for years prior to 2020.

Note 6 - Administration of Plan Assets

The Plan's assets and Plan Sponsor's contributions, which consist principally of the Plan Sponsor's common stock, are held and managed by the Trustee of the Plan, who invests cash received, interest and dividend income, and makes distributions to participants.

Certain administrative functions are performed by officers or employees of the Plan Sponsor or its affiliates. No such officer or employee receives compensation from the Plan. Administrative expenses for the Trustee's and Recordkeeper's fees are paid directly by the Plan Sponsor.

Note 7 - Plan Sponsor Common Stock

The Plan's investments in the Plan Sponsor's common stock at December 31, 2023 and 2022, are presented in the following tables:

	December 31, 2023		
	Allocated	Unallocated	Total
Plan Sponsor common stock:			
Number of shares	79,226	5,674	84,900
Cost	$ 10,885,825	$ 14,614,175	$ 25,500,000
Fair market value	$ 1,103,873	$ 1,482,106	$ 2,585,979

	December 31, 2022		
	Allocated	Unallocated	Total
Plan Sponsor common stock:			
Number of shares	78,862	6,038	84,900
Cost	$ 9,948,442	$ 15,551,558	$ 25,500,000
Fair market value	$ 632,055	$ 988,179	$ 1,620,234

Note 8 - Fair Value Measurement

Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") Topic 820, *Fair Value Measurement*, provides the framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy under FASB ASC Topic 820 are described as follows:

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

Level 2 - Inputs to the valuation methodology include:

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

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

Note 8 - Fair Value Measurement (cont'd.)

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

The asset's 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.

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in methodologies used at December 31, 2023.

The fair value of the Plan Sponsor's common stock held by the Plan is valued using Level 3 inputs based upon an independent appraisal. This appraisal was based upon a combination of the market and income valuation techniques consistent with prior years. The appraiser took into account historical and projected cash flow and net income, return on assets, return on equity, market comparable, weighted average cost of capital, discount rate, EBITDA multiples, and estimated fair value of the Plan Sponsor's assets and liabilities.

Plan management has concluded that a market participant would also recognize a discount for lack of marketability. Plan management accumulates the data for the appraiser from the internally prepared financial statements of the Plan Sponsor. The appraiser prepares a preliminary report which Plan management, along with the Plan trustee, reviews in detail, discusses and approves. The results of this process are documented in the minutes of the Plan fiduciary.

The valuation process involves the selection of an independent appraiser under an annual contract with the right to cancel such contract at any time. Plan management accumulates the data for the appraiser from historical and projected financial information of the Plan Sponsor. The information used in determining fair value of the Plan Sponsor's common stock was provided by the following information as related to the Plan Sponsor: historical internally prepared combined financial statements; a five-year financial forecast; conversations with management; and related calculations, reviews, analyses, and research as deemed necessary. The appraiser prepares a report of estimated per share value that a participant will receive upon distribution.

The Trustee is responsible for reviewing and approving the appraisal report and the valuation of the Plan Sponsor common stock to be included in the reporting of the Plan's financial statements as of December 31, 2023. This process is completed annually, and the Plan trustee evaluates and analyzes the changes in fair value measurements from period to period as well as the unobservable inputs and methods used in the fair value measurement.

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although 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.

Note 8 - Fair Value Measurement (cont'd.)

The following table sets forth by level, within the fair value hierarchy, the Plan's assets at fair value at December 31, 2023 and 2022:

	2023		2022	
	Level 3	Total	Level 3	Total
Investment in Plan Sponsor common stock	$ 2,585,979	$ 2,585,979	$ 1,620,234	$ 1,620,234
Total Assets at Fair Value	$ 2,585,979	$ 2,585,979	$ 1,620,234	$ 1,620,234

The following table represents the changes in the Plan's Level 3 assets for the year ended December 31, 2023:

	Investment in Plan Sponsor Common Stock
Balance, January 1, 2023	$ 1,620,234
Contributions	1,142,891
Allocations to pay debt	(1,142,891)
Unrealized gains relating to assets held at the reporting date	965,745
Balance, December 31, 2023	$ 2,585,979
The amount of total gains for the period included in changes in net assets attributable to unrealized gains relating to assets held at the reporting date.	$ 965,745

Unrealized gains included in changes in net assets for the period above are reported in "Unrealized appreciation in fair value of investments" in the statement of changes in net assets (deficit) available for benefits.

Note 9 - Loans Payable

As described in Note 1, the HLI Plan entered into two term loans totaling $27,500,000 with the former stockholders of HLI. The proceeds of the loans were used to purchase 75,000 shares of HLI common stock, and unallocated shares were collateral for the loans. On September 17, 2018, the loans were refinanced with a loan under similar terms with a lower interest rate. Shares were released from collateral and allocated to participants as payments of principal and interest were made. The refinanced agreement provides for the loan to be repaid over 25 years at a fixed interest rate of 3.02% per annum.

Effective April 2022, the HLI Plan loan was assigned to HLS under the purchase agreement described in Note 1. HLS assumed the loan terms, and no new amortization schedule was created. Additionally, as a result of the Plan Sponsor's failure to achieve certain EBITDA targets (as defined in the original purchase agreement), the Plan was entitled to a downward adjustment, which was a reduction in the purchase price of $2,000,000.

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 the current year's payments, plus all future years' principal and interest payments. This resulted in 363.92 shares being released and allocated for the Plan year ended December 31, 2023.

The scheduled amortization of the loan for the next five years and thereafter is as follows as of December 31, 2023:

Years Ending December 31:	
2024	$ 295,050
2025	1,351,534
2026	675,767
2027	675,767
2028	675,767
Thereafter	10,136,503
	$ 13,810,388

Note 10 - Related Party and Party-In-Interest Transactions

The Plan invests in Plan Sponsor common stock. These transactions are considered related party and party-in-interest transactions. The Plan has a number of service providers such as the Trustee, the Plan administrator, and the firm that provides the valuation of the Plan Sponsor. Such service providers are also considered parties-in-interest under ERISA. As described in Notes 1 and 6, the Plan Sponsor pays all Plan expenses.

Note 11 - Partial Plan Termination

As a result of a reduction in the Plan Sponsor's workforce in 2023, the Plan experienced a partial plan termination as defined by ERISA. Under ERISA, a partial plan termination may occur if a significant percentage of the Plan's participants are terminated because of an action taken by the Plan Sponsor. As such, all employer contributions became fully vested at the time of the partial plan termination.

Note 12 - Risks and Uncertainties

The Plan's investments consist primarily of the Plan Sponsor's common stock, which is exposed to various risks, such as interest rate, market, and credit risks, as well as valuation assumptions based on earnings, cash flows, and other such techniques.

Due to the level of risk associated with the investment in the common stock and to uncertainties inherent in estimates and assumptions, it is at least reasonably possible that changes in the value of the common stock will occur in the near term and that such changes could materially affect the amounts reported in the statements of net assets (deficit) available for benefits.

Note 13 - Form 5500 Filing Status

As of the date of this report, the Plan's Form 5500 for the Plan year ended December 31, 2023 has not been filed with the Department of Labor. Management intends to complete and file the Form 5500 within the next 30 days.

Note 14 - Subsequent Events

The Plan administrator has evaluated all events or transactions that occurred after December 31, 2023 through December 19, 2025, which is the date that the financial statements were available to be issued. During this period, there were no material subsequent events requiring disclosure.

SUPPLEMENTAL SCHEDULE

HENICK-LANE SERVICE CORP.
EMPLOYEE STOCK OWNERSHIP PLAN
SUPPLEMENTAL SCHEDULE
SCHEDULE OF ASSETS (HELD AT END OF YEAR)
AT DECEMBER 31, 2023

(a)	(b)	(c)	(d)	(e)
	Identity of Issuer	Description of Investment	Cost	Current Value
		COMMON STOCK		
*	Henick-Lane Inc.	Common Stock	$ -	$ -
*	Henick-Lane Service Corp.	Common Stock	25,500,000	2,585,979
		CASH		
*	Henick-Lane Service Corp.	Cash	131,810	131,810
	Total Assets		$ 25,631,810	$ 2,717,789

* Party-in-interest

See independent auditors' report.